NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Melissa Orsen
Chief Executive Officer

DATE: January 12, 2016

SUBJECT: Agenda for Board Meeting of the Authority January 12, 2016

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Incentive Programs

Bond Projects

Loans/Grants/Guarantees

Office of Recovery

Board Memorandums

Real Estate

Authority Matters

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

December 8, 2015

MINUTES OF THE MEETING

Members of the Authority present: Al Koeppe, Chairman; Jeffrey Stoller representing Commissioner Hal Wirths of the Department of Labor and Workforce Development; Aileen Egan representing Commissioner Richard Badolato of the Department of Banking and Insurance; Public Members: Joseph McNamara, Vice Chairman; Charles Sarlo, Philip B. Alagia, Massiel Medina Ferrara, David Huber, Fred B. Dumont, Patrick Delle Cava, First Alternate Public Member; William J. Albanese, Sr., Second Alternate Public Member, Harold Imperatore, Third Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Members Present via conference call: Colleen Kokas representing the Commissioner of the Department of Environmental Protection.

Absent: Jennifer Duffy representing Acting State Treasurer Ford M. Scudder and Public Member Larry Downes.

Also present: Melissa Orsen, Chief Executive Officer of the Authority; Timothy Lizura, President and Chief Operating Officer; Bette Renaud, Deputy Attorney General; Michael Collins, Governor's Authorities' Unit; and staff.

Chairman Koeppe 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 November 13, 2015 regular and executive session meeting minutes. A motion was made to approve the minutes by Mr. McNamara and seconded by Mr. Imperatore, 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

Mr. Sarlo entered the meeting at this time.

AUTHORITY MATTERS

ITEM: 2016 Strategic Business Plan
REQUEST: To review and approve the 2016 Strategic Business Plan that has been reviewed by the Policy and Audit Committees.
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Alagia **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: FY16 Fiscal Plan
REQUEST: To review and approve the proposed FY16 Fiscal Plan.
MOTION TO APPROVE: Mr. Huber **SECOND:** Mr. Delle Cava **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

INCENTIVE PROGRAMS

ITEM: Incentives Delegations – Grow New Jersey (Legacy and EOA)
REQUEST: To approve an increase in staff delegations 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.
MOTION TO APPROVE: Mr. Albanese **SECOND:** Ms. Eagen **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

Economic Redevelopment and Growth Grant Program

ITEM: 30 West Pershing, LLC APPL.#41412
REQUEST: To approve the application of 30 West Pershing, LLC for a project located in Edison, Middlesex County for the issuance of tax credits. The recommendation is to award 15.8% of actual eligible costs, not to exceed $4,579,282, in tax credits, based on the budget submitted.
MOTION TO APPROVE: Mr. Delle Cava **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ITEM: Advance at Harrison, LLC APPL.#41362
REQUEST: To approve the application of Advance at Harrison, LLC for a project located in Harrison, Hudson County for the issuance of tax credits. The recommendation is to award 27.42% of actual eligible costs, not to exceed $10,385,031, in tax credits, based on the budget submitted.
MOTION TO APPROVE: Mr. Delle Cava **SECOND:** Mr. Stoller **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

Ms. Ferrara recused herself because the matter was heard before the Hudson County Planning Board.

ITEM: DVL, Inc. APPL.#40087
REQUEST: To approve the application of DVL, Inc. for a project located in Kearny, Hudson County for the issuance of tax credits. The recommendation is to award 20% of actual eligible costs, not to exceed $9,590,284, in tax credits, based on the budget submitted.
MOTION TO APPROVE: Mr. Huber **SECOND:** Mr. Imperatore **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

Ms. Ferrara recused herself because the matter was heard before the Hudson County Planning Board.

ITEM: Flagship Resort Development Corporation APPL.#41510
THIS PROJECT WAS WITHHELD FROM CONSIDERATION.

Grow New Jersey Assistance Program

ITEM: ACME Cosmetic Components, LLC APPL.#41526
REQUEST: To approve the application of ACME Cosmetic Components, LLC, for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Secaucus, NJ. Project location of Secaucus Town, in 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 bonus increases to the tax credit award for Capital Investment in Excess of Minimum (non-Mega) and Targeted Industry of Manufacturing. The estimated annual award is $390,000 for a 10-year term.
MOTION TO APPROVE: Ms. Ferrara **SECOND:** Ms. Eagen **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

ITEM: Barry Callebaut USA LLC APPL.#41577
REQUEST: To approve the application of Barry Callebaut USA LLC, for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Pennsauken, NJ. Project location of Pennsauken Twp., 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 Transit Oriented Development, Capital Investment in Excess of Minimum (non-Mega), Targeted Industry of Manufacturing and 2007 Revit. Index>465 in Camden County. The estimated annual award is $273,000 for a 10-year term.
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Imperatore **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

ITEM: Coach, Inc. APPL.#41642
THIS PROJECT WAS WITHHELD FROM CONSIDERATION.

ITEM: MAC Trailer Leasing, Inc.
REQUEST: Not to disqualify MAC Trailer Leasing, Inc. after the review of legal matters.
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Imperatore **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

ITEM: MAC Trailer Leasing, Inc. APPL.#41512
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Huber **SECOND:** Ms. Ferrara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

ITEM: MAC Trailer Leasing, Inc. APPL.#41512
REQUEST: To approve the application of MAC Trailer Leasing, Inc., for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Newark, NJ. Project location of Newark City, in Essex 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, Transit Oriented Development and Targeted Industry of Logistics. The estimated annual award is $289,505 for a 10-year term.
MOTION TO APPROVE: Mr. Delle Cava **SECOND:** Mr. Albanese **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: Tryko Holdings LLC and affiliates APPL.#41413
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

ITEM: Tryko Holdings LLC and affiliates APPL.#41413
REQUEST: To approve the application of Tryko Holdings LLC and affiliates, for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Brick Twp., NJ. Project location of Brick Twp., in Ocean 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 On Site Solar Generation of ½ of Project's Electric Needs. The estimated annual award is $410,125 for a 10-year term.
MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. Huber **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

BOND PROJECTS

ITEM: The Fred 101, LLC APPL.#41631
LOCATION: Secaucus Town/Hudson County
PROCEEDS FOR: Acquisition of existing building
FINANCING: $7,500,000 Tax-exempt bond
MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. Imperatore **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

ITEM: Sephardic Torah Center APPL.#41344
LOCATION: Long Branch City/Monmouth County
PROCEEDS FOR: Refinancing
FINANCING: $1,596,158 Tax-exempt bond
MOTION TO APPROVE: Mr. Huber **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Combination Preliminary and Bond Resolutions

ITEM: Uncommon Properties VI, LLC APPL.#41792
LOCATION: Newark City/Essex County
PROCEEDS FOR: Renovation/Purchase of existing building
FINANCING: $7,145,000 Taxable Qualified Zone Academy Bond – 2013 Allocation
MOTION TO APPROVE: Mr. Stoller **SECOND:** Ms. Eagen **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

ITEM: Yeshiva Gedola of Woodlake Village, Inc. APPL.#41722
LOCATION: Lakewood Township/Ocean County
PROCEEDS FOR: Refinancing
FINANCING: $2,950,000 Tax-exempt bond
MOTION TO APPROVE: Mr. Huber **SECOND:** Mr. Alagia **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

Petroleum Underground Storage Tank Program

ITEM: Summary of NJDEP Petroleum UST Remediation, Upgrade and Close Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Stoller **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

UST Residential Grants:	
Dawn DiBella	$ 381,061
Patricia Donohue	$ 254,589
	$ 635,650
UST Commercial Grants:	
Anthony Colaluca, Jr.	$ 189,639
Hopatcong Auto	$ 342,533
NJ Boystown Youth Center Facility	$ 330,530
	$ 862,702

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

Hazardous Discharge Site Remediation Fund Program

ITEM: Summary of NJDEP Hazardous Discharge Site Remediation Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Stoller **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

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.)	$ 238,960
	$8,285,924
HDSRF Private Grants:	
Ashland School, Inc.	$ 208,541
Tri-County Community Action Partnership	$ 13,000
	$ 221,541
HDSRF Loans:	
6400 Corporation	$ 153,932
Essie L. Smith	$ 28,085
Gagan Oil LLC	$ 240,995
	$ 423,012

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

OFFICE OF RECOVERY

Stronger New Jersey Business Loan Program

PROJECT: Akamai Property Management LLC APPL.#39568
LOCATION: Dover Township/Ocean
PROCEEDS FOR: Construction of new building or addition
FINANCING: $1,273,543
MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Projects Approved Under Delegated Authority

NJ Main Street Program: Jimmy's Cookies, LLC (P41766)

Premier Lender Program: SETO MP Holdings, LLC (P41576)

Stronger NJ Business Loan Program:
Bolar Inc., d/b/a/ Yakkity Yaks Kayaks (P41557 & P41558)
Dectrinity, LLC d/b/a Bungalow Restaurant Lounge & Beach Bar (P41312 & P41310)
Fish Asbury Park LLC (P40202 & P 41356)
Sleepable Sofas LTD of New Jersey (P41450 & P41623)

Small Business Fund Program:
BUF Health and Human Services Corporation, Inc. (P41463)
DG and Sons, LLC (P41553)

New Jersey Business Growth Fund – Modification: Knockout Graphics Inc. (P41583)

Local Development Financing Fund – Modification: Dave Realty LLC (P40546)

ITEM: New Jersey Community Development Entity-6, LLC
$15,000,000 New Markets Tax Credit Sub-Allocation
REQUEST: Consent to actions needed to wind up NJCDE-6's sub-allocation of New Market Tax Credits.
MOTION TO APPROVE: Mr. Huber **SECOND:** Mr. Dumont **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

REAL ESTATE

ITEM: FMERA Purchase and Sale & Redevelopment Agreement with Wayside Technology for Building 1007 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 Wayside Technology Group, Inc. for the sale and renovation of Building 1007 in the Oceanport section of the former Fort Monmouth.
MOTION TO APPROVE: Mr. Albanese **SECOND:** Ms. Ferrara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

PUBLIC COMMENT

There were no public comments.

EXECUTIVE SESSION

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

MOTION TO APPROVE: Mr. Delle Cava **SECOND:** Mr. Huber **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

The Board returned to Public Session.

The next item was to approve a real estate matter pertaining to the NJEDA Waterfront Technology Center at Camden.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

There being no further business, on a motion by Mr. Delle Cava, and seconded by Mr. McNamara, the meeting was adjourned at 11:25am.

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

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Melissa J. Orsen
Chief Executive Officer

DATE: January 12, 2016

RE: Monthly Report to the Board

UPDATE - COMPLETED AND CERTIFIED INCENTIVE PROJECTS

As we begin a new year, the EDA remains committed to the highest level of transparency as we continue to administer state incentive programs in strict compliance with the statutes advanced by the Legislature and the Governor.

Consistent with this commitment, the EDA created a report last year compiling data from all projects approved under the Grow New Jersey Assistance (Grow NJ), Economic Redevelopment and Growth (ERG) and Urban Transit Hub Tax Credit (Hub) programs that have certified completion and received tax credits or reimbursements to date. The "Completed and Certified Incentive Projects" report is publically shared on the EDA website and details actual private investment and jobs, as well as the certified credit amount disbursed for each project.

As you are aware, these incentive programs are performance-based. While this Board's approval of an application represents the opportunity for a project to realize tax credits, companies must certify that they have satisfied the specific legislative requirements before they receive any funds. Following EDA's review and verification, a letter of compliance is sent to Taxation to authorize the issuance of the tax credits or reimbursement. Per the Chair's request, below is a summary of this activity to date.

In total, 14 projects approved under the Grow NJ, ERG and Hub programs have certified completion and received tax credits or reimbursements totaling $77.87 million. These projects have certified private investment totaling $983.3 million and reported 3,682 jobs. As detailed below, the 3,682 figure only reflects the total for programs where job creation and retention is legislatively required and therefore tracked as part of the annual certification process. Comprehensively, these 14 projects also represent the estimated creation of 5,435 construction jobs, as well as an additional 1,125 new jobs.

For Grow NJ, credits are approved over a 10 year term and certified for use annually and proportionally based on actual job performance during that year; companies must submit a certification of costs (capital investment) at project completion as certified by an independent CPA, as well as a certification of jobs from the Chief Financial Officer.

To date, one legacy Grow NJ project has certified completion. Created by statute in 2012, the legacy Grow NJ program was available to businesses creating or retaining a minimum 100 jobs in New Jersey and making a qualified capital investment of at least $20 million at a qualified business facility.

Burlington Coat Factory Warehouse Corporation was approved for a Grow NJ of up to $40 million to construct a new headquarters in Florence, Burlington County; the company certified completion in 2014, reporting 701 jobs and $43.4 million private investment. The company received its annual $4 million credit in 2014.

To date, one Economic Opportunity Act (EOA) Grow NJ project has certified completion. Created by statute in 2013 as part of the New Jersey Economic Opportunity Act of 2013, the EOA Grow NJ program is currently 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.

WebiMax was approved for an EOA Grow NJ of up to $12.75 million related to the company's expected creation of 100 new jobs and the retention of 50 "at risk" jobs in Camden, Camden County. The Board subsequently approved a modified project to reflect the 50 retained jobs and 21 new jobs actually created (for a total of 71 full-time employees in Camden), resulting in a reduction to $6.035 million over the 10 year term of the award. In addition to certifying 71 jobs, the company also certified $497,000 of private investment; WebiMax received its annual $603,500 credit in 2015.

For ERG, grants are approved for up to a 20 year term and made annually based on the incremental eligible taxes actually generated as a result of the project.

To date, six projects have certified completion under the legacy ERG program. Created by law in 2009, the intent of the ERG program was to provide state incentive grants to developers to capture new state incremental taxes derived from a project's development to address a financing gap. Projects certified to date include:

- Saker ShopRite in Somerville, Somerset County, the Borough's first supermarket in five years. Approved for up to $5 million, the company certified private investment of $24.9 million, and received a reimbursement of actual taxes totaling $555,000 in 2013, $520,642 in 2014, and $455,221 in 2015.
- Port Imperial South in Weehawken, Hudson County, a mixed-use, master-planned waterfront development. Approved for up to $8.9 million, private investment of $64.7 million was certified, and the developer received a reimbursement of actual taxes totaling $275,951 in 2015.
- DGMB Casino in Atlantic City, Atlantic County, a "Margaritaville" complex at Resorts. Approved for up to $5.05 million, the company certified private investment of $41.7 million and received a reimbursement of actual taxes totaling $1.25 million in 2015.
- Harrison Hotel 1, LLC in Harrison, Hudson County, a new hotel with 9,675 square feet of mixed-use retail space and one element of the larger Harrison Station mixed-use development. The project was approved for up to $7.25 million and private investment of $36.4 million was certified; a reimbursement of actual taxes totaling $490,041 was disbursed in 2015.
- Jersey Gardens Lodging Associates LLP in Elizabeth, Union County, an Embassy Suites hotel. Approved for up to $7.96 million, private investment of $39.8 million was certified and a total of $614,525 in actual taxes was reimbursed in 2015.
- TDAF I Pru Hotel Urban Renwal Company in Newark, Essex County, a Courtyard by Marriott and the first new hotel in Newark's downtown in over four decades. Approved for up to $6 million, private investment of $30.2 million was certified and a reimbursement of actual taxes totaling $802,106 was disbursed in 2015.

The EOA ERG program is currently available and was advanced as part of the New Jersey Economic Opportunity Act of 2013. The program offers state incentive grants to finance commercial and residential development projects that demonstrate a financing gap. To date, no projects have certified completion under the EOA ERG program.

Through Hub, projects were approved over a term of 10 years. For residential projects, credits are initially certified based on actual costs and applicants must demonstrate that projects are conforming to residential use through annual certification. For commercial projects, credits are certified for use annually based on meeting job thresholds at the project site and the statewide employment base threshold.

Created by statute in 2007 and no longer active, the intent of the Hub program was to encourage capital investment and increased employment in targeted urban rail transit hubs to catalyze economic development in these areas. Qualified commercial projects were required to make or acquire capital investments of at least $50 million and employ not fewer than 250 full-time employees; qualified residential projects were to make or acquire capital investments of at least $50 million, but were not statutorily obligated to meet employment requirements.

To date, three projects have certified completion under the commercial component of the Hub program, including:

- Daily News, L.P. in Jersey City, Hudson County, to build a new state-of-the-art printing press at its production plant. Approved for up to $41.65 million, the company has certified private investment of $86.8 million and reported 522 jobs in 2012, 536 jobs in 2013, 536 jobs in 2014, and 511 jobs in 2015. The company has received its annual credit of $4.165 million for these years.
- Wakefern Food Corp. in Elizabeth, Union County, to build a larger warehouse and increase storage capabilities by more than 58 percent. Approved for up to $58 million, the company certified private investment of $60.3 million and reported 263 jobs in 2015. The company received its annual credit of $5.69 million in 2015.
- Panasonic Corporation of North America in Newark, Essex County, as a tenant in a new headquarters. Approved for up to $102.4 million, the company certified private investment of $111 million and reported 267 jobs in 2014 and 275 jobs in 2015. The company received its annual credit of $8.19 million 2014 and 2015.

To date, three projects have certified completion under the residential component of the Hub program, including:

- Transit Village in New Brunswick, Middlesex County, a vast mixed-use development spanning three complexes within the City. Approved for up to $76.6 million, the developer has received an annual tax credit of $7.66 million in 2013, 2014 and 2015, and has certified the actual private investment of $220.2 million.
- Boraie Development in New Brunswick, Middlesex County, for Somerset Mews, a mixed-use, mixed-income housing project. The developer was approved for up to $23.8 million

and certified private investment of $78.8 million. A tax credit of $2.38 million was issued in 2015.

- Grand LHN I Urban Renewal in Jersey City, Hudson County, a mixed-use project that involves rental residences, retail and a state-of-the-art facility for the Boys & Girls Club of Hudson County. The developer was approved for up to $42 million and certified private investment of $144.5 million. A tax credit of $4.2 million was issued in 2015.

As illustrated by the attached map, the completed and certified incentive projects represent significant economic activity in communities across New Jersey. Of note, 12 of the 14 projects are in a “distressed municipality,” representing over 93 percent of the total private investment certified to date. Per the Chair’s request, the statutory definition of a “distressed municipality” and a complete list of these municipalities is also attached to this report.

The “Completed and Certified Incentive Projects” report is available at www.njeda.com and regularly updated.

CLOSED PROJECTS – 2015 PRELIMINARY RESULTS

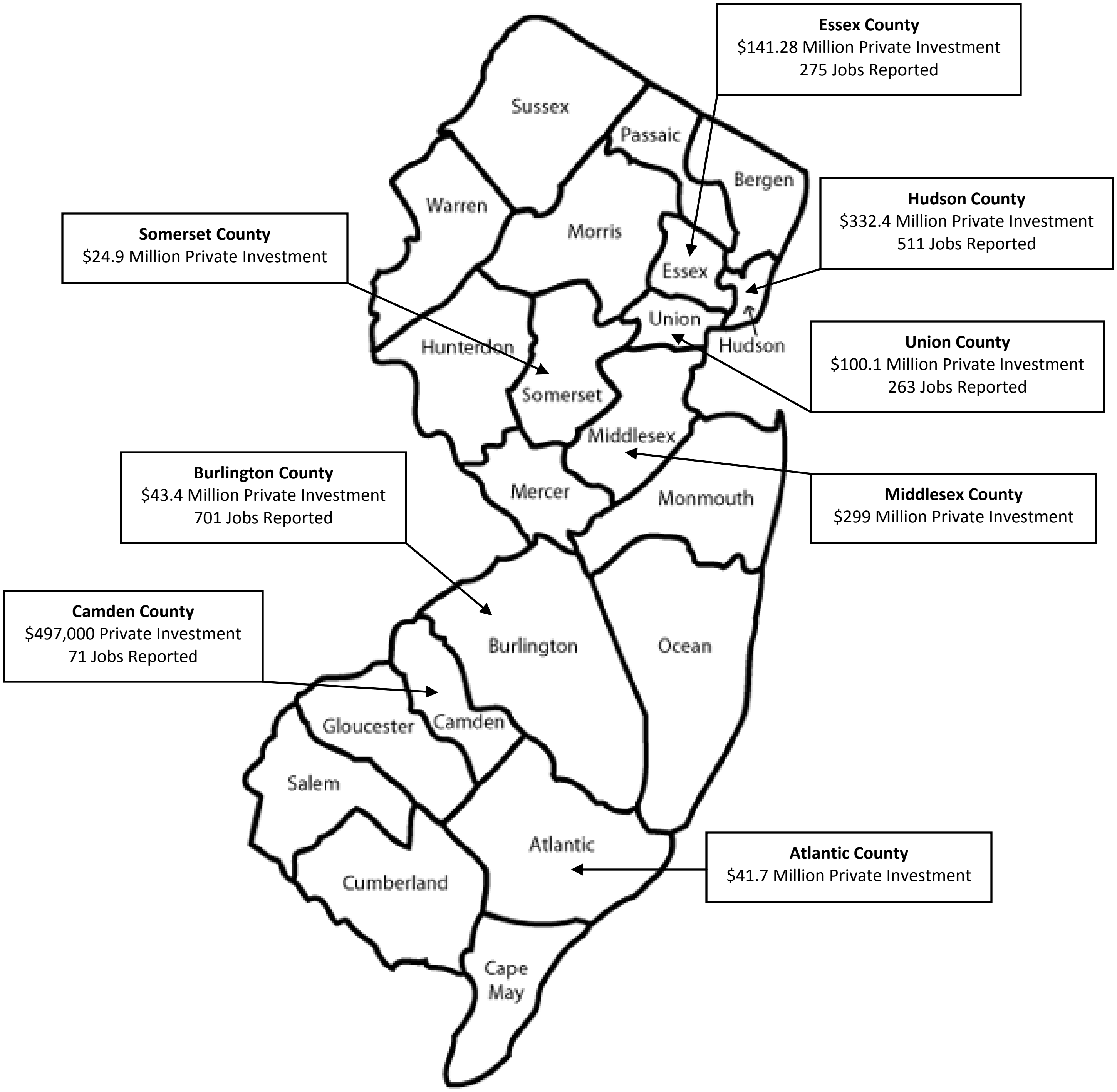
According to preliminary totals, EDA closed on more than $1.2 billion in total financing to assist 336 projects across the State in 2015. These projects involve the anticipated creation of more than 8,100 new jobs, the retention of more than 6,100 “at risk” jobs, and public/private investment totaling more than $1.4 billion.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 16 events in December. These included the NJBIZ Business of the Year Dinner and Ceremony in Somerset, the JCEDC Jersey City Small Business Forum and Luncheon in Jersey City, and the NJBIA Public Policy Forum in East Windsor.

COMPLETED AND CERTIFIED INCENTIVE PROJECTS

As Certified Through December 2015



"Distressed Municipality"

Per N.J.S.A. 34:1B-250/N.J.A.C. 19:31-18.2, a "distressed municipality" is defined as a municipality that is qualified to receive assistance under P.L. 1978, c. 14 (N.J.S.A. 52:27D-178 et seq.), a municipality under the supervision of the Local Finance Board pursuant to the provisions of the Local Government Supervision Act (1947), P.L. 1947, c. 151 (N.J.S.A. 52:27BB-1 et seq.), a municipality identified by the Director of the Division of Local Government Services in the Department of Community Affairs to be facing serious fiscal distress, an SDA municipality, or a municipality in which a major rail station is located.

MUNICIPALITY	COUNTY
ASBURY PARK CITY	MONMOUTH
ATLANTIC CITY	ATLANTIC
BAYONNE CITY	HUDSON
BELLEVILLE TWP	ESSEX
BEVERLY CITY	BURLINGTON
BLOOMFIELD TWP	ESSEX
BRICK TWP	OCEAN
BRIDGETON CITY	CUMBERLAND
BURLINGTON CITY	BURLINGTON
CAMDEN CITY	CAMDEN
CARTERET BORO	MIDDLESEX
CITY OF ORANGE TWP	ESSEX
CLIFTON CITY	PASSAIC
EAST ORANGE CITY	ESSEX
ELIZABETH CITY	UNION
GARFIELD CITY	BERGEN
GLASSBORO BORO	GLOUCESTER
GLOUCESTER CITY	CAMDEN
GLOUCESTER TWP	CAMDEN
HACKENSACK CITY	BERGEN
HARRISON TOWN	HUDSON
HILLSIDE TWP	UNION
HOBOKEN CITY	HUDSON
IRVINGTON TWP	ESSEX
JERSEY CITY	HUDSON
KEANSBURG BORO	MONMOUTH
KEARNY TOWN	HUDSON
LAKEWOOD TWP	OCEAN
LINDENWOLD BORO	CAMDEN
LODI BORO	BERGEN
LONG BRANCH CITY	MONMOUTH
MILLVILLE CITY	CUMBERLAND
MONROE TWP	GLOUCESTER

MONTCLAIR TWP	ESSEX
MOUNT HOLLY TWP	BURLINGTON
NEPTUNE CITY BORO	MONMOUTH
NEPTUNE TWP	MONMOUTH
NEW BRUNSWICK CITY	MIDDLESEX
NEWARK CITY	ESSEX
NORTH BERGEN TWP	HUDSON
OLD BRIDGE TWP	MIDDLESEX
PASSAIC CITY	PASSAIC
PATERSON CITY	PASSAIC
PEMBERTON TWP	BURLINGTON
PENNS GROVE BORO	SALEM
PENNSAUKEN TWP	CAMDEN
PERTH AMBOY CITY	MIDDLESEX
PHILLIPSBURG TOWN	WARREN
PLAINFIELD CITY	UNION
PLEASANTVILLE CITY	ATLANTIC
PLUMSTED TWP	OCEAN
RAHWAY CITY	UNION
ROSELLE BORO	UNION
SALEM CITY	SALEM
SECAUCUS TOWN	HUDSON
TRENTON CITY	MERCER
UNION CITY	HUDSON
VINELAND CITY	CUMBERLAND
WEEHAWKEN TWP	HUDSON
WEST NEW YORK TOWN	HUDSON
WILLINGBORO TWP	BURLINGTON
WINSLOW TWP	CAMDEN
WOODBRIDGE TWP	MIDDLESEX
WOODBURY CITY	GLOUCESTER

INCENTIVE PROGRAMS

ECONOMIC REDEVELOPMENT AND GROWTH (ERG) PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: January 12, 2016

RE: **Island Campus Redevelopment Associates LLC**
Residential Economic Redevelopment and Growth Grant Program ("RES ERG")
P #41653

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. With the exception of residential ERG projects, 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 Island Campus Redevelopment Associates LLC (the "Applicant") for a Project located at 3800 Atlantic Avenue, Atlantic City, Atlantic County (the "Project"), for the issuance of tax credits pursuant to the RES 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 $35,017,159, and of this amount, $29,925,360 is eligible costs under the RES ERG program. The recommendation is to award 100% of actual eligible costs, not to exceed $29,925,360. On July 13, 2015, legislation was enacted as P.L. 2015, c. 69 allowing municipal redevelopers to apply for tax credits under the RES ERG program for mixed use parking projects. For mixed use parking projects, the maximum of reimbursement shall equal up to 100% of the total project costs allocable to the parking component of the project and 40% of the total project costs allocable to the non-parking component of the project. As it pertains to the non-parking component of the Project, the Applicant is eligible for a higher base award of 30% and a bonus of an additional 10% (for a total of 40%) because they meet criteria of the project being located in a Garden State Growth Zone ('GSGZ").

Project Description

The Project site encompasses one block totaling 1.15 acres on the Southern end of Atlantic City bounded by Atlantic Avenue, Roosevelt Place, Boardwalk and Lincoln Place. The land is currently vacant. The Project is located in what is known as the Lower Chelsea neighborhood. The Project will include new construction of a 332,500 square foot, 886 space, seven-story structured parking garage and 7,500 square feet of retail on the ground floor. Vehicle access will be off Roosevelt Avenue and the retail portion will front Atlantic Avenue. The garage will be constructed of precast concrete and will utilize a pile system for its foundations structure. The garage will service both students and faculty from Stockton University ("SU") plus have 200 spaces reserved for South Jersey Industries ("SJI"). SJI was approved in August 2015 under P 41033 for a Grow NJ tax credit of $12 million for the relocation of 167 employees and the construction of 72,000 square feet of new office space on top of the proposed garage.

Simultaneously being presented for approval for a RES ERG of $38.4 million under P 41622 is a project related to this Project, under the identical name, for new construction of a dormitory and academic building to serve as the satellite campus for SU. This related project is across the street from the proposed Project and includes 121 units of single occupant bedrooms and two double-occupant bedrooms (encompassing 210,000 square feet in a five-story building), an academic building (56,000 square feet) and retail (7,000 square feet). Plans call for both of these Project facilities to be open in the fall of 2018.

In May of 2015, Atlantic City Development Corporation ("AC Devco") purchased a 9.5 acre site for $9.5 million from Goldman Sachs which had been involved in an unsuccessful attempt to build a Hard Rock Casino on the site. Based on an August 14, 2014 appraisal by Integra Realty Resources for Atlantic County Department of Regional Planning and Development the aggregate "as is" value of the entire parcel was $12.5 million. This figure was then adjusted based on the Project's specific parcel square footage and their associated value per square foot to arrive at "as is" valuation for the Project land of $1.4 million. This figure was further adjusted based on the purchase price to arrive at the RES ERG eligible amount of $1.07 million reflecting Authority policy of lower of cost or appraised value.

The Project will be 100% financed with the proceeds of tax exempt bonds (the "Project Bonds") to be issued by Atlantic County Improvement Authority, who will loan the Project Bonds proceeds to the Applicant. The Project Bonds will be secured by payments made by Stockton University ("SU") which are anticipated to have investment grade ratings from major credit rating agencies. SU and the Applicant will enter a Master Lease which will cover a portion of the spaces (excludes those dedicated to SJI). SU is an instrumentality of the State of New Jersey. The Authority has been provided a copy of the draft of the Master Lease which indicates SU will enter into a Master Lease with the Applicant to lease the Project for a term of 30 years. Rent payments under the Master Lease are set at an amount sufficient to pay debt service payments due on the Project Bonds. At the end of the Master Lease, ownership of the portion of the parking garage servicing the SU uses will be conveyed to SU for nominal consideration. The SJI portion of the garage will be conveyed to SJI post completion of the Project and cost certification for the RES ERG tax credits.

The Project will also align with and comply with the EDA's green building requirements by utilizing by employing a comprehensive whole building approach to saving energy and selecting sustainable materials.

Construction is expected to begin in April of 2016 in conjunction with the closing on financing and investments. The anticipated completion of the Project is June of 2018. This date is consistent with the July 28, 2018 required date of construction completion and issuance of certificate of occupancy.

Although applicants for the RES ERG program are not required to maintain certain employment levels, it is estimated that this Project, per the Applicant, will create approximately 200 temporary construction jobs.

Project Ownership

The Applicant is a joint venture LLC between New Brunswick Development Company ("Devco") and AC Devco. Both entities are 501 (c) 3, not for profit organizations and members of the LLC.

Devco was established in 1976 as a non-profit development company to initiate redevelopment projects and to serve as the vehicle for public and private investment in the City of New Brunswick. Devco has overseen and managed over $2 billion of redevelopment activity. Key staff from Devco involved in the Project includes Christopher Paladino - President, Sarah Clarke - Executive Vice President, Merissa Buczny - Vice President, and each has 15 to 20 years of experience in real estate development.

Devco has been the lead developer for several other projects which have received assistance from the Authority including; 1] Transit Village Associates P 34633 ($76 million Urban Transit Hub tax credit awarded in January of 2010 for a $314 million mixed use project in New Brunswick in conjunction with Rutgers University), 2] College Avenue Redevelopment Associates, LLC P 38095 ($33 million Urban Transit Hub residential tax credit awarded in April of 2013 for a $298 million mixed use project in New Brunswick in conjunction with Rutgers University) and 3] Washington Street University Housing Urban Renewal Associates, LLC P 38859 ($23 million RES ERG tax credit awarded in February of 2014 for a $95 million mixed use project in Newark in conjunction with Rutgers University).

AC Devco was modeled after Devco, with a four member board of directors possessing deep business and economic development experience including Mr. Paladino, President, Jon Hanson, Chairman of the Board, Finn Wentworth, Treasurer and Robert Holmes, Secretary.

Project Uses

The Applicant proposes the following uses for the Project:

Uses	*Total Project Costs*	*RES ERG Eligible Amount*
Acquisition of Land and Buildings	$ 1,007,000	$ 1,007,000
Construction & Site Improvements	27,600,000	27,600,000
Professional Services	1,520,000	1,520,000
Financing & Other Costs	2,308,329	1,393,463
Contingency	1,265,830	1,265,830
Development Fee	1,316,000	0
TOTAL USES	**$ 35,017,159**	**$ 32,786,293**

Note that the figures above reflect an aggregate Project square footage of 340,000 with 98% pertaining to parking and 2% to the non-parking (retail). As such, costs are allocated proportionately and 100% of the eligible parking costs and 40% of the eligible non-parking costs are deemed eligible when calculating the RES ERG tax credit amount. For point of reference, the non-parking project costs amount to $1.090 million of which $991,066 are eligible costs equating to $396,426 in RES ERG tax credits. Parking related costs aggregate $33.927 million of which $29.529 million are eligible costs which equates to the identical figure in RES ERG tax credits. Figures have been generated by the Developer's budget and requested tax credit allocation which are based on identified financing gap of the Project.

ERG eligible project costs exclude ineligible costs aggregating $2.23 million, which includes the developer fee of $1.3 million, several other soft costs, working capital and marketing expenses which are deemed ineligible.

Sources of Financing	*Amount*
Tax Credit Bonds	$ 21,603,275
Parking Supported Bonds	7,309,884
Equity:	
SJI contribution	6,000,000
Deferred developer fee	104,000
Total	**$ 35,017,159**

The Applicant has received an LOI from Citigroup Global Markets, Inc. pertaining to the issuance of approximately $30 million in tax exempt bonds by Atlantic County Improvement Authority whereby the Applicant will apply the proceeds of the RES ERG tax credits as a source and that the bonds will be secured by payments made by SU pursuant to the terms of a Master Lease. The RES ERG tax credits are assumed to be sold to yield 90 cents on the dollar. Citigroup notes the following assumptions; SU will be obligated to make payments under the Master Lease that equal to the debt service on the bonds, SU's obligation to make payments under the Master Lease will be a general obligation debt of SU and be on parity with SU's outstanding general obligation debt and the bonds will be rated no less than Baa1/BBB+ from Moody's and Fitch, respectively. Citigroup is highly confident in its ability to underwrite the bonds. The Parking supported bonds would have a 30 year amortization and the Tax Credit bonds a ten year amortization with an approximate interest rate of 4.1%. Note that the above figures represent the net proceeds to the Applicant as a portion of the cost of issuance and capitalized interest are excluded from the project costs reported previously.

RES ERG projects are required to have a minimum of 20% equity in the Project. SJI is contributing $6 million in equity into the Project (for ownership of 200 parking spaces) which equates to 20% of the RES ERG tax credit award.

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 RES ERG over 12 years (two years to build and 10 years of cash flow).

Without ERG	With ERG
Equity IRR -18.15 %	Equity IRR -5.84 %

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 a negative 5.84% which is significantly below the Hurdle Rate Model provided by EDA's contracted consultant Jones Lang LaSalle which indicates a maximum IRR of 15.00% for a project located in Atlantic City.**

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 Project has demonstrated a gap in the sources of funds available that is proposed to be filled by the RES ERG incentive which makes the Project's economics feasible.

This Project will further the goals of State, regional, and local development and planning strategies. The Project also furthers State Plan policy objectives for ensuring efficient land use, providing a full range of housing choices, promoting economic development through infill development and public/private partnerships, promoting design to enhance public safety and encourage pedestrian activities, and promote well-planned and revitalized communities that sustain economies and are compatible with other affordable communities. The Project is located in the Gateway Redevelopment Area ("GRA") which was originally adopted by the City of Atlantic City in May of 2008. The GRA was revised and amended in July of 2011. The GRA was designated as an Area In Need of Rehabilitation to provide a mechanism for the orderly planning and redevelopment of the area consistent with certain municipal goals and objectives. The Project is also located in the designated Atlantic City Tourism District. In December of 2015 City Council of the City of Atlantic City officially designated AC Devco as the redeveloper of the Project site and entered into a Redevelopment Agreement.

The Authority is in receipt of a draft report of a Parking Deck Feasibility Assessment dated January 11, 2016, prepared by Brailsford & Dunlavey ("B & D"), an independent third party, who states there is adequate market demand for the proposed Project. The parking demand was determined through an evaluation of uses at the proposed Project. 686 parking spaces will be leased to SU which assumes 500 spaces will be annual parking for residents, 100 spaces will be for annual commuter students, faculty and staff, 60 spaces for hourly users of the retail and general visitors, 26 spaces for month residential parking for the nearby community. There will be 200 spaces exclusively owned and used by SJI. B & D has reviewed the financial projections and believes them to be accurate and consistent with national and New Jersey parking garage trends. Assuming SU enrollment and occupancy requirements are achieved, B &D believes the assumptions and projections within the Applicant's pro forma model can be achieved.

Based upon the information provided which includes the track record of the Applicant and their development partners, as well as the anticipated funding sources for the Project's entire cost budget, the Project is economically feasible.

The Project also aligns with the State's planning goals and meets one of the Economic Opportunity Act of 2014's residential bonus goals as it is located in one of the State's five Garden State Growth Zones, a focus of recent economic development legislation.

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 RES ERG tax credit incentive.

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 Atlantic City, Atlantic County, an area that has struggled economically and socially due to a declining employment base, lack of outside investment, limited highway infrastructure and poor schools. The region's economic base is not diverse, is primarily rural, and supporting an active tourist trade along the coast, most notably the 24-hour gambling of Atlantic City and its associated resorts. The Project site's neighborhood is comprised mostly of low-rise single family and multifamily homes, as well as large hotels and casinos. The site is within close proximity to public schools, places of worship, supermarkets, shopping centers and other commercial uses. The area was blighted and a lot of the developments were torn down leaving many undeveloped blocks. The site is within close proximity to parks and the beach.

The City of Atlantic City has significant economic and social distress. According to the U.S. Bureau of Labor Statistics, the City of Atlantic City has an unemployment rate of 11.7% compared to 5.6% in the New York-Newark-Jersey City MSA and 6.1 in the Philadelphia-Camden-Wilmington MSA. Wages are falling, in contrast to a Statewide increase.

The capital injections from the bond financing which incorporates the RES ERG tax credits, equity being contributed by SJI rent will be used to construct the new facility at the Project site. Once completed, the Project will assist in decreasing unemployment for the City's residents, add to the tax ratable base and spur economic activity in the neighborhood and Atlantic City. Additionally, Atlantic City is ranked # 559 in the MRI index, is a Distressed Community and is designated as an Urban Aid Municipality.

The Project is expected to create a total of 200 construction jobs. The increased economic activity generated by this Project should help decrease the unemployment figures in the area.

According to a letter of support from Mayor Donald Guardian along with a letter from Atlantic City Counsel President Frank Gilliam, the award of RES ERG tax credits for this public-private partnership between SU and AC Devco will provide for the development of important new facilities that has been vacant and undeveloped for the past two decades. Redevelopment of the area into a thriving mixed use development with SU as its anchor will provide a significant new asset for the City. Atlantic City has as one of its major goals the expansion of its local economy beyond the gaming and entertainment industries that have dominated business development for many years. Investing in higher education brings with it many benefits including a stable and healthy community as well as a platform for future growth and opportunity. The influx of students and faculty will support this neighborhood by providing new opportunities for local business development and economic activity. The City has consistently supported the expansion of higher education facilities as part of its long term planning efforts. The City's Master Plan, adopted in 2008, establishes as one of the development goals the promotion of academic and affiliated campus development as a means of promoting new economic opportunities in the city. The plan specifically encourages the expansion of Stockton University, including the development of student residential and academic facilities as a means of supporting the local economy. More recently, the City of Atlantic City amended the redevelopment plan for AC Gateway (which includes the Project site) to allow for the development of a mix of uses, and to specifically encourage the development of higher educational institutions including the development of both academic facilities as well as student housing. The development of an Atlantic City campus for SU will provide the city with an important economic engine as the city continues its efforts to expand its economy.

The Project is located in the designated Atlantic City Tourism District. Revitalization and development of the Tourism District has been identified as a critical element in the Master Plan for Atlantic City. The aim of the Plan is to make Atlantic City a place where people choose to live, work, play and visit. The urban campus setting for SU will facilitate future intersections of higher education and industry, helping to foster innovation, workforce development, and economic growth.

Recommendation

Authority staff has reviewed the application for Island Campus Redevelopment Associates LLC and finds that it is consistent with eligibility requirements of the Act. It is recommended that the Members approve and authorize the Authority to issue an approval letter to the Applicant.

Issuance of the RES ERG tax credits are contingent upon the Applicant meeting the following conditions:

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the RES ERG; and

2. Evidence of site control and site plan approval for the Project; and

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. Evidence that the Project complies with N.J.A.C. 19:31-4.3(a) (3).

Tax Credits shall be issued upon:

1. Completion of construction and issuance of a Certificate of Occupancy (no later than July 28, 2018; and

2. Submission of a detailed list of all eligible costs, which costs shall be certified by a CPA and satisfactory to the NJEDA;

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

The New Jersey Economic Opportunity Act of 2013 provides a total of $600 million in tax credits to be utilized towards eligible residential based projects. This allocation is further separated into five additional allocations to assist projects meeting certain geographic and/or economic criteria. This project being located in Atlantic City, Atlantic County qualifies to be funded under the allocation for projects located in Camden and Atlantic City. The initial total of this allocation was $175 million. After approval of all projects's being recommended for approval at the January 12, 2016 board meeting, $37.1 million remains in the allocation and $132.9 million tax credits remain in the total residential program.

Total Estimated Eligible Project Costs: $ 29,925,360.

Eligible Tax Credits and Recommended Award: 100% of actual eligible costs, not to exceed $29,925,360 to be paid over ten years.

Timothy Lizura

Prepared by: Michael A. Conte

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: January 12, 2016

RE: **Island Campus Redevelopment Associates LLC**
Residential Economic Redevelopment and Growth Grant Program ("RES ERG")
P #41622

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. With the exception of residential ERG projects, 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 Island Campus Redevelopment Associates LLC (the "Applicant") for a Project located at 3700 Atlantic Avenue, Atlantic City, Atlantic County (the "Project"), for the issuance of tax credits pursuant to the RES 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 $124,848,139, and of this amount, $113,057,522 is eligible costs under the RES ERG program. The $17 million in funding to the Project from Casino Redevelopment Authority is considered a State grant and is deducted from eligible costs resulting in figure of $96,057,521 which is used as the cost basis to calculate the amount of the RES ERG tax credit. The recommendation is to award 40% of actual eligible costs, not to exceed $38,423,008. The Applicant is eligible for a higher base award of 30% and a bonus of an additional 10% (for a total of 40%) because they meet criteria of the project being located in a Garden State Growth Zone ('GSGZ").

Project Description

The Project site encompasses several blocks and lots totaling 4.83 acres on the Southern end of Atlantic City proximate the intersection of Albany Avenue, Pacific Avenue and Atlantic Avenue with some frontage to Boardwalk with views of the Atlantic Ocean. The land is currently vacant with one parcel serving as surface parking. The Project is located in what is known as the Lower Chelsea neighborhood. The Project will include new construction of a 500 student dormitory (comprised of 121 units with four single-occupant bedrooms and two double-occupant bedrooms encompassing 210,000 square feet in a five-story building) an academic building (56,000 square feet) and retail (7,000 square feet) to serve as a satellite campus for Stockton University ("SU") which, until 2015 was formerly known as the Richard Stockton College of New Jersey. Plans call for the facility to be open in the fall of 2018.

A complimentary project also seeking approval simultaneously for a RES ERG of approximately $30 million under P 41653 consists of a seven-story, 866 space, and parking garage. The garage will service both the Project (SU students and faculty) plus have 200 spaces reserved for South Jersey Industries ("SJI"). SJI was approved in August 2015 under P 41033 for a Grow NJ tax credit of $12 million for the relocation of 167 employees and the construction of 72,000 square feet of new office space on top of the proposed garage.

In May of 2015, Atlantic City Development Corporation ("AC Devco") purchased a 9.5 acre site for $9.5 million from Goldman Sachs who unsuccessfully attempted to build a Hard Rock Casino on the site. Based on an August 14, 2014 appraisal by Integra Realty Resources for Atlantic County Department of Regional Planning and Development the aggregate "as is" value of the entire parcel was $12.5 million. This figure was then adjusted based on the Project's two specific parcels square footage and their associated value per square foot to arrive at "as is" valuation for the Project land of $6.5 million. This figure was further adjusted based on the purchase price to arrive at the RES ERG eligible amount of $4.982 million reflecting Authority policy of lower of cost or appraised value. In July of 2015, the Casino Redevelopment Authority ("CRDA") approved a redevelopment plan to allow SU's satellite campus at the Project site and reserved $2.5 million in funding to establish AC Devco.

The residential building will be fully furnished and will provide students with apartment-style housing, including full kitchen, living room and two full bathrooms in each unit. Amenities throughout the building will include laundry facilities, a fitness center, study lounges and common areas for student socializing. The building will include three apartments for faculty and staff and will feature an outdoor courtyard, which will provide important outdoor green space for residents. It is noted that a student residential building does not have an affordable housing requirement. The academic building located across the street from the dorm will feature academic spaces as well as support and administrative space. Academic facilities include general classrooms, as well as a trading floor classroom, a technology lab, and a number of areas to encourage study project work and collaboration. The academic buildings administrative areas are designed to provide a full complement of services for students who attend classes at this campus. SU plans to provide regular shuttle service between this campus and the main campus in Galloway (15 miles away).

The Project will be 100% financed with the proceeds of tax exempt bonds (the "Project Bonds") to be issued by Atlantic County Improvement Authority, who will loan the Project Bonds proceeds to the Applicant. The Project Bonds will be secured by payments made by Stockton University ("SU") which are anticipated to have investment grade ratings from major credit rating agencies. SU and the Applicant will enter a Master Lease. SU is an instrumentality of the State of New Jersey. The Authority has been provided a copy of the draft of the Master Lease which indicates SU will enter into a Master Lease with the Applicant to lease the Project for a term of 30 years. Rent payments under the Master Lease are set at an amount sufficient to pay debt service payments due on the Project Bonds after application of the proceeds from the sale of RES ERG tax credits. At the end of the Master Lease, ownership of the academic building will be conveyed to SU for nominal consideration.

The project will also align with and comply with the EDA's green building requirements by utilizing the New Jersey Board of Public Utilities Pay for Performance Program for new construction by employing a comprehensive whole building approach to saving energy and selecting sustainable materials.

Construction is expected to begin in April of 2016 in conjunction with the closing on financing and investments. The anticipated completion of the Project is June of 2018. This date is consistent with the July 28, 2018 required date of construction completion and issuance of certificate of occupancy.

Although applicants for the RES ERG program are not required to maintain certain employment levels, it is estimated that this Project, per the Applicant, will create approximately 575 temporary construction jobs.

Project Ownership

The Applicant is a joint venture LLC between New Brunswick Development Company ("Devco") and AC Devco. Both entities are 501 (c) 3, not for profit organizations and members of the LLC. Stockton University will be the lessee in the Master Lease with the Applicant.

Devco was established in 1976 as a non-profit development company to initiate redevelopment projects and to serve as the vehicle for public and private investment in the City of New Brunswick. Devco has overseen and managed over $2 billion of redevelopment activity. Key staff from Devco involved in the Project includes Christopher Paladino - President, Sarah Clarke - Executive Vice President, Merissa Buczny - Vice President, and each has 15 to 20 years of experience in real estate development.

Devco has been the lead developer for several other projects which have received assistance from the Authority including; 1] Transit Village Associates P 34633 ($76 million Urban Transit Hub tax credit awarded in January of 2010 for a $314 million mixed use project in New Brunswick in conjunction with Rutgers University), 2] College Avenue Redevelopment Associates, LLC P 38095 ($33 million Urban Transit Hub residential tax credit awarded in April of 2013 for a $298 million mixed use project in New Brunswick in conjunction with Rutgers University) and 3] Washington Street University Housing Urban Renewal Associates, LLC P 38859 ($23 million RES ERG tax credit awarded in February of 2014 for a $95 million mixed use project in Newark in conjunction with Rutgers University).

AC Devco was modeled after Devco, with a four member board of directors possessing deep business and economic development experience including Mr. Paladino, President, Jon Hanson, Chairman of the Board, Finn Wentworth, Treasurer and Robert Holmes, Secretary.

SU anticipates consummation of the sale of the Showboat Casino Hotel to developer Bart Blatstein's Tower Investments, Inc. for $23 million scheduled for January 15, 2016. The Applicant has indicated that SU would use the proceeds from this sale to fund their equity contribution to this Project.

Project Uses

The Applicant proposes the following uses for the Project:

Uses	*Total Project Costs*	*RES ERG Eligible Amount*
Acquisition of Land and Buildings	$ 10,000,000	$ 4,982,282
Construction & Site Improvements	87,280,187	87,280,187
Professional Services	7,698,362	7,698,362
Financing & Other Costs	8,788,105	6,692,925
Contingency	6,403,766	6,403,766
Development Fee	4,677,719	0
TOTAL USES	**$ 124,848,139**	**$ 113,057,522**

ERG eligible project costs exclude ineligible costs aggregating $11.8 million, which includes the developer fee of $4,677,719 and several other soft costs, working capital and marketing expenses which are deemed ineligible.

Sources of Financing	*Amount*
Tax Credit Loan	$ 27,091,932
Housing Supported Loan	60,756,207
SU contribution from CRDA	17,000,000
Equity:	
SU contribution	18,000,000
Applicant contribution	2,000,000
Total	**$ 124,848,139**

The Applicant has received an LOI from Citigroup Global Markets, Inc. pertaining to the issuance of approximately $90 million in tax exempt bonds by Atlantic County Improvement Authority. The Applicant will apply the proceeds of the RES ERG tax credits as a source and that the bonds will be secured by payments made by SU pursuant to the terms of a Master Lease. The RES ERG tax credits are assumed to be sold to yield 90 cents on the dollar. Citigroup notes the following assumptions; SU will be obligated to make payments under the Master Lease that equal to the debt service on the bonds, SU's obligation to make payments under the Master Lease will be a general obligation debt of SU and be on parity with SU's outstanding general obligation debt and the bonds will be rated no less than Baa1/BBB+ from Moody's and Fitch, respectively. Citigroup is highly confident in its ability to underwrite the bonds. The Housing supported bonds would have a 30 year amortization and the Tax credit bonds a ten year amortization with an approximate interest rate of 4.1%. Note that the above figures represent the net proceeds to the Applicant as a portion of the cost of issuance and capitalized interest excluded from the project costs reported previously.

RES ERG projects are required to have a minimum of 20% equity in the project based on the total projects costs. The Applicant has demonstrated to EDA staff the capacity to contribute the $2 million of equity which, when combined with the $18 million in funds contributed by SU aggregates 20% of eligible project costs.

CRDA preliminarily approved $17 million in funds to SU (from the Tourism District and Community Development Fund to be used by SU as Master Tenant, towards development of Academic Improvements) at their board meeting held on January 5, 2016. Expectations are for the Project to obtain final fund reservation at the CRDA board meeting scheduled for January 19th. As mentioned previously, SU's contribution of $18 million is likely to be sourced from the proceeds of the sale of the Showboat Casino Hotel scheduled to occur in mid January. SU is expected to be paid a return on their investment after debt service and a 12% return paid to the LLC members. CRDA will not receive any return on the investment made to SU that is contributed to the Project. These funds are not counted as equity into the Project and reduce the eligible cost basis when calculating the RES ERG tax credit amount.

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 RES ERG over 12 years (two years to build and 10 years of cash flow).

Without ERG	**With ERG**
Equity IRR – 2.86%	Equity IRR 4.89%

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 4.89% which is significantly below the Hurdle Rate Model provided by EDA's contracted consultant Jones Lang LaSalle which indicates a maximum IRR of 15.00% for a residential project located in Atlantic City.**

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 Project has demonstrated a gap in the sources of funds available that is proposed to be filled by the RES ERG incentive which makes the Project's economics feasible.

This Project will further the goals of State, regional, and local development and planning strategies. The Project also furthers State Plan policy objectives for ensuring efficient land use, providing a full range of housing choices, promoting economic development through infill development and public/private partnerships, promoting design to enhance public safety and encourage pedestrian activities, and promote well-planned and revitalized communities that sustain economies and are compatible with other affordable communities. The Project is located in the Gateway Redevelopment Area ("GRA") which was originally adopted by the City of Atlantic City in May of 2008. The GRA was revised and amended in July of 2011. The GRA was designated as an Area In Need of Rehabilitation to provide a mechanism for the orderly planning and redevelopment of the area consistent with certain municipal goals and objectives. The Project is also located in the designated Atlantic City Tourism District. In December of 2015

City Council of the City of Atlantic City officially designated AC Devco as the redeveloper of the Project site and entered into a Redevelopment Agreement.

The Authority is in receipt of a Student Housing Market Analysis dated October 2015, prepared by Brailsford & Dunlavey, an independent third party, who states there is adequate market demand for the proposed Project (size, unit mix and amenities). Note that the financial assumptions included in the Applicant's pro forma are based exclusively on the existing student housing rates at SU at the Galloway campus. The Market Analysis notes the significant growth in undergraduate and graduate enrollment since 2005, strong freshman retention rate, SU's guarantee of housing to all students who want to live on campus and that there is no purpose built student housing proximate to campus. SU needs to define its academic program and vision for Atlantic City as surveys indicate an interest in attending classes and living in Atlantic City. The success of a housing project requires strong academic tie-in and integration with both the City and the Galloway campus with unique programs and activities.

Based upon the information provided which includes the track record of the Applicant and their development partners, as well as the anticipated funding sources for the Project's entire cost budget, the Project is economically feasible.

The project also aligns with the State's planning goals and meets one of the Economic Opportunity Act of 2014's residential bonus goals as it is located in one of the State's five Garden State Growth Zones, a focus of recent economic development legislation.

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 RES ERG tax credit incentive.

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 Atlantic City, Atlantic County, an area that has struggled economically and socially due to a declining employment base, lack of outside investment, limited highway infrastructure and poor schools. The region's economic base is not diverse, is primarily rural, and supporting an active tourist trade along the coast, most notably the 24-hour gambling of Atlantic City and its associated resorts. The Project site's neighborhood is comprised mostly of low-rise single family and multifamily homes, as well as large hotels and casinos. The site is within close proximity to public schools, places of worship, supermarkets, shopping centers and other commercial uses. The area was blighted and a lot of the developments were torn down leaving many undeveloped blocks. The site is within close proximity to parks and the beach.

The City of Atlantic City has significant economic and social distress. According to the U.S. Bureau of Labor Statistics, the City of Atlantic City has an unemployment rate of 11.7% compared to 5.6% in the New York-Newark-Jersey City MSA and 6.1 in the Philadelphia-Camden-Wilmington MSA. Wages are falling, in contrast to a Statewide increase.

The appraiser noted that the parcel constitutes a future casino resort site and large scale speculative land investment. At present time the site has no financial viability and could only attract a very limited market of players. Due to the scale and general pricing parameter of land in

Atlantic City, the investment value of this property can only attract extremely high net worth individuals, hedge funds and other land speculators who would hold the property over the long term until such time that development is financially viable.

The capital injections from the bond financing which incorporates the RES ERG tax credits, CRDA funding and equity from SU and the Applicant will be used to construct the new buildings at the Project site. Once completed, the Project will assist in decreasing unemployment for the City's residents, add to the tax ratable base and spur economic activity in the neighborhood and Atlantic City. Additionally, Atlantic City is ranked # 559 in the MRI index, is a Distressed Community and is designated as an Urban Aid Municipality.

The Project is expected to create a total of 575 construction jobs. The increased economic activity generated by this Project should help decrease the unemployment figures in the area.

The Project anticipates making payments to Atlantic City upon completion of the residential portion of the Project that are expected to generate an estimated year one payment of approximately $700,000. The Applicant is currently negotiating a PILOT agreement with the City of Atlantic City and while the current assessment for the RES ERG parcels amounts to $460,000 per annum, a pending tax appeal would reduce this figure to approximately $230,000 for the years 2016 and 2017.

According to a letter of support from Mayor Donald Guardian along with a letter from Atlantic City Counsel President Frank Gilliam, the award of RES ERG tax credits for this public-private partnership between SU and AC Devco will provide for the development of important new facilities that has been vacant and undeveloped for the past two decades. Redevelopment of the area into a thriving mixed use development with SU as its anchor will provide a significant new asset for the City. Atlantic City has as one of its major goals the expansion of its local economy beyond the gaming and entertainment industries that have dominated business development for many years. Investing in higher education brings with it many benefits including a stable and healthy community as well as a platform for future growth and opportunity. The influx of students and faculty will support this neighborhood by providing new opportunities for local business development and economic activity. The City has consistently supported the expansion of higher education facilities as part of its long term planning efforts. The City's Master Plan, adopted in 2008, establishes as one of the development goals the promotion of academic and affiliated campus development as a means of promoting new economic opportunities in the city. The plan specifically encourages the expansion of Stockton University, including the development of student residential and academic facilities as a means of supporting the local economy. More recently, the City of Atlantic City amended the redevelopment plan for AC Gateway (which includes the Project site) to allow for the development of a mix of uses, and to specifically encourage the development of higher educational institutions including the development of both academic facilities as well as student housing. The development of an Atlantic City campus for SU will provide the city with an important economic engine as the city continues its efforts to expand its economy.

The Project is located in the designated Atlantic City Tourism District. Revitalization and development of the Tourism District has been identified as a critical element in the Master Plan for Atlantic City. The aim of the Plan is to make Atlantic City a place where people choose to live, work, play and visit. The urban campus setting for SU will facilitate future intersections of higher education, industry, fostering innovation, workforce development, and economic growth.

Recommendation

Authority staff has reviewed the application for Island Campus Redevelopment Associates LLC and finds that it is consistent with eligibility requirements of the Act. It is recommended that the Members approve and authorize the Authority to issue an approval letter to the Applicant.

Issuance of the RES ERG tax credits are contingent upon the Applicant meeting the following conditions:

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the RES ERG. Specifically, SU's sale of the Showboat Hotel and Casino is to be consummated by March 31, 2016 with Authority staff delegation to extend this date provided satisfactory information has been submitted; and

2. Evidence of site control and site plan approval for the Project; and

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. Evidence that the Project complies with N.J.A.C. 19:31-4.3(a) (3).

Tax Credits shall be issued upon:

1. Completion of construction and issuance of a Certificate of Occupancy (no later than July 28, 2018; and

2. Submission of a detailed list of all eligible costs, which costs shall be certified by a CPA and satisfactory to the NJEDA;

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

The New Jersey Economic Opportunity Act of 2013 provides a total of $600 million in tax credits to be utilized towards eligible residential based projects. This allocation is further separated into five additional allocations to assist projects meeting certain geographic and/or economic criteria. This project being located in Atlantic City, Atlantic County qualifies to be funded under the allocation for projects located in Camden and Atlantic City. The initial total of this allocation was $175 million. After approval of all projects's being recommended for approval at the January 12, 2016 board meeting, $37.1 million remains in the allocation and $132.9 million tax credits remain in the total residential program.

Total Estimated Eligible Project Costs: $ 96,057,522.

Eligible Tax Credits and Recommended Award: 40% of actual eligible costs, not to exceed $38,423,008 to be paid over ten years.

Timothy Lizura

Prepared by: Michael A. Conte

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: January 12, 2016

RE: **South Inlet Partners Urban Renewal LLC**
Residential Economic Redevelopment and Growth Grant Program ("RES ERG")
P #41581

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. Except for residential ERG projects, 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 South Inlet Partners Urban Renewal LLC ("SI" or the "Applicant") for a primarily residential project located in Atlantic City, Atlantic County (the "Project") for the issuance of tax credits pursuant to the RES 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 $73,521,306, and of this amount, $61,083,899 is eligible costs under the RES ERG program. The recommendation is to award 40% of actual eligible costs, not to exceed $24,433,560. The Applicant is eligible for a higher base award of 30% and a bonus of an additional 10% (for a total of 40%) because they meet criteria of the project being located in a Garden State Growth Zone ('GSGZ").

Boraie Development, LLC ("Boraie" or the "Developer") located in New Brunswick, New Jersey is the Developer for this new construction Project. Boraie is a real estate development company that was founded by Omar Boraie in 1980 and has concentrated its development projects in New Brunswick with a focus on urban locations close to mass transit. Boraie typically develops residential projects, but has also participated in mixed use projects (namely a movie theater called Newark Screens as well as 120 Albany Plaza, which features office, retail and parking in downtown New Brunswick). The Authority has prior experience with the Developer including the approval of three incentives: 1] 36-54 Rector Street LLC (P34885 rehabilitation/expansion creating 169 residential units, 7,648 square feet of retail and 117 parking spaces in Newark) was approved for a $20.7 million Urban Transit Hub Tax Credit in April 2012 whose commencement of construction is anticipated in early 2016; 2] Boraie Development LLC (P34884 new construction creating 238 residential rental units, 7,500 square feet of retail and 270 parking spaces in New Brunswick) was approved for $23.8 million Urban Transit Hub Tax Credits in July 2010 and completed its construction in 2015 and; 3] 360-394 Springfield LLC (renovation/expansion into a twelve screen movie theater in Newark) was approved for a $7.3 million ERG in January of 2011, completed in 2013. The ERG was withdrawn at the Applicant's request and the project was completed without EDA assistance. The Developer's total development portfolio consists of over 1 million square feet of office, retail and residential space, approximately 500 units primarily located in New Brunswick (plus the two aforementioned projects in Newark).

Project Description

The proposed Project encompasses eight acres of vacant land at 600 and 700 Atlantic Avenue, Atlantic City, Atlantic County (aka lot 1, block 132 and lot 1, block 133). There will be three, four-story newly constructed buildings over parking with elevator service. Total rental units are 250 including 50 affordable (20% of the total units restricted and occupied by households whose income is 50% or less of area median income) and 200 market rate rental units. The affordable units are comprised of (10) one-bedroom units with rents ranging from $160-$513 per month, (26) two-bedroom units at $182-$606 per month and (13) three bedroom units ranging from $203-$693 per month. There is a two-bedroom rent restricted unit reserved for the superintendent at $606 per month. Five units will be reserved for individuals with developmental disabilities. The market rate units are comprised of (27) one-bedroom townhouse style units at $1,150 per month, (62) one-bedroom units at $1,060 per month, (87) two-bedroom units at $1,330 per month and (24) two bedroom units with dens/lofts at $1,575 per month. The square footage of the one, two and three bedroom units are 775, 975 and 1,150 square feet, respectively. Rentable square footage is 328,725, consisting of 226,225 square feet of residential, 85,000 square feet of parking, 7,500 square feet of retail and 10,000 square feet of common area.

The Project will include a 35,000 square foot exterior deck with a pool, lounge area and garden space. Additional project amenities include a fitness room and storage space. Unit amenities include balconies, walk in closets, kitchen with garbage disposals, and granite counters and washer/dryer hook ups. There are 250 parking spaces available for the tenants in the first floor garage and another 250 spaces in a surface lot located across the street.

The Project is located within the Southeast Inlet area bounded by the Northeast Inlet Redevelopment area, the Atlantic City boardwalk and beach, and the Revel and Showboat Casinos. Public transportation to the City is provided by New Jersey Transit and jitney stops located on Atlantic Avenue.

According to an appraisal provided by the developer there has not been any new construction of market rate rental units in Atlantic City in the last 25 years. The existing market rate projects are in limited supply and in poor condition. It is anticipated that this proposed development would not compete with this inventory. Instead, the subject would compete with the newer more amenity rich projects located in the "Off- Islands," Brigantine, Ventnor, Margate and Longport and for rent units located within upscale condominium projects in the City. Tenants are likely to be single and come from 1) one of the off – islands; 2) one of the upscale condominium projects that have a lot of rentals; 3) the few market rate rentals in the City; 4) upwardly mobile individuals with entry level jobs within the City.

Tishman Realty and Construction Corporation ("Tishman") is a vertically integrated real estate owner, operator, developer and advisor. With roots dating back to 1898, Tishman is comprised of a diversified staff of experienced real estate, financial and hotel management specialists, and is complemented by a technical staff of architects, engineers and construction management professionals. Tishman maintains a strategic relationship with Tishman Construction Corporation, one of the nation's leading construction management firms and will be the general contractor /construction manager for this Project. Given these broad resources, Tishman typically manages all components of its projects and acquisitions, from feasibility, design, budgeting, financing and development management to ongoing property and asset management.

Over the last 30 years, Tishman has developed, managed and advised on more than 35 million square feet of all types of real estate - including more than 50,000 hotel rooms, plus convention centers, retail, residential and office space. Currently, Tishman owns a portfolio of over 5,000 guestrooms across the U.S. and Puerto Rico. In most cases, Tishman was the developer and continues to asset manage the properties. In addition to its own portfolio, Tishman acts as manager to third-party owned hotels and office buildings.

Construction is expected to begin in March of 2016, with an anticipated completion date of August 2017.

This Project is receiving funds from the Fund for Restoration of Multifamily Housing ("FRM") and Sandy Special Needs Housing Fund-CBDG ("SSNHF") Programs and has obtained the necessary approval from NJDEP as well as approval from the Coastal Area Facilities Act, which satisfactorily addresses the environmental condition of the Project site.

For the purposes of the Green Component, the Applicant plans to adhere to the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") Energy Star Homes standard and has contracted with ReVireo to act as the energy consultant.

Although applicants for the RES ERG program are not required to maintain certain employment levels, it is estimated that this Project will create approximately 200 temporary construction jobs and 10 full time positions associated with the retail component of the Project.

Project Ownership

The Developer has formed a single purpose, limited liability corporation known as South Inlet Partners Urban Renewal LLC for this Project. SI is owned 20% by Omar Boraie and 80% by WSH, LLC which, in turn is equally owned by Omar's children, Wasseem, Samer and Hiam. SI will have a 99 year master lease with South Inlet Master Tenant LLC ("SIMT"). The managing member of SIMT is South Inlet Managing Member LLC with 0.01% ownership and identical ownership structure/members as SI while the remaining 99.99% resides in Stratford LIHTC Investor.

The property was conveyed to the Applicant by Boraie Development LLC for $1.00 by way of a deed on March 31, 2014. The Developer purchased the property from the Housing Authority and Urban Development Authority of Atlantic City for $1 million on December 13, 2013. The property is a total of 8 acres and includes block 132, lot 1 and block 133, lot 1.

An independent third party appraisal was prepared by Rosin & Associates prepared for NJHMFA, reported several values including; 1] "as vacant" of $2,640,000 and 2] "as complete/subsidized value" of $34,080,000.

EDA policy for underwriting purposes is to recognize the lower of the sales price or appraised value of the land; therefore $1 million will be utilized to determine eligible project costs.

The Applicant proposes the following uses for the Project:

Uses	***Total Project Costs***	***RES ERG Eligible Costs***
Acquisition of Land and Buildings	$ 1,000,000	$ 1,000,000
Construction & Site Improvements	50,520,000	50,520,000
Professional Services	1,315,000	1,315,000
Financing & Other Costs	8,902,141	5,391,734
Contingency	2,857,165	2,857,165
Developer Fee	8,927,000	0
TOTAL USES	**$ 73,521,306**	**$ 61,083,899**

ERG eligible project costs exclude ineligible costs aggregating $12,437,407 consisting of the developer fee of $8,927,000, marketing of $300,000, working capital escrow of $2,612,261 and other mandatory escrows of $598,146.

Sources of Financing	***Amount***
HMFA (Fannie Mae) Note 1	$ 22,126,091
FRM & SSNHF	10,199,671
ERG Loan	15,000,000
CRDA Loan	11,400,000
Equity:	
LIHTC	5,300,000
Deferred Developer Fee & Equity	5,895,544
CRDA Equity Investment	3,600,000
Total Sources	**$ 73,521,306**

The requirement of 20% equity contributed to the Project is attained via the combination of LIHTC, deferred developer fee $4,463,500, developer equity $1,432,044 and Casino Redevelopment Authority ("CRDA") equity investment, which aggregates $14.8 million or 20% of project costs.

NJHMFA approved a financing commitment for this project at the May 4, 2015 board meeting. The agency expects to re-commit to the Project without a new board approval, due to the modification of the sources of funding (reduction of CRDA funds as well as adding the RES ERG tax credits) since their original approval.

NJHMFA's construction mortgage loan is currently estimated at $38,102,605. This loan will be evidenced by two notes secured by a first mortgage lien on the property. Note I is anticipated to be in the amount of $22,126,091, at an estimated annual interest rate of 5.10%, for a term of 32 years. Note II is anticipated to be $15,976,514, at an estimated interest rate of 2.60%, with a maturity date of 24 months from the date of loan closing. Note II will be additionally secured by an assignment of syndication proceeds and the FRM funds that will be fully repaid once the LIHTC tax credit proceeds and FRM/SSNHF proceeds are received. The first mortgage loan will be insured through the U.S. Department of Housing and Urban Development's Housing Finance Agency Risk-share Program. NJHMFA shall assume 10% of the risk of any loss due to default, provided that the Federal Housing Administration shall assume 90% of any loss due to default.

NJHMFA will also provide construction and permanent loan financing from FRM-CDBG funds. The mortgage is currently estimated at $9,349,671 with a 0% interest rate during construction and a 1% interest rate at permanent rollover for a term of 30 years. Secured by a third mortgage lien, if obtainable, or subordination as a mortgage lien on Project real estate and security interest in personal property included in the Project. The loan will be repaid from 25% of cash flow of the affordable units that will be deferred until the collection of deferred developer fee or through year ten, whichever comes first.

NJHMFA will also provide construction and permanent loan financing from SSNHF–CDBG funds currently estimated at $850,000 with a 0% interest rate during construction and a 1% interest rate at permanent rollover for a term of 30 years. Secured by a fourth mortgage lien, if obtainable, or subordination as a mortgage lien on Project real estate and security interest in personal property included in the Project. The loan will be repaid from 25% of cash flow of the affordable units that will be deferred until the collection of deferred developer fee or through year ten, whichever comes first.

The RES ERG tax credits will be priced at approximately $0.90 for each dollar of State Tax Credits allocated to the investment of the Project. Letters of interest from both the purchaser and bridge lender were provided to the Authority.

Initially, a fund reservation in an amount, not to exceed $30 million from available balances of the Atlantic City Housing and Community Development Fund expiring January 29, 2016, was approved by CRDA. CRDA informed the Authority that their board approved a modification and reduction of the assistance to $15,000,000. CRDA has approved a $3.6 million equity contribution (which will earn a nominal return) and a loan of $11.4 million amortized over 30 years at 2.25% interest rate with payments based upon a percentage of net cash flow (and subordinate to the NJHMFA, in second lien position).

Development Fee

The amount of developer fee allowed for eligible rehabilitation or new construction costs will be limited to 15% of total development costs, excluding land, pre-operational expenses, and escrows and reserves pertaining to permanent takeout financing. Total development fee includes all hard and soft costs, in addition to applicable financing fees. Developer fee at project construction completion or stabilization shall not exceed 8% (out of the 15% total) with the balance being deferred and taken through projected cash flow. This is consistent with NJHMFA's approach.

The Applicant has demonstrated to both NJHMFA and NJEDA that the project will not generate sufficient cash flow to return the entire developer fee within five years of project stabilization. The maximum developer fee of 15% for this project will not be achieved until year 16.

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 Project has demonstrated a gap in the sources of funds available that is proposed to be filled by the RES ERG incentive which makes the Project's economics feasible.

This Project will further the goals of State, regional, and local development and planning strategies. The Project also furthers State Plan policy objectives for ensuring efficient land use, providing a full range of housing choices, promoting economic development through infill development and public/private partnerships, promoting design to enhance public safety and encourage pedestrian activities, and promote well-planned and revitalized communities that sustain economies and are compatible with other affordable communities. The Applicant has indicated that they fully conform to the Uptown Urban Redevelopment Plan and the relevant portions of the City of Atlantic City Land Use Ordinance.

The Authority is in receipt of a Market Rent Study dated December 15, 2015, prepared by an independent third party who states there is adequate market demand for the proposed Project as well as the financial assumptions included in the Project pro forma.

The Project received an ordinance approving the application for a long-term tax exemption and financial agreement with the Applicant whereby the Mayor of Atlantic City was authorized to execute the financial agreement dated December 11, 2014. The City Council found the Redevelopment Project will assist the City as this site's revitalization to: 1] provide additional housing, retail and commercial space to entice residents and visitors to the area; 2] increase mobility by acting as a non-casino draw for shoppers, renters and visitors from other communities; 3] assist in advancing the overall development of the City by providing modern and efficient retail, living and amenity space and; 4] improve the quality of life for the citizens of the City by creating greater housing and retail options.

The Developer's inability to collect the development fee within five years from the projected cash flow as well as to obtain the capital necessary to fully fund this Project, verifies that there is a demonstrated need for the redevelopment incentive grant agreement.

The Project appears to be economically feasible, based on the track record of the Applicant and their development partners, as well as the committed funding sources for the entire cost budget that 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 Atlantic City, Atlantic County, an area that has struggled economically and socially due to a declining employment base, lack of outside investment, limited highway infrastructure and poor schools. The region's economic base is not diverse, is primarily rural, and supporting an active tourist trade along the coast, most notably the 24-hour gambling of Atlantic City and its associated resorts. The Project site's neighborhood is comprised mostly of low-rise single family and multifamily homes, as well as large hotels and casinos. The site is within close proximity to public schools, places of worship, supermarkets, shopping centers and other commercial uses. The area was blighted and a lot of the developments were torn down leaving many undeveloped blocks. The site is within close proximity to parks and the beach. Residents of the community can commute to major employment nodes via train or bus. Lastly, per an independent appraisal dated January 31, 2015, the highest and best use of the vacant site would be to develop the site with a legal conforming use such as mixed-use apartment complex to maximum allowable levels, provided market conditions justify construction of such use. While it is not financially feasible to construct mixed-use housing on the site without subsidies, there is ample capital and a need for affordable housing as proposed, and this would be the most probable and therefore highest and best use of the site.

The City of Atlantic City has significant economic and social distress. According to the U.S. Bureau of Labor Statistics, the City of Atlantic City has an unemployment rate of 11.7% compared to 5.6% in the New York-Newark-Jersey City MSA and 6.1 in the Philadelphia-Camden-Wilmington MSA. Wages are falling, in contrast to a Statewide increase. The independent market study preparer noted that based on the strong anticipated and pent up demand for market-rate (and affordable) housing as proposed, it is financially feasible to construct the proposed development on the site. Statistics on residents of Atlantic City reflect that a majority (62.5%) rent their homes. Furthermore, upon surveying comparative units in the marketplace and upcoming projects in Atlantic City, both commercial (non-gaming) and otherwise the preparer concluded that it is an appropriate time to be doing this larger mixed-income project in the area. The rental apartment market in the submarket where the Project is located has consistently had higher vacancy rates than the region and materially lower rental rates than the County and State. The market study identified ten comparable market-rate apartment properties (seven located in Atlantic City, of which none were built or renovated after 2008) in order to formulate estimated rents for the Project.

The appraiser states that "leisure hospitality employment is at an all time low, and retail has not fared well either, with food and beverage stores experiencing the biggest declines". In contrast, the appraisal later mentions that over the long term, the industry will stabilize, even as additional closures remain a possibility in the coming years. As failing casinos are forced to exit the market, the ones that will survive will enjoy a larger share of gaming revenue helping to revitalize the City. The closed casinos will eventually be repurposed and the market will again benefit from the infusion of jobs to the City. Due to the subject property's partial dedication to moderate income housing, job creation in the future is expected to further assist the tenants of this community.

The capital injections from the mortgages, RES ERG bridge loan, CRDA funding and low income housing tax credits will be used to construct the new buildings at the Project site. Once completed, the Project will assist in decreasing unemployment for the City's residents, add to the tax ratable base and spur economic activity in the neighborhood and Atlantic City. Additionally, Atlantic City is ranked # 559 in the MRI index, is a Distressed Community and is designated as an Urban Aid Municipality.

The Project is expected to create a total of 200 construction and ten full time jobs. The increased economic activity generated by this Project should help decrease the unemployment figures in the area.

The Applicant received a 30 year PILOT from the City for a payment in lieu of taxes in the form of long term abatement that is expected to generate an estimated year one payment of approximately $300,000.

According to the executed resolution from the Counsel of the City of Atlantic City dated January 21, 2015, the Counsel finds and determines that the Project proposed by the Applicant meets or will meet an existing housing need.

The City of Atlantic City determined that the project site constituted an area in need of redevelopment pursuant to the local redevelopment and housing law, specifically designating the site as the "Uptown Urban Renewal Tract" in 1965. A redevelopment plan was first adopted in 2002 (subsequently amended) and the Developer was designated the Redeveloper per resolution adopted December 27, 2012. A Redevelopment Agreement specifying the rights and responsibilities of the City and the Developer with respect to the Project as entered into dated July 25, 2013.

The Project is located in the designated Atlantic City Tourism District. Revitalization and development of the Tourism District has been identified as a critical element in the Master Plan for Atlantic City. The aim of the Plan is to make Atlantic City a place where people choose to live, work, play and visit. The Project adheres to several of the goals of the 2012 Plan that include: 1) strengthen the City's economic health by increasing job producing activities; 2) create housing opportunities for people, up and down the income spectrum; 3) improve the image of downtown by utilizing blighted and undeveloped land; 4) promote an image of vibrancy and safety. According to the plan, Atlantic Avenue will become, once again, the "main street" of Atlantic City. The Project is located in the Inlet District of Atlantic Avenue where the plan encourages quality residential development and is thereby strengthened as the backbone of the City for residents, employees and visitors.

Recommendation

Authority staff has reviewed the application for South Inlet Urban Renewal LLC and finds that it is consistent with eligibility requirements of the Act. It is recommended that the Members approve and authorize the Authority to issue a commitment letter to the Applicant.

Issuance of the RES ERG tax credits are contingent upon the Applicant meeting the following conditions:

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the RES ERG; and

2. Evidence of site control and site plan approval for the Project; and

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. Evidence that the Project complies with N.J.A.C. 19:31-4.3(a) (3).

Tax Credits shall be issued upon:

1. Completion of construction and issuance of a Certificate of Occupancy (no later than July 28, 2018); and

2. Submission of a detailed list of all eligible costs, which costs shall be certified by a CPA and satisfactory to the NJEDA; and

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

The New Jersey Economic Opportunity Act of 2013 provides a total of $600 million in tax credits to be utilized towards eligible residential based projects. This allocation is further separated into five additional allocations to assist projects meeting certain geographic and/or economic criteria. This project being located in Atlantic City, Atlantic County qualifies to be funded under the allocation for projects located in Camden and Atlantic City. The initial total of this allocation was $175 million. After all of the project's recommended for approval at the January 12, 2016 board meeting, $37.1 million remains in the allocation and $132.9 million tax credits remain in the total residential program.

Total Eligible Project Costs: $61,083,899.

Eligible Tax Credits and Recommended Award: The recommendation is to award 40% of actual eligible costs, not to exceed $24,433,560.

Timothy Lizura

Prepared by: Michael A. Conte

GROW NEW JERSEY ASSISTANCE PROGAM (GROW NJ)

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

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

APPLICANT: Aralez Pharmaceuticals US, Inc. P41817

PROJECT LOCATION: 400 Alexander Park West Windsor Township Mercer County

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

APPLICANT BACKGROUND:
Aralez Pharmaceuticals US, Inc. ("Aralez US" or the "Company") was formed in September 2015 as a distributor of the products developed and manufactured by Pozen Limited, an affiliate of Aralez US. Aralez Pharmaceuticals Inc. ("Aralez Canada"), the indirect parent of Aralez US, was recently formed under the laws of Canada, in anticipation of the acquisition of Tribute Pharmaceuticals Canada, Inc. by Pozen Inc. Pozen Inc. is a subsidiary of Aralez Canada and the direct parent of Aralez US. The transaction with Tribute Pharmaceuticals is expected to occur in first quarter of 2016.

Pozen Inc., headquartered in Chapel Hill, North Carolina, is a specialty pharmaceutical company that has historically focused on developing novel therapeutics for unmet medical needs and licensing those products to other pharmaceutical companies for commercialization. By utilizing a unique in-source model and focusing on integrated therapies, Pozen has successfully developed and obtained FDA approval for two self-invented products in aspirin therapies, designed to enable the full power of aspirin by reducing its gastrointestinal damage. Tribute was founded in 1978 and is headquartered in Milton, Canada. Tribute's business has focused primarily on the acquisition, licensing, development and promotion of specialty pharmaceuticals in the Canadian market with focus on cardiovascular and pain formulations. Earlier this year, Tribute licensed Fibricor, a lipid regulating agent that competes in the triglyceride-lowering medication market.

Upon closing of the Tribute transaction, Aralez US will be the headquarters for the combined business of Pozen and Tribute focusing on the marketing, sale and distribution of specialty pharmaceuticals products for cardiovascular disease and pain management and will be the primary US operating entity in the Aralez structure. Aralez currently employs 10 individuals in NJ and 9 in Pennsylvania. These positions are presently home-based but will be moved to the location chosen as the headquarters. The project would also result in 90 new full-time jobs. The applicant has demonstrated the financial ability to undertake the project through the support of its parent company.

MATERIAL FACTOR/NET BENEFIT:
Aralez US is considering locating its headquarters operations by either leasing a 36,602 sq. ft. facility in West Windsor, NJ or at a facility of 35,774 sq. ft. in Yardley, PA.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Aralez Pharmaceuticals US, 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 Adrian Adams, the CEO of Aralez Pharmaceuticals US, 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 $30 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 Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Project for an other targeted industry business, other business in Mercer 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	$1,464,080	$5,135,499
New Jobs	25	90
Retained Jobs	35	0

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

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of $3,000 per year for projects located in a designated Priority Area	West Windsor Township is a designated Priority Area
Increase(s) Criteria		
Transit Oriented Development	An increase of $2,000 per job for a project locating in a Transit Oriented Development	400 Alexander Park is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a New Jersey Transit Corporation rail station.
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500	The proposed median salary of $130,000 exceeds the Mercer County median salary by 133% resulting in an increase of $750 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 Life Sciences 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	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the

or substantially damaged as a result of a federally declared disaster	same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: - **½ of the Grant Calculation for New Full-Time Jobs (1/2 * $6,250 = $3,125)** or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($5,135,499 / 10 / (90 + 0) = $5,706) In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:

Priority Area		$3,000

INCREASES PER EMPLOYEE:

Transit Oriented Development:	$2,000	
Jobs with Salary in Excess of County Average:	$ 750	
Targeted Industry (Life Sciences):	$ 500	
INCREASE PER EMPLOYEE:		$3,250

PER EMPLOYEE LIMIT:

Priority Area	$10,500	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		$6,250

AWARD:

New Jobs:	90 Jobs X $6,250 X 100% =	$562,500
Retained Jobs:	0 Jobs X $6,250 X 50% =	$0,000
	Total:	**$562,500**

ANNUAL LIMITS:

Priority Area (Est. 90% Withholding Limit) $ 4,000,000/($688,590)

TOTAL ANNUAL AWARD **$562,500**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 5,135,499
EXPECTED PROJECT COMPLETION:	January 12, 2019
NEW FULL-TIME JOBS:	90
RETAINED FULL-TIME JOBS:	0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$36,003,466
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$30,378,466
TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS)	$ 5,625,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 130,000
SIZE OF PROJECT LOCATION:	36,602 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:	N/A
STATEWIDE BASE EMPLOYMENT:	10

PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: ( ) 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 10 current positions it has at the project site for the duration of the Grow NJ award. The number of new positions that are subject to this Grow NJ award will only be counted above and beyond the first 10 positions employed by the applicant at the project site.

APPROVAL REQUEST:

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

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

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

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

APPLICANT: C2 Imaging LLC P41772

PROJECT LOCATION: 34 Exchange Place Jersey City Hudson County

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

APPLICANT BACKGROUND:
C2 Imaging LLC founded over 36 years ago is an integrated media graphics solutions company, offering solutions of small and large format, screen and digital print graphics products. C2 Imaging has seven locations in the U.S., including one in New York City, and in Canada, and is part of another 16 sister companies under the parent company, the Vomela Companies. C2 Imaging Services include a wide range of the latest digital printing technologies, including small format digital with of marketing and sales materials and brochures; large formats for events and tradeshows such as tents and flags Banners; promotional banners, posters, window graphics and wraps or banner for vehicles, bus shelter, stadium and sports graphics. The company also has a web based document management and ordering system, giving its clients full control over all its digital assets and orders. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
C2 Imaging is considering relocating its midtown Manhattan office to either a 34,307 sq. ft. facility in Jersey City, NJ or to a 40,000 sq. ft. facility in Long Island City. The company would relocate 110 employees from NY to NJ.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of C2 Imaging 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 Mark T. Auth, the CEO of C2 Imaging 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 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	($/Square Foot of Gross Leasable Area)
Industrial/Warehouse/Logistics/R&D - **Rehabilitation Project**	**$ 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	$686,140	$2,565,980
New Jobs	10	110
Retained Jobs	25	0

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

Base Grant	**Requirement**	**Proposed by Applicant**
Urban Transit Hub Municipality	Base award of $5,000 per year for projects located in a designated Urban Transit Hub Municipality	Jersey City is a designated Urban Transit Hub Municipality
Increase(s) Criteria		
Transit Oriented Development	An increase of $2,000 per job for a project locating in a Transit Oriented Development	34 Exchange Place 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	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 $2,565,980 is 274% 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	The Retained Full-Time Jobs will receive the lesser of: - ½ of the Grant Calculation for New Full-Time Jobs (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 ($2,565,980/ 10 / (110 + 0) = $2,332)** In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Urban Transit HUB Municipality		$5,000
INCREASES PER EMPLOYEE:		
Transit Oriented Development:	$2,000	
Capital Investment in Excess of Minimum (non-Mega):	$3,000	
Targeted Industry (Manufacturing):	$ 500	
INCREASE PER EMPLOYEE:		$5,500
PER EMPLOYEE LIMIT:		
Urban Transit HUB Municipality	$12,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		$10,500

AWARD:

New Jobs:	110 Jobs X $10,500 X 100% =	$1,155,000
Retained Jobs:	0 Jobs X $ 2,332 X 100% =	$0,000
	Total:	**$1,155,000**

ANNUAL LIMITS:	
Urban Transit HUB Municipality	$10,000,000
TOTAL ANNUAL AWARD	**$1,155,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 2,565,980
EXPECTED PROJECT COMPLETION:	May 1, 2016
NEW FULL-TIME JOBS:	110
RETAINED FULL-TIME JOBS:	0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 23,151,683
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 11,601,683
TOTAL AMOUNT OF AWARD:	$ 11,550,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 42,000
SIZE OF PROJECT LOCATION:	34,307 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 C2 Imaging 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: M. Peters **APPROVAL OFFICER**: T. Wells

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

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

APPLICANT: Fabuwood Cabinetry Corp. P41774

PROJECT LOCATION: 117 Blanchard Street Newark City Essex County

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

APPLICANT BACKGROUND:
Fabuwood Cabinetry Corp. ("Fabuwood") was formed in 2009 by Moshe C. Panzer and Joel Epstein, who both bring years of experience in the industry. Fabuwood manufactures kitchen cabinets. Starting out as a small team, Fabuwood has grown to employ several hundred people, providing cabinetry and accessories to clients nationwide. Its 2015 projected annual revenue exceeds $70 million, continuing its consistent annual growth of at least 20%. Fabuwood's vision is to continue the expansion of its product lines, offering a full range of products in all states within the continental US & Canada. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Fabuwood is presently leasing three properties with a total of 579,000 square feet, in Jersey City and Bayonne and those leases expire in 2017. The company is already outgrowing these facilities and there are inherent inefficiencies to coordinating manufacturing operations from three different locations. The company needs to consolidate into one modern facility to accommodate its recent and forecasted growth. The project site, located in Newark, NJ is 706,083 SF and the alternate site is a 725,000 SF location in Staten Island, NY.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Fabuwood Cabinetry Corp. 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 Moshe C. Panzer, the CEO of Fabuwood Cabinetry Corp., 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 $44.2 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 336 New Jersey jobs listed in the application are at risk of being located outside the State on or before September 1, 2017 as that is the month that the last of the three NJ leases 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:

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	$42,364,980	$57,860,000
New Jobs	10	276
Retained Jobs	25	336

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

Base Grant	Requirement	Proposed by Applicant
Mega Project	Base award of $5,000 per year for projects designated as a Mega Project	A Qualified Business Facility located in an Urban Transit Hub Municipality that qualifies as a Mega Project by virtue of being in a Port District for a business in the

		logistics, manufacturing, energy, defense, or maritime industry having either capital investment in excess of $20,000,000 and more than 250 full-time employees created or retained or having more than 1,000 employees created or retained.
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	117 Blanchard Street Newark, NJ is located in a Deep Poverty Pocket.
Large Number of New/Retained Full-Time Jobs	An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 612 Full-Time Jobs at the project location resulting in an increase of $1,000.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.
Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min	An increase of $1,000 per job for a Mega Project or a project located in a Garden State Growth Zone for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $5,000	The proposed project is a Mega Project. The proposed capital investment of $57,860,000 is 36.6% above the minimum capital investment resulting in an increase of $1,000 per year.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	**The Retained Full-Time Jobs will receive the lesser of:** - **½ of the Grant Calculation for New Full-Time Jobs (1/2 * $9,000 = $4,500)** or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($57,860,000/ 10 / (276 + 336) = $9,454) In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Mega Project		$5,000
INCREASES PER EMPLOYEE:		
Deep Poverty Pocket:	$1,500	
Large Number of New/Retained F/T Jobs:	$1,000	
Targeted Business (Manufacturing)	$ 500	
Mega Ind. Project w/ Cap. Inv. In Excess of Min:	$1,000	
INCREASE PER EMPLOYEE:		$4,000
PER EMPLOYEE LIMIT:		
Mega Project	$15,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		$9,000

AWARD:

New Jobs:	276 Jobs X $9,000 X 100% =	$2,484,000
Retained Jobs:	336 Jobs X $9,000 X 50% =	$1,512,000
	Total:	**$3,996,000**

ANNUAL LIMITS:		
Mega Project	$30,000,000	
TOTAL ANNUAL AWARD		**$3,996,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 57,860,000
EXPECTED PROJECT COMPLETION:	September 1, 2017
NEW FULL-TIME JOBS:	276
RETAINED FULL-TIME JOBS:	336

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 84,111,564
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 44,151,564
TOTAL AMOUNT OF AWARD:	$ 39,960,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 23,000
SIZE OF PROJECT LOCATION:	706,083 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	New
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	Jersey City/Bayonne
STATEWIDE BASE EMPLOYMENT:	343

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 twelve months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

APPROVAL REQUEST:

The Members of the Authority are asked to: 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 September 1, 2017; 2) approve the proposed Grow New Jersey grant to encourage Fabuwood Cabinetry Corp. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: Maggie Peters **APPROVAL OFFICER**: Mark Chierici

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

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

APPLICANT: FXDirectDealer, LLC P41717

PROJECT LOCATION: 525 Washington Blvd Jersey City Hudson County

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

APPLICANT BACKGROUND:
FXDirectDealer, LLC ("FXDD"), founded in 2002, is a registered Foreign Exchange Dealer with the Commodity Futures Trading Commission and is a member of the National Futures Association. FXDD is headquartered in New York City, and is a leader in online Forex trading dedicated to providing superior customer service, powerful trading technology, and reliable streaming liquidity. FXDD provides services to individual and institutional traders, hedge funds, commercial entities, brokerage firms and money managers around the world. Its US based business is moving from foreign exchange to more of a broker/dealer operation, along with software support for its foreign exchange business. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
FXDD currently leases space at 7 World Trade Center. While the Company has 8 years remaining on that lease term, FXDD is considering subleasing the balance of its 7 World Trade Center space and relocating to either Brooklyn or to Jersey City, in an effort to deliver significant occupancy costs savings and position the company for further growth. FXDD currently subleases 13,000SF of its total 39,631 SF in Manhattan, and would sublease the balance, or 27,000 SF, with a move to either Jersey City or Brooklyn.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of FXDD 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 Joseph Botkier, the CEO of FXDirectDealer, 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 $88.4 million over the 20 year period required by the Statute.

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

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

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

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

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

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

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

As a **Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Project** for an other targeted industry 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	$636,480	$1,034,280
New Jobs	25	121
Retained Jobs	35	0

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

Base Grant	Requirement	Proposed by Applicant
Urban Transit Hub Municipality	Base award of $5,000 per year for projects located in a designated Urban Transit Hub Municipality	Jersey City is a designated Urban Transit Hub Municipality
Increase(s) Criteria		
Transit Oriented Development	An increase of $2,000 per job for a project locating in a Transit Oriented Development	525 Washington Blvd is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a Port Authority Transit 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 Finance business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	**The Retained Full-Time Jobs will receive the lesser of:** - 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 ($1,034,280/ 10 / (121 + 0) = $854)** In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Urban Transit HUB Municipality		$ 5,000
INCREASES PER EMPLOYEE:		
Transit Oriented Development:	$2,000	
Targeted Industry (Finance):	$ 500	
INCREASE PER EMPLOYEE:		$ 2,500
PER EMPLOYEE LIMIT:		
Urban Transit HUB Municipality	$12,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		$ 7,500
AWARD:		
New Jobs:	121 Jobs X $7,500 X 100% =	$ 907,500
Retained Jobs:	0 Jobs X $ 854 X 100% =	$ 0,000
	Total:	**$907,500**
ANNUAL LIMITS:		
Urban Transit HUB Municipality	$10,000,000	
TOTAL ANNUAL AWARD		**$907,500**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 1,034,280
EXPECTED PROJECT COMPLETION:	May 1, 2016
NEW FULL-TIME JOBS:	121
RETAINED FULL-TIME JOBS:	0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 97,494,009
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 88,419,009
TOTAL AMOUNT OF AWARD:	$ 9,075,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 62,000
SIZE OF PROJECT LOCATION:	15,912 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:	N/A
STATEWIDE BASE EMPLOYMENT:	0

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 approve the proposed Grow New Jersey grant to encourage FXDirectDealer, 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: Maggie Peters **APPROVAL OFFICER**: Mark Chierici

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

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

APPLICANT: Linde North America, Inc. P41770

PROJECT LOCATION: 200 Somerset Corporate Boulevard Bridgewater Somerset County

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

APPLICANT BACKGROUND:
Linde North America, Inc., established in 1977, is a manufacturer and supplier of industrial, medical and specialty gases and a provider of related services. The company's primary products include cryogenic and non-cryogenic nitrogen, oxygen, argon, carbon dioxide, helium, hydrogen and a variety of medical gases. Linde North America, Inc. delivers its products through on-site production, pipeline, tankers and cylinders. The applicant has demonstrated the financial ability to undertake the project through the support of its parent company.

MATERIAL FACTOR/NET BENEFIT:
Linde North America, Inc.'s US headquarters is currently located in an owned facility located in New Providence Borough, NJ, which is in need of significant renovation. The applicant has made the decision not to renovate the facility, and to relocate its headquarters operation to either 200 Somerset Corporate Boulevard in Bridgewater Township, or to 110 Virginia Drive, Fort Washington, PA. At the NJ project location, Linde North America, Inc. would lease a total of 112,724 SF of space consisting of the entire fifth, sixth and seventh floors, as well as a portion of the third floor, of the building at 200 Somerset Corporate Boulevard. The applicant would renovate the space and purchase equipment. Should the applicant select the PA location, it would lease 110,000 SF at the Fort Washington location, and similarly renovate the space and purchase equipment. Additionally, the NJ location would be more expensive to operate on an annual basis due to a higher lease rate. The applicant is seeking a Grow NJ award to provide incentive to locate its project within the State.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Linde North America, 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 Patrick Murphy, the President of Linde North America, 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 $131.1 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 450 New Jersey jobs listed in the application are at risk of being located outside the State on or before June 15, 2016 as the company would relocate before this time. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

As a Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Project for a manufacturing business in Somerset 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	$4,508,960	$6,199,820
New Jobs	10	150
Retained Jobs	25	450

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

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of $3,000 per year for projects located in a designated Priority Area	Bridgewater Township is a designated Priority Area

Increase(s) Criteria		
Large Number of New/Retained Full-Time Jobs	An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 600 Full-Time Jobs at the project location resulting in an increase of $750.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $4,250 = $2,125) or - **The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($6,199,820 / 10 / (150 + 450) = $1,033)** In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:			
Priority Area			$3,000
INCREASES PER EMPLOYEE:			
Large Number of New/Retained F/T Jobs:		$ 750	
Targeted Industry (Manufacturing):		$ 500	
INCREASE PER EMPLOYEE:			$1,250
PER EMPLOYEE LIMIT:			
Priority Area		$10,500	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:			$4,250
AWARD:			
New Jobs:	150 Jobs X $4,250 X 100% =		$637,500
Retained Jobs:	450 Jobs X $1,033 X 100% =		$464,850
		Total:	**$1,102,350**
ANNUAL LIMITS:			
Priority Area (Est. 90% Withholding Limit)		$ 4,000,000/($2,013,672)	
TOTAL ANNUAL AWARD			**$1,102,350**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 6,199,820
EXPECTED PROJECT COMPLETION:	January 31, 2017
NEW FULL-TIME JOBS:	150
RETAINED FULL-TIME JOBS:	450
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 142,188,983
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 131,165,483
TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS)	$ 11,023,500
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 81,048
SIZE OF PROJECT LOCATION:	112,724 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:	New Providence Borough
STATEWIDE BASE EMPLOYMENT:	485

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 June 15, 2016; 2) approve the proposed Grow New Jersey grant to encourage Linde North America, 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: NYK Line (North America) Inc. P41822

PROJECT LOCATION: 300 Lighting Way Secaucus Town Hudson County

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

APPLICANT BACKGROUND:
NYK (North America) Inc., a wholly owned subsidiary of Nippon Yusen Kabushiki Kaishu (NYK), a Japanese company, is primarily engaged in cargo freight inland transport and logistics services. The applicant provides shipping and logistical services, as an agent, primarily for NYK's container transportation business. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
NYK Line (North America) Inc.'s headquarters are currently located in 75,000 SF on the 4th and 5th floors of 300 Lighting Way, however its lease will end on June 30, 2016. The applicant has gradually reduced headcount at this location over the previous 5 years and is looking to downsize its leased space to 44,396 SF. As such, the company is considering entering into a new lease at 300 Lighting Way or relocating to a 44,343 SF space in Philadelphia, PA. If the applicant were to maintain its headquarters at the NJ site, it would incur upfront renovation, equipment and startup costs. The PA site would require a similar scope of work, and the applicant would incur similar costs at that location. The applicant anticipates the cost of labor to be same at either location; however rent and operating expenses would be lower at the NJ site. Locating in NJ would be the less expensive option for the applicant, however it has applied for, and anticipates it would receive State and local incentives at the Philadelphia location, which would reduce the cost of locating to PA below that of remaining in NJ.

The location analysis submitted to the Authority shows New Jersey to be the less expensive option prior to factoring in the incentives at the alternative location. When incentives are included, New Jersey is the more expensive option and, as a result, the management of NYK Line (North America) 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 Mike Masao Takebayashi, the Chairman and President of NYK Line (North America) Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $33 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 114 New Jersey jobs listed in the application are at risk of being located outside the State on or before June 30, 2016, the date their 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:

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

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

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

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

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

As a Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Project for an other targeted industry 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	$1,773,840	$3,200,000
New Jobs	25	0
Retained Jobs	35	114

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	Secaucus Town is a designated Distressed Municipality

	Municipality	
Increase(s) Criteria		
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500	The proposed median salary of $94,000 exceeds the County median salary by 94.7% resulting in an increase of $500 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 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	The Retained Full-Time Jobs will receive the lesser of: - **½ of the Grant Calculation for New Full-Time Jobs (1/2 * $5,000 = $2,500)** or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($3,200,000 / 10 / (0 + 114) = $2,807) In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Distressed Municipality		$ 4,000
INCREASES PER EMPLOYEE:		
Jobs with Salary in Excess of County Average:	$ 500	
Targeted Industry (Logistics):	$ 500	
INCREASE PER EMPLOYEE:		$ 1,000
PER EMPLOYEE LIMIT:		
Distressed Municipality	$11,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		$ 5,000
AWARD:		
New Jobs:	0 Jobs X $5,000 X 100% =	$ 0
Retained Jobs:	114 Jobs X $5,000 X 50% =	$285,000
	Total:	**$285,000**
ANNUAL LIMITS:		
Distressed Municipality	$ 8,000,000	
TOTAL ANNUAL AWARD		**$285,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 3,200,000
EXPECTED PROJECT COMPLETION:	June 30, 2016
NEW FULL-TIME JOBS:	0
RETAINED FULL-TIME JOBS:	114

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 35,896,833
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 33,046,833
TOTAL AMOUNT OF AWARD:	$ 2,850,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 94,000
SIZE OF PROJECT LOCATION:	44,346 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:	N/A
STATEWIDE BASE EMPLOYMENT:	114

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: 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 June 30, 2016; 2) approve the proposed Grow New Jersey grant to encourage NYK Line (North America) 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: C. Fuentes **APPROVAL OFFICER**: D. Poane

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

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

APPLICANT: Rainforest Distribution Corp. P41640

PROJECT LOCATION: 20 Pulaski Street Bayonne City Hudson County

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

APPLICANT BACKGROUND:
Rainforest Distribution Corp., established in 2012, provides delivery and merchandising support services to producers of food products in the New York City metropolitan area, and specializes in dairy and organic frozen and refrigerated products. The applicant conducts new item presentations, manages pricing and promotions, and facilitates product launches for its clients. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
The applicant is considering relocating its operations from its current facility in Long Island City, NY to either a 50,740 SF space at 20 Pulaski Street, Bayonne City, NJ or a 45,000 SF space at 125 S Greenbush Road, Orangeburg, NY. The NJ location would be more centralized in relation to the geographic distribution of the company's delivery routes, while the NY location would be closer to its customers. The applicant would relocate 40 full-time jobs to the selected location. Should the applicant choose to locate in NJ, it would renovate the space and purchase equipment and fixtures. The NY location would include similar costs and scope of work, however renovation costs would be reduced due to a landlord provided tenant improvement allowance. The applicant would also incur higher annual operating expenses at the NJ location, as well.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Rainforest Distribution Corp. 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 Alexandre Reis, the CEO of Rainforest Distribution Corp., 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 $1,050,500 over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

As a Warehouse - Rehabilitation Project for an other 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	$1,014,800	$1,348,670
New Jobs	35	40
Retained Jobs	50	0

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

Base Grant	Requirement	Proposed by Applicant
Distressed Municipality	Base award of $4,000 per year for projects located in a designated Distressed Municipality	Bayonne City 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	20 Pulaski Street is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a New Jersey Transit Corporation light rail station.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: - **½ of the Grant Calculation for New Full-Time Jobs (1/2 * $6,000 = $3,000)** or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($1,348,670/ 10 / (40 + 0) = $3,371) In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:			
Distressed Municipality			$ 4,000
INCREASES PER EMPLOYEE:			
Transit Oriented Development:		$2,000	
INCREASE PER EMPLOYEE:			$ 2,000
PER EMPLOYEE LIMIT:			
Distressed Municipality		$11,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:			$ 6,000
AWARD:			
New Jobs:	40 Jobs X $6,000 X 100% =		$240,000
Retained Jobs:	0 Jobs X $6,000 X 50% =		$ 0
		Total:	**$240,000**
ANNUAL LIMITS:			
Distressed Municipality		$ 8,000,000	
TOTAL ANNUAL AWARD			**$240,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 1,348,670
EXPECTED PROJECT COMPLETION:	April 15, 2016
NEW FULL-TIME JOBS:	40
RETAINED FULL-TIME JOBS:	0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 3,450,500
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 1,050,500
TOTAL AMOUNT OF AWARD:	$ 2,400,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 40,560
SIZE OF PROJECT LOCATION:	50,740 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:	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 Rainforest Distribution Corp. 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: Showman Fabricators, Inc. P41648

PROJECT LOCATION: 148 E. 5th Street Bayonne City Hudson County

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

APPLICANT BACKGROUND:
Showman Fabricators, Inc., established in 1986, manufactures scenery and specialty fabrications for Broadway, television, architectural projects, special events, and museum and retail industries. The company's products serve a unique purpose and are typically custom-built for clients, and vary from television and film studio and stage sets, museum display cases, scenery for Broadway stages, exhibit displays and multimedia kiosks, to retail and restaurant theme fabrication designs. Creating sets involve using a diverse group of work trades including carpentry, metal fabrication, glass, plastic and acrylic fabrication, automation (electronic, computer controls), electric wiring and lighting systems, faux finishing, scenic painting and backdrops, gilding, carving and sculpting.

Showman Fabricators also assists with project design and graphic service such as high resolution inkjet printing, mounting and laminating, vinyl signage and digital backdrops and 3-D signage. The Company also provides production management and engineering services. The company is currently located in Long Island City, New York with 87 full-time employees and over 100 part-time employees. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
The company is in the process of deciding whether to remain in its current space of 53,086 sq. ft. which is owned by related holding company in Long Island City or lease 2 buildings totaling 60,608 sq. ft. which is part of 5 buildings to be purchased by a related holding company in Bayonne, NJ. As the company grows, the current building in NY has become inefficient as it includes several separate sections and enclosed rooms which limit expansion space for some departments.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Showman Fabricators, 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 Robert Usdin, the CEO of Showman Fabricators, 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 $4 million over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

As 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	$1,212,160	$1,940,000
New Jobs	10	90
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	Bayonne City 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	148 E. 5th Street is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a New Jersey Transit Corporation light 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 $1,940,000 is 60% above the minimum capital investment resulting in an increase of $3,000 per year.
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500	The proposed median salary of $68,823 exceeds the Hudson County median salary by 41% resulting in an increase of $250 per year.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.

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

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

	- ½ of the Grant Calculation for New Full-Time Jobs (1/2 * \$9,750 = \$4,875) or - **The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (\$1,940,000/ 10 / (90 + 0) = \$2,155)** In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:			
Distressed Municipality			\$4,000
INCREASES PER EMPLOYEE:			
Transit Oriented Development:		\$2,000	
Capital Investment in Excess of Minimum (non-Mega):		\$3,000	
Jobs with Salary in Excess of County Average:		\$ 250	
Targeted Industry (Manufacturing)		\$ 500	
INCREASE PER EMPLOYEE:			\$5,750
PER EMPLOYEE LIMIT:			
Distressed Municipality		\$11,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:			\$9,750
AWARD:			
New Jobs:	90 Jobs X \$9,750 X 100% =		\$877,500
Retained Jobs:	0 Jobs X \$2,155 X 100% =		\$0,000
		Total:	**\$877,500**
ANNUAL LIMITS:			
Distressed Municipality		\$ 8,000,000	
TOTAL ANNUAL AWARD			**\$877,500**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 1,940,000
EXPECTED PROJECT COMPLETION:	May 15, 2016
NEW FULL-TIME JOBS:	90
RETAINED FULL-TIME JOBS:	0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 12,830,798
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 4,055,798
TOTAL AMOUNT OF AWARD:	$ 8,775,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 68,823
SIZE OF PROJECT LOCATION:	60,608 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 Showman Fabricators, 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: C. Fuentes **APPROVAL OFFICER**: T. Wells

GROW NEW JERSEY ASSISTANCE PROGRAM - MODIFICATIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: January 12, 2016

SUBJECT: Grow New Jersey modification request for GBT US LLC
P41351

MODIFICATION REQUEST

The Board approved GBT III US LLC for an $18,275,000 Grow New Jersey Grant Award on October 15, 2015. Since then, the company could not procure the original project site, 10 Exchange Place, Jersey City, Hudson County and has identified a new location also in Jersey City, 101 Hudson Street. The Board is requested to modify the previously approved award to the newly identified site, as well as a name change and reduction of the number of new full time employees.

BACKGROUND:

GBT III US LLC (GBT) is a partial spin-off of the American Express travel unit, Global Business Travel. GBT is a wholly-owned subsidiary of GBT III, B.V., a private company organized under law of the Netherlands. American Express Travel Holdings owns 50% of GBT III, B.V. and Juweel Investors owns the remaining 50%. GBT provides end-to-end corporate travel and meetings program management for companies of all sizes and across all industries. It has partners in 139 countries and 14,000 employees. The GBT division is separate from consumer travel services. The applicant has demonstrated the financial ability to undertake the project through the support of its parent company.

MODIFICATION:

GBT III US LLC was approved for an $18,275,000 Grow New Jersey Grant Award on October 15, 2015. There is a clarification to the name of the applicant; the correct legal name is GBT US LLC.

Since the Board Approval date, the company could not secure the original project site, 10 Exchange Place, Jersey City, and has identified a new location, also in Jersey City, 101 Hudson Street Broadway. The site previously approved consisted of leasing 44,500 sq. ft. at 10 Exchange Place. The company planned to relocate headquarters and operations of the American Express Travel Related Services from New York City to that building. The proposed capital investment was $7,800,000 in renovations plus the creation of 215 new jobs to New Jersey. The alternative was to locate the headquarters in existing company space used as a call center in Tampa, Florida. The location analysis at the time of approval showed New Jersey to be the more expensive option.

The applicant still plans to house its headquarters and main operations and proposes leasing 35,040 sq. ft. at Hudson Street, Jersey City. The new leased space in NJ is smaller and the proposed capital investment is $6,800,000 for renovations and furniture, fixtures and equipment.

The number of new full-time employees has also changed from 215 to 130, as the applicant has determined that 215 would be unattainable and now anticipates that number to be 130. As part of its continuing review of the project, there are three factors that contribute to the reduction in employees: (i) a corporate sales and meeting and events staff team will be virtual as opposed to office based and therefore would not qualify as Grow NJ eligible full-time jobs; (ii) due to technology improvements in its financial and billing systems, GBT no longer expects to hire additional staff in those areas; and (iii) the company anticipated hiring a full-time transition team, however will instead hire short term contractors, and therefore not Grow NJ eligible full-time jobs. With reduction of the number of new jobs from 215 to 130, the total Grow New Jersey Award is reduced from the previously approved amount of $18,725,000 to $11,050,000.

MATERIAL FACTOR/NET BENEFIT:

The company currently remains with American Express Travel Related Services in New York City and is seeking its own headquarters location. GBT is proposing to relocate its existing headquarters and 130 headquarters employees from New York City to a 35,040 sq. ft. facility in Jersey City. The alternative would be to locate the headquarters in existing company space used as a call center in Tampa, Florida. The current Tampa employees would be relocated elsewhere within the Tampa area and all the Florida based GBT employees would be new hires.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of GBT US 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 William H. Glenn, the CEO of GBT US 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 $39 million over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

The changes to the eligibility requirements are the decrease in the capital investment due to a smaller space and reduction in the number of new full-time jobs.

The date in which the applicant must complete and submit the capital investment and employment requirements will remain within three years from the date of the original approval of the Grow New Jersey Award, which approval was granted on October 15, 2015.

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

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

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

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

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

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

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

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

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$1,401,600	$6,800,000
New Jobs	35	130
Retained Jobs	50	0

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. The project at the new site remains eligible for the Base Award and Increases previously approved and for which the CEO certified that but for the Grow New Jersey award, the creation and/or retention of jobs would not occur:

Base Grant	**Requirement**	**Proposed by Applicant**
Urban Transit Hub Municipality	Base award of $5,000 per year for projects located in a designated Urban Transit Hub Municipality	Jersey City is a designated Urban Transit Hub Municipality
Increase(s) Criteria		
Transit Oriented Development	An increase of $2,000 per job for a project locating in a Transit Oriented Development	10 Exchange Place is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a New Jersey Transit Corporation rail station.
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is	The proposed median salary of $137,118 exceeds the Hudson County median salary by 184% resulting in an increase of $1,250 per year.

	located with a maximum increase of $1,500	
Exceeds LEEDs Silver or Substantial Env. Remed.	An increase of $250 per job for a facility exceeding the Leadership in Energy and Environmental Design's "Silver" rating standards or for a project that completes substantial environmental remediation	The applicant proposes achieving a LEEDs Gold rating.

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Urban Transit HUB Municipality		$5,000
INCREASES PER EMPLOYEE:		
Transit Oriented Development:	$2,000	
Jobs with Salary in Excess of County Average:	$1,250	
Exceeds LEEDs Silver or Substantial Env. Remed.:	$ 250	
INCREASE PER EMPLOYEE:		$3,500
PER EMPLOYEE LIMIT:		
Urban Transit HUB Municipality	$12,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		$8,500

AWARD:

New Jobs:	130 Jobs X $8,500 X 100% =	$1,105,000
Retained Jobs:	0 Jobs X $8,500 X 50% =	$ 0,000
	Total:	**$1,105,000**

ANNUAL LIMITS:		
Urban Transit HUB Municipality	$10,000,000	
TOTAL ANNUAL AWARD		**$1,105,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 6,800,000
ESTIMATED PROJECT COMPLETION:	March 31, 2016
NEW FULL-TIME JOBS:	130
RETAINED FULL-TIME JOBS:	0
GROSS BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD)	$ 50,320,988
NET BENEFIT TO THE STATE (OVER 35 YEARS, NET OF AWARD):	$ 39,270,988
TOTAL AMOUNT OF AWARD:	$ 11,050,000
TERM:	10 years
MEDIAN WAGES:	$ 137,118
SIZE OF PROJECT LOCATION:	35,040 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:	N/A
STATEWIDE BASE EMPLOYMENT:	0

PROJECT IS: (X) Expansion ( ) Relocation

CONSTRUCTION: (X) Yes ( ) No

RECOMMENDATION:

Based on the above, staff recommends a modification request allowing the Qualified Business Facility to be located at the new address, reduce the number of new full-time employees and change the name of the applicant.

Prepared by: Teresa Wells

BOND RESOLUTIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

SUBJECT: 2015 Carryforward Request

DATE: January 12, 2016

The State Treasurer allocated $110,000,000 to the New Jersey Economic Development Authority out of the State's 2015 Private Activity Bond Cap.

The Authority may elect to carryforward any unused portion of the above noted 2015 Private Activity Bond allocation with the U.S. Department of Treasury.

Out of the $110,000,000 allocation to the Authority, $14,612,931.38 closed against the Cap, resulting in $95,387,068.62 being unused and available for carryforward subject to the State Treasurer's approval.

The attached resolution approves the filing of the attached IRS Form 8328 by the President/Chief Operating Officer carrying forward unused 2015 Private Activity Bond Cap to be determined and approved by the State Treasurer for certain eligible exempt facility activities.

I recommend adoption of the attached Carryforward Resolution.

Prepared by: John J. Rosenfeld

RESOLUTION APPROVING CARRYFORWARD REQUEST
AUTHORIZING THE CHIEF EXECUTIVE OFFICER
TO MAKE CARRYFORWARD DETERMINATION

WHEREAS, the State Treasurer has confirmed allocating to the Authority $110,000,000 of the State's 2015 Private Activity Bond Volume Cap; and

WHEREAS, the Authority has issued $14,612,931.38 in private activity bonds in 2015 and would like to carryforward out of the statewide reserve the unused portion of the Authority's 2015 allocation together with any additional allocation which the State Treasurer may determine and make available to the Authority for carryforward purposes;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Authority hereby approves and ratifies the filing of the attached 2015 IRS Form 8328 entitled "Carryforward Election of Unused Private Activity Bond Volume Cap" by the President/Chief Operating Officer subject to the State Treasurer's approval of unused 2015 Volume Cap for carryforward purposes.

2. This resolution shall take effect immediately, but no action authorized herein shall take force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval unless during such 10-day period the Governor of the State of New Jersey shall approve the same in which case such action shall become effective upon such approval, as provided by the Act.

DATED: January 12, 2016

Form **8328** (Rev. September 2011) Department of the Treasury Internal Revenue Service

Carryforward Election of Unused Private Activity Bond Volume Cap

(Under Sections 146(f) and 142(k))

OMB No. 1545-0874

Enter the calendar year for which the election is made ▶ 2015

Part I Reporting Authority

State name for qualifying public educational facility bond **or** issuer's name for all other bonds		**Reporting Authority's EIN**
New Jersey Economic Development Authority		22-2045817
Number, street (or P.O. box if mail is not delivered to street address)	Room/suite	Report number
36 West State Street, PO Box 990		9 01
City or town, state, and ZIP code		
Trenton, NJ 08625-0990		

***Caution:** Part II is **only** for section 146(f) filers. Part III is **only** for qualifying public educational facility bond filers.*

Part II Unused Volume Cap and Carryforward under Section 146(f)

Computation of Unused Volume Cap

1	Total volume cap of the issuer for the calendar year			1	110,000,000.
2	Aggregate amount of private activity bonds issued to date that are taken into account under section 146 (see instructions)	2	14,612,931.38		
3	Total amount of volume cap exchanged for authority to issue mortgage credit certificates (see instructions)	3			
4	Total amount of volume cap allocated to private activity portion of governmental bonds (see instructions)	4			
5	Add lines 2 through 4			5	14,612,931.38
6	Unused volume cap (subtract line 5 from line 1)			6	95,387,068.62

Purpose and Amount of Each Carryforward

7	Qualified student loan bonds	7	
8	Qualified mortgage bonds or mortgage credit certificates	8	
9	Qualified redevelopment bonds	9	
10	Exempt facility bonds:		
a	Mass commuting facilities (section 142(a)(3))	10a	
b	Water furnishing facilities (section 142(a)(4))	10b	20,387,068.62
c	Sewage facilities (section 142(a)(5))	10c	15,000,000.00
d	Solid waste disposal facilities (section 142(a)(6))	10d	15,000,000.00
e	Qualified residential rental projects (section 142(a)(7))	10e	15,000,000.00
f	Facilities for the local furnishing of electric energy or gas (section 142(a)(8))	10f	15,000,000.00
g	Local district heating or cooling facilities (section 142(a)(9))	10g	15,000,000.00
h	Qualified hazardous waste facilities (section 142(a)(10))	10h	
i	25% of bonds for privately owned high-speed intercity rail facilities (section 142(a)(11))	10i	
j	Qualified enterprise zone facility bonds (section 1394(a)-(e))	10j	
11	Total carryforward amount (add lines 7 through 10j) (not to exceed line 6)	11	95,387,068.62

Part III Unused Volume Cap and Carryforward Under Section 142(k) (Qualifying Public Educational Facility Bonds)

12	Total volume cap for the calendar year	12	
13	Total amount of bonds issued under section 142(k) for the calendar year	13	
14	Unused volume cap available for carryforward (subtract line 13 from line 12)	14	
15	Amount elected to carryforward (not to exceed line 14)	15	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

▶ Signature of authorized public official | Date

▶ Timothy J. Lizura
President and Chief Operating Officer
Type or print name and title.

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 8328 is filed by the issuing authority of private activity bonds to elect to carry forward its unused volume cap for one or more carryforward purposes (see section 146(f)). If the election is made, bonds issued with respect to a specified carryforward purpose are not subject to the volume cap under section 146(a) during the 3 calendar years following the calendar year in which the carryforward arose, but only to the extent that the amount of such bonds does not exceed the amount of the carryforward elected for that purpose.

Also, Form 8328 is used by a state to carry forward the unused volume cap under section 142(k). A state may elect to carry forward an unused limitation for any calendar year for 3 calendar years following the calendar year in which the unused limitation arose under rules similar to the rules of section 146(f). However, this election can only be made for the issuance of qualified public educational facility bonds. For definitions related to qualified public educational facilities, see section 142(k).

When To File

Form 8328 must be filed by the earlier of: **(1)** February 15 of the calendar year following the year in which the excess amount arises, or **(2)** the date of issue of bonds issued pursuant to the carryforward election.

Once Form 8328 is filed, the issuer may not revoke the carryforward election or amend the carryforward amounts shown on this form.

Errors on this form cannot be corrected through an amended filing. The issuer may file a Voluntary Closing Agreement Program (VCAP) request to correct mathematical, typographical, and similar errors. See Notice 2008-31, 2008-11 I.R.B. 592, and IRM 7.2.3 for more information about VCAP.

Where To File

File Form 8328 with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Bonds Taken Into Account Under Section 146

All private activity tax-exempt bonds issued during a calendar year are taken into account under section 146 **except:**

1. Qualified veterans' mortgage bonds.

2. Qualified section 501(c)(3) bonds.

3. Exempt facility bonds for governmentally owned airports, docks and wharves, and environmental enhancements of hydroelectric generating facilities; also exempt facility bonds for qualified public educational facilities, qualified green building and sustainable design projects and qualified highway or surface freight transfer facilities.

4. 75% of any exempt facility bonds for privately owned high-speed intercity rail facilities; 100% if governmentally owned.

5. Exempt facilities bonds for governmentally owned solid waste disposal facilities. See section 146(h).

6. Bonds issued pursuant to a carryforward election. See section 146(f)(3)(A).

7. Certain current refundings. See section 146(i).

8. Certain bonds issued by Indian tribal governments for tribal manufacturing facilities. See section 7871(c)(3).

9. Tribal Economic Development Bonds, section 7871(f).

10. Gulf Opportunity Zone bonds, Midwestern Disaster Area bonds, Hurricane Ike Disaster Area bonds, section 1400N.

11. New York Liberty Zone bonds, section 1400L.

12. Enterprise Zone Facility bonds, section 1394(f).

Note. Enterprise Zone Facility bonds under section 1394(a)-(e) are subject to section 146. See Line 10j of Form 8328.

In addition, the private activity portion of governmental bonds is taken into account to the extent that the nonqualified amount exceeds $15 million. See sections 141(b)(5) and 146(m).

Bonds Eligible for Carryforward Elections

• An election under section 146(f) may be made by the issuing authority for only the following types of tax-exempt bonds:

1. Qualified student loan bonds.

2. Qualified mortgage bonds (or mortgage credit certificates).

3. Qualified redevelopment bonds.

4. Exempt facility bonds taken into account under section 142(a).

5. Enterprise zone facility bonds taken into account under Regulations section 1.1394-1(m)(3).

6. Tax-Exempt Economic Development Bonds for the District of Columbia Enterprise Zone, section 1400A. Include any Tax-Exempt Economic Development Bond carryforward on Line 10j.

• An election under section 142(k) may be made by the state for qualified public educational facility bonds.

Specific Instructions

Parts I and II of this form must be completed to properly elect the carryforward provisions under section 146(f).

Parts I and III must be completed to properly elect the carryforward provisions under section 142(k).

Part I. Reporting Authority

Name. Enter the name of the state if filing under section 142(k). For all others, enter the name of the entity issuing the bonds.

Report number. This line is for IRS use only. Do not make an entry.

Part II. Unused Volume Cap and Carryforward Under Section 146(f)

Computation of Unused Volume Cap

Line 1. Enter the issuing authority's volume cap under section 146 for the current calendar year. Take into account any reduction in the amount of the volume cap under section 25(f) (relating to the reduction in the aggregate amount of qualified mortgage bonds where certain requirements are not met). See section 146(n)(2).

Line 2. Enter the total amount of private activity bonds issued by the issuing authority during the current calendar year that are taken into account under section 146. See **Bonds Taken Into Account Under Section 146.**

Line 3. Enter the total amount of qualified mortgage bonds the issuing authority has elected not to issue under section 25(c)(2)(A)(ii) during the current calendar year, plus the reduction under section 25(f) for that calendar year. See section 146(n).

Line 4. Enter the total amount of volume cap allocated by the issuer to the private activity portion of governmental bonds. See sections 141(b)(5) and 146(m).

Purpose and Amount of Each Carryforward

Enter the amount of unused volume cap the issuer elects to carry forward for each carryforward purpose and the total carryforward amount.

Part III. Unused Volume Cap and Carryforward Under Section 142(k) (Qualifying Public Educational Facility Bonds)

Complete lines 12 through 15 to compute the amount elected to carry forward under section 142(k).

Signature

Form 8328 must be signed by an authorized public official responsible for carrying forward unused volume cap.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	7 hr., 24 min.
Learning about the law or the form	2 hr., 47 min.
Preparing and sending the form to the IRS	3 hr., 1 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where To File*.

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

APPLICANT: Jewish Community Center on the Palisades P41373

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

PROJECT LOCATION: 411 East Clinton Avenue Tenafly Borough (N) Bergen

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

APPLICANT BACKGROUND:

The Jewish Community Center on the Palisades (The Center) is a 501(c)(3) not-for-profit organization founded in 1949. The Center is a non-sectarian institution established to provide educational, cultural, social welfare and recreational services such as performing arts classes and workshops, health/wellness/nutrition, physical education, and informal education for children, teens, adults and seniors. Some notable community service programs include Early Childhood Pre-School, Therapeutic Nursery, Guttenberg Center for Special Services and Kaplan Adult Reach Center, a daycare program for frail seniors with memory deficits. The Center is a 190,000 sq. ft. two story building on a 29-acre campus in the East Hill section of Tenafly, NJ. It was built in 1981 and has since undergone a major $25 million renovation to update the campus. JoJo Rubach is the President and Edward A. Grossman is the Chair of the Center.

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 and other capital projects, including additional improvements and purchase of furniture and fixtures as well as technology and networking equipment and closing costs. The 2016 Bonds are expected to be rated A-/A-2 by Standard & Poor's.

FINANCING SUMMARY:

BOND PURCHASER: A.Bridge-Realvest Securities Corporation (Private Placement Agent)

AMOUNT OF BOND: $12,000,000 Tax-exempt bonds

TERMS OF BOND: 27 yrs; Two years interest only; Multi-modal interest rate structure with a maximum interest rate not to exceed 10%; initially to be issued as variable interest rate bonds, resetting weekly based on SIFMA Index plus a current market spread; as of 1/5/16, the estimated variable interest rate is .41%.

ENHANCEMENT: (L/C - Valley National Bank - 5.0 Yr.)

PROJECT COSTS:

Refinancing	$11,100,000
Working capital	$1,245,000
Purchase of equipment & machinery	$400,000
Renovation of existing equipment & machi	$350,000
Finance fees	$221,250
Renovation of existing building	$200,000
Soft Costs	$100,300

Legal fees	$85,000
TOTAL COSTS	$13,701,550

JOBS: At Application 600 Within 2 years 15 Maintained 0 Construction 2

PUBLIC HEARING: 01/12/16 (Published 12/29/15) **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi
DEVELOPMENT OFFICER: M. Athwal **APPROVAL OFFICER:** T. Wells

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

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

APPLICANT: LEAP Cramer Hill, LLC P41961

PROJECT USER(S): LEAP Academy University Charter School * * - indicates relation to applicant

PROJECT LOCATION: 130 North Broadway Camden City (T/UA) Camden

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

APPLICANT BACKGROUND:

LEAP Cramer Hill, LLC is a limited liability corporation created in 2013, to support the work of the LEAP (Leadership, Education and Partnership) Academy University Charter School, Inc., ("LEAP Academy"), a 501(c)(3) not-for-profit public charter school creating opportunities and improving conditions for the children and families of the City of Camden.

Founded in 1997, LEAP Academy serves over 1,500 students in grades K-12 in four academic units in Camden: LEAP Lower School (grades K-3) located at 639 Cooper St., the Upper Elementary School (grades 4-6) at 549 Cooper St., a specialized STEM Intermediate School (grades 7-9) at 532 Cooper St. and a STEM High School (grades 10-12) at 130 North Broad St. LEAP Academy is in good standing with the NJ Department of Education. Gloria Bonilla-Santiago is the Chair and Janice Strigh is the Lead Person of LEAP Academy.

In 2014, LEAP Cramer Hill, LLC closed on tax-exempt bond financing in the amount of $9,500,000 Tax-exempt Series A Bonds and $500,000 Series B Taxable Bonds on behalf of the LEAP Schools ("2014 Bonds"). The proceeds of the 2014 Bonds were used to refinance a conventional loan for the purchase of the 70,560 sq. ft. building and land (now known as the Dr. Santiago Building) at 130 North Broad Street, Camden, to house high school classrooms, other specialized rooms for labs and support and programming services for the LEAP families and children. In addition, the 2014 Bond proceeds were used to finance renovations to project facility, fund a debt service reserve fund and to pay interest during construction and the costs of issuance. The 2014 Bonds were underwritten by RBC Capital Market, LLC as term bonds ranging from 5.125% to 6.30% tax-exempt and 8% taxable for a maximum of 25 years.

In 2015, LEAP Academy University Charter School closed on a $5,940,000 tax-exempt bond to refinance the outstanding balance of a 2003 tax-exempt bond issued by the Delaware River Port Authority (DRPA) plus pay costs of issuance. The 2003 DRPA Bonds were issued to pay a portion of the construction and equipping of a school for students in grades 9 through 12 at 549 Cooper St., Camden. The 2015 Bond was purchased by TD Bank, N.A. for 13 years at fixed interest rate of 2.24%.

The applicant is treated as 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 fund cost overruns of the renovations to the Dr. Santiago Building at 130 North Broadway funded by the 2014 Bonds. The bonds will be issued as supplemental bonds, 2014 Series C, under the 2014 Bond Indenture.

FINANCING SUMMARY:

BOND PURCHASER: TD Bank, N.A. (Direct Purchase)

AMOUNT OF BOND: $1,000,000 Series C Taxable Bond

TERMS OF BOND: 20 yrs.; Fixed interest rate based on the TD Bank's cost of funds plus 150 basis points, subject to call options and rate resets every seven years. Estimated interest rate as of 11/16/15 is 4.13%.

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	$950,000
Legal fees	$50,000
Finance fees	$50,000
TOTAL COSTS	$1,050,000

	At Application	Within 2 years	Maintained	Construction
JOBS:	0	45	0	9
Jobs on Related P039147	0	45	0	65

PUBLIC HEARING: N/A

BOND COUNSEL: Chiesa, Shahinian & Giantomasi

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: T. Wells

PRELIMINARY RESOLUTIONS

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

APPLICANT: Allied Specialty Foods, LLC P41908

PROJECT USER(S): Allied Specialty Foods, Inc. * * - indicates relation to applicant

PROJECT LOCATION: 1585 W. Forest Grove Road Vineland City (T/UA) Cumberland

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

APPLICANT BACKGROUND:

Allied Specialty Foods, LLC ("ASF LLC") is the real estate holding company for its wholly owned operating company, Allied Specialty Foods, Inc. ("ASF Inc."). The Borrower is proposing to construct a new meat processing facility to be completed within 12 months.

ASF Inc., established in 1956, is a manufacturer of specialty raw and fully cooked beef and poultry items. Its core product line is thinly sliced steak products for sandwiches, fajitas and other signature products formulated to meet its customer's needs.

Allied Specialty Foods, Inc. was approved for a Grow NJ tax credit in 2014 for $13.8 million at this location.

APPROVAL REQUEST:

Authority assistance will enable the applicant to acquire an 80,000 sq. ft. building on 8 acres of land, renovate and equip the building and pay closing costs.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND: TBD

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	$7,950,000
Purchase of equipment & machinery	$3,000,000
Acquisition of existing building	$2,450,000
Land	$500,000
Engineering & architectural fees	$450,000
Legal fees	$250,000
Finance fees	$200,000
Relocation Costs	$200,000
TOTAL COSTS	$15,000,000

JOBS: At Application 118 Within 2 years 85 Maintained 0 Construction 70

PUBLIC HEARING:

BOND COUNSEL: Chiesa, Shahinian & Giantomasi

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: M. Chierici

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

APPLICANT: Standard Merchandising Co. P41708

PROJECT USER(S): Great Socks, LLC * - indicates relation to applicant

PROJECT LOCATION: 1535 Broadway Camden City (T/UA) Camden

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

APPLICANT BACKGROUND:

Standard Merchandising Co., was a family owned, textile manufacturing business that had operated in Camden and Reading PA since 1922. The company experienced large growth in the 1970's and the 1980's manufacturing knit headbands and wristbands for the tennis market. Until recently, the company manufactured socks, which had overtaken tennis accessories as its largest line of business. Standard Merchandising had 67 employees in Camden, NJ and 25 employees in Reading, PA.

Standard Merchandising recently closed on an asset purchase agreement of its manufacturing business by Great Socks, LLC, a limited liability company recently formed by LongWater Opportunities, LLC. LongWater Opportunities is a private equity firm based in Dallas, TX that invests in family owned manufacturing businesses.

Great Socks, LLC was approved for a $13 million Grow NJ award (Appl. P41133) over 10 years in connection with the relocation of the manufacturing operations to this project site.

APPROVAL REQUEST:

Authority assistance will enable the applicant to construct a 48,900 sq. ft. building and renovate an existing 21,100 sq. ft. building for use by the manufacturing business of Great Socks, LLC. Standard Merchandising has entered into a Ground Lease with the South Jersey Port Corporation who is the owner of the 4.3 acres of land together with the existing building on the land.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	$4,971,358
Renovation of existing building	$1,164,167
Engineering & architectural fees	$260,400
Demolition	$128,000
Interest during construction	$126,000
Legal fees	$45,000
Finance fees	$27,000
Accounting fees	$5,000
TOTAL COSTS	$6,598,925

JOBS: At Application 67 Within 2 years 33 Maintained 0 Construction 57

PUBLIC HEARING:

BOND COUNSEL: Chiesa, Shahinian & Giantomasi

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: T. Wells

LOANS/GRANTS/GUARANTEES

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: January 12, 2016

SUBJECT: Petroleum Underground Storage Tank Program (PUST) - Delegated Authority Fourth Quarter 2015 Approvals (For Informational Purposes Only)

Pursuant to delegations approved by the Board in May 2006, staff may approve new grants under the Petroleum Underground Storage Tank Program (PUST) up to $100,000 and supplemental awards for existing grants (of any size) up to an aggregate of $100,000, provided that the aggregate amount of the supplemental awards does not exceed $100,000.

Attached is a summary of the Delegated Authority approvals for the fourth quarter ending December 31, 2015. 87 grants were approved totaling $1,562,387.

Timothy Lizura

Prepared by: Lisa Petrizzi

APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
Albrecht, Glen (P41458)	Initial grant for upgrade, closure and remediation	$6,570	$6,570
Armstrong, Suzanne (P41211)	Initial grant for upgrade, closure and remediation	$5,685	$5,685
Baum, Ilze (P41481)	Supplemental grant for site remediation	$2,960	$21,635
Beck, III, Raymond S. and Margaret Beck (P41453)	Initial grant for upgrade, closure and remediation	$9,425	$9,425
Beckett, Karl (P41275)	Initial grant for upgrade, closure and remediation	$57,443	$57,443
Bonham, Lewis (P41151)	Initial grant for upgrade, closure and remediation	$16,208	$16,208
Brisebois, Christina (P41300)	Initial grant for upgrade, closure and remediation	$4,390	$4,390
Bryson, Scott, M. (P41017)	Initial grant for upgrade, closure and remediation	$28,152	$28,152
Bsales, George (P41264)	Initial grant for upgrade, closure and remediation	$20,000	$20,000
Claridge, Marilyn (P41280)	Initial grant for upgrade, closure and remediation	$6,519	$6,519
Cooper, Evan S. (P41221)	Initial grant for upgrade, closure and remediation	$12,909	$12,909
Cortes, Nereida (P41127)	Initial grant for upgrade, closure and remediation	$6,866	$6,866
DeGennaro, Salvatore (P41256)	Initial grant for upgrade, closure and remediation	$2,298	$2,298
DeLuca, Ralph (P41219)	Initial grant for upgrade, closure and remediation	$24,775	$24,775
DeOliveira, Tiziana (P41047)	Initial grant for upgrade, closure and remediation	$16,316	$16,316
DeYound, Kathy (P41132)	Initial grant for upgrade, closure and remediation	$12,203	$12,203
Dotti, Vincent (P41321)	Initial grant for upgrade, closure and remediation	$49,340	$49,340
Eastby, Allen and Clara (P41258)	Initial grant for upgrade, closure and remediation	$11,498	$11,498
Estate of Carin Bakelaar (P41225)	Initial grant for upgrade, closure and remediation	$17,421	$17,421
Estate of Robert Froat (P41054)	Initial grant for upgrade, closure and remediation	$7,931	$7,931
Estate of Samuel E. Greene (P40653)	Supplemental grant for site remediation	$27,891	$34,594
Estate of Theresa Hill (P41068)	Initial grant for upgrade, closure and remediation	$5,355	$5,355
Evener, Ellen (P41130)	Initial grant for upgrade, closure and remediation	$13,625	$13,625
Farrell, Michael (P41445)	Initial grant for upgrade, closure and remediation	$18,258	$18,258

APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
Feldman, Jr., Edward (P41222)	Initial grant for upgrade, closure and remediation	$5,094	$5,094
Fernandez, Hector (P41444)	Initial grant for upgrade, closure and remediation	$21,670	$21,670
Fisher, George and Pamela (P41484)	Supplemental grant for site remediation	$11,851	$75,009
Fram, Donald T. (P41461)	Initial grant for upgrade, closure and remediation	$2,735	$2,735
George, John (P41215)	Initial grant for upgrade, closure and remediation	$10,759	$10,759
Gordon, John (P41326)	Initial grant for upgrade, closure and remediation	$4,702	$4,702
Gray, Dinah (P40700)	Initial grant for upgrade, closure and remediation	$11,028	$11,028
Gutkes, Richard and Jeanne (P41259)	Initial grant for upgrade, closure and remediation	$39,515	$39,515
Hardy, Robert and Ruth (P41456)	Initial grant for upgrade, closure and remediation	$12,497	$12,497
Hills, Gary and Elizabeth (P41497)	Initial grant for upgrade, closure and remediation	$5,173	$5,173
Hirsch, Stephen (P41434)	Supplemental grant for site remediation	$61,025	$69,081
Holy Trinity Orthodox Church (P40829)	Initial grant for upgrade, closure and remediation	$17,231	$17,231
Imperiale, Michael (P41301)	Initial grant for upgrade, closure and remediation	$23,477	$23,477
Johnson, Cassandra (P41285)	Supplemental grant for site remediation	$17,569	$46,246
Kaverick, Robert (P41224)	Initial grant for upgrade, closure and remediation	$19,198	$19,198
Kondrk, Cindy (P41320)	Initial grant for upgrade, closure and remediation	$28,031	$28,031
Koserowski, Laurette (P41274)	Initial grant for upgrade, closure and remediation	$28,593	$28,593
Kruger, Jesse (P41424)	Initial grant for upgrade, closure and remediation	$27,123	$27,123
Lacenere, John (P41042)	Initial grant for upgrade, closure and remediation	$19,145	$19,145
Lawrence, David H. (P41437)	Initial grant for upgrade, closure and remediation	$1,768	$1,768
Leon, Julia A. (P41302)	Initial grant for upgrade, closure and remediation	$9,881	$9,881
Lucille Virgilio Trust (P41163)	Supplemental grant for site remediation	$49,740	$141,937 *
Marmora, Diane (P41198)	Initial grant for upgrade, closure and remediation	$15,310	$15,310
McGee, James and JoAnn (P39357)	Supplemental grant for upgrade closure and remediation site remediation	$19,893	$37,239
Mohr, William and Theresa (P41324)	Initial grant for upgrade, closure and remediation	$1,004	$1,004

APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
Monaco, Lori (P41423)	Initial grant for upgrade, closure and remediation	$4,300	$4,300
Montefusco, Don (P41077)	Initial grant for upgrade, closure and remediation	$4,000	$4,000
Muniz, Susan (P41441)	Initial grant for upgrade, closure and remediation	$5,024	$5,024
Musanovic, Bajro (P41012)	Initial grant for upgrade, closure and remediation	$10,515	$10,515
Nagel, Roberta (P41262)	Initial grant for upgrade, closure and remediation	$60,205	$60,205
Natale, Patrick (P41535)	Initial grant for upgrade, closure and remediation	$25,128	$25,128
Nevolo, Joseph (P41052)	Initial grant for upgrade, closure and remediation	$1,506	$1,506
Newman, John and Lysbeth (P41201)	Initial grant for upgrade, closure and remediation	$66,342	$66,342
Orr, Chris (P41182)	Initial grant for upgrade, closure and remediation	$18,372	$18,372
Pacyna, Dennis and Jeanne (P41330)	Initial grant for upgrade, closure and remediation	$8,146	$8,146
Pless, Gary (P41214)	Initial grant for upgrade, closure and remediation	$9,829	$9,829
Possiel, Gregg (P41176)	Initial grant for upgrade, closure and remediation	$7,861	$7,861
Quattromini, Alvina and Joseph (P41205)	Initial grant for upgrade, closure and remediation	$5,841	$5,841
Reid, Ghillaine (P41181)	Initial grant for upgrade, closure and remediation	$16,464	$16,464
Rodriguez, Miriam (P41432)	Initial grant for upgrade, closure and remediation	$9,188	$9,188
Russo, Evelyn (P41430)	Initial grant for upgrade, closure and remediation	$10,603	$10,603
Salema, Eileen (P41213)	Initial grant for upgrade, closure and remediation	$3,250	$3,250
Schiller, Ruth (P41079)	Initial grant for upgrade, closure and remediation	$14,883	$14,883
Scott, Thomas F. (P41488)	Initial grant for upgrade, closure and remediation	$5,027	$5,027
Sedore, Gary D. (P41299)	Initial grant for upgrade, closure and remediation	$14,530	$14,530
Singh, Nand K. (P41439)	Initial grant for upgrade, closure and remediation	$6,039	$6,039
Sisto, Anthony (P41296)	Initial grant for upgrade, closure and remediation	$79,200	$79,200
Smith, Ann (P41271)	Initial grant for upgrade, closure and remediation	$49,884	$49,884
Spargimino, Larry and Elenor (P41203)	Initial grant for upgrade, closure and remediation	$7,367	$7,367

APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
St. John the Baptist Church (P41279)	Initial grant for upgrade, closure and remediation	$5,730	$5,730
Staada, Thomas and Karen (P41429)	Initial grant for upgrade, closure and remediation	$16,639	$16,639
Stickle, Jeffrey (P41212)	Initial grant for upgrade, closure and remediation	$22,447	$22,447
Sullivan, Joan (P41440)	Initial grant for upgrade, closure and remediation	$6,700	$6,700
Thomas, David (P41327)	Initial grant for upgrade, closure and remediation	$44,543	$44,543
Todoric, Vaso (P41328)	Initial grant for upgrade, closure and remediation	$7,158	$7,158
Twarkusky, Shelly (P41197)	Initial grant for upgrade, closure and remediation	$28,361	$28,361
Vasseur, George (P41169)	Initial grant for upgrade, closure and remediation	$7,861	$7,861
Walker, Janice (P41083)	Initial grant for upgrade, closure and remediation	$8,710	$8,710
Weinman, Francine (P41193)	Initial grant for upgrade, closure and remediation	$68,679	$68,679
White, Peggy Ann (P41422)	Initial grant for upgrade, closure and remediation	$22,175	$22,175
Wilson, Keith (P41539)	Initial grant for upgrade, closure and remediation	$11,709	$11,709
Witty, Craig and June (P41232)	Initial grant for upgrade, closure and remediation	$5,447	$5,447
Yanuklis, Amanda and Pual Kucerka (P41257)	Initial grant for upgrade, closure and remediation	$14,674	$14,674
87 Grants	**Total Delegated Authority for Leaking Tank Applications**	**$1,562,387**	

*Includes cummulative awards to date (initial & supplemental). Supplemental grant awards do not exceed $100,000 the delegation permitted

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: January 12, 2016

SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

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

HDSRF Municipal Grant:	
Borough of Point Pleasant Beach (Sea Coast Oil Company)	$ 81,566
Total HDSRF Funding – January 2016	**$ 81,566**

Timothy Lizura

Prepared by: Wendy Wisniewski

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

APPLICANT: Borough of Point Pleasant Beach (Sea Coast Oil Company) P41543

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

PROJECT LOCATION: 315 Cooks Lane Point Pleasant Beach Borough Ocean

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

APPLICANT BACKGROUND:

Between 2000 and 2007, the Borough of Point Pleasant received initial grant funding totaling $15,432 and supplemental grant funding totaling $87,706 to perform Preliminary Assessment (PA), Site Investigation (SI) and Remedial Investigation (RI) activities at the project site. The project site, which was a former petroleum distribution center, has additional areas of environmental concerns (AOCs) based on the investigation activities performed to date. The Borough of Point Pleasant currently holds a tax sale certificate and has satisfied proof of site control. It's the Borough's intent, upon completion of the environmental investigation activities, to redevelop the project site for commercial re-use.

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

APPROVAL REQUEST:

The Borough of Point Pleasant Beach is requesting supplemental grant funding to perform RI in the amount of $81,566 at the Sea Coast Oil Company project site. Because the aggregate supplemental funding including this request is $169,272, it exceeds the maximum staff delegation approval of $100,000 and therefore requires EDA's board approval. Total grant funding including this approval is $184,704.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $81,566

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	$81,566
EDA administrative cost	$500
TOTAL COSTS	$82,066

APPROVAL OFFICER: L. Petrizzi

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: January 12, 2016

SUBJECT: Hazardous Discharge Site Remediation Fund - Delegated Authority Fourth Quarter 2015 Approvals (For Informational Purposes Only)

Pursuant to delegations approved by the Board in May 2006, staff may approve new grants under the Hazardous Discharge Site Remediation Fund (HDSRF) up to $100,000 and supplemental awards for existing grants (of any size) up to an aggregate of $100,000, provided that the aggregate amount of the supplemental awards does not exceed $100,000.

Attached is a summary of the Delegated Authority approvals for the fourth quarter ending December 31, 2015. 3 grants were approved totaling $163,398.

Timothy Lizura

Prepared by: Wendy Wisniewski

APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
Atlantic City (Altman Field Playground) P40819	Initial grant to perform Site Investigation and Remedial Action activities	$39,975	$39,975
Berkeley Township (AT&T Property) P41090	Initial grant to perform Preliminary Assessment and Site Investigation activities	$30,708	$30,708
Camden Redevelopment Agency (North Camden) P40754	Initial grant to perform Preliminary Assessment and Remedial Investigation activities	$92,715	$92,715
3 Grants	**Total Delegated Authority for HDSRF Applications**	**$163,398**	

*Includes cummulative awards to date (initial & supplemental). Supplemental grant awards do not exceed $100,000 the delegation permitted

BOARD MEMORANDUMS

New Jersey Economic Development Authority

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: January 12, 2016

SUBJECT: Delegated Authority Approvals for 4th Quarter 2015

For Informational Purposes Only
The following post-closing actions were approved under delegated authority during the fourth quarter of 2015:

Name	EDA Credit Exposure	Action
Britton Realty of Lawrenceville, LLC (Brittan Industries, Inc.)	$ 1,980,181	Consent to TD Bank's partial release of collateral in exchange for a significant principal reduction on this participation loan which improved LTV from approval.
1301 Forest Grove, LLC (Triad Advisory Services, Inc.)	$ 582,713	Extend EDA's participation loan for 6 months to allow time for the borrower to pursue refinancing.
BUF Health and Human Services Corporation	$ 491,008	Consent to substitution of the Borrower's first mortgage lender from Union County Improvement Authority to Fulton Bank.
Metro 130 Equities, LLC	$ 325,363	Extend EDA's participation loan for five years to allow the borrower time to amortize a balloon payment.
Stonehedge Group, LLC	$ 291,993	Extend EDA's participation loan for five years to allow the borrower time to amortize a balloon payment.
ECL Properties, LLC	$ 265,581 $ 262,418	Extend the SLP loan for 60 days to allow time for Susquehanna Bank to obtain a new appraisal and refinance all related debt. Second extension of the SLP loan maturity for four months until April 1, 2016 to allow time to correct a property tax record and complete the refinance.

Handicapped High Riders Club, Inc.	$ 290,000	Extend EDA's matured direct loan for six months to allow borrower time to finalize financial statements needed for renewal.
Frank Guaracini, Jr. Transportation Company, LLC	$ 181,215	Extend the EDA's participation loan for five years to allow the borrower time to amortize a balloon payment

Conduit Bonds (EDA has no credit exposure.)	
Somerset Hills Learning Institute, Inc.	Consent to waive the Bond's existing call date and establish a single call date on December 1, 2025.
Bayonne Industries, Inc. IMTT-Bayonne, IMMTT-BC Hudson County, NJ	Consent to merger of parent corporate members of IMMTT-Bayonne and IMTT-CB into their respective subsidiaries.
Bayonne Industries, Inc. IMTT-Bayonne, IMMTT-BC Hudson County, NJ	Consent to revised entity structure of parent corporate members.

Loans Written-Off under Delegated Authority

As required by generally accepted accounting principles, loans that are nonperforming, offer limited likelihood of future recovery and have been fully reserved are to be written off. Special Loan Management officers conduct a quarterly portfolio review, and with concurrence from management, recommend loans to be written off pursuant to delegated authority. The loans listed below were written off during the fourth quarter 2015.

EDA and/or its participation banks retain their legal rights against the borrower and/or guarantors and pursue collections of these loans through litigation.

Name	**Exposure**	**Description**
Cityworks Neptune Office, LLC	$ 2,000,000 LDFF $ 536,433 GTEE	This office building project went into payment default and the senior lender TD Bank is foreclosing. The value of the collateral real estate provides no equity to secure this loan.
Joseph P. Hayes Theater, Inc.	$ 294,781 GTEE	EDA paid its guarantee in May 2011. Business is now closed and the borrower has filed chapter 7 bankruptcy. TD Bank has initiated foreclosure of its first mortgage on the project property.
X-Factor Communications, Inc.	$ 250,000 TEC	X-Factor Communications, Inc. was a digital signage software company that is no longer operating. Corporate assets securing the loan have little if any liquidation value.
Driscoll Label Co., Inc.	$ 176,706 GTEE	The label printer company has ceased operations, collateral has been sold by TD Bank, agent and the personal guarantor has limited assets.

Prepared by: M. Naik

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: January 12, 2016

SUBJECT: Incentives Modifications
(For Informational Purposes Only)

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

Attached is a list of the incentive modifications and Salem/UEZ renewal extensions that were approved in the 4th quarter ending December 31, 2015.

Prepared by: J. Halo

ACTIONS APPROVED UNDER DELEGATED AUTHORITY
QUARTER ENDING DECEMBER 31, 2015

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

Applicant	Modification Action	Approved Award
Barr Laboratories, Inc. and Subsidiaries – P14744	Consent to the approval of the acquisition of Barr Laboratories by Teva Pharmaceuticals Industries, Ltd., and consent to adding Teva Women's Health Sales Corp, Teva API Inc., and Teva Pharmaceuticals USA, Inc. as participating entities on the grant.	$1,969,200
MedAssets Services, LLC –P15638	Consent to change grant location from Saddle River to Mahwah..	$567,000
The Dun & Bradstreet Corporation –P36922	Consent to change grant location from Parsippany to Short Hills.	$1,009,125
Tribeca Oven, Inc. –P15803	Consent to the approval of a change in ownership of Tribeca Oven, Inc.	$122,500

BUSINESS RETENTION and RELOCATION ASSISTANCE GRANT

Applicant	Modification Action	Approved Award
Durand Glass Manufacturing Company Inc., ARC International North America, Inc. and Cardinal International III LLC – P37208	Consent to : -Merger of Durand Glass Manufacturing Company Inc. into DGM Company Merger Sub, LLC -Name change of DGM Company Merger Sub, LLC to Durand Glass Manufacturing Company Inc. -Merger of ARC International North America, Inc. into ARCI North America Merger Sub, LLC -Name change of ARCI North America Merger Sub, LLC to ARC International North America, Inc.	$9,562,500

URBAN TRANSIT HUB TAX CREDIT PROGRAM

n/a

SALEM/UEZ ENERGY SALES TAX EXEMPTION RENEWALS

Applicant	Extend to Date	Location	# of Employees/% Involved in Manufacturing	Benefit
Church & Dwight Co., Inc.	September 4, 2016	Ewing, NJ	294/95%	$105,000
E.I. du Pont de Nemours	August 3, 2016	Deepwater, NJ	104/91%	$150,000
MexiChem Specialty Resins Inc.	August 7, 2016	Pedricktown, NJ	70/80%	$550,000
NuWorld Corporation	October 9, 2016	Carteret, NJ	340/65%	$20,000
OHM Laboratories Inc.	July 12, 2016	New Brunswick, NJ	309/50%	$250,000
Omni Baking Company, LLC	November 3, 2016	Vineland, NJ	480/80%	$150,000
Star Snacks Co., LLC	December 3, 2016	Jersey City, NJ	500/80%	$80,000
Tropical Cheese Industries, Inc.	December 5, 2016	Perth Amboy, NJ	280/53%	$55,000

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: January 12, 2016

SUBJECT: Retail Fuel Station – Energy Resiliency Program
(For Informational Purposes Only)

In December 2013 and again in December 2014, the members approved the Retail Fuel Station – Energy Resiliency Program ("RFS") to aid retail fuel stations with becoming energy resilient during natural disasters that often result in extensive power outages like those that occurred during Superstorm Sandy.

The program, which is a joint effort between New Jersey Office of Emergency Management ("NJOEM"), the Federal Emergency Management Agency ("FEMA") and EDA, was initially capitalized with $7 million to provide grants to install permanent generators or quick connections for portable generators at retail fuel stations. The initial round resulted in 74/$3,160,000 eligible applications of which 73/$3,095,000 are approved and 1/$65,000 is under review by FEMA. The second round resulted in 63/$1,095,000 eligible applications, of which 40/$700,000 are approved; an additional 17/$255,000 are under review by FEMA, and 6/$140,000 are incomplete. To date, 50 applicants have completed the installations at their project site (24 quick connections and 26 permanent generators).

To support program efficiencies, the members approved delegation to staff to approve these projects. Attached is a summary of the Delegated Authority approval for the fourth quarter ending December 31, 2015. 30 grants were approved totaling $500,000.

Timothy Lizura

Prepared by: Wendy Wisniewski

ATLANTIC COUNTY Applicant	Description	Grant	Anticipated Completion
Egg Harbor Riggins Cardiff Petroleum, Inc. P40905	Installation of a quick connect at 6710 Black Horse Pike, Egg Harbor, NJ	$15,000	Jan 2016
Pleasantville Valero Cape May Petroleum, Inc. P40457	Installation of a quick connect at 901 North New Road, Pleasantville, NJ	$15,000	Jan 2016
BERGEN COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Carlstadt Valero ADPP Enterprises, Inc. P40807	Installation of a quick connect at 300 Washington Avenue, Carlstadt, NJ	$15,000	Feb 2016
BURLINGTON COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Florence Valero G&B Business Associates, Inc. P40783	Installation of a quick connect at 2012 Route 130, Florence, NJ	$15,000	Jan 2016
Lumberton Valero APCO Petroleum Corporation P40749	Installation of a quick connect at 1543 Route 38, Lumberton, NJ	$15,000	Jan 2016
Tabernacle Valero APCO Petroleum Corporation P40781	Installation of a quick connect at 1551 Route 206 South, Tabernacle, NJ	$15,000	Jan 2016
CAMDEN COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Voorhees Valero APCO Petroleum Corporation P40782	Installation of a quick connect at 129 Route 73 South, Voorhees, NJ	$15,000	Jan 2016
CUMBERLAND COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Vineland Riggins South Vineland Petroleum, Inc. P40458	Installation of a quick connect at 4133 South Main Road, Vineland, NJ	$15,000	Jan 2016
GLOUCESTER COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Turnersville Riggins Washington Petroleum, Inc. P40777	Installation of a quick connect at 246 Fries Mill Road, Turnersville, NJ	$15,000	Jan 2016
HUDSON COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Jersey City Gulf Gurjot Petroleum P40720	Installation of a quick connect at 376 Duncan Avenue, Jersey City, NJ	$15,000	Jan 2016
HUNTERDON COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Lebanon Sunoco Gill Petroleum, Inc	Installation of a quick connect at		

P40844	1237 Route 31, Lebanon, NJ	$15,000	Jan 2016
MERCER COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Mercerville/Hamilton Shell PMG New Jersey, LLC P40865	Installation of a permanent generator at 2006 State Highway 33, Mercerville, NJ	$65,000	May 2016
MIDDLESEX COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
North Brunswick Valero APCO Petroleum Corporation P40778	Installation of a quick connect at 2836 Route 27 N., North Brunswick, NJ	$15,000	Jan 2016
South Brunswick Valero APCO Petroleum Corporation P40780	Installation of a quick connect at 4217 Route 1 S., South Brunswick, NJ	$15,000	Jan 2016
Woodbridge Shell PMG New Jersey, LLC P40955	Installation of a quick connect at 480 Amboy Avenue, Woodbridge, NJ	$15,000	Feb 2016
MONMOUTH COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Manasquan Ocean Star Chat, LLC P40866	Installation of a permanent generator at 65 Union Avenue, Route 71, Manasquan, NJ	$15,000	May 2016
MORRIS COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Madison Sunoco T & J Service Center, Inc. P40707	Installation of a quick connect at 31 Kings Road, Madison, NJ	$15,000	Jan 2016
Mine Hill Shell PMG New Jersey II, LLC P40930	Installation of a quick connect at 274 Route 46, Mine Hill, NJ	$15,000	Feb 2016
Montville Shell PMG New Jersey, LLC P40943	Installation of a quick connect at 287 Changebridge Road, Montville, NJ	$15,000	Jan 2016
Mount Olive Delta ADPP Enterprises Inc. P40838	Installation of a quick connect at 113 Route 46, Mount Olive, NJ	$15,000	Feb 2016
Mount Olive Shell PMG New Jersey, LLC P40910	Installation of a quick connect at 285 Route 206, Mount Olive, NJ	$15,000	Feb 2016
Rockaway Exxon PMG New Jersey, LLC P40949	Installation of a quick connect at 1 Green Pond Road, Rockaway, NJ	$15,000	Jan 2016
OCEAN COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Ocean Texaco Dilek Inc. P40751	Installation of a quick connect at 189 Chambers Bridge Road, Brick, NJ	$15,000	Jan 2016

PASSAIC COUNTY Applicant	Description	Grant	Anticipated Completion
Wayne Exxon Valley Incorporated P40427	Installation of a quick connect at 540 Valley Road, Wayne, NJ	$15,000	Jan 2016
SUSSEX COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Sandyston Exxon PMG New Jersey II, LLC P40786	Installation of a quick connect at 299 Route 206, Sandyston, NJ	$15,000	Feb 2016
Sparta Shell PMG New Jersey II, LLC P40863	Installation of a quick connect at 19 West Shore Trail, Sparta, NJ	$15,000	Feb 2016
UNION COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Rahway Shell PMG New Jersey, LLC P40945	Installation of a quick connect at 1659 St. Georges Avenue, Rahway, NJ	$15,000	Jan 2016
WARREN COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Allamuchy Exxon PMG New Jersey II, LLC P40784	Installation of a quick connect at 1707 Route 517, Allamuchy, NJ	$15,000	Feb 2016
Lopatcong Mobil ADPP Enterprises Inc. P40817	Installation of a quick connect at 1185 Route 22, Lopatcong, NJ	$15,000	Feb 2016
Phillipsburg Mobil ADPP Enterprises Inc. P40846	Installation of a permanent generator at 400 Memorial Pkwy, Phillipsburg, NJ	$15,000	May 2016
30 Grants	**Approved 4Q15**	**$500,000**	

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

DATE: January 12, 2016

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

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

Direct Loan Program:

1) The Fred 101, LLC (P41248), located in Secaucus Township, Hudson County, is a real estate holding company that was approved for a $2,000,000 Direct loan to purchase the project property, which will supplement Bond financing in the amount of $7,500,000. The operating company, Frederick Goldman, Inc., was formed in 1948 as a privately held jewelry manufacturer that focuses on bridal jewelry, and diamond and gemstone fashion jewelry for women. The Company will relocate its entire existing manufacturing operation from its current rented location in Manhattan, to Secaucus, NJ. Proceeds will be used for the purchase of commercial property, machinery, equipment and renovations. The Company plans to create 251 jobs over the next two years.

New Jersey Advantage Program:

1) Grant Group, LLC & Nova Development Group, Inc. (P41691 & P41690) are located in New Brunswick City, Middlesex County. Grant Group, LLC is a real estate holding company formed to purchase the project property. Nova Development Group, Inc. is a licensed asbestos clean-up and lead removal contractor operating out of two properties in New Brunswick. TD Bank approved a $774,000 bank loan with a 50%, five year Authority guarantee of principal outstanding, not to exceed $387,000; and an $850,000 bank line of credit, contingent upon a $425,000 (50%) Authority guarantee. Proceeds will be used to refinance existing debt and for working capital purposes, respectively. Currently, the Company has 18 employees and plans to create 18 new positions over the next two years.

Small Business Fund Program:

1) FHG Properties LLC (P41791), located in East Brunswick Township, Middlesex County, is a recently created real estate holding company formed to purchase the project property. The operating company, View a Miracle LLC was formed in 2007 and uses 3D ultrasound and 4D ultrasound technology to view a baby before it is born for the family to experience its sights, sounds and movement prior to birth. M & T Bank approved a $550,000 bank loan with a $250,000 (45.4%) Authority participation. Proceeds will be used to purchase commercial property. Currently, the Company has two employees and plans to create three additional positions within the next two years.

2) TDH Penn Properties LLC (P41769), located in Washington Township, Gloucester County, is a recently formed real estate holding company created to purchase the project property. There are two related operating companies, Penn Temps, LLC, a temporary staffing agency; and Penn Personnel Consultants, Inc., a full service employment agency. M & T Bank approved a $120,000 bank loan with a $60,000 (50%) Authority participation. Proceeds will be used to purchase commercial real estate. The Company currently has two employees and plans to create three new positions over the next two years.

Stronger NJ Business Loan Program:

1) Blue Water Properties, LLC d/b/a The Beach Home (P41523), located in Lavalette Borough, Ocean County, is a retail store that offers a variety of items such as furniture, lighting, mirrors, rugs and other home accessories. The Company was approved for a $143,459 working capital loan to reimburse working capital expenses incurred after Superstorm Sandy.

2) Double O Seven d/b/a Ohana Grill (P41082), located in Lavallette Borough, Ocean County, was founded in 2008 as a restaurant specializing in seafood. The restaurant has carved out a niche as a local favorite, winning awards such as "Best of the Best BYOB in Ocean County" and the chef and co-owner placed second for the second year in a row for the NJ Top Seafood Challenge. The Company was approved for a $30,000 working capital loan to reimburse working capital expenses such as inventory, payroll and utilities.

3) Hamlett Management LLC (P41545 & P41546), located in Hillside Township, Union County, is a real estate property management company that operates out of locations in Irvington and Newark, NJ. The Company provides residential property management to residents of Union and Essex counties. As a result of Superstorm Sandy, operations were shut down for three weeks and the properties had to be evacuated. While vacated, the locations were vandalized and damaged. The Company was approved for an $18,826 working capital loan and a $50,000 forgivable loan to reimburse working capital expenses such as rent, utilities, accounting and consulting fees, and other working capital expenses incurred after Superstorm Sandy.

4) Renova Environmental Services, LLC ("Renova") (P41879), located in Ocean Township, Monmouth County, was founded in 2008 as a leader in environmental remediation and structural contracting. Renova is an expert in installing helical piles (used for underpinning existing compromised foundations to retrofit and bolster them). The Company also specializes in underground oil tank removal, and is a self performing environmental remediation, construction and project managing firm serving federal, commercial and residential clients. The Company was approved for a $600,000 working capital loan to reimburse working capital expenses.

New Jersey Business Growth Fund - Modification:

1) Candace Real Estate Holding LLC and Happy Today & Bright Tomorrow, LLC (P41877), are located in Union City, Hudson County. Candace Real Estate Holding Company LLC is the owner of the project property. The operating company, Happy Today & Bright Tomorrow, LLC, was founded in 2004 as a daycare learning center for children ages 1-6 years. PNC Bank approved a renewal of a $325,083 bank loan with a five year, 25% Authority guarantee of principal outstanding, not to exceed $81,271. Original loan proceeds were used to refinance real estate. All other terms and conditions of the original approval remain unchanged.

2) Galloway Pediatrics, LLC (P41768), located in Galloway Township, Atlantic County, opened in 2005 as a general pediatrics practice in Galloway. PNC Bank approved a renewal of a $320,827 bank loan with a 60 month, 25% Authority guarantee of principal outstanding, not to exceed $80,207. Original loan proceeds were used to refinance an existing mortgage. All other terms and conditions of the original approval remain unchanged.

Prepared by: D. Lawyer
DL/gvr

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: January 12, 2016

SUBJECT: Real Estate Division Delegated Authority for Leases, CCIT Grants, and Right of Entry (ROE)/ Licenses for Fourth Quarter 2015
For Informational Purposes Only

The following approvals were made pursuant to Delegated Authority for Leases and ROE/ Licenses in October, November and December 2015.

LEASES / CCIT GRANTS

TENANT	LOCATION	TYPE	TERM	S.F.	CCIT GRANT
TAXIS Pharmaceuticals	CCIT	Lease Holdover	Month to Month	1000 sf	N/A
Hurel Corporation	CCIT	Lease Holdover	Month to Month	2125 sf	N/A
Nutrasorb	CCIT	Lease Holdover	Month to Month	125sf	N/A
Nexomics	CCIT	Lease Holdover	Month to Month	800 sf	N/A
PDS Biotechnology	CCIT	Lease Amendment	9 months	2775 sf	N/A
FLUIDDA	CCIT	Lease Extension	12 months	125sf	N/A
Novanex	CCIT	Lease Extension	12 months	800 sf	N/A
Grace Therapeutics	CCIT	Lease Extension	12 months	1600sf	N/A
Kamat Pharmatech	CCIT	Lease Extension	12 months	2000 sf	N/A

Qualcomp Consulting Services	CCIT	Lease Extension	12 months	900 sf	N/A
Urigen Pharmaceuticals	CCIT	Lease Extension	12 months	655 sf	N/A
DCM Architectural and Engineering	WTCC	Lease Extension	Month to Month	2,900 sf	N/A
Rutgers Camden Technology Assistance Corporation	WTCC	Lease Agreement	8 months	8,000 sf	N/A

RIGHT OF ENTRY/LICENSES

ENTITY	LOCATION	TYPE	CONSIDERATION
NJCESP	NJEDA LOCATIONS	Energy Savings MOA	EDA participates in the Energy Savings Program, along with other State agencies and authorities. This program is managed by the State.
North Brunswick Township Youth Sports Festival	Tech Expansion	ROE for Fund Raising Carnival (use in June 2016)	$-0-
KTR NJ IV LLC	Tech Expansion	Investigation Period Extension	$-0-

Timothy J. Lizura
President/ Chief Operating Officer

Prepared by: Donna T. Sullivan

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: January 12, 2016

SUBJECT: Real Estate Division Delegated Authority for Approval of Projects under the Streetscape Revitalization Program For the Fourth Quarter 2015
For Informational Purposes Only

Pursuant to the delegations approved by the Board in October, 2013, below is the project status report of Streetscape program projects for October, November and December 2015:

NEIGHBORHOOD COMMUNITY REVITALIZATION STREETSCAPE PROGRAM

APPLICANT	TYPE OF GRANT	GRANT AMOUNT	EXECUTED DATE
Little Egg Harbor	Streetscape	$845,000.00	12/16/15
Pleasantville	Streetscape	$461,476.00	10/28/15

All Streetscape projects have closed and are proceeding through the various stages of the design and construction process.

Timothy J. Lizura
President/ Chief Operating Officer

Prepared by: Donna T. Sullivan

REAL ESTATE

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: Premier Education Group
Surrender and Cancellation of Lease and Occupancy Agreement
The Technology Centre of New Jersey ("Centre")

DATE: January 12, 2016

Summary
I am requesting the Members' approval to modify the terms of the proposed Surrender and Cancellation of Lease and Occupancy Agreement between Premier Education Group ("Premier") and the NJ Economic Development Authority ("NJEDA") at the Centre by extending Premier's occupancy to August 31, 2016 from the previously approved outside surrender date of February 29, 2016. .

Background
At the September, 2015 meeting, the Members approved the execution of a Surrender and Cancellation of Lease and Occupancy Agreement ("Agreement") with Premier Education Group, a privately owned career training organization, for the Tech VI building at the Centre.

The Tech VI building is a 36,500 square foot Class B office building constructed in the 1960s, currently in fair condition. It was formerly occupied by Anthem Education Institute, Inc., which declared bankruptcy and sold its business to Premier in August, 2014. Premier has occupied the Tech VI building since September 1, 2014.

Although the Agreement has not yet been executed due to changes in the Premier management, Premier has been generally complying with its terms including but not limited to the payment of the rent. Premier has been diligently investigating other occupancy alternatives in New Jersey through its real estate broker, but has not yet been able to locate suitable space. Premier recently approached staff requesting a six month extension. Its rent is $45,000 per month, plus reimbursement for building-specific maintenance.

Staff is recommending that the extension be permitted. Conditions will include immediate execution of the Agreement, and removal of personal property in the basement.

Recommendation

In summary, I am requesting the Members' approval to 1) extend the term of Surrender and Cancellation of Lease and Occupancy Agreement between Premier and the NJEDA through August 31, 2106 for the 36,500 square foot building at the Centre known as Tech VI for an additional six months; and (2) to execute any and all other documents to complete these transactions on final terms acceptable to the Authority's Chief Executive Officer and the Attorney General's Office.

Timothy J. Lizura
President/Chief Operating Officer

Attachment
Prepared by: Christine Roberts

New Jersey Economic Development Authority

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: January 12, 2016

RE: NJ Unmanned Aircraft Systems (UAS) Consortium

Summary

The Members are asked to approve: 1) the termination of the Memorandum of Understanding (RU MOU) with Rutgers, The State University (RU) in conjunction with the implementation of the NJ Unmanned Aircraft Systems (UAS) Consortium, 2) the execution of a Grant Agreement with the NJ Innovation Institute (NJII), allowing for NJEDA reimbursement of up to $700,000 for expenses related to the implementation of the NJ UAS Consortium through June 30, 2018, and 3) the NJ UAS Test Site budget for fiscal year 2016.

Background

In the Federal Aviation Administration (FAA) Modernization and Reform Act of 2012 (Act), Congress directed the FAA to establish a program to integrate UAS into the National Airspace System (NAS) at six Test Sites to support the development and validation of FAA standards and regulations for routine UAS operations. The main role of the UAS Test Sites (UASTS) is to perform research and development and provide data to the FAA to support the validation of standards and regulations.

In response to the Act, Virginia and New Jersey formed the Mid-Atlantic Aviation Partnership (MAAP) to pursue the UASTS designation. Virginia Polytechnic Institute and State University and RU were designated as the academic lead institutions for their respective states. In December 2013, MAAP received a UASTS designation. The State of Maryland, led by the University of Maryland, was added to the team after the award was made. Each state has three members on the Board. New Jersey is represented by NJEDA, the Industry representative is Sunhillo Co., and academia is currently represented by Rutgers.

The national program is designed to integrate unmanned aircraft in the national airspace and ensure a safe operating environment for all flying in the airspace. In so doing, the Test Sites are expected to advance the scale and scope of feasible services delivered by unmanned aircraft, support the development of new air platforms and payloads, and promote the development of standards pertaining to everything from performance to interoperability. Given the preponderance of emerging, high tech companies that dominate this space, the presence of a physical Test Site in New Jersey is expected to be a significant contributor to regional development. For such companies, physical proximity to a Test Site becomes mission critical to cost-effective operations. For New Jersey, geographic proximity to the FAA Tech Center in Pomona is a business attractor.

NJ UASTS Organization:

The NJ UASTS was initially established with support from the NJEDA through an MOU with Rutgers, which was the lead academic and operational organization for the State. The MOU was approved by the Members at the July, 2014 meeting, and provided for reimbursement of expenses up to $250,000 for the implementation of the NJ UASTS. At the August 11, 2015 meeting, the Members approved an extension of the MOU to December 31, 2015, with two six month extensions. Rutgers was reimbursed approximately $155,000 under this MOU. During this time, Rutgers developed a business plan, reached out to NJ stakeholders, and successfully launched the first flight for the NJ UAS in June 2015, with many since then, demonstrating a capacity to conduct flight operations at the Test Site. For example, last January, NJIT flew the first domestic UAV flight in the civilian airspace using the Cape May Coast Guard airstrip.

In the Fall of 2015, at the recommendation of Rutgers University, and the concurrence of the Consortium academic partners, a decision was made to allow NJII to replace Rutgers in the academic and operational lead role. NJII was created in 2014 as an expression of the NJIT's 's technology-based economic development mission. It is designed to address an industry-led agenda of problem solving for key sectors deemed critical to the growth of New Jersey's economic base. A key element of NJII's approach is the creation of test-beds, skunk works and other types of real world technology integration and demonstration environments. NJII has been active in Cape May, working with public and private sector partners to maximize the economic development potential of a Test Site at Cape May County Airport.

NJII conducts "team science" that spans disciplinary, college and event institutional boundaries. Research leaders from Rowan and Rutgers Universities are members of NJII's Board of Directors, as is the NJ Secretary of Higher Education. All three research universities agree NJII is well positioned to represent New Jersey's academic sector on the MAAP Board, and serve as the principal responsible for the Test Site. The NJII is a 5.01(c)3 corporation, the sole member of which is NJIT.

NJII is organized around key industrial sectors that mirror the state's target clusters: Biotech & Pharmaceutical Production, Civil Infrastructure, Defense & Homeland Security, Financial Services and Healthcare Delivery. Its mission is to solve the problems that confront these sectors but are too large for any single company to resolve on their own.

The business sector programs complement pre-existing initiatives at NJIT that are now organized under NJII, including the state's oldest and largest technology business incubator; extension programs in manufacturing, defense procurement, brownfields reclamation, and electronic medical record adoption; functional microelectronics and metalworking fabrication centers and contract services with business and government. NJII's delivery model includes full time technical staff working with teams of faculty and students drawn from NJIT, Rutgers and Rowan.

NJ UASTS Organizational Plan:

NJII will recruit and retain full time professional staff to transform the Test Site from a volunteer sustained operation. A Test Site director, with the primary obligation of member development and business attraction and an operations manager with responsibility for all flight support services are necessary to move the Test Site to financial sustainability.

Additional staff will be retained on a part-time and as-needed basis to support flight operations. As the number of flights grow to full capacity, these individuals may be transitioned to full time status in the out-years of the program. Other support functions, including acquisition of CoAs from the FAA, national-scale marketing, trade show attendance and coordination of federal affairs, will be provided through the MAAP as part of the services accorded to members.

NJII will provide the "back office" administrative support functions for the Test Site, including pre and post award contracting services, purchasing, invoicing, legal affairs, risk management, and departmental administration.

NJ UASTS Financial Plan:

Based on experience conducting flight operations in 2015, NJII developed an operating budget of $2M for FY16-FY17, including state support of up to $700,000. The $700,000 includes payments to MAAP for certain services of $120,000 in FY 2015 and $175,000 in FY 2016. Approximately 84 percent of projected expenses reflect staffing costs of $1.2 million; other expenses include office, equipment and marketing.

The annual MAAP budget is funded by each state in equal proportions. MAAP provides core services that benefit all three states, including coordination with the FAA, national-scale marketing, trade show attendance, education and outreach, web presence, coordination of federal affairs, and various other business development efforts. MAAP's value add will be evaluated on an ongoing basis using metrics to be agreed upon by the MAAP Board, such as the number of customers generated, number of flights, amount of revenue, and/or number of research projects developed.

The NJII revenue model is predicated on two recurring revenue streams – memberships and flight operations. Memberships include research universities, large and small sized industries that receive subsidized flight support and preferred user status. Flight operation revenue comes from non-member flight access and includes users secured from NJ UASTS marketing as well as MAAP client referrals. A non-recurring revenue source of NJ state funding is included to render the program break-even through June 2018.

The FY 2016 Budget reflects a partial year, beginning in January 2016. Projected revenues are $738K, including an NJEDA contribution of $298,644. Operating expenses are projected at $443K, plus $295K to MAAP for fiscal years 2015 and 2016.

Economic Development Plan:

The Test Site is a catalyst for regional economic development. A functional Test Site will attract the co-location of UAS airframe and instrumentation manufacturers, stimulate local workforce training initiatives and yield secondary impacts in the local economy. Supported by funding from the Office of Economic Adjustment, US Department of Defense, NJII has been working with Cape May County, Delaware River Bay Authority, Atlantic Cape Community College, South Jersey Economic Development District and others to create a coordinated plan to exploit Test Site operations at the Cape May County Airport and maximize the benefit to the region. This will be supplemented by test flight activities at the Atlantic County Airport and the incentive programs administered by the NJEDA will be utilized for business attraction and expansion of companies involved in the commercialization of UAS.

Proposed State Funding

Section 8 of P.L. 2003, c. 166 (C.34:1B-139.1) authorized the issuance of bonds to support "designated industries" that are considered key to the State's economic growth. These industries are primarily technology focused, with the exception of financial services and logistics. In 2004, the Authority received the approval of the State's Joint Board Oversight Committee (JBOC) to issue up to $60 million in economic development bonds to fund economic development programs authorized by the law. The NJEDA closed on a $50.65 million bond issuance in 2004. Since then, in accordance with N.J.S.A. 34:1B-139.1d(1), JBOC approved up to $48 million to advance the State's investment in technology based economic development strategies that link businesses and universities involved in research and development to stimulate job creation and business expansion.

On December 17, 2015, JBOC approved up to $700,000 of funding through the above initiative to support the NJ UASTS through June of 2018 in accordance with its business plan. Per the JBOC approval, the Members will approve the NJ UASTS annual budget, and NJEDA staff will administer the funding through a Grant Agreement with the NJII. Disbursements will be made quarterly upon review of the budget against plan, monthly work plan and performance metrics, and allow for an upfront disbursement to allow for the hiring of staff.

Recommendation

In summary, I am asking the Board Members to approve: 1) the termination of the Memorandum of Understanding with RU in conjunction with the implementation of the NJ UASTS, 2) the execution of a Grant Agreement with the NJ Innovation Institute, allowing for Authority reimbursement of up to $700,000 for expenses related to the implementation of the NJ UASTS through June 30, 2018, (3) the NJ UASTS budget for fiscal year 2016, and (4) execution of any and all other documents to complete these transactions on final terms acceptable to the Authority's Chief Executive Officer and the Attorney General's Office.

Timothy J. Lizura
President/Chief Operating Officer

Prepared by: Christine Roberts

NJ UAS TEST SITE
FISCAL YEAR 2016 BUDGET

REVENUE		**FY 2016**
MEMBERSHIP DUES	$	262,500
NJEDA CONTRIBUTION	$	298,644
REVENUE ESTIMATES	$	176,930
	$	738,074
EXPENSES		
STAFFING	$	354,574
OFFICE EXPENSES	$	21,500
NJ UAS EQUIPMENT	$	50,000
MARKETING OPERATIONS	$	17,000
SUBTOTALS	$	443,074
MAAP CONTRIBUTION FY 15	$	120,000
MAAP CONTRIBUTION FY 16	$	175,000
	$	738,074
BUDGET VARIANCE	**$**	**(0)**

AUTHORITY MATTERS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Board

From: Timothy J. Lizura
President and Chief Operating Officer

Date: January 12, 2016

Subject: Executive Session Items
For Informational Purposes Only

As the Members are aware, from time to time board items are presented for consideration in Executive Session as opposed to an open public meeting to protect the Authority from potential risk.

In compliance with New Jersey's Open Public Meetings Act, the Board adopts a resolution at its public meeting indicating matters to be discussed in Executive Session and when these items will be disclosed to the public.

Beginning in January of 2010, it has become the practice of the Authority to publicly release details of items considered in Executive Session on an annual basis. Many items remain sensitive or unresolved and therefore cannot be made public at this time; however, after a review by staff, the following items have been resolved and are attached for the Board's information.

Staff will continue to review executive session items on an annual basis and present an update to the Board at its annual meeting each September listing these matters. As is the current practice, if a request is made for information on an Executive Session item in the interim, staff, in consultation with the Attorney General's Office, will review the request to determine if the item can be made public at that time.

Attachment

Prepared by: Patience Purdy

RESOLVED EXECUTIVE SESSION ITEMS

The following were discussed and/or approved in executive session:

Date of Action	Item	Description	Resolution
April-2011	Lillian Applegate/PUST Program/NJDEP	Agreement between parties for site clean up funding of$1.2 million.	Need for confidentiality no longer exists.
December-2011	Pecaso Realty, LLC	$443,022 LDFF loan	Written off in response to payment default.
December-2011	ClassLink, Inc.	$373,468 Edison loan	Written off/Settled in response to payment default.
December-2011	Xipto, Inc.	$686,671 Edison loan	Written off in response to payment default.
January-2012	One Montgomery Associates, LLC	$275,268 LDFF loan	Written off in response to payment default.
January-2012	SterraClimb, LLC	$145,604 Edison Innovation Fund loan.	Written off in response to payment default and bankruptcy filing.
January-2012	Selected Arrow Enterprises, Inc.	$116,666 direct loan.	Written off in response to payment default and bankruptcy filing.
January-2012	Wash's Catering Service, Inc. (Catering service)	66585 SLP loan.	Written off in response to payment default.
January-2012	Michael Seifert	$196 UST loan.	Written off, loan payoff was short.