



MEMORANDUM

TO: Members of the Authority

FROM: Michele Brown
Chief Executive Officer

DATE: January 13, 2015

SUBJECT: Agenda for Board Meeting of the Authority January 13, 2015

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Bond Projects

Loans/Grants/Guarantees

Edison Innovation Fund

Office of Recovery

Incentive Programs

Board Memorandums

Real Estate

Executive Session

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

December 9, 2014

MINUTES OF THE MEETING

Members of the Authority present: Al Koepp, Chairman; State Treasurer Andrew Sidamon-Eristoff; Christopher Hughes representing the Commissioner of the Department of Banking and Insurance; Assistant Commissioner Jeffrey Stoller of the Department of Labor and Workforce Development; Public Members: Joseph McNamara, Vice Chairman; Larry Downes, Fred B. Dumont, Philip B. Alagia, Massiel Medina Ferrara, and William J. Albanese, Sr., Second Alternate Public Member.

Present via conference call: Colleen Kokas representing the Commissioner of the Department of Environmental Protection; Public Members: Charles Sarlo; and Harold Imperatore, Third Alternate Public Member.

Absent: Rodney Sadler, Non-Voting Member.

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

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

Pursuant to the Internal Revenue Code of 1986, Ms. Brown 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. Brown 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 10, 2014 regular meeting minutes. A motion was made to approve the minutes by Mr. Albanese, seconded by Mr. McNamara, and was approved by the 13 voting members present.

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

AUTHORITY MATTERS

ITEM: 2015 Strategic Business Plan

REQUEST: To review and approve the 2015 Strategic Business Plan that has been reviewed by the Policy and Audit Committees.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: FY15 Fiscal Plan

REQUEST: To review and approve the proposed FY15 Fiscal Plan.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

BOND PROJECTS

ITEM: NJEDA/School Facilities Construction Bonds Portfolio

REQUEST: Approval of a qualified independent representative policy and delegation to the Authorized Officers of the Authority to execute safe harbor letters in accordance with new regulatory requirements with respect to parties involved in derivative transactions, including interest rate swap agreements.

MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. Hughes **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

ITEM: Atlantic City Sewerage Company

APPL.#39369

LOCATION: Atlantic City/Atlantic

PROCEEDS FOR: Purchase of equipment and machinery

FINANCING: \$6,000,000 Tax-exempt Bond

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

ITEM: SCF Realty III, LLC

APPL.#39892

LOCATION: Bayonne/Hudson

PROCEEDS FOR: Acquisition of existing building

FINANCING: \$10,000,000 Tax-exempt Bond

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

Amended Bond Resolutions

ITEM: Bayonne Industries , Inc., IMTT-Bayonne & IMTT-BC

APPL.#40183

LOCATION: Bayonne/Hudson

PROCEEDS FOR: Refinancing

FINANCING: \$36,300,000 Tax-exempt Bond

MOTION TO APPROVE: Ms. Albanese **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: The Seeing Eye, Inc. **APPL.#**40135
LOCATION: Chester Twp/Morris County
PROCEEDS FOR: Refinancing
FINANCING: \$18,340,000 Tax-exempt Bond
MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Combination Preliminary and Bond Resolutions

ITEM: The Gill St. Bernard's School **APPL.#**40208
LOCATION: Peapack-Gladstone Borough/Somerset
PROCEEDS FOR: Refinancing
FINANCING: \$8,250,000 Tax-exempt Bond
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

ITEM: The Gill St. Bernard's School **APPL.#**40211
LOCATION: Peapack-Gladstone Borough/Somerset
PROCEEDS FOR: Refinancing
FINANCING: \$6,250,000 Tax-exempt Bond
MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. Alagia **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

ITEM: Uncommon Properties V, LLC **APPL.#**40207
LOCATION: Newark/Essex
PROCEEDS FOR: Renovation of existing building
FINANCING: \$7,145,000 Tax-exempt Bond
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Hughes **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

LOANS/GRANTS/GUARANTEES

Direct Loans

PROJECT: 2000 West Street, LLC **APPL.#**40099
LOCATION: Union/Hudson
PROCEEDS FOR: Acquisition of existing building
FINANCING: \$684,000 loan

MOTION TO APPROVE: Mr. Hughes **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PROJECT: Public Media NJ, Inc. **APPL.#**40166
LOCATION: Newark/Essex
PROCEEDS FOR: Purchase of equipment & machinery/Acquisition of existing building
FINANCING: \$1,250,000 loan
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

State Treasurer Sidamon–Eristoff recused himself because he is President of the Board of Public Broadcast.

Statewide Loan Pool

PROJECT: 8 Boys LLC **APPL.#**39844
LOCATION: Glassboro Borough/Gloucester
PROCEEDS FOR: Purchase of equipment & machinery/Acquisition of existing building
FINANCING: \$5,000,000 TD Bank loan with a \$1,000,000 EDA participation
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Albanese **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: Liscio’s Italian Bakery, Inc. **APPL.#**39842
LOCATION: Glassboro Borough/Gloucester
PROCEEDS FOR: Purchase of equipment & machinery/Acquisition of existing building
FINANCING: \$5,000,000 TD Bank loan with a \$1,000,000 EDA participation
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

Fund for Community Economic Development

PROJECT: Trenton Business Assistance Corporation **APPL.#**39986
LOCATION: Hamilton/Mercer
PROCEEDS FOR: Revolving Loan Fun
FINANCING: \$500,000 loan
MOTION TO APPROVE: Mr. Hughes **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

State Treasurer Sidamon–Eristoff left the room at this time.

Petroleum Underground Storage Tank Program

ITEM: Summary of Petroleum UST Remediation, Upgrade & Closure Fund Program projects approved by the Department of Environmental Protection.

PROJECT: Joseph Zipeto **APPL.#39792**
LOCATION: West Orange/Essex
PROCEEDS FOR: Remediation
FINANCING: \$168,198 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Albanese **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

Hazardous Discharge Site Remediation

ITEM: Approval of Hazardous Discharge Site Remediation Fund Program projects listed below.

MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

PROJECT: Michael Flamos **APPL.#39925**
LOCATION: South Orange/Essex
PROCEEDS FOR: Remedial Investigation
FINANCING: \$26,614

PROJECT: Villarroel, Patricio and Omaira **APPL.#39911**
LOCATION: Point Pleasant Beach/Ocean
PROCEEDS FOR: Remedial Investigation
FINANCING: \$214,310

PROJECT: Camden Redevelopment Agency **APPL.#40147**
LOCATION: Camden/Camden
PROCEEDS FOR: Remedial Action
FINANCING: \$269,034

PROJECT: Camden Redevelopment Agency **APPL.#40179**
LOCATION: Camden/Camden
PROCEEDS FOR: Remedial Action
FINANCING: \$1,800,000

PROJECT: Borough of Somerville **APPL.#39541**
LOCATION: Somerville/Somerset
PROCEEDS FOR: Remedial Action
FINANCING: \$4,877,906

State Treasurer Sidamon-Eristoff re-entered the room at this time.

EDISON INNOVATION FUND

Technology Business Tax Certificate Transfer Program

ITEM: Technology Incentives Delegations

REQUEST: Increase delegations for New Jersey Angel Investor Tax Credit Program and create delegation for Technology Business Tax Certificate Transfer Program.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

Angel Investor Tax Credit Program

ITEM: Approval of applications through the Angel Investor Tax Credit Program listed below.

MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. Hughes **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

INVESTOR: Care Capital Investments III LP **APPL.#** 40069
TECHNOLOGY BUSINESS: Agile Therapeutics, Inc.
LOCATION: Princeton/Mercer
QUALIFIED INVESTMENT: \$4,250,045.86

INVESTOR: Shanghai Aucta Pharmaceuticals Co., Ltd **APPL.#** 40086
TECHNOLOGY BUSINESS: Aucta Pharmaceuticals, LLC
LOCATION: North Brunswick/Middlesex
QUALIFIED INVESTMENT: \$140,000.00

INVESTOR: Core Ventures II LLC **APPL.#** 40127
TECHNOLOGY BUSINESS: ElectroCore
LOCATION: Bernards Township/Somerset
QUALIFIED INVESTMENT: \$5,000,000.00

INVESTOR: Conure ElectroCore, LLC **APPL.#**40129
TECHNOLOGY BUSINESS: ElectroCore
LOCATION: Bernards Township/Somerset
QUALIFIED INVESTMENT: \$4,000,000.00

INVESTOR: Conure ElectroCore, LLC **APPL.#**40126
TECHNOLOGY BUSINESS: ElectroCore
LOCATION: Bernards Township/Somerset
QUALIFIED INVESTMENT: \$1,333,333.00

ITEM: Zipz Inc.

REQUEST: To approve Angel Investor Tax Credit applications for investments made in Zipz Inc totaling \$291,066.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

OFFICE OF RECOVERY

ITEM: Surf City Marina

THIS ITEM WAS WITHHELD FROM CONSIDERATION.

ITEM: Stronger NJ Business Grant Program Appeal – GNG Investments LLC

REQUEST: To approve the Hearing Officer’s recommendation to uphold the declination of the Stronger NJ Business Grant for GNG Investments LLC.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

INCENTIVE PROGRAMS

ITEM: Revised Incentive Programs Rules Amendments

New Jersey Economic Opportunity Act of 2013

And Economic Opportunity Act of 2014, Part 3

REQUEST: To approve 1) the proposed amendments to the rules implementing the Economic Redevelopment and Growth Program, Business Employment Incentive Program, Business Retention and Relocation Assistance Grant Program, BRRAG Tax Credit Certificate Program and Grow New Jersey Assistance Program as well as certain Authority administrative rules regarding fees based on statutory revisions enacted pursuant to the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161; and 2) the attached proposed rule amendments revising the ERG Program, Urban Transit Hub Tax Credit Program and Grow NJ Program pursuant to statutory revisions enacted in the Economic Opportunity Act of 2014, Part 3, P.L. 2014, c. 63; and 3) to authorize staff to submit the adoption and proposed amendments for promulgation in the February 2, 2015 edition of the New Jersey Register, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

Economic Redevelopment and Growth Grant Program

ITEM: Amendment to Residential Economic Redevelopment Growth Grants
REQUEST: To approve an amendment to the August 12, 2014 Residential Economic Redevelopment Growth Grants Analysis memo to include projects that are awarded 9% Low Income Housing Tax Credit through NJHMFA and display a funding GAP such that the project could not be complete without a Residential ERG award

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

ITEM: Makers Village QALICB, LLC

REQUEST: To approve the application of Makers Village QALICB, LLC for a project located in Newark, Essex County for the issuance of tax credits. The recommended reimbursement is 9.48% of the eligible costs, not to exceed \$2,214,192 based on the budget submitted.

MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

Grow New Jersey Assistance Program

ITEM: Just Greens, LLC dba Aerofarms APPL.#39142

REQUEST: To approve the application of Just Greens, LLC dba Aerofarms for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Newark, NJ. Project location of Newark, Essex County qualifies as a 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 and Capital Investment in Excess of Minimum. The estimated annual award is \$655,500 for a 10-year term.

MOTION TO APPROVE: Mr. Alagia **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

ITEM: Cooper Health System APPL.#40148

REQUEST: To approve the application of Cooper Health System for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Camden, NJ.

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

ITEM: Cooper Health System APPL.#40148
REQUEST: To approve the application of Cooper Health System for a Grow New Jersey Assistance Program Grant. The project location of Camden, Camden County qualifies as a Garden State Growth Zone under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Transit Oriented Development, Jobs with Salaries in Excess of the Garden State Growth Zone Average, Large number of New/Retained Full-Time Jobs, the presence of a Targeted Industry (health business), and location in a municipality in Camden County with 2007 Revitalization Index greater than 465. The estimated annual award is \$3,999,000 for a 10-year term.
MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. Stoller **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 27

PROJECT: Direct Energy GP, LLC. **APPL.#40027**
LOCATION: Woodbridge/Middlesex County
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. Alagia **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 28

ITEM: Direct Energy GP, LLC APPL.#40027
REQUEST: To approve the application of Direct Energy GP, LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Woodbridge, NJ. Project location of Woodbridge, Middlesex 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 Jobs with Salaries in Excess of the County Average, Large Number of New/Retained Full-Time Jobs, and the presence of a Targeted Industry (Energy business). The estimated annual award is \$1,019,452 for a 10-year term.
MOTION TO APPROVE: Mr. Alagia **SECOND:** Mr. Albanese **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 29

PROJECT: GGB, LLC **APPL.#39591**
LOCATION: West Deptford/Gloucester County
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. Alagia **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 30

ITEM: GGB, LLC APPL.#39591
REQUEST: To approve the application of GGB, LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in West Deptford, NJ. Project location of West Deptford, Gloucester County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of Minimum and the presence of a Targeted Industry (Manufacturing). The estimated annual award is \$328,250 for a 10-year term.

ITEM: Solvay USA Inc. APPL.#40024
REQUEST: To approve the application of Solvay USA Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in West Windsor Township, NJ. Project location of West Windsor, Mercer County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Jobs with Salaries in Excess of the County Average, Large Number of New/Retained Full-Time Jobs and has a presence as a Targeted Industry (Manufacturing). The estimated annual award is \$965,250 for a 10-year term.
MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 36

ITEM: Subaru of America, Inc. APPL.#40170
REQUEST: To approve the application Subaru of America, Inc for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Camden, NJ.
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Stoller **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 37

ITEM: Subaru of America, Inc. APPL.#40170
REQUEST: To approve the application Subaru of America, Inc for a Grow New Jersey Assistance Program Grant Under N.J.S.A. 34:1B-242 et seq, projects located in Camden City, Camden County are eligible to receive per employee as a tax credit the total amount of capital investment for the project divided by the number of employees, subject to certain limits, provided that the project represents a net positive benefit to the State over a 35 year period. Subaru's estimated capital investment for this project is \$117,832,868. The estimated annual award is \$11,783,286 for a 10-year term
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Albanese **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 38

ITEM: York Risk Services Group, Inc. APPL.#40141
LOCATION: Parsippany, Morris County
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. Alagia **SECOND:** Mr. Stoller **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 39

ITEM: York Risk Services Group, Inc. APPL.#40141
REQUEST: To approve the application of York Risk Services Group, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Parsippany, NJ. Project location of Parsippany, Morris County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for the presence as a Targeted Industry (Finance). The estimated annual award is \$316,360 for a 10-year term.
MOTION TO APPROVE: Ms. Ferrara **SECOND:** Mr. Stoller **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 40

Grow New Jersey Assistance Program - Modifications

ITEM: Modification request for Pollaro Custom Furniture, Inc. P39849
REQUEST: To approve the request to modify the project site previously approved by the Board.
MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. Alagia **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 41

ITEM: WebiMax, LLC.
REQUEST: To approve the reduction in full-time jobs being incented on the WebiMax project.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Alagia **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 42

Economic Redevelopment and Growth Grant Program

ITEM: 609 HoldCo. LLC, 609 Broad Street, LLC and Commercial Broad Street, LLC
REQUEST: To approve the application of 609 HoldCo. LLC, 609 Broad Street, LLC and Commercial Broad Street, LLC for a project located in Newark, Essex County for the issuance of tax credits. The recommendation is to give up to 25.07% of the eligible costs, not to exceed \$40,000,000 in tax credits based on the budget submitted.
MOTION TO APPROVE: Mr. Downes **SECOND:** Ms. Ferrara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 43

BOARD MEMORANDUMS

ITEM: Incentives Delegations – Brownfields Reimbursement Program
REQUEST: Expand delegations to staff under the Brownsfields Reimbursement Program to assign and transfer existing grant agreements.
MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 44

ITEM: New Markets Tax Credit/NJUSB Investment Fund II, LLC
REQUEST: Consent to the actions required to wind-up Loan Pool 2
MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 45

ITEM: New Markets Tax Credit Loan Restructures
REQUEST: To approve the restructure guidelines for maturing NMTC loans
MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. Stoller **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 46

ITEM: Retail Fuel Station—Energy Resiliency Program
REQUEST: Consent to the following actions:
1) Advance a second round of funding for all retail fuel stations statewide and lower the minimum eligibility of gasoline capacity to 18,000 gallons; and, 2) Approve the attached form of the Sub-Grant Agreement between the New Jersey Office of Emergency Management and EDA for the allocation of funding for payment of administrative costs incurred by EDA.

MOTION TO APPROVE: Mr. Stoller SECOND: Mr. Downes AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 47

ITEM: Vineland Community Health and Education Center, LLC
REQUEST: Consent to the actions required to wind-up the NJCDE-2's sub-allocation of New Markets Tax Credits to VCHEC

MOTION TO APPROVE: Mr. Downes SECOND: Mr. Alagia AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 48

FOR INFORMATION ONLY: Summary of projects approved under Delegated Authority in November 2014:

Small Business Fund Program: MG Realty Holding, LLC (P40036);
Upper Mountain Properties LLC (P39998)

New Jersey Business Growth Fund - Modification: Atlantic Cardiac Realty LLC (P40056); Placko Signs LLC (P40168); Pollack Health and Wellness Center Inc. and Steven J. Pollack (P40143)

REAL ESTATE

ITEM: Health/Agriculture and Treasury Taxation Buildings
REQUEST: Approve a reimbursement resolution to allow the use of bond proceeds to permit the reimbursement of expenses for the Feasibility Study the will be prepared for the renovation, demolition or replacement office space for the Health/Agriculture and Treasury Taxation buildings.

MOTION TO APPROVE: Mr. Downes SECOND: Mr. Alagia AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 49

ITEM: Selection of Feasibility Study Consultant
Health/Agriculture and Taxation Buildings (Trenton)
REQUEST: To approve the selection of an architectural/engineering firm KSS Architects to conduct a Feasibility Study for the Health/Agriculture and Taxation Buildings (Trenton)

MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Albanese AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 50

ITEM: Primer Education Group
The Technology Centre of New Jersey
REQUEST: Approval to (1) enter into a ten year six month Lease Agreement between Premier Education Group and the NJ Economic Development Authority to lease a 36,500 square foot building at the Technology Centre of New Jersey know as "Tech VI"; and (2) direct NJEDA's property management firm to perform base building improvements to the Tech VI building as a cost not to exceed \$500,000.
MOTION TO APPROVE: Mr. Alagia SECOND: Mr. Stoller AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 51

PUBLIC COMMENT

There was no comment from the public.

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. McNamara SECOND: Mr. Downes AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 52

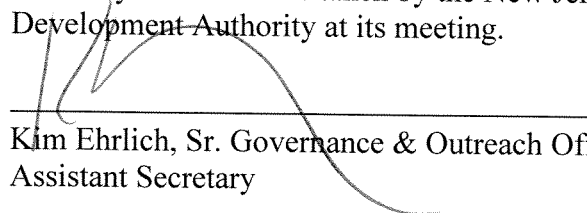
The Board returned to Public Session.

ITEM: Technology Centre of New Jersey, LLC Liquidation
REQUEST: As discussed in executive session, to approve the proposed real estate transaction and related dissolution of the LLC.
MOTION TO APPROVE: Mr. Albanese SECOND: Mr. McNamara AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 53

ITEM: Property Disposition Procedures
REQUEST: As discussed in executive session, to approve Property Disposition Procedures for the sale or lease of Authority property.
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Albanese AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 54

There being no further business, on a motion by Mr. McNamara, and seconded by Mr. Downes, the meeting was adjourned at 12:10 pm.

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.



Kim Ehrlich, Sr. Governance & Outreach Officer
Assistant Secretary



MEMORANDUM

TO: Members of the Authority

FROM: Michele A. Brown
Chief Executive Officer

DATE: January 13, 2015

RE: Chief Executive Officer's Report to the Board

EDA PROVIDED MORE THAN \$600 MILLION IN TOTAL ASSISTANCE IN 2014

According to preliminary totals, EDA closed on more than \$613 million in total financing to assist 250 projects across the State in 2014. These projects involve the anticipated creation of 4,500 new jobs, the retention of 2,500 "at risk" jobs, and private investment totaling nearly \$1.4 billion.

Of the \$613 million total, more than half was provided through EDA's traditional financing programs, which includes loans, guarantees, participations and tax-exempt bonds.

The 2014 figure does not include the nearly 100 projects EDA approved through the Economic Opportunity Act, which represents another 38,000 jobs created and retained. It also doesn't reflect the more than 1,000 small businesses that have been supported under the Stronger NJ Business programs.

FMERA 2014 RECAP

The Fort Monmouth Economic Revitalization Authority (FMERA) marked significant achievements in 2014 as it continued its efforts to attract investment and jobs to the former military installation.

Among its activities, FMERA issued Requests for Offers to Purchase (RFOTP) for seven properties, including the Main Post Chapel, Charles Wood Area Fire Station, Fitness Center, Satellite Road Parcel 1, Parcels F1 and F2, and Howard Commons.

FMERA also entered into exclusive negotiations for five parcels on the Fort. This includes Parcels C and C1 in Tinton Falls, which will be transformed into a mixed-use town center, boasting new residential units, retail and other commercial development; and, the Marina Parcel in Oceanport, which includes a 71-slip marina and boat launch ramp, as well as a 2,600 square-foot boat house that is expected to re-open as a restaurant in early 2015.

EVENTS

EDA representatives participated as speakers, attendees or exhibitors at 14 events in December. These included the NJBIA Public Policy Forum in Edison, the Downtown NJ Excellence Awards in New Brunswick, and the NJ Energy Resilience Conference in New Brunswick.



BOND RESOLUTIONS



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

SUBJECT: 2014 Carryforward Request

DATE: January 13, 2015

The State Treasurer allocated \$110,000,000 to the New Jersey Economic Development Authority out of the State's 2014 Private Activity Bond Cap.

The Authority may elect to carryforward any unused portion of the above noted 2014 Private Activity Bond allocation with the U.S. Department of Treasury.

Out of the \$110,000,000 allocation to the Authority, \$12,400,000 closed against the Cap, resulting in \$97,600,000 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 2014 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 2014 Private Activity Bond Volume Cap; and

WHEREAS, the Authority has issued \$12,400,000 in private activity bonds in 2014 and would like to carryforward out of the statewide reserve the unused portion of the Authority's 2014 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 2014 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 2014 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 13, 2015

**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 ▶

2014

Part I Reporting Authority

State name for qualifying public educational facility bond or issuer's name for all other bonds

New Jersey Economic Development Authority

Reporting Authority's EIN

2 2 2 0 4 5 8 1 7

Number, street (or P.O. box if mail is not delivered to street address)

36 West State Street, PO Box 990

Room/suite

Report number

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	12,400,000
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	12,400,000.
6	Unused volume cap (subtract line 5 from line 1)	6	97,600,000.

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	20,000,000.
c	Sewage facilities (section 142(a)(5))	10c	20,000,000.
d	Solid waste disposal facilities (section 142(a)(6))	10d	20,000,000.
e	Qualified residential rental projects (section 142(a)(7))	10e	17,600,000.
f	Facilities for the local furnishing of electric energy or gas (section 142(a)(8))	10f	10,000,000.
g	Local district heating or cooling facilities (section 142(a)(9))	10g	10,000,000.
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	97,600,000.

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(f).
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: Provident Group - Kean Properties L.L.C.

P40039

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 1000 Morris Avenue

Union Township (T)

Union County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND:

Provident Group - Kean Properties L.L.C. is a single purpose entity formed to hold title to the property located at 1000 Morris Avenue, Union, NJ. The sole and managing member of the applicant is Provident Resources Group ("Provident"), a 501(c)(3) not-for-profit organization committed to the development, ownership and operation of state-of-the-art facilities that serve to advance education, promote healthcare and meet the needs of the elderly and poor with safe and affordable housing. Since 2004, Provident has successfully financed and development more than \$776 million in total student housing projects, resulting in the delivery of more than 7,500 beds of student housing for the benefit of colleges and universities in nine states and the District of Columbia. In 2010, Provident participated with the Authority in the first public private partnership development under the Higher Education Public Partnership Program ("P3 Program") created as part of the NJ Economic Stimulus Act of 2009 and closed on a \$234,990,000 tax-exempt bond financing to construct and manage a 2,000 bed student housing facility for the benefit of Montclair State University.

This Project is a public private partnership with Kean University under the P3 Program consisting of the construction of a multi-story student residence building on approx. 4.55 acres on the main campus of the University. In turn, University Student Living, LLC, will undertake the design, development, construction and furnishing and equipping of the Project via development and management agreements with Provident Group - Kean University Properties L.L.C., a single purpose entity created by the Applicant for the development, ownership and operation of the dormitory. The facility is designed to accommodate approx. 364 students in a combination of one, two and four bedroom units. The Project will also include an approx. 2,000 sq. ft. bistro and other student amenities, including study areas, game and laundry rooms.

Kean University's application to develop the dormitory in accordance with the P3 Program and the 2009 NJ Economic Stimulus Act was approved by the Board at the November 10, 2014 Board Meeting.

The bonds for the Project will qualify as tax-exempt bonds under Section 103 and Section 145 of the Internal Revenue Code of 1986, as amended, and will not be subject to the State Volume Cap limitation pursuant to Section 146(g) of the Code and will be exempt from the \$20,000,000 Capital Expenditure Limitation.

APPROVAL REQUEST:

Authority assistance will enable the applicant to (i) finance the development and construction of the Project, (ii) fund a debt service reserve fund, (iii) pay capitalized interest and (iv) pay costs of issuance of the bonds, for a total tax-exempt and taxable bond issue of \$45 million.

FINANCING SUMMARY:

BOND PURCHASER: RBC Capital Markets, LLC (Senior Manager)

AMOUNT OF BOND:	Series A \$44,250,000 (est.) Tax-exempt Bond	Series B \$750,000 (est.) Taxable Bond
TERMS OF BOND:	Series A 35 years (max.); Serial and/or term bonds with true interest cost not to exceed 7.50% (Estimated tax-exempt interest rates range from 2% to 4% as of 12/29/14).	Series B 15 years (max.); Serial and/or term bonds with true interest cost not to exceed 7.5% (Estimated taxable interest rates range from 4% to 6% as of 12/29/14).

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	\$30,257,500
Interest during construction	\$4,120,000
Debt service reserve fund	\$2,795,000
Engineering & architectural fees	\$1,985,000
Project Contingency	\$1,650,000
Finance fees	\$1,515,000
Purchase of equipment & machinery	\$1,310,000
Soft Costs	\$735,000
Legal fees	\$345,000
Working capital	\$287,500
TOTAL COSTS	\$45,000,000

JOBS: At Application 0 Within 2 years 15 Maintained 0 Construction 245

PUBLIC HEARING: 01/13/15 (Published 12/30/14) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: T. Gill **APPROVAL OFFICER:** T. Wells

AMENDED BOND RESOLUTIONS

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - REFUNDING BOND PROGRAM**

APPLICANT: EMI Edge, LLC

P40363

PROJECT USER(S): ECI Technology, Inc. *

* - indicates relation to applicant

PROJECT LOCATION: 60 Gordon Drive

Totowa Borough (N)

Passaic

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

APPLICANT BACKGROUND:

EMI Edge, LLC is the real estate holding company for ECI Technology, Inc. ECI Technology, Inc. was established in February 1987 to manufacture analytical instrumentation for the Printed Circuit Board (PCB) industry. In 1998, ECI developed the first Chemical Monitoring System (CMS) for the Semiconductor industry. Today, ECI's chemical management systems are used in LED, photovoltaic, printed circuit board and adjacent industries. ECI closely cooperates with the most advanced research centers and universities conducting research and development of cutting edge technologies and at the same time providing them with mission-critical equipment for control of chemical processes.

The applicant closed on a \$3,000,000 tax-exempt bond in 2005 to purchase, renovate and equip the 48,000 sq. ft. project facility on 6 acres in Totowa. The 2005 Bond was directly purchased by Wachovia Bank, N.A., now Wells Fargo Bank, for 10 years at fixed rate of 4.30%.

REFUNDING REQUEST:

Authority assistance will enable the Applicant to refund the 2005 Bond plus pay costs of issuance. As the 2005 Bond matures on 3/1/15, the refunding will allow the applicant to continue smooth operations and maintain its current employment of 90 full-time employees.

FINANCING SUMMARY:

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

AMOUNT OF BOND: \$2,100,000 (max.) Tax-exempt Bond

TERMS OF BOND: 15 years; Fixed interest rate, indicative rate as of 12/12/14 is 2.74%.

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond(s) to be refund	\$2,000,000
Legal fees	\$40,000
Finance fees	\$40,000
Accounting fees	\$20,000
TOTAL COSTS	<hr/> \$2,100,000 <hr/>

PUBLIC HEARING: 01/13/15 (Published 12/29/14) **BOND COUNSEL:** McManimon, Scotland & Baumar
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: West Campus Housing, LLC

P40419

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: Various

Jersey City (T/UA)

Hudson County

GOVERNOR'S INITIATIVES:

(X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

West Campus Housing, LLC was recently formed to hold a leasehold interest to real property for the sole and managing member, the New Jersey City University Foundation. The Foundation was established as a 501(c)(3) organization under the Internal Revenue Code, to support the mission of the New Jersey City University and the development of a new dormitory and renovations to two existing residence halls, as a public private partnership with the University under the Higher Education Public Partnership Program (the "P3 Program") created as part of the NJ Economic Stimulus Act of 2009.

The Applicant has selected Ambling University Development Group to finance, plan, design, construct and maintain the new student housing. The Ambling Development Group has developed approx. 35,000 beds in 63 projects totalling \$1.873 billion in development costs in 21 states. Ambling's officers have over 15 years of student housing experience. AUDG, Jersey City, LLC, an affiliate of Ambling Development, will enter into a development agreement with the Applicant for the development and construction of a new 425 bed residence hall on 1.1 acres on the University's main campus. The new residence hall will be adjacent and connected to the University's new academic arts building. The project will also include renovations to two existing residence halls: (i) Vodra Hall, a 60,000 sq. ft. building on .33 acres, which includes 102 beds, a dining hall and office space; and (ii) Co-op Hall, a 7,323 sq.ft. building on .16 acres consisting of a 100 bed dormitory with community bathrooms, building lobby and the student lounges. Renovations to the existing residence halls include renovating the community bathrooms, the lobbies and the student lounges. In turn, upon completion of the Project, the applicant will enter into a management with Ambling Management Company or its affiliate, to operate and maintain the residence halls.

The Project is also being presented by the Real Estate Division Staff at the January 13, 2015 Board Meeting for approval of New Jersey City University's application to develop the dormitory in accordance with the P3 Program and the 2009 NJ Economic Stimulus Act.

The bonds for the Project will qualify as tax-exempt bonds under Section 103 and Section 145 of the Internal Revenue Code of 1986, as amended, and will not be subject to the State Volume Cap limitation pursuant to Section 146(g) of the Code and will be exempt from the \$20,000,000 Capital Expenditure Limitation.

APPROVAL REQUEST:

Authority assistance will enable the applicant to (i) finance the development and construction of the Project as describe above, (ii) fund a debt service reserve fund, (iii) pay capitalized interest and (iv) pay costs of issuance of the bonds, for a total tax-exempt and taxable bond issue of \$55 million.

FINANCING SUMMARY:

BOND PURCHASER: RBC Capital Markets, LLC (Underwriter)

AMOUNT OF BOND:	Series A \$54,500,000 (est.) Tax-exempt Bond	Series B \$500,000 (est.) Taxable Bond
TERMS OF BOND:	Series A 35 years (max.); Serial and/or term bonds with true interest cost not to exceed 7.5% (Estimated tax-exempt interest rates range from 2% to 4% as of 12/29/14).	Series B 15 years (max.); Serial and/or term bonds with true interest cost not to exceed 7.5% (Estimated taxable interest rates range from 4% to 6% as of 12/29/14).

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	\$38,704,498
Interest during construction	\$5,129,361
Engineering & architectural fees	\$3,982,371
Debt service reserve fund	\$3,634,100
Developer's Fee	\$1,927,228
Legal fees	\$756,824
Finance fees	\$607,500
Working capital	\$258,118
TOTAL COSTS	\$55,000,000

JOBS: At Application 0 Within 2 years 5 Maintained 0 Construction 304

PUBLIC HEARING: 01/13/15 (Published 12/29/14) **BOND COUNSEL** McCarter & English, LLP

DEVELOPMENT OFFICER: T. Gill

APPROVAL OFFICER: T. Wells

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: Higher Education Public Private Partnership Program
New Jersey City University – Student Dormitory and Dormitory Renovations

DATE: January 13, 2015

Summary

The Members are asked to approve New Jersey City University's ("Applicant") application to develop a 425 bed dormitory on approximately ±1.11 acres on the Applicant's campus and partially renovate 202 existing beds in Vodra (60,000 SF, .33 acre) and Co-op (26,614 SF, .16 acre) Halls (the "Project" or "Development") under the Higher Education Private Public Partnership Program (the "Program") established by P.L. 2009, c. 90, and as amended (the "Act"). The estimated total development cost is \$49.38 million. The Applicant owns the property to be included in this Development. Under the Act, the "Authority shall review all completed applications" and "[n]o project shall be undertaken until final approval has been granted by the [A]uthority." Staff performed a substantive review of the Applicant's application and supporting documentation in accordance with the Act and pursuant to the Authority's Higher Education Institution Public-Private Partnership Program Guidelines (the "Guidelines") and recommends approval of the Applicant's Project subject to the Applicant submitting additional items that are outlined below.

Background

The Authority's Scope of Review

Under the Program, the Authority must review and approve an application, which, in order to be complete, must contain the following items:

1. a full narrative description of the project;

2. a public-private partnership agreement between the State or county college and the private partner;
3. a land lease or land agreement;
4. financial information including the estimated costs and financial documentation for the project;
5. a detailed project schedule (i.e. timetable) for completion of the project extending no more than five years after consideration and approval;
6. DPMC classification information for the required contractors and/or subcontractors;
7. evidence of arrangements for entering into project labor agreements and paying prevailing wages for development and long range maintenance plan contracts of the project; and
8. evidence of financing.

The financial documentation shall include a long-range maintenance plan that will “specify the expenditures that qualify as an appropriate investment in maintenance.” In addition, the Authority may impose “other requirements that the [A]uthority deems appropriate or necessary.”

Within the Act’s deadline of August 1, 2015, the Applicant submitted a complete application for the Project with adequate exhibits and supporting documentation which included an adequate form of the Ground Lease, Bond Indenture, Management and Development Agreements which serve as the partnership agreement for this Project. In accordance with the Act and the Guidelines, Real Estate Division Staff deemed the application “complete” on November 5th.

The Act requires that any project undertaken through the Program must be financed in whole by the private entity. Staff has reviewed the project documents to confirm that the private partner assumes full financial and administrative responsibility for the construction of the Project and that the Applicant has no financial responsibility for the construction of the Project. The Act also requires that the State or institution of higher education must retain full ownership of the land upon which any project undertaken through the Program. Staff also has reviewed the Project documents to confirm that the Applicant will retain full ownership of the land where the Project will be developed.

Project Description

In October 2013, the Applicant issued a request for qualifications and proposals (RFQ/P) to select a private partner to design, develop, construct, manage, and operate dormitory on its campus. Eight parties responded to the RFQ/P, and as result of the process, the Applicant selected Ambling University Development Group (“Ambling” or “Private Partner”) to finance, plan, design, construct, operate and maintain new student housing of approximately. Ambling, through affiliated organizations, will enter into development and management agreements with the Project Owner, a to be formed single purpose limited liability company of the New Jersey City University Foundation (“NJCUF LLC” or “Project Owner”), a foundation established under 501(c) of the Internal Revenue Code, for the development of the new dormitory and the

renovation of Co-Op and Vodra Halls. NJCUF LLC will lease the land for the new dormitory and the existing Co-Op and Vodra Halls from the Applicant, have tax exempt bonds issued for the Development, own and construct the new dormitory and existing dormitory improvements, and operate the Project for the benefit of the Applicant. In June 2014, the Applicant's Board of Trustees approved the selection of Ambling as the private partner to develop student housing under the Act and authorized the appropriate officials of the Applicant to negotiate and execute documents to consummate the transaction.

- *New Dormitory*

The ±1.11 acres proposed for the new dormitory are adjacent to the Applicant's main campus on property acquired for the Applicant's West Campus Expansion. The new dormitory will be located on the Southeast corner of Stegman Boulevard and West Mallory Street and will be adjacent to the Academic Arts building currently being developed by the Applicant. The dormitory will include 425 beds allocated as follows:

Apartments	Units	Avg Unit SF	Beds	Ann. Unit Rent
Residence Assistants	2		2	\$0.00
Resident Coordinator	7		7	\$0.00
2 Bedroom / 1 Bath (4 beds)	84		336	\$36,800
4 Bedroom / 2 Bath (4 beds)	20		80	\$41,208
	113		425	

The four-story, 108,725 SF building will include 425 beds, a game room, multi-purpose classroom, music practice rooms, and a large open lounge space, and the building will be designed and to meet and will apply for US Green Building Council's LEED Silver certification.

- *Dormitory Renovations*

In addition to development of the new dormitory, the Project Owner will lease Co-Op and Vodra Halls from the Applicant.

- **Co-op Hall.** Consisting of 7,323 SF building on .16 acres, Co-Op Hall was developed by the Applicant in 1989; it consists of a 100 bed dormitory (double occupancy units) with community bathroom facilities. Completed in June 2014, the most recent capital improvements performed by the Applicant included replacing the air conditioning, central boiler, fire alarm and sprinkler systems for approximately \$1 million. The Private Partner will renovate the community bathrooms, building lobby, and the student lounges. The proposed annual unit rent is \$15,000 annually (\$7,500 per bed annually).
- **Vodra Hall.** The Applicant constructed Vodra Hall in 1963, which is a five story, 60,000 SF building on .33 acres which includes 102 beds on the 3rd, 4th, and 5th floors. The first floor includes a dining hall and office space and the second floor contains academic and office space. Completed in June 2014, the Applicant's renovations to Vodra Hall included

modernizing the bathrooms and the fire alarm system, and adding air condition for approximately \$2.9 million. The Private Partner's planned renovations include reprogramming the first floor to create more student gathering and community space and enhancing the residential life department's office space. The proposed annual rent per bed also is \$7,500.

Summary of the Partnership Documents

The parties' role and responsibilities in the transaction are summarized below:

- **Applicant**

1. **Leased Property, Lease Term, and Rent.**

- a. *Leased Property.* The Applicant will lease to the Project Owner approximately 1.11 acres at the Southeast corner of Stegman Boulevard and West Mallory Street for the development of the new dormitory, as well as the footprints of Co-Op (26,614 SF building on .16 acre), and Vodra Halls (60,000 SF building on .33 acre) on its campus.

2. *Lease Term.* The Lease will commence on or about February 1, 2015 and terminate on June 30, 2056, or an earlier date as provided in Lease.

3. *Rent.* Applicant will receive Rent as follows:

- a. *Rent.* The Applicant will receive the net surplus cash from the Project, after the payment of all the priorities as noted below in Distribution of Surplus Cash Flow section of this memo. The rent is the final distribution in the cash flow.

The submitted operating proforma shows a net annual cash flow (after paying priorities) ranging from \$493,000 (Year 2) to \$10.97 million (Year 40) and averaging \$4.2 during the lease term, which appears sufficient to pay the Applicant any of its deferred operating costs as well as leaving an amount available as an annual lease payment.

- b. *Additional Rent.* Applicant shall receive as "Additional Rent" any amount due as defined in the Lease (e.g., impositions, insurance) Applicant chooses to pay on the Project Owner's behalf.

4. *Applicant's Responsibilities.* The Applicant will be responsible for the following items during the Lease term:

- a. *Quiet Enjoyment.* Applicant agrees that the Project Owners will be able to lawfully and quietly hold, occupy, and enjoy” the leased premises subject to “Permitted Exceptions.”
- b. *Approval of the Development Agreement.* Applicant must review and approve the Development Agreement between the Project Owner and Ambling.
- c. *Construction Approvals.* Applicant agrees to review and approve the Plans and Specification for the construction of the Project and change orders as required.
- d. *Approving Draw Requests during Development and Construction.* The Applicant will review and approve draws requests for the Project.
- e. *Integrating Project with University Operations.* The Applicant and Project Owner agree that the Project is “intended to be part of the integrated . . . campus” of the Applicant. The Applicant will be providing certain administrative, resident life, security and other services” during the operation of the Project.
- f. *Providing Emergency Response.* The Applicant will be responsible for “responding to emergencies at” the Project which include “without limitation fire, utility outage, drug overdose, suicide, assault, rape, criminal disturbances or other criminal activity.”
- g. *Student Housing Agreements and Collection of Student Rents.* On behalf of the Tenant, Applicant will enter into student housing agreements, collect the amounts due under the agreement, and enforce the terms of agreement when the student defaults.
- h. *Financial Reporting.* The Applicant will be responsible for financial reporting regarding the student housing fees and other collected revenue.
- i. *Environmental Conditions.* The Applicant will be responsible for unknown preexisting environmental conditions that may be reimbursed from excess development funds at the end of construction.
- a. *Landscape, Snow Removal and Security Services.* The Applicant will provide landscape, snow removal and security services to the Project.
- b. *Vodra Hall Dining Hall and Academic/Office Space.* The Applicant will continue to operate and maintain the dining hall and academic space and university offices in Vodra Hall (first and second floor).

The Applicant will not be responsible for repaying the tax exempt bonds, the operating costs or other taxes or impositions that may become due because of the construction or operation of the Project.

As detailed in the Cash Flow Distribution section of this memo, the Applicant has agreed to subordinate reimbursement of following Project services:

1. *Nonvariable Subordinated University Operating Expenses*: reimbursement for front desks, residential life staff, laundry equipment and services, student activity services, postage and mail services, cellular telephone service, data and information processing services, collection and billing services, installation, maintenance and inspection of safety equipment, landscaping and snow removal as payment priority 14 in the cash flow distribution.

These items are subject to an annual cap (to be determined by the annual budget), which will be increased by at least 4% annually, “unless a greater increase is required to be paid or reimbursed to the [Applicant] due to Casualty.”

2. *Variable Subordinated University Operating Expenses*: reimbursement for cable television service, internet service, trash disposal, electric, gas and water as payment priority 12 in the cash flow distribution.
 3. *Subordinated University Housing Expenses*: reimbursement of Nonvariable Subordinated University Operating Expenses that exceed the capped amount; capital expenditures paid or reimbursed to the Applicant for expending additional capital funds to restore the Project’s facility due to a casualty loss; and additional costs expended by the Applicant related to the operations of the Project as payment priority 16 in the cash flow distribution.
 4. *University Temporary Housing Expenses*: reimbursement for providing temporary housing to displaced students and staff after the initial completion date until the actual move in of students (with a credit for any liquidated damages paid to the Applicant) as payment priority 10 in the cash flow distribution.
- **Project Owner.** Under the Lease, Development and Management Agreements, the Project Owner’s responsibilities include:
 1. *Rent and Additional Rents.* The Project Owner will pay Base and Additional Rent, and any other payments required by the Lease.
 2. *Bond Financing.* The Project Owner will be responsible for the issuance and repayment of the bond financing for the Project, which is currently estimated at \$49.87 million.

3. *Construction of Improvements.* The Project Owner will be responsible for the design, construction, and completion of the Project as required by the Lease and the Development Agreement between the Project Owner and Ambling affiliates and the plans and specifications approved by the Applicant.
 4. *Operate the Project as Student Housing.* The Project Owner must operate the completed Project “as student housing facilities for occupants under Student Housing Agreements and for no other purpose.”
- **AUDG Jersey City, LLC (an affiliate of Ambling, the turnkey Developer).** AUDG Jersey City, LLC will be responsible for the development of the Project as follows:
 1. Designing, developing and constructing, the Project;
 2. Entering into an agreement for project design and manage the design professionals;
 3. Preparing and updating the development schedule;
 4. Obtaining the Project Owner’s approval for the construction documents;
 5. Entering into agreements for the construction of the work, supervising the work, completing the punchlist, and correcting any work as required by the construction documents;
 6. Constructing the Project within budget and within the allotted time of the Project Schedule;
 7. Providing the required warranties according to the construction documents;
 8. Requiring that the professionals and the contractor have the required insurance and bonds;
 9. Maintaining insurance as required by the agreement.
 - **AUDG Management, LLC (an affiliate of Ambling).** Upon completion of the Project, the Project Owner will enter into a management agreement with the AUDG Management, LLC (“AMLLC”), in which AMLLC will be responsible for the following:
 1. Upon substantial completion, providing start up services for the initial move in;
 2. Operating the Project as a first class residence hall;

3. Managing, operating and maintaining the Development in conjunction with the Project Operations Committee as outlined in the Lease;
4. Ensuring the Project has all the required utility services;
5. Maintaining staffing as required by the “Responsibility Matrix”;
6. Marketing the Project in conjunction with the Applicant;
7. Maintaining and repairing the Project;
8. Preparing annual budgets and monthly reports;
9. Implementing a residence life plan; and
10. Maintaining books and records.

The Private Partner’s Experience and Qualifications

The Guidelines call for an assessment of the experience and qualifications of the development partner. The private partner’s team consists of Ambling, Niles Bolton Associates, and Terminal Construction.

Ambling University Development Group

Since 1998, Ambling has developed 35,000 beds in 63 projects which totaled \$1.873 billion in development costs in 21 states. Ambling’s affiliate which was established in 1997, AUDG Management, LLC (“AMLLC”), manages a portfolio of 31 student housing properties in 17 states that includes 19,000 beds. In addition, AMLLC’s officers have over 15 years of student housing experience.

Niles Bolton Associates

Established in 1975, the firm has participated in the design of approximately 50,000 beds in on 60 college campuses with a total development cost of approximately \$2.5 billion. Ambling and Niles have partnered in 44 student housing projects.

Terminal Construction

In business for over 68 years, Terminal Construction has delivered approximately 3,850 resident units with a construction value of approximately \$300 million. Terminal was the firm that constructed the first public private partnership dormitory units at Montclair State University.

In accordance with the Guidelines, staff concludes that the Project’s development and management team consisting of Ambling (and its affiliates), Niles Bolton Associates and

Terminal Construction has sufficient experience and qualifications to own, develop, construct, operate and maintain the Development.

Project Financing and Feasibility

• *Development Uses and Sources*

The project’s development budget, construction costs and developer’s compensation are within the existing market conditions (taking into account prevailing wage) to develop a project of this type. The following chart summarizes the project’s uses and sources:

Uses	% Project	Amount
Acquisition	0.00%	\$0
Improvements	66.66%	\$32,908,169
Professional Services	6.74%	\$3,329,439
Financing Fees	1.14%	\$562,500
Financing and Other Costs	18.53%	\$9,146,373
Contingency	3.67%	\$1,810,605
Development Fee	3.26%	\$1,610,600
Total Uses	100.00%	\$49,367,686

Sources	% Project	Amount
Tax Exempt Bonds	100%	\$49,367,686
Total Sources	100.00%	\$49,367,686

RBC Capital Markets currently estimates an average fixed interest rate of 5% over the term of the bond financing, and assumes that that the bonds will be Baa3 (Moody’s) and BBB- (Standard and Poor’s). The financing will include the following conditions:

Required Annual Debt Service Coverage Ratio: 1.20 (i.e., net operating income must exceed the annual debt service payment by 120%)

Security: The bonds will be secured through a leasehold mortgage, assignment and security agreement which will encumber the Project’s Owner’s interest in the improvements, equipment, inventory and cash flow from the Project.

Repair and Replacement Reserve: \$175 per bed annually, increasing 3% annually

Construction: A fixed price contract with appropriate payment and performance bond and liquidated damages acceptable to the rating agencies/investors.

- *Operating Proforma*

The submitted proforma included a 5% vacancy rate for the student housing units which could be considered rather aggressive from an underwriting standpoint. If the vacancy rate is raised to 7%, the Project may not reach the required debt service coverage ratio until year 5 of operations; if the vacancy is increased to 10%, the Project may not reach the required debt service coverage ratio until year 6 of operations. The market analyst appropriately cautioned that an appropriate rent up plan, marketing and expansion of the housing need will be required to ensure that the project will meet the targeted financial goals (see below, *Market Analysis*). Because the Project must maintain an annual 1.20 debt service coverage ratio (i.e., annual net operating income divided by annual debt service), the Applicant will share in the risk of any vacancy above 5% (i.e., operating expenses will be adjusted to maintain the 1.20 debt service ratio which may reduce reimbursements to the Applicant and/or the annual rent payment from net surplus cash). The Applicant does not share in the building development (except for some environmental liability for the land) or the repayment of debt risks which are the responsibility the Project Owner.

The Project Owner has submitted a bond application in an amount not to exceed \$55 million. In the event that these additional funds are needed, the Project Owner provided an additional operating proforma demonstrating that the Project can carry the additional debt.

- *Distribution of Cash*

As detailed in the bond indenture, the parties have agreed to the following cash distribution:

1. Payment as “required by the Arbitrage Certificate and the Tax Regulatory Agreement”;
2. Payment of monthly operating expenses paid by the Project Owner;
3. Payment of bond interest on a monthly basis into the Interest Account, a sub-account of the Debt Service Fund;
4. Payment of bond principal on a monthly basis into the Principal Account, a sub-account of the Debt Service Fund;
5. Payment to the Debt Service Reserve Fund (i.e., any shortfall in the debt service fund plus the required annual amount, paid in 12 equal installments);
6. Payment to the Carryover Account an amount necessary to pay for the projected operating expenses for the month of August;
7. Payment annually to the Principal Account, a sub-account of the Debt Service Fund, 1/12th of the principal or sinking fund installment due, and payment annually to the Interest Account, a sub-account of the Debt Service Fund, 1/6th of the interest due;

8. Payment to the Replacement Fund (i.e., payment of the \$175 per unit in 12 equal installments plus any amount “to restore the amount of any draws from the . . . Fund to pay Debt Service”);
9. Payment to cure any shortfalls in the amounts required in 1 through 8 above;
10. Payment of any amount due the Applicant as “Temporary Housing Expenses;”
11. Payment to the Operating Reserve Account;

In the event that payments 1 through 10 are made, and the debt service coverage ratio “is not less than” what is required in “the most recently ended Annual Period,” and no default has occurred, the following additional payments will be made:

12. Payment of the “Variable Subordinated University Operating Expenses” for the current year and any prior unpaid balance;

The following distributions will be made “concurrently”:

13. Payment of the “Subordinated Management Fee” and any prior unpaid balance;
14. Payment of the “Nonvariable Subordinated Operating Expenses” (up to the capped amount)”, and any prior unpaid balance;

In the event that the surplus cash is insufficient to pay 13 and 14 in full, the funds will be distributed as follows:

- 50% of net cash surplus cash to pay items 13 and 14 equally; or
- If 50% of net cash flow is greater than the amount to pay either 13 or 14 in full, then such item (i.e., either 13 or 14) will be paid in full, with the balance of funds to the remaining priority;

15. Payment of any unfunded bond principal and interest;
16. Payment of the Applicant’s Lease payment, and at the request of the Applicant: the Subordinated University Housing Expenses for the current year, and any unpaid prior balance, and/or enough to redeem or defease the bonds.

- *Market Analysis*

In the Fall of 2014, the Applicant engaged Anderson Strickler, LLC to update a 2012 student housing market study. In the current report, Anderson and Strickler found the following:

1. *Off Campus Apartment Vacancy Rate Will Not Impact the New Dormitory.* Between 2014 and 2018, the Hudson County apartment vacancy rate will increase from 7 to 8.8%, due to “numerous upscale commuter orient projects in the pipeline that will not impact” the Applicants market area.
2. *No Competitive Apartment Projects in the Pipeline.* After consulting with Jersey City officials and the Applicant, Anderson Strickler noted that the planned development in Jersey City is not targeted at students in the Applicant’s housing market.
3. *Campus Demand.* The report concludes there is a demand for approximately 639 new beds (down from the 2012 study, which estimated a demand of 693 new beds).
4. *Proposed Rent.* The proposed rent for the new dormitory is LOWER than the rent used in the 2012 study (adjusted for inflation). The proposed rent for the new double occupancy suite is \$4,600 (per semester), and the adjusted rent from the 2012 study was \$4,952 (per semester) for a similar unit.
5. *New Initiatives to Increase Student Housing Demand.* The Applicant has several initiatives which will increase student housing demand, which includes: (i) an honors program, which will grow from 50 to 80 students, which requires participants to reside on campus; (ii) a program for transfer students, which currently includes up to 15 students, is expect to grow; and (iii) plans to increase future enrollment of international students.
6. *Fluctuating Occupancy.* The report noted that within the last several years the Applicant has had fluctuating dormitory occupancy rates (e.g., Fall 2009 – 87%; Fall 2013 – 95%; Fall 2014 – 97%), with student housing enrollment falling in the Spring Semester (e.g, Fall 2009 – 83%, Spring 2013 – 90%). To combat this issue, the report recommends that “[p]lans for slow initial leasing must be put into place. Marketing and the development and enhancement of new programs will be key as the [Applicant] will need to reach outside of its historical recruiting area to attract” students.

The study concluded that the Applicant “is in the position to fill the beds in the new” dormitory and that the proposed 425 beds “are still below the 639-demand based on the fall 2014 enrollment.” As a condition of approval, the Applicant must provide a copy of any updated market study, if required by the bond issuer, that shows a demand of at least 425 new beds.

Long-Range Maintenance Plan

The Act requires that the estimated costs and financial documents submitted with an application must include a long-range maintenance plan that specifies expenditures that qualify as an appropriate investment in maintenance. As part of its financial documentation, the Applicant submitted a long-range maintenance plan which included standards for the calculation of funds for replacement over the useful of the project, detail for the initial calculation of need for replacement funds (e.g., estimated items, useful life, replacement costs, quantity and total costs),

estimated the total amount required, and provided a schedule for use of the replacement reserve over the life of the Project. A schedule was prepared for each property separately (new dormitory, Co-op and Vodra Halls). The Project Owner will pay for long-range maintenance items from the reserve required by the Indenture (i.e., \$175 per bed annually, increased 3% each following operating year); staff concludes that the Project Owner has sufficient capital reserves to meet the Project's long term maintenance needs during the lease term. The plan submitted complies with industry standards for replacement reserve accounts and capital maintenance plans and the long-range maintenance guidelines prepared by the Authority's consultant and adopted by the Authority. Staff concludes that, in accordance with the Guidelines, Applicant has submitted an adequate long-range maintenance plan for the Project.

After reviewing the project's budget, operating proforma, long range maintenance plan, and supporting information, the Real Estate Division's staff has assessed the soundness of the financial plan in accordance with the Guidelines and concludes that the Project is financially feasible. Staff concludes that the Project's development cost and projected operating expenses are reasonable and within current market conditions.

Project Schedule

The Applicant has provided a schedule to complete the Development in phases: (1) renovations for Co-Op and Vodra Halls are estimated to take approximately 70 days and will be completed by August 2015; and (2) the new dormitory is scheduled to be completed by the end of July 2016. These periods comply with the Act, which requires a project be completed within 5 years of the Authority's approval date.

NJ Green Building Manual and LEED Standards

The Act encourages projects to adhere to the Leadership in Energy and Environmental Design ("LEED") Green Building Rating System and the NJ Green Building Manual. These standards are not mandatory, but encouraged under the Act. For this Development, the Project Owner has agreed to design and construct a new dormitory that will meet the LEED certification; this design standard complies with the requirement of the Act. Although LEED practices will be followed during the Co-Op and Vodra Halls renovation process, these Halls will not be LEED certified. In accordance with the Guidelines, staff reviewed the Applicant's description of the Project and its design and concludes that the Applicant has made reasonable efforts to adhere to LEED standards.

Other Requirements of the Act

In accordance with the requirements of the Act, the applicant has produced evidence and has certified to comply with the following requirements of the Act:

- The private partner will obtain the required DPMC classification for the required professionals and contractors (in its submission, the Applicant noted that selected general contractor will meet this requirement)

- The private partner will pay prevailing wage during the construction and for contracts under the long range maintenance plan during operation of the Project
- The private partner will enter into the required project labor agreements during the construction and implementation of the long range maintenance plan of the project (the Applicant included a draft agreement in its submission)
- The private partner will post the required bond or have the bond posted on its behalf (the Applicant noted that the Act's bonding requirements will be met).

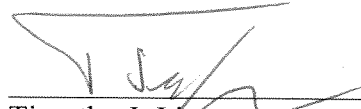
The Act requires that the general contractor be classified by Treasury to perform work on the Project. The Division of Property Management and Construction within Treasury has classified Terminal Construction Group under general construction and design build for an aggregate amount of \$999 million, and with a bonding capacity of \$500 million.

Recommendation

Staff recommends that the Board approve the application subject to the following conditions being met to the satisfaction of appropriate staff (e.g., Chief Executive Officer, President/Chief Operating Officer, or the Director for the Real Estate Division):

- Providing a copy of the executed Lease, Management and Development Agreements with attachments (excluding the plans and specifications);
- Submitting, in final form, the development and operating budget (substantially the same as the documents reviewed by the Authority);
- Submitting, in final form, project labor agreements for the construction and contracts to implement the long range maintenance plan, which require not paying less than prevailing wage and to the greatest extent possible, enhances employment opportunities for individuals residing in the county of the project's location;
- Submitting, in final and satisfactory form, posted bonds guaranteeing prompt payment of moneys due to the contractor (and/or subcontractors);
- Submitting a final copy of the Indenture, Loan Agreement and any related financial document with terms substantially similar to those provided in the Application;
- Providing a copy any updated market study if one is required as part of the tax exempt bond closing; and
- Submitting other items (i.e., any other document which may contain a material business term in the agreement between the parties) that the Applicant must provide in order to obtain the Authority's final approval.

In summary, I ask for the Members to authorize the Authority's staff to approve the Project upon meeting the conditions outlined in this memo.



Timothy J. Lizura
President/Chief Operating Officer

Prepared by: Juan Burgos

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

APPLICANT: Dakota Properties, Inc.

P39293

PROJECT USER(S): Twin Oaks Community Services, Inc. *

* - indicates relation to applicant

PROJECT LOCATION: Various

Statewide (N)

Multi Count

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

APPLICANT BACKGROUND:

Dakota Properties, Inc. (formerly Family Service Foundation, Inc.) is a 501(c)(3) not-for-profit organization formed as a supporting organization for the charitable purpose of aiding, contributing, promoting and supporting Twin Oaks Community Services, Inc. ("Twin Oaks"). Dakota Properties' main function is the acquisition, development, construction, operation, renovation, lease maintenance, management and sales of real estate as a supporting agency. Dakota Properties is also responsible for the fundraising and receiving of monetary gifts, securities and the maintenance of property donated for the benefit of or donated to Twin Oaks.

Twin Oaks was formed in January 2012 when Family Service of Burlington County, New Jersey merged with Steinger Behavioral Care Services. Originally formed in 1962, Twin Oaks provides a variety of behavioral and healthcare services to adults, children and families throughout southern and central New Jersey communities. Twin Oaks has over 95 programs that focus on community integration, integrated substance abuse treatment, strengthening families, preventing hospitalization and improving long term outcomes. Besides counseling and support services, Twin Oaks provides programs for adoption support, teenage parents programs, day programs for developmentally disabled adults with special needs, partial care mental health services and group homes services. Bob Pekar is the Executive Director.

Dakota Properties Inc. and Twin Oaks (as Family Service of Burlington County, NJ) have received Authority assistance via tax-exempt bonds in the past. The current outstanding obligation of Dakota Properties Inc., is a \$3,020,000 tax-exempt bond issued in 2013, directly purchased by TD Bank N.A. for 20 years, currently at a fixed interest rate of 3.285%. At the same time, Twin Oaks Community Services, Inc. closed on a tax-exempt bond in the amount of \$2,285,000, also directly purchased by TD Bank. The proceeds from both of these bonds were used to refinance conventional debt. The outstanding Bonds are in compliance.

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 conventional debt used for the purchase of offices and group homes used to serve its clients. Any difference in the bond amount and the project costs will be paid with Applicant's equity.

This Project is related to Twin Oaks Community Services, Inc. (Application P39344) for tax-exempt bond financing of \$2,416,000 to refinance conventional debt, which is also being presented at the January 13, 2015 Board meeting.

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

APPLICANT: Twin Oaks Community Services, Inc.

P39344

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: Various

Statewide (N)

Multi Count

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

APPLICANT BACKGROUND:

Twin Oaks Community Services, Inc. ("Twin Oaks"), a 501(c)(3) not-for-profit organization, was formed in January 2012 when Family Service of Burlington County, New Jersey merged with Steininger Behavioral Care Services. Originally formed in 1962, Twin Oaks provides a variety of behavioral and healthcare services to adults, children and families throughout southern and central New Jersey communities. Twin Oaks has over 95 programs that focus on community integration, integrated substance abuse treatment, strengthening families, preventing hospitalization and improving long term outcomes. Besides counseling and support services, Twin Oaks provides programs for adoption support, teenage parents programs, day programs for developmentally disabled adults with special needs, partial care mental health services and group homes services. Bob Pekar is the Executive Director.

In the past, Twin Oaks (formerly Family Service of Burlington County, NJ) has received Authority assistance. Most recently in 2013, a \$2,285,000 tax exempt bond was issued, and was directly purchased by TD Bank, N.A. with a 20 year maturity and a fixed interest rate of 3.285%. In addition, a variable rate tax-exempt bond of \$4,391,732 was issued in 2010 to finance, refinance and/or reimburse the cost of acquiring and improving certain properties used by Twin Oaks to provide its services. The 2010 Bonds were also directly purchased by TD Bank for 20 years, with a 30 day LIBOR based interest rate swap to a fixed rate. The outstanding Bonds are in compliance.

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

APPROVAL REQUEST:

Authority assistance will enable the Applicant to refinance conventional debt used for the purchase of offices and group homes used to service its clients. Any difference in the bond amount and the project costs will be paid with the Applicant's equity.

This project is related to Dakota Properties (Application P39293) for a tax-exempt bond of \$2,440,800 to refinance conventional debt, which is also being presented at the January 13, 2015 Board meeting.

FINANCING SUMMARY:

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

AMOUNT OF BOND: \$2,416,000 Tax-exempt bond

TERMS OF BOND: 20 years; Tax-exempt equivalent rate of the TD Bank Cost of Funds plus 225 basis points, subject to an interest rate reset on the 10th anniversary at the same index. The estimated fixed rate for 10 years is 3.40% as of December 16, 2014.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	\$2,500,000
Legal fees	\$35,000
Finance fees	\$25,000
TOTAL COSTS	\$2,560,000

JOB: At Application 100 Within 2 years 30 Maintained 0 Construction 0

PUBLIC HEARING: 01/13/15 (Published 12/30/14) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: T. Gill **APPROVAL OFFICER:** M. Chierici

LOANS/GRANTS/GUARANTEES

MAIN STREET ASSISTANCE PROGRAM

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - MAIN STREET ASSISTANCE PROGRAM - (PREMIER LENDER)**

APPLICANT: Eastern Nursing Services I, Inc. and Eastern Nursing Services II, P40144

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

PROJECT LOCATION: 60 Park Place Newark City (T/UA) Essex

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

APPLICANT BACKGROUND:

Eastern Nursing Services I, Inc. d/b/a Priority Nursing Services was formed in 1994 by Charles Nuzzo and Rosemarie Malpero. The Company provides Personal Care Services throughout Northern New Jersey.

Priority Nursing Services is licensed by the State of New Jersey Division of Consumer Affairs. All registered nurses and certified home health aides are bonded and insured. The Company is an approved Medicaid provider servicing Bergen, Essex, Hudson, Middlesex, Morris, Passaic, Somerset and Union counties.

APPROVAL REQUEST:

Approve a 50%, \$200,000 Authority guarantee of The Provident Bank \$400,000 line of credit.

FINANCING SUMMARY:

LENDER: The Provident Bank

AMOUNT OF LOAN: \$400,000 The Provident Bank line of credit with a one year, 50% guarantee of principal outstanding not to exceed \$200,000.

TERMS OF LOAN: Monthly Interest only payments with principal due upon demand.
Variable interest rate at WSJP + 1%, with a floor of 4.25%.

PROJECT COSTS:

Working capital	\$400,000
Finance fees	\$7,325
TOTAL COSTS	<u><u>\$407,325</u></u>

JOBS: At Application 13 Within 2 years 0 Maintained 13 Construction 0

DEVELOPMENT OFFICER: T. Gill

APPROVAL OFFICER: J. Wentzel

**PETROLEUM UNDERGROUND STORAGE
TANK PROGRAM**



TO: Members of the Authority


FROM: Timothy Lizura
President/Chief Operating Officer

DATE: January 13, 2015

SUBJECT: Petroleum Underground Storage Tank Program (PUST) - Delegated Authority
Fourth Quarter 2014 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, 2014.



Timothy Lizura

Prepared by: Lisa Petrizzi

APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
Allen, Virginia (P39946)	Initial grant for upgrade, closure & remediation	\$5,372	\$5,372
Allison, David (P39860)	Initial grant for upgrade, closure & remediation	\$12,757	\$12,757
Alston, William and Julia (P39852)	Initial grant for upgrade, closure & remediation	\$18,262	\$18,262
Avin, Joseph (P39856)	Initial grant for upgrade, closure & remediation	\$3,900	\$3,900
Baglieri, Joanne (P39710)	Initial grant for upgrade, closure & remediation	\$5,309	\$5,309
Baum, Ilze (P39877)	Initial grant for upgrade, closure & remediation	\$18,675	\$18,675
Bergen Auto Service, Inc. (P39529)	Supplemental grant for upgrade, closure & remediation	\$5,823	\$33,592
Bergson, Robert (P39829)	Supplemental grant for site remediation	\$37,395	\$62,527
Brock, Gail S. (P39861)	Initial grant for upgrade, closure & remediation	\$19,094	\$19,094
Caswell, Kenneth Lloyd (P39443)	Supplemental grant for upgrade, closure & remediation	\$44,300	\$55,940
Celano, James And Phyllis (P39613)	Initial grant for upgrade, closure & remediation	\$7,482	\$7,482
Chin, Yu Tsaan (P40060)	Supplemental grant for upgrade, closure & remediation	\$5,274	\$94,683
Church of the Messiah, The (P39054)	Supplemental grant for upgrade, closure & remediation	\$14,319	\$77,372
Ciccia, Veronia (P39859)	Initial grant for upgrade, closure & remediation	\$4,513	\$4,513
Condriilo, Michael (P40009)	Initial grant for upgrade, closure & remediation	\$11,877	\$11,877
Connolly, James (P39888)	Supplemental grant for upgrade, closure & remediation	\$26,941	\$157,215 *
Cooper, Albert H. (P39610)	Supplemental grant for upgrade, closure & remediation	\$16,072	\$57,577
Crocono, Connie (P39858)	Initial grant for upgrade, closure & remediation	\$12,360	\$12,360
Cuccia, Silvio (P39780)	Initial grant for upgrade, closure & remediation	\$6,794	\$6,794
Cunningham, Ceclia (P39668)	Initial grant for upgrade, closure & remediation	\$1,581	\$1,581
Dubberley, F. Aaron (P39487)	Supplemental grant for upgrade, closure & remediation	\$34,303	\$107,482 *
Evans, Geoff (P39803)	Initial grant for upgrade, closure & remediation	\$3,779	\$3,779
Federico, Joseph (P40045)	Initial grant for upgrade, closure & remediation	\$17,130	\$17,130
Gieser, Harriett (P39669)	Initial grant for upgrade, closure & remediation	\$9,828	\$9,828
Goodspeed, Ronald (P39848)	Initial grant for upgrade, closure & remediation	\$25,606	\$25,606
Grasser, James and Laurel (P39798)	Initial grant for upgrade, closure & remediation	\$8,700	\$8,700

APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
Gupta, Rakesh (P38918)	Supplemental grant for upgrade, closure & remediation	\$11,948	\$135,000 *
Hand, Robert (P39815)	Initial grant for upgrade, closure & remediation	\$17,674	\$17,674
Hardt, Kenneth (P39483)	Supplemental grant for upgrade, closure & remediation	\$12,000	\$99,901
Heller, Amy (P39599)	Initial grant for upgrade, closure & remediation	\$4,435	\$4,435
Henderson, Cassandra Gold (P39854)	Initial grant for upgrade, closure & remediation	\$6,595	\$6,595
Hettenbach, Keith (P39670)	Initial grant for upgrade, closure & remediation	\$5,713	\$5,713
Hodachok, Robert S. (P39666)	Initial grant for upgrade, closure & remediation	\$34,320	\$34,320
Jackson, Gary (P39525)	Supplemental grant for upgrade, closure & remediation	\$26,215	\$111,482
Koch, Joanna (P39931)	Initial grant for upgrade, closure & remediation	\$22,501	\$22,501
Kronmiller, Daniel and Aimee (P39821)	Initial grant for upgrade, closure & remediation	\$14,685	\$14,685
Lynch, Patrick (P39527)	Supplemental grant for upgrade, closure & remediation	\$1,096	\$14,490
Mandrillo, Joseph M. (P39545)	Initial grant for upgrade, closure & remediation	\$10,265	\$10,265
Masino, Theodore (P39708)	Initial grant for upgrade, closure & remediation	\$14,882	\$14,882
Meeker, George and Diana (P39870)	Supplemental grant for site remediation	\$4,749	\$17,287
Mercado, Myrna R. (P39831)	Supplemental grant for site remediation	\$11,697	\$73,095
Molnar, Ilona (P39793)	Supplemental grant for upgrade, closure & remediation	\$6,682	\$14,178
Moor, G. Bradley (P39612)	Supplemental grant for upgrade, closure & remediation	\$10,365	\$25,566
Muller, Olga and Peter Munoz (P39401)	Supplemental grant for upgrade, closure & remediation	\$6,905	\$15,380
Myslinski, Jenna (P39795)	Supplemental grant for upgrade, closure & remediation	\$7,025	\$24,228
Osby, Ernest and Gwendolyn (P39617)	Initial grant for upgrade, closure & remediation	\$58,842	\$58,842
Panach, Michael and Ivana (P39836)	Initial grant for upgrade, closure & remediation	\$53,751	\$53,751
Pickens, Jr., Thomas (P39818)	Initial grant for upgrade, closure & remediation	\$10,813	\$10,813
Rodeghiero, Tina (P39731)	Initial grant for upgrade, closure & remediation	\$17,774	\$17,774
Ruiz, Jose (P39526)	Supplemental grant for upgrade, closure & remediation	\$2,000	\$15,926
Schraeger, Karen (P39486)	Supplemental grant for upgrade, closure & remediation	\$1,350	\$24,261

APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
Smith, Hayden and Judy (P39620)	Initial grant for upgrade, closure & remediation	\$25,882	\$25,882
Sutton, Joseph (P40008)	Initial grant for upgrade, closure & remediation	\$5,422	\$5,422
Zadikow, Charles (P39804)	Initial grant for upgrade, closure & remediation	\$10,256	\$10,256
Zendaki's Foreign & American Auto Repairs, LLC (P39396)	Supplemental grant for upgrade, closure & remediation	\$4,825	\$86,730
55 Grants	Total Delegated Authority for Leaking Tank Applications	\$798,113	

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

**HAZARDOUS DISCHARGE SITE REMEDIATION
FUND PROGRAM**



TO: Members of the Authority

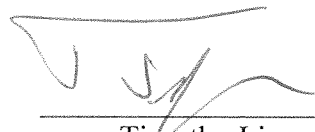
FROM: Timothy Lizura
President/Chief Operating Officer

DATE: January 13, 2015

SUBJECT: Hazardous Discharge Site Remediation Fund - Delegated Authority
Fourth Quarter 2014 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, 2014.



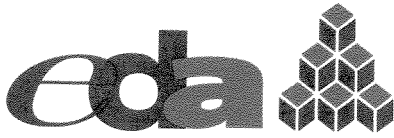
Timothy Lizura

Prepared by: Lisa Petrizzi

APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
209 S. Maple Avenue (P39542)	Initial 25% Matching Grant to perform Remedial Action activities	\$49,518	\$49,518
Jersey City Redevelopment Agency (Summit Metals Co.) P39533	Initial grant to perform Preliminary Assessment and Remedial Investigation activities	\$15,300	\$15,300
Perth Amboy City (Frm. Municipal Complex) P39540	Supplemental grant to perform Remedial Action activities	\$31,056	\$112,298 *
Tramontana, Michael (P39600)	Supplemental 50% Innocent Party Grant to perform Remedial Investigation activities	\$36,776	\$56,162
4 Grants	Total Delegated Authority for HDSRF Applications	\$132,650	

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

EDISON INNOVATION FUND



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

Date: January 13, 2015

Subject: Edison Partners VIII, LP

Request:

Approval is requested to make a \$2.5 Million limited partnership investment in Edison Partners VIII, LP. Funding for the investment will be made from the Economic Recovery Fund (ERF).

Background:

Edison Partners VIII, LP (“EVIII” or the “Fund”) a Delaware limited partnership, was formed in of 2014 to provide investors with long-term capital appreciation through direct investments in technology companies located in the U.S. with a focus on the East Coast. Edison VIII will invest in four key industry sectors: Financial Technology, Healthcare IT, Interactive Marketing & Digital Media, and Enterprise 2.0 (which includes mobile, security and business software targeting vertical market segments).

EVIII will be managed by a group of business executives led by Chris Sugden (Managing Partner) – hand-picked and groomed for the position by founder of the firm – Mr. John Martinson. Other members of the Management Team include: Joe Allegra, Gary Golding, Michael Kopelman and Ryan Ziegler - who have worked together over the last 10 years and collectively have over 125 years of operating and investment experience, including success in identifying, analyzing, structuring and managing technology start-up investments. The investment team includes individuals with extensive investment experience and large networks of valuable contacts with collective experience of more than 240 years.


Edison Partners VIII, LLC created the Fund and will serve as the General Partner. Edison Partners VIII, LLC and EVIII are part of the Edison Partners (formerly Edison Ventures) group of funds. Edison Partners was formed in 1986 and is headquartered in Lawrenceville, New Jersey. Collectively, the Edison funds have completed 193 investments with 146 successful exits from which, 17 were through an IPO. Of note, the funds have made 45 investments in New Jersey-based companies totaling \$195.8 million. The investments in New Jersey companies assisted in creating more than 3,200 jobs – since 2001 when the Fund started tracking this statistic. The EDA has invested in four of the prior funds (EIII, EIV, EVI and EVII) with strong results.

EVIII is seeking to invest in 22 to 28 expansion stage companies with a \$250 million target size for the fund. The current fund documents call for the completion of all fundraising by 2nd quarter of 2015. EVIII expects initial close in the beginning of 2015 with investment of \$120-\$160 million – most of which coming from current LPs of EVII, which is a strong statement of confidence by current investors in the management team. The Fund has agreed to invest two dollars for every one dollar the Authority invests in New Jersey-based companies, thereby resulting in a minimum of \$7.5 million of capital invested in New Jersey-based companies. This arrangement of leveraging the Authority's public investment with Edison's private investment will be documented in a side letter agreement consistent with all prior venture fund LP investments.

The EDA's strategic plan includes assisting in the growth of technology companies in the State through funding direct loans and investing in venture capital funds. To date, the EDA has approved investments in a dozen venture capital funds for almost \$40 million, which includes \$9 million of total investments in four prior Edison funds. The proposed \$2.5 million investment in EVIII is consistent with the EDA's strategic plan as it will assist in developing employment in the State by supporting the growth of technology companies located in New Jersey and a New Jersey-based venture fund. The proposed investment is in a growth stage fund, targeting companies with revenues between \$5 and \$20 million dollars, with typical employment of 40-50 personnel at the time of the initial investment. The Authority's existing guidelines approved in 2008 for technology investments prioritize funding for early stage companies with less than \$3 million in revenue, but allow for higher EDA investment when a Fund evidences a track record with a higher concentration of NJ based portfolio companies. As the supply of venture capital in New Jersey for all emerging tech businesses significantly declined during the Great Recession, staff is recommending the inclusion of growth stage companies when the Fund Manager's track record supports this strategic approach to investing and can evidence this concentration.

Recommendation:

Approval of the \$2.5 million investment is recommended based upon EVIII's experienced management team and the strong results from the EDA's investments in previous Edison funds. In addition, the proposed funding will support the growth of technology companies located in the State and a New Jersey-based venture fund. This approval will authorize the CEO or President to execute all documents required, subject to the review of the New Jersey Attorney General's office.



Prepared by: Madhavi Bhatia



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

Date: January 13, 2015

Subject: Mission 50, LLC
Merchwerks LLC dba Cowerks
Indiegrove, LLC

Request:

Approval is requested to award term loan funding to the top scored recipients under the board approved Request for Proposal (RFP) for New Jersey Co-working space to Mission 50, LLC for \$556,550; to Merchwerks LLC dba Cowerks for \$240,000 and to Indiegrove, LLC for \$175,000. Funding for the Term Loans will be made from the \$1 million budget approved by the Board on July 10th 2014.

Background:

On July 10th 2014, the Board approved issuance of a competitive solicitation for new shared space development project(s) for technology entrepreneurs and startups along with a \$1 million budget to fund acquisition, improvements and/or fixed assets associated with development of a new or expanding facility. Pursuant to this, on August 1st, 2014 the Authority published a competitive solicitation from for-profit developer(s) of technology shared space projects. Interested parties were required to submit a complete application by September 30th 2014. Evaluation criteria included Economic Development, Business Model, Strategic Partnerships, Management, Mentor Network, Readiness to Proceed, Location and Financial Leverage.

Staff received nine compliant submissions equaling \$5.8 million in loan requests, of which one submission was subsequently withdrawn. One non-compliant response was not scored and also subsequently withdrawn. The compliant submissions were reviewed by a "selection committee" comprised of representatives from three departments including Business Banking, Credit Underwriting and Technology & Life Sciences. The selection committee scored and ranked the candidates based on the criteria listed in the solicitation. Mission 50, LLC; Cowerks and Indiegrove LLC respectively are the top ranking applicants from the RFP. Please see final summary scoring table on the following page, with the full scores attached.

Applicant	Loan Request Amount	Location	TOTAL Score
Mission 50	\$ 1,000,000.00	Hoboken	303
CoWerks	\$ 240,000.00	Asbury Park	301
Indiegrove LLC	\$ 175,000.00	Jersey City	287
TechX Foundry	\$ 1,000,000.00	Secaucus, Newark area	252
EWS	\$ 250,000.00	Newark	221
Liberty Harbor Innovations	\$ 1,000,000.00	Jersey City	200
Medina	\$ 600,000.00	Newark	172
The Incubator, Inc.	\$ 750,000.00	Plainfield	150

Top Scoring Applicants:

Mission 50, LLC – Mission 50 has been engaged in the co-working business since 2011. The company currently is operating from a 3,000 sq ft space in Hoboken. The company plans to move to a more desirable location near a transit hub in Hoboken and post expansion will have more than 11,000 sq ft of co-working space. Mission 50 has established strategic partnerships with Stevens Institute of Technology, Hoboken Chamber of Commerce, NJ Tech Meetup, SorinRand (recently merged with McCarter & English), and EisnerAmper. The requested loan amount of \$1,000,000 in the application and noted above, exceeds the maximum ‘square footage to requested funding’ ratio outlined in the RFP. The revised loan amount is \$556,550.

Merchwerks LLC dba Cowerks – Merchwerks started its co-working business under the name of Cowerks in 2010. Cowerks has established itself as the go-to place for Tech related events at the Jersey Shore. They currently operate out of 1,600 sq ft space in Asbury Park. Cowerks plans on expanding at its existing location as well as occupying a nearby facility which is opposite to Asbury Park transit station. In addition to expanding its co-working and workshops, Cowerks will also expand into the up and coming field of maker space. They have established strategic partnerships with Rutgers University, NJ Makerspace Association, NJ Tech Meetup, and WithumSmith+Brown.

Indiegrove, LLC – Indiegrove is a co-working business which started in 2013. The company currently operates from its 6,000 sq ft space at a transit hub in downtown Jersey City. The company plans to expand in the same building with additional space of 4,268 sq ft. The founder has extensive experience of working with startups. The company has established strategic partnerships with Rutgers University and Jersey City based non-profit Rising Tide.

Terms & Disbursement:

As detailed in the board approved Request for Proposal, the funding for these three top awardees, will be in the form of an unsecured term loan. The proposed loan will have a rate fixed at the 5-year US Treasury rate plus 100 basis points with a floor of 3%. The applicants will contribute 20% of capital to the transaction, and the Authority term loan will be used for furniture, leasehold improvements and working capital. The loan will have a 6 month interest deferral period, with interest accruing to the balance of the loan, followed by 54 months of principal and interest payments on 50% of the loan balance. The remaining 50% of the loan will be convertible to a grant if the Company meets specific milestones such as rental revenue, occupancy, strategic alliances, etc. Otherwise, the remaining balance will be due in full (as a balloon payment) at the end of the term.

20% of the loan will be disbursed at closing and the balance will be disbursed over the first 6 months of the loan against submitted invoices. Disbursements will be limited to 80% of the costs incurred by the borrower (up to the total loan amount), with the remaining 20% paid through owners' equity contributions.

Conditions:

Letters of Interest totaling a minimum of 25% occupancy at the proposed location(s), will be a pre-closing requirement. Post closing, quarterly progress reports and financial documentation will also be required as per the Scope of Services section in the Request for Proposal. There will be a covenant in the loan agreement that restricts management salaries to maintain an annual debt service coverage ratio of minimum 1.0x.

Recommendation:

Approval is requested for a term loan of \$556,550 to Mission 50, LLC; \$240,000 to Merchwerks LLC dba Cowerks, and \$175,000 to Indiegrove, LLC. In the event the specific site is not available for each of the three proposed applicants, the board is requested to authorize the CEO or COO of the Authority to approve an alternate substitute site with similar characteristics including city of location. All three applicants satisfied requirements of the request for proposal and were recommended by the Selection Committee since they were the highest scoring respondents. In addition, all three companies have a history of successfully managing tech shared space in New Jersey for more than a year and are expanding their existing business. This approval will help support the earliest stage New Jersey Technology entrepreneurs through partnering with three established Co-working facility managers in the state and will add increased capacity at all three facilities.

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

Prepared by: Madhavi Bhatia & Kamran Hashmi

CATEGORY	Total Score
<u>Economic Development</u>	Per Category/Per Applicant
Mission 50	21
Cowerks	22
Indiegrove	22
TechX Foundry	13
EWS	19
Liberty Harbor Innovations	20
Medina	16
The Incubator	15
Total	148
<u>Business Model</u>	
Mission 50	133
Cowerks	124
Indiegrove	121
TechX Foundry	109
EWS	84
Liberty Harbor Innovations	69
Medina	77
The Incubator	52
Total	769
<u>Strategic Partnerships</u>	
Mission 50	46
Cowerks	46
Indiegrove	36
TechX Foundry	38
EWS	30
Liberty Harbor Innovations	38
Medina	20
The Incubator	21
Total	275
<u>Management</u>	
Mission 50	103
Cowerks	109
Indiegrove	108
TechX Foundry	92
EWS	88
Liberty Harbor Innovations	73
Medina	59
The Incubator	62
Total	694

ANGEL INVESTOR TAX CREDIT PROGRAM



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura, President and Chief Operating Officer

DATE: January 13, 2015

SUBJECT: Technology & Life Sciences - Delegated Authority Approvals for 4th Quarter 2014
For Informational Purposes Only

Angel Investor Tax Credit Program – 2014 Review

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

In 2014 the EDA approved one hundred and eighty-one ATC applications, representing the investment of more than \$60 million of private capital into twenty-two New Jersey emerging technology and life sciences companies, as can be seen in more detail below. The average investment amount was more than \$340 thousand.

Sector	Investment amount	Applications	% of total investments	% of total applications
Life Sciences	\$ 31,038,152	63	50%	35%
Clean Technology	\$ 14,954,797	29	24%	16%
Technology	\$ 15,746,379	89	26%	49%

In addition to angel investors approved under the ATC program, applicants included venture capital funds, angel funds, partnerships, trusts and investment LLC's. Nearly fifty percent of ATC applicants are from New Jersey, while the remainder come from throughout the United States and abroad.

Attached please find a list of all ATC applications that were approved under delegated authority during the fourth quarter of 2014.

Prepared by:
Kathleen Coviello
David Ackerman



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Michele Brown
Chief Executive Officer

DATE: January 13, 2015

SUBJECT: Stronger NJ Business Grant Program Appeals – Karin H. Davis; Bethel AME Church; Gallo's Marina; Pit Crew Lube, Inc.; Express Commercial Truck Reconditioners.

Pursuant to the appeal process approved by the Board at the June 10, 2014 Board meeting, applicants to the Stronger NJ Business Grant program may challenge the EDA's decisions by submitting in writing to the EDA no later than 30 calendar days from the date of the denial, an explanation as to how the applicant has met the program criteria. A Hearing Officer is assigned to each project to provide an independent review of the appeal.

The Hearing Officer's review includes reviewing the appeal letter, the application and file, as well as speaking directly with the applicant and relevant Office of Recovery staff. The applicants have been sent the Hearing Officer's report in advance of the Board Meeting. They have been given an opportunity to reach out directly to the Hearing Officer to discuss the decision, and have been notified of the date and time of the Board Meeting.

At this meeting, the Board is being asked to consider five appeals: Karin H. Davis; Bethel AME Church; Gallo's Marina; Pit Crew Lube, Inc.; and Express Commercial Truck Reconditioners. Attached to this memo you will find the Hearing Officer's recommendation, the Hearing Officer's letter to the applicant, the declination letter and the applicant's appeal. I have reviewed the attached and I concur with the recommendation that the declinations under the Stronger NJ Business Grant Program for Karin H. Davis; Bethel AME Church; Gallo's Marina; Pit Crew Lube, Inc.; and Express Commercial Truck Reconditioners.

A handwritten signature in black ink, appearing to read 'Michele Brown', is written over a horizontal line.

Michele Brown

attachments



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Michele Brown, Chief Executive Officer
Members of the Authority

FROM: Dina Khmelnitsky
Kara Kopach
Hearing Officers

DATE: January 13, 2015

SUBJECT: Stronger NJ Business Grant Program Appeals
Karin H. Davis – 56934
Bethel AME Church – 516348
Gallo's Marina – 514391
Pit Crew Lube, Inc. – 514038
Express Commercial Truck Reconditioners – 65519

Request:

The Members are asked to approve the Hearing Officers' recommendations to uphold the declinations of the Stronger NJ Business Grants for Karin H. Davis; Bethel AME Church; Gallo's Marina; Pit Crew Lube, Inc.; and Express Commercial Truck Reconditioners.

Background:

Pursuant to the appeal process approved by the Board at the April 30, 2013 Special Board meeting, and revised at the June 10, 2014 Board Meeting, applicants to the Stronger NJ Business Grant program may challenge the EDA's decisions by submitting in writing to the EDA no later than 30 calendar days from the date of the denial, an explanation as to how the applicant has met the program criteria. A Hearing Officer is assigned by the CEO to each project to provide an independent review of the appeal. Dina Khmelnitsky and Kara Kopach have fulfilled the role of Hearing Officer to review the following appeals and have completed the review with legal guidance from the Attorney General's Office.

Each appeal has been reviewed and letters have been sent to each applicant with the Hearing Officer's recommendations. The applicant was notified in the letter that they have the

opportunity to provide comments or exceptions directly to the Hearing Officer. Letters are attached to this memo.

Based on the review of the appeals submitted by the applicants and the analysis prepared by the initial review team from the EDA, the Hearing Officers recommend the following:

Business Name	Reason for Decline	Discussion
Karin H. Davis	Business does not meet annual revenue threshold requirements.	Applicant confirmed that the business did not meet the minimum revenue requirement. Additionally, applicant's business is that of a single, year-round residential rental.
Bethel AME Church	Business is a non-profit involved in non-commercial or non-industrial activities or has facilities that do not provide a public service that further economic development.	Applicant's business is that of a not-for-profit church whose primary business activities are non-commercial or non-industrial activities which do not further economic development.
Gallo's Marina	Applicant is no longer in business.	Business is slated to be sold by the end of December and the new owner does not intend to reopen the business.
Pit Crew Lube, Inc.	Business does not fall within annual revenue threshold requirements.	In the year of the storm and the following year, the applicant's revenue exceeded \$5 million dollars.
Express Commercial Truck Reconditioners	Business is a home-based business not zoned appropriately for the nature of the business.	Business does not comport with applicable township zoning laws.

Recommendation:

As a result of careful consideration of the above appeal in consultation with the Attorney General's Office, the recommendation of the Hearing Officers is to uphold the declination of the Stronger NJ Grant application for Karin H. Davis; Bethel AME Church; Gallo's Marina; Pit Crew Lube, Inc.; and Express Commercial Truck Reconditioners.

Prepared by: Dina Khmelnitsky

INCENTIVE PROGRAMS

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



MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President/Chief Operating Officer

Date: January 13, 2015

RE: **East Grand Associates Urban Renewal Entity, LLC**
Economic Redevelopment and Growth Grant Program
P 39301

Request

The Members are asked to approve the application of East Grand Associates Urban Renewal Entity, LLC (“EG” or the Applicant”) for reimbursement of certain taxes for a Elizabeth, Union County project under a “State incentive” by the EDA pursuant to the Economic Redevelopment and Growth Grant (“ERG”) program set forth in N.J.S.A. 52:27D-489c (Act).

The total costs related to the ERG project are estimated to be approximately \$17,043,297. The total qualified eligible costs under the ERG Act are **\$15,980,681**. The recommended reimbursement is **30%** of the eligible costs, not to exceed **\$4,794,204** based on the budget submitted.

Simultaneously being presented for approval is a \$1,270,000 Real Estate Impact Fund loan (“Impact Fund”) request for this project via a separate memorandum (P 40400).

Project Description

EG is proposing a new development located at 860 East Grand Street in Elizabeth. The Project consists of 55,463 square feet on 4.1 acres on the Eastern side of the city (Routes 1 & 9 as the bisecting artery) an area characterized as a “food desert”. This development includes a 25,059 square foot Foodtown (twenty year lease signed subject to ERG and financing) and Dollar General (9,000 square feet draft lease) with letters of interest from fast food operators (1,200 and 2,000 square feet), a nail salon (1,640 square feet), a laundromat (5,000 square feet), a wireless carrier (1,000 square feet), a liquor store (6,000 square feet) and a bank (2,164 square feet). The ERG project also includes a fast food pad for 2,400 square feet with a lease under negotiations.

The Project has recently completed environmental remediation (as the site was a former New Jersey Transit Bus maintenance facility) at a cost of approximately \$2 million paid for by the owner of the property, the City of Elizabeth. This cost is excluded from the budget and ERG sizing. It is

anticipated that a closing on the property and financing will occur in March of 2015 at which time construction will commence with expected completion in the fourth quarter of 2016.

The Project will utilize the BPU pay for performance standard to comply with the green building requirements of the ERG program.

Upon completion of this Project there is expected to be 90 new, full time, direct jobs and an estimated 71 construction jobs. New employee wage compensation is projected at \$2.5 million annually (average salaries are approximately \$28,419). The project is also anticipated to generate more than \$600,000 in annual local and State taxes.

Project Ownership

EG is wholly owned by East Grand Associates, LLC (“EGA”). EGA is owned 20% by East Grand Division LLC and 80% by Majic Elizabeth I, LLC. Majic Elizabeth I, LLC ownership includes George Jacobs, Peter Jacobsen and Fairview Realty Associates, LLC. Messrs. Jacobs and Jacobsen are members of Jacobs Enterprises, Inc. (“JE”) a full service real estate development firm. For details on the financial capacity and resources of the owners refer to the confidential memorandum which is attached at the end of this memorandum.

In December of 2010, East Grand & Division, LLC was named the redeveloper of the Project by the City of Elizabeth as approved by Council. In July of 2014, City Council adopted a resolution designating EG as the new developer of the project (reflective of the new joint venture partner).

Jacobs Enterprises, Inc. is a development, consulting, management, and brokerage company focused on the retail and multi-family residential sectors. JE specializes in mixed-use development and complex redevelopment situations that encompass many other real estate sectors, including industrial, office and hotel as well as retail and residential facilities. JE manages properties and portfolios on behalf of third-parties. These services include property and asset management, leasing, construction and rehabilitation, and financing. Clients include family estates and holdings, fiduciaries and trustees, and financial institutions. Counseling services provided by JE are diverse and usual in support of attorneys and trustees in litigation or bankruptcy matters. JE also frequently serve as court-appointed receivers and advisers. Additionally, JE will step in as developers-for-a-fee for companies that are not looking to sell but do wish to accrete value to their real estate assets. JE acquires and develops properties throughout New Jersey, Pennsylvania, New York, and Connecticut. Portfolio of projects owned and/or managed is in excess of 1,250,000 square feet.

George Jacobs is President and majority owner of JE with over 25 years of experience in real estate development, asset management, consulting, and brokerage. Mr. Jacobs was a development and leasing/financing executive with Hartz Mountain and the Kaplan Organization before starting JE in 1990. Mr. Jacobs was directly involved in the development of over 10 million square feet of projects at these two companies. Mr. Jacobs holds Masters degrees from both Harvard and Rutgers, and currently serves on a number of boards, including the Advisory Councils of both Provident Bank and Union Center National Bank, the ICSC Alliance Program (state co-chairman), the Smart Growth Coalition, past president of the Counselors of Real Estate, the State’s Greyfields Task Force, the City of Clifton’s Economic Advisory Committee, Downtown New Jersey, and Board member of the New Jersey Apartment Association. Mr. Jacobs is licensed in New Jersey and Pennsylvania as a Real Estate Broker and in New Jersey as a Professional Planner.

Peter A. Jacobsen brings nearly two decades of management and brokerage experience to his position of Chief Operating Officer of JE. With a strong aptitude for strategic planning, Mr. Jacobsen is charged with the daily operation of the business and oversees the leasing, asset management, property management and accounting functions. Mr. Jacobsen started his career with Charles H. Greenthal Group, one of the largest privately owned residential property managers in Manhattan, where he managed luxury condos and co-ops before transitioning into leasing retail, office, and professional space. Mr. Jacobsen moved to the brokerage side representing retail tenants in developing expansion strategies while with Equis Corp., Trammell Crow, and Madison HGCD. Client roster included Coach, Sephora, Tiffany's, Barney's New York, Cosi and many other retailers. Mr. Jacobsen is a graduate of New York University, a licensed real estate broker in New York and New Jersey and an active member of the International Council of Shopping Centers.

William Santianna is the controller of JE possessing a diverse background in real estate property management, development, environmental remediation, and media advertising that spans over 20 years. Mr. Santianna was previously employed as the controller for Spinnaker Real Estate Partners and its predecessor organization for over 11 years where he supervised daily accounting operation including budgeting, cash flow, and tenant issues, while working closely with the property operations team and senior management. Mr. Santianna is a graduate of Rowan University.

Project Uses

<i>Uses (thousands)</i>	<i>ERG Eligible Amount</i>	<i>Total Amount</i>
Land	\$ 3,100,000	\$ 3,100,000
Construction & Site	\$ 9,560,983	\$ 9,560,983
Professional Services	\$ 1,030,000	\$ 1,355,000
Financing & Soft Costs	\$ 1,550,983	\$ 2,288,599
Contingency	\$ 738,715	\$ 738,715
Developer Fee	\$ 0	\$ 0
TOTAL USES	\$ 15,980,681	\$ 17,043,297

ERG eligible amount excludes costs for tenant coordinator \$325,000, signage \$100,000, fee to owner for guarantee of the construction loan \$200,000 and preferred return paid to owner during construction \$437,616.

Project Sources

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

<i>Sources</i>	<i>Amount</i>
Bank Loan	\$ 8,700,000
UEZ Loan	\$ 2,000,000
Grant from City of Elizabeth	\$ 1,426,495
NJEDA Impact Fund	\$ 1,270,000
Developer Equity	\$ 3,646,802
TOTAL SOURCES	\$ 17,043,297

Note that developer equity of \$3.6 million above represents 21% of the project costs thereby satisfying the ERG program requirement of at least 20% equity contribution.

The Applicant has provided a letter of commitment from Valley National Bank for construction and permanent financing (amounting to \$8.7 million over 25 years at approximately 5%). Additionally a term sheet from Elizabeth Development Company (“EDC”) for a \$2 million subordinated loan at 3% based on a 25 year amortization from the City of Elizabeth’s urban enterprise funds with an expectation that this will be approved within the next 60 days. Additionally, there is also a total of \$1.43 million in grant funds from the City of Elizabeth being provided to this project. The Impact Fund loan from NJEDA in the amount of \$1.27 million will have a 3% interest rate and a ten year term. This loan will receive a 25.83% share in the project cash flow to pay principal and interest with an extra payment at maturity to yield an effective rate of 7% over the term of the loan.

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

Gap Analysis

EDA staff has reviewed the application to determine if there is a shortfall in the project development economics pertaining to the return on the investment for the developer and their ability to attract the required investment for this project. Staff analyzed the pro forma and projections of the project and compared the returns with and without the ERG over 11 years (one year to build and 10 years of cash flow). The returns also assume that the Impact Fund is disbursed in full under the terms stated in a memorandum being simultaneously presented for approval by the Authority.

Without ERG and Impact Fund	With ERG and Impact Fund
Equity IRR 1.17%	Equity IRR 14.18%

As indicated in the chart above, the project would not otherwise be completed without the benefit of the ERG and Impact Fund. **With the benefit of the ERG and Impact Fund, the Equity IRR is 14.18% making the returns moderately below the Hurdle Rate Model provided by the EDA’s contracted consultant Jones Lang Lasalle which indicates a Maximum IRR of 14.76%.** The additional revenue generated by the proposed ERG would enable the Applicant to move forward with the project.

Net Positive Benefit Analysis

NJSA 19:31-4.5 requires that in order to determine eligibility for the ERG award, the Authority undertake a fiscal impact analysis by determining whether public assistance provided to the proposed development will result in net positive economic benefits to the State for a period equal to 75% of the useful life of the Project, not to exceed 20 years. The Authority has conducted the required Net Benefit Analysis and has found that the present value of the ongoing Net Positive Benefits to the State at a 6% discount rate over a 15 year period (based on average length of tenant’s lease terms) is \$6.3 million. This total Net Benefit to the State includes \$402,677 in one-time construction costs (assumes discounted due to UEZ location) associated with the proposed Elizabeth facility, direct tax revenue (Gross Income/wage Taxes and Real Estate Tax) and the indirect tax revenue expected to be generated by the Project over 15 years. This figure is further increased by \$945,000 due to the additional benefits as a result of the 25% bonus factor as 54 of the

90 new full time employees of the tenants are expected to be employed by the grocery store. Use of this bonus factor, approved in a June 8, 2010 memorandum to the Board, compensates for the fact that the low wage nature of urban grocery stores negatively skews the net benefit test for these projects.

The Net Positive Benefit calculation included:

- 1] 66% of the incremental gross income tax;
- 2] 100% of the incremental one-time tax generated from the Project's construction;
- 3] 100% of the incremental indirect tax revenues from spending and earnings;
- 4] 0% of the sales tax generated by the retail portion of the Project

66% of all the incremental gross income tax was considered in calculating the Net Benefits for the EG Project because the majority of jobs are in the retail trade sector. Following the policies of the Authority, sales taxes were excluded from the calculation as the Project is not deemed a destination. Therefore, it is assumed that there will be no additional new sales tax benefits to the State. The net positive benefit analysis includes 90 total full time jobs projected by the Applicant and 71 construction jobs as estimated through the Authority's net benefit analysis model.

The present value of this figure is reduced by the present value of all local and state grants, including the ERG and the City of Elizabeth grants of \$1.43 million to the project, resulting in the present value of the Net Positive Benefits to the State of approximately \$1.42 million. The project anticipates reimbursement primarily from sales taxes with an anticipated recoupment of the full ERG amount within ten years.

Other Statutory Criteria

In order to be eligible for the program, under NJSA 19:31-4.6(b), 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 likelihood that the project shall, upon completion, is capable of generating new tax revenue in an amount in excess of the amount necessary to reimburse the developer for the project costs as provided in the redevelopment incentive grant agreement.

The Project has an anticipated IRR of 1.17% without the ERG and Impact Fund with a 14.18% IRR when the ERG and Impact Fund are both included in cash flows. The applicant represents that the ERG and Impact Fund incentives are needed for the economic viability of the Project.

According to the information provided in the market feasibility study prepared by Crossroads Companies, the anticipated tenant rents of approximately \$18 per square foot (plus \$1.50 a square foot for CAM) are achievable based on other comparables (on the western side of Elizabeth due to lack of recent transactions in the Project area). This rent is consistent with the level indicated by the Applicant in their projected income statement. The strong pre-leasing (includes leases, drafts, letters of intent) at the site is indicative of the retail demand and supports the firm's opinion that the center will be fully leased upon construction completion. Recent research from the International Council of Shopping Centers and Food Marketing Institute data (on Shopping Center square footage per capita, retail space per person and supermarket space per person) reveals the Eastern

Elizabeth submarket is 18% below the national average (note the 1.29 million square foot Jersey Gardens Mall is a regional mall that is not within walking distance of the population of Elizabeth and excluded). Eastern Elizabeth has a supermarket selling square foot per person of 0.09 compared to the national average of 5.47 per person. The firm also concludes that there will be extremely minimal impact on the existing retailers (including that the closest comparable supermarket is a twelve to twenty minute drive time from area residents) in the area mainly due to the fact that there is little retail in the trade area.

The market study refers to traffic counts by an engineer indicating 20,000 vehicles per day pass through the intersection that the site is located on. Presumably this consists of local residents, shoppers accessing Jersey Gardens Mall, workers in the area and truck traffic servicing the port and surrounding businesses. Additionally, the proximity to Staten Island (along with reduced sales tax, lower gasoline costs and employment opportunities) is manifest by the strong presence of New York State license plates. As such the center is designed to market to retailers that service local and transient shoppers as well as out of state population.

The members of this Project's development team have experience in owning and managing retail, mixed use and multi-family properties in Northern New Jersey. The developer has identified thirteen projects with supermarkets whereby they had a role as owner, manager, builder and/or provider of leasing services. The sales and tax figures projected by the Project are modestly above the typical ranges for retail projects reviewed by the Authority.

The financial analysis indicates a rate of return to the developer that is considered below the maximum benchmark level as noted previously in this memo. Based on the expected generation of approximately \$700,000 in annual incremental new sales taxes generated by the tenants at the Project site over the 20 year period and a 75% rebate of the eligible taxes, there are adequate funds to support the reimbursement of the requested ERG to the Applicant. The current estimation of reimbursements under the ERG would commence in year 2016 with full payout in ten years.

There is a demonstrated need for both the ERG and the loan from the Impact Fund, as without these enhancements the Applicant has indicated an unwillingness to move forward with the project at this time.

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 site (census tract) has numerous indications of distress including: 1] poverty rate greater than 30%, 2] a Federally designated Renewal Community, 3] SBA designated HUB Zone, 4] NJ State Urban Enterprise Zone, 5] designated Redevelopment Zone by the municipality and 6] eligibility for New Market Tax Credits. Additionally, the City of Elizabeth is designated as one of the nine HUB eligible cities and one of New Jersey's fifty seven Urban Aid Municipalities as designated by NJ Department of Community Affairs. Elizabeth is ranked number 536 out of 566 municipalities per the municipal revitalization index. Unemployment in Elizabeth is 9.3% as of September 2014 as compared to 6.5% in New Jersey and 5.9% in the US. The rehabilitation of this underutilized property will improve the social distress by building upon the city's broader

redevelopment goals and social objectives. The project will generate incremental real estate, personal income tax and utility tax revenues.

The Project is located in a densely populated peninsula, surrounded by water to the east and south and the Newark International Airport to the north. This area is a so-called “food desert” with over 50,000 residents and no full-scale quality grocery store. Most grocery stores in the area are convenience type stores having less than 1,000 square feet of space. There are no grocery stores in the area that have more than 5,000 square feet of space. The City of Elizabeth has indicated their support of the Project which is on the Planning Board agenda for approval at the October 4, 2012 meeting. The Applicant is also party to a Redevelopment Agreement with the City of Elizabeth to acquire the parcel for the Project and the site is within the area determined by the City Department of Policy and Planning to be in need of redevelopment (part of the Trumbull Street Redevelopment Plan which was ratified in December of 2000). The proposed Project meets the Redevelopment Objectives of the plan including general urban design and land use requirements.

The jobs created as a result of this project will provide important employment opportunities for local residents. The project will generate approximately 90 new, full time, direct jobs upon completion, as well as 71 temporary construction jobs. Sales tax generation by this Project is estimated at \$700,000 annually (as well as annual incremental real estate taxes of \$165,000 and payroll taxes of \$68,000).

Recommendation

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

Delivery of a commitment letter from the Authority to the Applicant for the ERG award shall be subject to the receipt of tax clearance certificates for the Applicant from the NJ Division of Taxation. Closing of the ERG Agreement and the reimbursement of any taxes is contingent upon the Applicant meeting the following conditions regarding the Project within twelve months of approval:

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

Reimbursement shall commence upon:

1. Completion of construction of all phases of the Project and issuance of a permanent or temporary certificate of occupancy for each phase and Authority approval of a Project Cost Statement; and
2. Submission of a detailed list of all eligible costs, which costs shall be satisfactory to the NJEDA; and
3. New tax revenues have been paid to the NJ Treasury and appropriated.

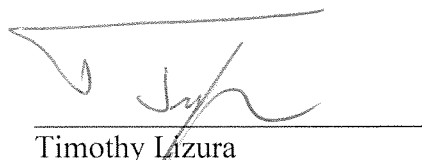
The NJ Treasury annually tracks taxes received from job sites and remits reimbursement equal to a percentage of funds collected during the year.

It is recommended that the members authorize the CEO of the EDA to execute the State Economic Redevelopment and Growth Incentive Grant Agreement and any assignment agreements necessary to effectuate this transaction.

Total Eligible Project Costs: \$15,980,681

Eligible Taxes for Reimbursement: Sales and other eligible taxes not to exceed \$4,794,204 over 20 years.

Recommended Grant: 30% of actual costs, not to exceed **\$4,794,204 to be paid over a maximum period of 20 years.**



Timothy Lizura
President and Chief Operating Officer

Prepared by: Michael A. Conte

GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)

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

APPLICANT: Barrette Outdoor Living, Inc. P39994

PROJECT LOCATION: 545 Tilton Rd. Galloway Twp. Atlantic County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Barrette Outdoor Living is a leading vinyl, wood and aluminum manufacturer. It also distributes fencing, railing, garden accents, and sheds across North America. The company supplies large home improvement retailers and specialty fencing dealers. Employing over 1,000 employees, Barrette Outdoor Living has locations across North America all backed by the expertise and resources of the Barrette brand. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

The applicant has submitted an economic analysis detailing the cost differential between locating this project in Galloway Township, NJ and Bulls Gap, TN. The company would enter into a lease for a 415,000 sf. facility in New Jersey and move its Little Egg Harbor operation, Florida manufacturing facility and part of its Tennessee facility into the project site. If the company pursues the Tennessee location, it would construct a new 400,000 sf. facility adjacent to its current facility to complete the project.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Barrette Outdoor Living, 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 Yves Barrette, the CEO of Barrette Outdoor Living, 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 \$26.7M over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
Industrial - Rehabilitation Projects	\$ 20
Industrial - New Construction Projects	\$ 60
Non-Industrial – Rehabilitation Projects	\$ 40
Non-Industrial – 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 Atlantic 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	\$5,533,333	\$26,236,368
New Jobs	8	271
Retained Jobs	19	0

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

Base Grant	Requirement	Proposed by Applicant
Mega Project	Base award of \$5,000 per year for projects designated as a Mega Project	A Qualified Business Facility located in an Area in Need of Redevelopment prior to October 24, 2014 within Atlantic , Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem counties having a capital investment in excess of \$20,000,000 and having more than 150 employees created or retained.
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 271 Full-Time Jobs at the project location resulting in an increase of \$500.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense,	The applicant is a Manufacturing business.

	Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center 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 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 \$26,236,368 is 374% above the minimum capital investment resulting in an increase of \$5,000 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	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - $\frac{1}{2}$ of the Grant Calculation for New Full-Time Jobs ($\frac{1}{2} * \\$11,000 = \\$5,500$) or - The eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$26,236,368 / 10 / (271 + 0) = \\$9,681$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts. <i>Note, the estimated New and Retained Full-Time Jobs numbers should remain constant throughout irrespective of the actual jobs numbers as reducing the estimated jobs to a lower actual amount would result in an increase in the per person award. Otherwise, this would provide an incentive to reduce actual headcount.</i></p>

<u>Grant Calculation</u>		
BASE GRANT PER EMPLOYEE:		
Mega Project		\$5,000
INCREASES PER EMPLOYEE:		
Large Number of New/Retained F/T Jobs:	\$ 500	
Targeted Industry (Manufacturing):	\$ 500	
Mega Ind. Project w/ Cap. Inv. In Excess of Min:	\$5,000	
INCREASE PER EMPLOYEE:		
		<u>\$6,000</u>
PER EMPLOYEE LIMIT:		
Other Mega Project		\$15,000
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		
		\$11,000
AWARD:		
New Jobs:	271 Jobs X \$11,000 X 100% =	\$2,981,000
Retained Jobs:	0 Jobs X \$11,000 X 50% =	<u>\$ 0</u>
	Total:	\$2,981,000
ANNUAL LIMITS:		
Mega Project		\$30,000,000
TOTAL ANNUAL AWARD		
		<u>\$2,981,000</u>

ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$26,236,368
NEW FULL-TIME JOBS: 271
RETAINED FULL-TIME JOBS: 0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD) \$ 56,560,910
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$ 26,750,910
TOTAL AMOUNT OF AWARD \$ 29,810,000
ELIGIBILITY PERIOD: 10 years
MEDIAN WAGES: \$ 35,000
SIZE OF PROJECT LOCATION: 415,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Industrial
STATEWIDE BASE EMPLOYMENT: 39
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 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.
6. The applicant will maintain the 39 current positions it has within the State 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 39 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 Barrette Outdoor Living, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: J. Kenyon

APPROVAL OFFICER: J. Horezga

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

APPLICANT: Berry & Homer, Inc. P40313

PROJECT LOCATION: 7150 Westfield Ave. Pennsauken Township Camden County

GOVERNOR’S INITIATIVES:

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

APPLICANT BACKGROUND:

Berry & Homer, Inc. (B&H) is a Philadelphia based manufacturer of exhibits, signage, flags & banners, outdoor graphics and showcase marketing features such as Point of Purchase Displays (POP Displays). The Company’s products are manufactured at its Philadelphia, PA headquarters using Computer Numerically Controlled (CNC) machines, metal and wood fabrication equipment and industrial digital print screening machines. By consolidating all design, fabrication and print media manufacturing in-house, B&H is able to create a wide range of unique marketing displays for its clients. B&H is 100% wholly owned by Thompson Companies, Inc. The Company also has a facility in Lanham, MD outside of Washington DC for the purpose of selling to that market. The Lanham operation operates as Berry & Homer Washington, LLC, which is also wholly owned by The Thompson Companies, Inc. The Company currently operates out of 2035 Richmond St. Philadelphia, PA. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

The Company is seeking a new building to relocate its manufacturing, fabrication and headquarters office operations to. In total, approximately 37 employees would work out of the new location and new investment would exceed \$1 million. B&H has been seeking sites in Pennsylvania for about 10 months. In recent weeks, due to incentives offered by the Grow New Jersey Program, the Company has been considering the option whereby it would relocate its operations to a Pennsauken, New Jersey location. The current options are to relocate in either the Philadelphia region, to a 28,500 square foot facility in Eagleville, PA, or to Pennsauken, NJ in a 27,210 square foot facility.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Berry & Homer, 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 Joseph Thompson III, the CEO of Berry & Homer, 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 \$4.7 million over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects \$120
 Minimum capital investment amounts are **reduced by 1/3** in GSGZs and in eight South Jersey counties: Atlantic, Burlington, **Camden**, Cape May, Cumberland, Gloucester, Ocean and Salem

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$362,800	\$1,150,500
New Jobs	8	37
Retained Jobs	19	0

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

Base Grant	Requirement	Proposed by Applicant
Distressed Municipality	Base award of \$4,000 per year for projects located in a designated Distressed Municipality	Pennsauken Township is a designated Distressed Municipality
Increase(s) Criteria		
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.
2007 Revit. Index > 465 in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	An increase of \$1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465	Pennsauken Township has a 2007 Revitalization Index of 481
Capital Investment in Excess of Minimum (non-Mega)	An increase of \$1,000 per job for each additional amount of	The proposed capital investment of \$1,150,500 is

	capital investment that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$3,000	217% above the minimum capital investment resulting in an increase of \$3,000 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	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - 1/2 of the Grant Calculation for New Full-Time Jobs ($1/2 * \\$8,500 = \\$4,250$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$1,150,500 / 10 / 37 = \\$3,109$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

<u>Grant Calculation</u>		
BASE GRANT PER EMPLOYEE:		
Distressed Municipality		\$4,000
INCREASES PER EMPLOYEE:		
Targeted Industry (Manufacturing):	\$ 500	
2007 Revit. Index > 465 in Atlantic, Burlington, Camden		
Cape May, Cumberland, Gloucester, Ocean, Salem:	\$1,000	
Capital Investment in Excess of Minimum (non-Mega):	\$3,000	
INCREASE PER EMPLOYEE:		<u>\$4,500</u>
PER EMPLOYEE LIMIT:		
Distressed Municipality		\$11,000
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		\$8,500
AWARD:		
New Jobs:	37 Jobs X \$8,500 X 100% =	\$314,500
Retained Jobs:	0 Jobs X \$3,109 X 100% =	<u>\$0,000</u>
	Total:	\$314,500
ANNUAL LIMITS:		
Distressed Municipality		\$ 8,000,000
TOTAL ANNUAL AWARD		<u>\$314,500</u>

ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 1,150,500
NEW FULL-TIME JOBS: 37
RETAINED FULL-TIME JOBS: 0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD) \$ 7,826,491
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$ 4,681,491
TOTAL AMOUNT OF AWARD \$ 3,145,000
ELIGIBILITY PERIOD: 10 years
MEDIAN WAGES: \$ 41,000
SIZE OF PROJECT LOCATION: 27,210 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Industrial
STATEWIDE BASE EMPLOYMENT: 0
PROJECT IS: (X) Expansion () Relocation
CONSTRUCTION: () Yes (X) 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 Berry & Homer, 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: Justin Kenyon

APPROVAL OFFICER: Mark Chierici

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

APPLICANT: Hugo Neu Recycling, LLC P40184

PROJECT LOCATION: 78 John Miller Way Kearny Town Hudson County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Hugo Neu Recycling, LLC (HNR), founded in 2009 and currently based in Mt. Vernon, NY, is a wholly owned subsidiary of the Hugo Neu Corporation, focused on environmentally responsible recycling and disassembling of electronics and data-secure IT asset management. Through reuse and refurbishing, HNR is also able to provide low cost, fully tested and refurbished electronics to the public through various resale channels. HNR is an e-Stewards certified recycler and also certified under ISO 14001 having facilities certified by the National Association of Information Destruction serving over 1,000 customers across the Northeast. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

HNR is evaluating a consolidation and relocation of its facilities to Orangeburg, NY or Kearny, NJ. The company would enter into a long term lease at either location for approximately 55,000 sf. of disassembly and office space. Both locations position the company near the heart of its customer base in the New York metropolitan area. The company notes that the New Jersey location provides HNR with additional transportation infrastructure while the New York location provides a lower operating cost structure.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Hugo Neu Recycling, 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 Wendy Neu, the CEO of Hugo Neu Recycling, 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 \$9.6M over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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 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	\$1,100,000	\$5,758,477
New Jobs	35	63
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	Kearny Town is a designated Distressed Municipality.
Increase(s) Criteria		
Capital Investment in Excess of Minimum (non-Mega)	An increase of \$1,000 per job for each additional amount of capital investment that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$3,000	The proposed capital investment of \$5,758,477 is 423% above the minimum capital investment resulting in an increase of \$3,000 per year.
On Site Solar Generation of 1/2 of Project’s Elec. Needs	An increase of \$250 per job for a project that generates 1/2 of its electricity via on-site solar power generation	The applicant has existing solar panels that generate in excess of 1/2 of the applicant’s electricity needs.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - $\frac{1}{2}$ of the Grant Calculation for New Full-Time Jobs ($\frac{1}{2} * \\$7,250 = \\$3,625$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$5,758,477 / 10 / (63 + 0) = \\$9,140$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

Grant Calculation

BASE GRANT PER EMPLOYEE:

Distressed Municipality \$4,000

INCREASES PER EMPLOYEE:

Capital Investment in Excess of Minimum (non-Mega): \$3,000
 On Site Solar Generation of $\frac{1}{2}$ of Project's Elec. Needs: \$ 250

INCREASE PER EMPLOYEE:

\$3,250

PER EMPLOYEE LIMIT:

Distressed Municipality \$11,000

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:

\$7,250

AWARD:

New Jobs:	63 Jobs X \$7,250 X 100% =	\$456,750
Retained Jobs:	0 Jobs X \$7,250 X 50% =	<u>0</u>

Total: \$456,750

ANNUAL LIMITS:

Distressed Municipality \$ 8,000,000

TOTAL ANNUAL AWARD

\$456,750

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 5,758,477
NEW FULL-TIME JOBS:	63
RETAINED FULL-TIME JOBS:	0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD)	\$ 14,195,725
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 9,628,225
TOTAL AMOUNT OF AWARD	\$ 4,567,500
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	\$ 31,000
SIZE OF PROJECT LOCATION:	55,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
STATEWIDE BASE EMPLOYMENT:	0
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 approve the proposed Grow New Jersey grant to encourage Hugo Neu Recycling, 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. Abraham

APPROVAL OFFICER: J. Horezga

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

APPLICANT: Insurance Services Office, Inc. P40230

PROJECT LOCATION: 545 Washington Blvd. Jersey City Hudson County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Insurance Services Office, Inc., (the "Company" or "ISO") founded in 1971 is an advisory and rating organization for the property and casualty insurance industry to provide statistical and actuarial services, to develop insurance programs and to assist insurance companies in meeting state regulatory requirements. In 2009, the holding company of ISO, Verisk Analytics, Inc. went public. Verisk Analytics, Inc. provides information about risk to professionals in many fields including, insurance, healthcare, financial services, supply chain, and others. Through the ISO brand, the company has delivered data, analytics and decision support services for the property/casualty insurance industry for more than 40 years. The applicant has demonstrated the financial ability to undertake the project.

ISO currently leases 391,501 sq. ft. at 545 Washington Blvd. in Jersey City, which serves as its headquarters and is home to a number of the company's core business units. ISO commenced operations at the Jersey City facility in 2001 and currently maintains approx. 1,120 full-time employees at this facility. ISO is also the recipient of a BEIP grant from 2001 in connection with relocation and expansion into New Jersey and is currently in the compliance period of the grant which ends in March 2016.

MATERIAL FACTOR/NET BENEFIT:

The Company has initiated a broad cost savings strategy and has commenced a detailed review of its Jersey City operations to determine whether all of these operations should remain in Jersey City or should be relocated to a more cost efficient market, such as Salt Lake City, Utah. The company currently leases a 75,000 sq. ft. facility in Salt Lake City which could accommodate the employees. Specifically the company is evaluating the potential relocation of support operations, including 430 full-time IT and human resources employees.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Insurance Services Office, 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 Scott Stephenson the CEO of Insurance Services Office, 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 \$90 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 430 New Jersey jobs listed in the application are at risk of being located outside the State on or after April 1, 2016, after the expiration of the prior BEIP grant award commitment period. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

As an 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	\$15,660,040	\$18,300,000
New Jobs	35	0
Retained Jobs	50	430

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	545 Washington Blvd. 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.

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 \$90,000 exceeds the Hudson County median salary by 86.42% resulting in an increase of \$500 per year.
Large Number of New/Retained Full-Time Jobs	An increase of \$500 per job for 251-400 new or retained jobs, \$750 per job for 401-600 new or retained jobs, \$1,000 for 601-800 new or retained jobs, \$1,250 for 801-1,000 new or retained jobs and \$1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 430 Full-Time Jobs at the project location resulting in an increase of \$750.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - $\frac{1}{2}$ of the Grant Calculation for New Full-Time Jobs ($\frac{1}{2} * \\$8,250 = \\$4,125$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$18,300,000 / 10 / (0 + 430) = \\$4,256$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

Grant Calculation**BASE GRANT PER EMPLOYEE:**

Urban Transit HUB Municipality	\$5,000
--------------------------------	---------

INCREASES PER EMPLOYEE:

Transit Oriented Development:	\$2,000
Jobs with Salary in Excess of County Average:	\$ 500
Large Number of New/Retained F/T Jobs:	\$ 750

INCREASE PER EMPLOYEE:\$3,250**PER EMPLOYEE LIMIT:**

Urban Transit HUB Municipality	\$12,000
--------------------------------	----------

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:

\$8,250

AWARD:

New Jobs:	0 Jobs X \$8,250 X 100% =	\$0,000
Retained Jobs:	430 Jobs X \$8,250 X 50% =	<u>\$1,773,750</u>

Total: \$1,773,750**ANNUAL LIMITS:**

Urban Transit HUB Municipality	\$10,000,000
--------------------------------	--------------

TOTAL ANNUAL AWARD**\$1,773,750**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 18,300,000
---	---------------

NEW FULL-TIME JOBS:	0
----------------------------	---

RETAINED FULL-TIME JOBS:	430
---------------------------------	-----

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD)	\$108,335,546
---	---------------

NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 90,598,046
--	---------------

TOTAL AMOUNT OF AWARD:	\$ 17,737,500
-------------------------------	---------------

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

MEDIAN WAGES:	\$ 90,000
----------------------	-----------

SIZE OF PROJECT LOCATION:	391,501 sq. ft.
----------------------------------	-----------------

NEW BUILDING OR EXISTING LOCATION?	Existing
---	----------

INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
---	----------------

STATEWIDE BASE EMPLOYMENT:	1,250
-----------------------------------	-------

PROJECT IS: () Expansion	() Relocation
----------------------------------	----------------

CONSTRUCTION: (X) Yes	() No
------------------------------	--------

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. The applicant will maintain the 690 existing positions for the duration of the Grow NJ award. The number of retained positions that are part of this Grow NJ award will only be counted above and beyond the first 690 positions retained at the project site.

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 after April 1, 2016; 2) approve the proposed Grow New Jersey grant to encourage Insurance Services Office, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: M. Abraham

APPROVAL OFFICER: T. Wells

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

APPLICANT: Rajbhog Foods NJ Inc. or Designee P40250

PROJECT LOCATION: 60 & 114 Amity St. Jersey City Hudson County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Rajbhog Foods NJ Inc. ("Rajbhog" or "Rajbhog Foods") started over 20 years ago in a small East Indian sweet and snack shop located in Jackson Heights, New York. The owners and originators, Ajit and Lata Mody grew the business into a leading manufacturer and nationwide distributor of Indian sweets, snacks, cheese, breads, frozen foods, ice cream and beverages. Rajbhog currently has grown to 10 retail stores throughout the United States and multiple manufacturing locations.

Rajbhog sells directly to customers at their retail shops, provides catering and also sells to grocery stores throughout the United States, Canada and the Caribbean Islands. The company has also created Bombay Kitchen and Ethnic Foods Inc that sells Indian based foods into grocery stores. The applicant has demonstrated the financial ability to undertake the project.

The applicant has received Authority assistance in the past under a related entity, Laura Mody Holdings, Inc. A \$2.2M tax-exempt bond (P16704) was issued on September 30, 2005 for the acquisition and renovation of the 60 Amity Street facility plus equipment acquisition. Additionally, a \$750,000 LDF loan (P16715) was closed on January 6, 2006 for the same 60 Amity Street project.

MATERIAL FACTOR/NET BENEFIT:

Currently Rajbhog Foods has 73 Manufacturing Jobs in New York with the average salary of \$25,000 per employee and 60 employees in the Jersey City location with the average salary of \$25,000 per employee.

Rajbhog Foods is considering the purchase of one acre of undeveloped land in the amount of \$2,175,000 and the construction of a two-story 60,000 square foot building for the manufacturing & distribution facilities in Jersey City, NJ. This option would also move the NY based employees into the new Jersey City facility. A second option is to purchase a 57,500 square foot building in Bohemia, NY. This option would move all NJ operations out of the State and 60 positions would relocate to NY.

The new building will be the headquarters, manufacturing facility & warehouse distribution center and will open under a new, yet to be determined, name. Rajbhog Foods will be consolidating the 2 New York facilities into that new location in New Jersey. In addition, Rajbhog Foods will keep its existing building at 60 Amity St. in Jersey City, and retain the 60 existing positions in that facility 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 Rajbhog Foods NJ 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 Ajit Mody, the CEO of Rajbhog Foods NJ 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 \$29.3 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 60 New Jersey jobs listed in the application are at risk of being located outside the State on or before April 1, 2015, the earliest date it could move to the alternative location. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

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

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

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects	\$ 20 (60 Amity St)
Industrial/Warehouse/Logistics/R&D - New Construction Projects	\$ 60 (114 Amity St)
Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects	\$ 40
Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects	\$120

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment (60 Amity St)	\$700,000	\$700,000
Capital Investment (114 Amity St)	\$3,600,000	\$4,900,000
New Jobs (60 Amity St)	10	0
Retained Jobs (60 Amity St)	25	60
New Jobs (114 Amity St)	10	75
Retained Jobs (114 Amity St)	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		
Capital Investment in Excess of Minimum (non-Mega)	An increase of \$1,000 per job for each additional amount of capital investment that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$3,000	The proposed capital investment of \$5,600,000 is 30% above the minimum capital investment resulting in an increase of \$1,000 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - $\frac{1}{2}$ of the Grant Calculation for New Full-Time Jobs ($\frac{1}{2} * \\$6,500 = \\$3,250$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$5,600,000 / 10 / 135 = \\$4,148$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

<u>Grant Calculation</u>		
BASE GRANT PER EMPLOYEE:		
Urban Transit HUB Municipality		\$5,000
INCREASES PER EMPLOYEE:		
Capital Investment in Excess of Minimum (non Mega):	\$1,000	
Targeted Industry (Manufacturing):	\$ 500	
INCREASE PER EMPLOYEE:		<u>\$1,500</u>
PER EMPLOYEE LIMIT:		
Urban Transit HUB Municipality	\$12,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		\$6,500
AWARD:		
New Jobs:	75 Jobs X \$6,500 X 100% =	\$487,500
Retained Jobs:	60 Jobs X \$6,500 X 50% =	\$195,000
	Total:	\$682,500
ANNUAL LIMITS:		
Urban Transit HUB Municipality		\$10,000,000
TOTAL ANNUAL AWARD		<u>\$682,500</u>

ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 700,000 (60 Amity St)
 \$ 4,900,000 (114 Amity St)

NEW FULL-TIME JOBS: 75
RETAINED FULL-TIME JOBS: 60

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD) \$ 36,111,285
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$ 29,286,285
TOTAL AMOUNT OF AWARD \$ 6,825,000
ELIGIBILITY PERIOD: 10 years
MEDIAN WAGES: \$ 25,000
SIZE OF PROJECT LOCATION (60 Amity St): 35,000 sq. ft.
SIZE OF PROJECT LOCATION (114 Amity St): 60,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION (60 Amity St)? Existing
NEW BUILDING OR EXISTING LOCATION (114 Amity St)? New
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Industrial
STATEWIDE BASE EMPLOYMENT: 60
PROJECT IS: (X) Expansion () Relocation
CONSTRUCTION: (X) Yes (114 Amity St) (X) No (60 Amity St)

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 April 1, 2015, 2) approve the proposed Grow New Jersey grant to encourage Rajbhog Foods NJ Inc. to retain 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: Mathew Abraham

APPROVAL OFFICER: Mark A. Chierici

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

APPLICANT: RedHawk Distribution, Inc. P40281

PROJECT LOCATION: 6835 Westfield Ave Pennsauken Township Camden County

GOVERNOR’S INITIATIVES:

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

APPLICANT BACKGROUND:

RedHawk Distribution, Inc., a recently formed joint venture entity, is a high end pillow and cushion manufacturer and distributor. The owners of RedHawk, Karam Singh and Arvind Choudhary, currently manufacture (Mr. Singh) and distribute (Mr. Choudhary) high-end pillows to various chain stores. The company is seeking to re-shore and transition manufacturing from Asia into the United States to off-set high shipping costs and damages associated with shipping low density, low cost products internationally. RedHawk's cushions can be found in products sold in big-box retailers such as Pier 1 Imports, Target and Wal-Mart. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

The applicant has submitted an economic analysis of establishing this joint business venture at a leased facility in Pennsauken Township, NJ or Bristol, PA. Both locations are comparable in size and layout with approximately 13,600 sf. of space required. The Pennsylvania location provides a more cost efficient operating structure while the New Jersey option puts these operations closer to its distribution chains. The company notes that the alternative site for this project is in a Keystone Opportunity Zone and that it is pursuing incentives offered by the state of Pennsylvania.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of RedHawk Distribution, 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 Arvind Choudhary, the CEO of RedHawk Distribution, 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 \$4.2M million over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$181,333	\$380,000
New Jobs	8	30
Retained Jobs	19	0

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

Base Grant	Requirement	Proposed by Applicant
Distressed Municipality	Base award of \$4,000 per year for projects located in a designated Distressed Municipality	Pennsauken Township is a designated Distressed Municipality.
Increase(s) Criteria		
Capital Investment in Excess of Minimum (non-Mega)	An increase of \$1,000 per job for each additional amount of capital investment that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$3,000	The proposed capital investment of \$380,000 is 110% above the minimum capital investment resulting in an increase of \$3,000 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.
2007 Revit. Index > 465 in	An increase of \$1,000 per job	Pennsauken Township has a

Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	for locating in a municipality with a 2007 Revitalization Index greater than 465	2007 Revitalization Index of 481.
--	--	-----------------------------------

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - $\frac{1}{2}$ of the Grant Calculation for New Full-Time Jobs ($\frac{1}{2} * \\$8,500 = \\$4,250$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$380,000 / 10 / (30 + 0) = \\$1,266$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

Grant Calculation**BASE GRANT PER EMPLOYEE:**

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

INCREASES PER EMPLOYEE:

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

Targeted Industry (Manufacturing):	\$ 500
------------------------------------	--------

2007 Revit. Index > 465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem:	\$ 1,000
---	----------

INCREASE PER EMPLOYEE:

<u>\$4,500</u>

PER EMPLOYEE LIMIT:

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

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:

\$8,500

AWARD:

New Jobs:	30 Jobs X \$8,500 X 100% =	\$255,000
-----------	----------------------------	-----------

Retained Jobs:	0 Jobs X \$1,266 X 50% =	<u>\$ 0</u>
----------------	--------------------------	-------------

Total:	\$255,000
---------------	------------------

ANNUAL LIMITS:

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

TOTAL ANNUAL AWARD

<u>\$255,000</u>

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 380,000
---	------------

NEW FULL-TIME JOBS:	30
----------------------------	----

RETAINED FULL-TIME JOBS:	0
---------------------------------	---

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD)	\$ 5,553,669
---	--------------

NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 4,278,669
--	--------------

TOTAL AMOUNT OF AWARD	\$ 1,275,000
------------------------------	--------------

ELIGIBILITY PERIOD:	5 years
----------------------------	---------

MEDIAN WAGES:	\$ 25,133
----------------------	-----------

SIZE OF PROJECT LOCATION:	13,600 sq. ft.
----------------------------------	----------------

NEW BUILDING OR EXISTING LOCATION?	Existing
---	----------

INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
---	------------

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

DEVELOPMENT OFFICER: J. Kenyon

APPROVAL OFFICER: J. Horezga

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

APPLICANT: Schenker, Inc. P40015

PROJECT LOCATION: 3 Gateway Center Newark City Essex County

GOVERNOR’S INITIATIVES:

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

APPLICANT BACKGROUND:

Schenker, Inc. is the operating company of DB Schenker, the worldwide transportation and logistics company. Schenker and DB Schenker, wholly owned subsidiaries of the German company, Deutsche Bahn, provide a wide array of integrated transport and logistics solutions that help customers move their goods along the North American and global supply chains across all carriers, freight train, truck, ship or airline, combined with complex additional logistical services. Schenker currently has regional operations in Newark, NJ with 90 employees. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

Schenker, Inc. is currently evaluating locations to create a shared service center for its U.S. operations. Schenker’s current lease in Newark expires in February 2015 and the company is considering the relocation and expansion of its current operations within Newark, thereby retaining 90 full-time jobs. The alternative is to relocate these operations to Virginia, where the company also has operations. The company also anticipates creating an additional 25 new full-time jobs with the relocation of its Transatlantic Ocean Competency Center from Freeport NY.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Schenker, 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 Malcolm Heath, the CEO of Schenker, 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 \$24.7 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 90 New Jersey jobs listed in the application are at risk of being located outside the State on or before February 28, 2015, when the current lease expires. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

Non-Industrial – New Construction Projects

\$120

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$1,342,680	\$2,368,165
New Jobs	25	25
Retained Jobs	35	90

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

Base Grant	Requirement	Proposed by Applicant
Urban Transit Hub Municipality	Base award of \$5,000 per year for projects located in a designated Urban Transit Hub Municipality	Newark City is a designated Urban Transit Hub Municipality.
Increase(s) Criteria		
Deep Poverty Pocket or Choice Neighborhood	An increase of \$1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood	3 Gateway Center is located in a Deep Poverty Pocket.
Transit Oriented Development	An increase of \$2,000 per job for a project locating in a Transit Oriented Development	3 Gateway Center is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a 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	The proposed median salary of \$69,769 exceeds the Essex County median salary by

	median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of \$1,500	43.73% 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 Logistics business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs ($1/2 * \\$9,250 = \\$4,625$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$2,368,165 / 10 / (25 + 90) = \\$2,059$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Urban Transit HUB Municipality		\$5,000
INCREASES PER EMPLOYEE:		
Deep Poverty Pocket	\$1,500	
Transit Oriented Development:	\$2,000	
Jobs with Salary in Excess of County Average:	\$ 250	
Targeted Industry (Logistics):	\$ 500	
INCREASE PER EMPLOYEE:		<u>\$4,250</u>
PER EMPLOYEE LIMIT:		
Urban Transit HUB Municipality	\$12,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		\$9,250
AWARD:		
New Jobs:	25 Jobs X \$9,250 X 100% =	\$231,250
Retained Jobs:	90 Jobs X \$2,059 X 100% =	<u>\$185,310</u>
	Total:	\$416,560
ANNUAL LIMITS:		
Urban Transit HUB Municipality		\$10,000,000
TOTAL ANNUAL AWARD		<u>\$416,560</u>

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 2,368,165
NEW FULL-TIME JOBS:	25
RETAINED FULL-TIME JOBS:	90

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD)	\$ 28,876,819
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 24,711,219
TOTAL AMOUNT OF AWARD	\$ 4,165,600
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	\$ 69,769
SIZE OF PROJECT LOCATION:	25,500 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
STATEWIDE BASE EMPLOYMENT:	90
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 February 28, 2015; 2) approve the proposed Grow New Jersey grant to encourage Schenker, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: M. Abraham

APPROVAL OFFICER: T. Wells

GROW NEW JERSEY ASSISTANCE PROGRAM - MODIFICATIONS



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: January 13, 2015

SUBJECT: Grow New Jersey modification request for Principis Capital LLC
P39991

MODIFICATION REQUEST

The Board approved Principis Capital LLC for a \$3,875,000 Grow New Jersey Grant Award on November 10, 2014. Since then, the company could not reach acceptable terms with the landlord of the original project site, 525 Washington Blvd., Jersey City and has identified a new location also in Jersey City, 111 Town Square Place. The Board is requested to modify the previously approved award to the newly identified site.

BACKGROUND:

Principis Capital LLC, founded in 2008, provides alternative financing options for small businesses in the U.S. and Canada that have immediate capital requirements, have limited fixed assets or have variable/seasonal revenue flow. Principis Capital is an established leader in providing business cash advance services to many small and mid-sized businesses in many industries, including retail, food/dining, franchises, education and daycare and automotive industries. The company is currently headquartered in New York City with 28 employees. The applicant has demonstrated the financial ability to undertake the project.

MODIFICATION:

Principis Capital LLC was approved for a \$3,875,000 Grow New Jersey Grant Award on November 10, 2014. Since the Board Approval date, the company could not reach acceptable lease terms at original project location and has located another suitable space to lease at 111 Town Square Place, Jersey City.

The site previously approved consisted of leasing 5,231 sq. ft. at 525 Washington Blvd., Jersey City. The company planned to relocate its headquarters and operations to that building. The proposed capital investment was \$313,860 in renovations plus the creation of 50 new jobs to New Jersey. The alternative is to lease 5,113 sq. ft. in Long Island City, NY. The location analysis at the time of approval showed New Jersey to be the slightly less expensive option.

The applicant still plans to house its headquarters and main operations at the new building, which is .5 miles from the prior location and still proposes to create 50 full-time jobs. The new leased space is slightly larger at 6,272 sq. ft. and the proposed capital investment is slightly higher at \$376,320. The total Grow New Jersey Award is the same as previously approved at \$3,875,000.

MATERIAL FACTOR/NET BENEFIT:

As described in the November Board memorandum, Principis Capital LLC is evaluating location options as its current lease in Manhattan is set to expire in March 2015. As Principis Capital positions itself for significant growth over the next 4 years, the company is seeking to increase its footprint and build in expansion rights for continued growth and has focused its search on space in Long Island City, NY or Jersey City, NJ. The project would create 50 new full-time jobs.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Principis Capital 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 Jane Prokop, the CEO of Principis Capital LLC that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$10 million over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

The only change to the eligibility requirements is the increased capital investment. The number of new jobs, at 50, remains the same.

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

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

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

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

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

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

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

As an Non-Industrial – Rehabilitation Project for an other business in Hudson County, the project at the new site remains eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$250,880	\$376,320
New Jobs	25	50
Retained Jobs	35	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 \$3,875,000 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	525 Washington Blvd. 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 \$73,000 exceeds the Hudson County median salary by 46% 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	The applicant is a Finance business.

center business

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/GSGZ Average: \$250

Targeted Industry (Finance): \$500

INCREASE PER EMPLOYEE:\$2,750**PER EMPLOYEE LIMIT:**

Urban Transit HUB Municipality \$12,000

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:

\$7,750

AWARD:

New Jobs: 50 Jobs X \$7,750 X 100% = \$387,500

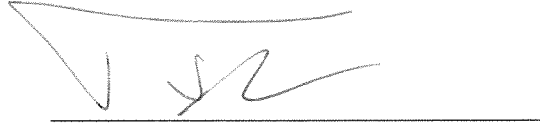
Retained Jobs: 0 Jobs X \$7,750 X 50% = \$0,000**Total: \$387,500****ANNUAL LIMITS:**

Urban Transit HUB Municipality \$10,000,000

TOTAL ANNUAL AWARD**\$387,500****ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** \$ 376,320**NEW FULL-TIME JOBS:** 50**RETAINED FULL-TIME JOBS:** 0**GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD)** \$13,619,383**NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):** \$ 9,744,383**TOTAL AMOUNT OF AWARD** \$ 3,875,000**ELIGIBILITY PERIOD:** 10 years**MEDIAN WAGES:** \$ 73,000**SIZE OF PROJECT LOCATION:** 6,272 sq. ft.**NEW BUILDING OR EXISTING LOCATION?** Existing**INDUSTRIAL OR NON-INDUSTRIAL FACILITY?** Non-Industrial**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.



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

Prepared by: Teresa Wells

BOARD MEMORANDUMS



MEMORANDUM

TO: Members of the Authority

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

DATE: January 13, 2015

SUBJECT: Delegated Authority Approvals for 4th Quarter 2014
For Informational Purposes Only

The following post-closing actions were approved under delegated authority during the fourth quarter of 2014:

Name	EDA Credit Exposure	Action
Arlington Machine & Tool Company and Titan Technologies International	\$ 1,071,428	Consent to sale of certain business assets in exchange for a payment of \$68K and consent to the Bank's waiver of the loan covenants at 12/31/13.
2 South Main, LLC	\$ 624,577	Extend the maturity of the participation loan up to 3 months to allow sufficient time to close on the sale of subject property and repay the loan.
WellGen, Inc.	\$ 355,118	Restructure the defaulted Springboard I Recoverable Grant by extending the maturity 5 years. In return, the borrower will remit annual payments equal to 5% of revenue for 5 years after which no further payment is due. Accept \$23,000 as a settlement on the subject defaulted lease agreement for vacated space at the EDA's Technology Centre of NJ.
Montclair Avenue, LLC (Aaron Enterprises, Inc.)	\$ 222,019	Extend the maturing EDA participation in TD Bank's loan for 5 years to allow the borrow time to amortize the loan.
Classlink, Inc.	\$ -0-*	Accept \$300,000 as settlement in full of the written off \$620,135 Edison Loan and Springboard II Recoverable Grant.

*current exposure

Economic Recovery Board of Camden	
New Jersey Housing and Mortgage Finance Agency	Extend the contingent loan maturity date to March 2017 to allow sufficient time for HMFA to complete Phase IV of the Camden Home Improvement Program.
Cooper's Ferry Partnership	Extension of the project completion date of the \$500,000 ERB infrastructure grant to December 31, 2015 to allow CFDA sufficient time to complete roadway designs for the Haddon Avenue Transit Village project.

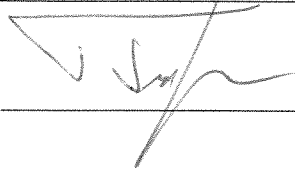
Loans Written-Off under Delegated Authority

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 2014.

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
Neptune Investment Fund, LLC (Cityworks)	\$ 2,000,000	A \$2,000,000 LDFF loan that supplemented funding from TD Bank for a 50,000 square foot office building in Neptune, New Jersey developed by Cityworks was written off. The project is presently in payment default and a recent appraisal indicates there is no equity in the property to secure EDA's loan.
Neptune Investment Fund, LLC (Cityworks)	\$ 250,000	A \$250,000 Brownfield Redevelopment Loan used to fund environmental remediation costs associated with construction the office building was written off. The project is presently in payment default and except for an assignment of proceeds from the Brownfield Redevelopment Agreement, the collection of which is uncertain, the loan is unsecured.
Driscoll Label Co., Inc.	\$ 164,463	This Main Street Assistance participation loan to a printing company is in payment default and TD Bank as agent has initiated foreclosure. Based on EDA's subordinate lien position, there is insufficient equity in the collateral to secure our exposure, and the \$164,463 balance was written off.

SVS Realty Group, LLC	\$ 157,266	Operating company Specialty Vehicle Solutions, LLC has been unable to generate sufficient cash flow to service its debt. As a result, this SLP loan is in payment default and TD Bank as agent has initiated foreclosure. EDA's \$157,266 participation loan was written off based on a subordinate lien position, and insufficient equity in the collateral to secure EDA's exposure.
-----------------------	------------	--



Prepared by: Daniel Weick



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: January 13, 2015

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, 2014.

Prepared by: C. Craddock

ACTIONS APPROVED UNDER DELEGATED AUTHORITY
 QUARTER ENDING DECEMBER 2014

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

Applicant	Modification Action	Approved Award
Princeton Power Systems, Inc.	Location change	\$ 435,000

ECONOMIC REDEVELOPMENT AND GROWTH GRANT PROGRAM

Applicant	Modification Action	Approved Award
Amerream LLC, Meadow Amusements LLC and Affiliates	Six month extension of time to submit documentation	\$ 390,000,000
Mt. Laurel Development LLC	Six month extension of time to submit documentation	\$ 10,792,039
TDAF I Springfield Avenue Holding Urban Renewal Company LLC	Collateral assignment of ERG reimbursement	\$ 8,358,889

GROW NJ TAX CREDIT PROGRAM

Applicant	Modification Action	Approved Award
Biovail Americas Corporation	Six month extension of time to submit documentation	\$ 39,502,000

URBAN TRANSIT HUB TAX CREDIT PROGRAM

Applicant	Modification Action	Approved Award
Pennrose Properties LLC	Name change of the recipient of the tax credit	\$ 17,716,713

SALEM/UEZ ENERGY SALES TAX EXEMPTION

Applicant	Location	# of Employees/% Involved in Manufacturing	Benefit
Church & Dwight Co., Inc.	Lakewood, NJ	279/97%	\$ 105,000
E.I. du Pont de Nemours and Company	Deepwater, NJ	671/93%	\$ 1,500,000
Gerresheimer Glass Inc.	Vineland, NJ	769/74%	\$ 1,216,739
NuWorld Corporation	Carteret, NJ	305/66%	\$ 20,000



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

DATE: January 13, 2015

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

The following projects were approved under Delegated Authority in December 2014:

Direct Loan Program:

- 1) Deals for Less NY Inc. or entity to be formed (P40185), currently headquartered in Brooklyn, NY, was formed in 2009 as a retailer of household goods with a primary focus on health and beauty products such as eye care, skin care, hair care, and dental products from manufacturers such as L'Oreal, Clinique, Olay and Neosporin. The Authority approved a \$700,000 Direct loan to partially finance the purchase and renovation of a commercial building to relocate their headquarters to Piscataway, NJ. The remaining financing was to be provided by Bank of America via a \$1.73 million mortgage. The EDA's approval was subsequently modified to a \$1.08 million loan. Bank of America's loan was reduced to \$1.35 million. All other terms and conditions of the original approval remain the same. The Company plans to create fifteen new positions within the next two years.
- 2) SCF Realty II, LLC (P39893), located in Bayonne City, Hudson County, is a real estate holding company that was approved for a \$2,000,000 Direct loan to purchase the project property. In addition, related company, AP&G Co. Inc. (P40241), was founded in 1952 as a manufacturer of specialty adhesives and has been solely concentrating on pest control services since 1987. TD Bank approved a \$2,000,000 bank loan contingent upon a five-year, 37.5% Authority guarantee of principal outstanding, not to exceed \$750,000. Proceeds will be used to purchase equipment and leasehold improvements. Currently, the Company has 105 employees and plans to create 45 additional positions within the next two years.

Small Business Fund Program:

- 1) IM Broad St LLC and Business Automation Technologies, Inc. (P40206) are located in Little Silver Borough, Monmouth County. IM Broad Street LLC is the real estate holding company for Business Automation Technologies, Inc. dba Data Network Solutions. Data Network Solutions was founded in 1989 to design, implement and maintain computer networks, software and telecommunications systems. Two River Community Bank approved an \$823,500 term loan contingent upon a 30% (\$247,050) Authority participation. Currently, the Company has twelve employees and plans to create two new positions over the next two years.

- 2) Pasricha Properties LLC (P40035), located in Edison Township, Middlesex County, is a real estate holding company formed to purchase the project property. The operating company, Pasricha & Patel, was founded in 1995 as a full service law firm. Wells Fargo Bank, N.A. approved a \$920,000 bank loan contingent upon a 50% (\$460,000) Authority participation. The Company currently has fifteen employees and plans to create three new jobs within the next two years.

Premier Lender Program:

- 1) 62 Veronica LLC (40290), located in Somerset, Somerset County, is a related real estate company formed to purchase the project property. The operating company, Blue Sky Trading Inc., was formed in 1995 as a wholesale distributor of high quality disposable cutlery and party goods such as plates and bowls, cups, cutlery, aluminum foil, facial tissues, and many more products for nearly 20 years. Fulton Bank of New Jersey approved a \$5,107,500 loan contingent upon a 29.37% (\$1,500,000) Authority participation. Proceeds will be used to purchase commercial property to consolidate two locations. Currently, the Company has 15 employees and plans to create 35 new jobs over the next two years.
- 2) 333-103 Holding Co, LLC (P40293), located in Westwood Borough, Bergen County, is a newly formed real estate holding company formed to purchase the project property. The operating company, Endocrinology and Diabetes Associates, LLC, was founded in 2011 as a single doctor practice. M & T Bank approved a \$194,500 loan contingent upon a 44% (\$82,000) Authority participation. Proceeds will be used to purchase a commercial property. The Company currently has three employees and plans to create two new positions within the next two years.
- 3) United Fabrics, Inc. (P40133), located in Pennsauken Township, Camden County, was formed in 1947 as a wholesale to-the-trade distributor of upholstery and decorative fabrics, vinyl, and genuine leather. United provides products for residential, contract, hospitality, automotive and marine use through interior decorations, upholsterers and interior designs. Fulton Bank of New Jersey approved a \$1,825,000 loan contingent upon a 50% (\$912,500) Authority participation. Proceeds will be used to purchase commercial property. The Company currently has 48 employees and plans to create two new jobs within the next two years.

Small Business Fund Program - Modification:

- 1) IK Realty Group, LLC and HS and Sons, Inc. (P39465) are located in Elizabeth City, Union County. IK Realty Group, LLC is a real estate holding entity formed to acquire a property to be leased to a related entity, HS and Sons, Inc., a gas station. In August 2014, the NJEDA approved a new \$453,750 (24.95%) Authority participation in a \$1,818,750 OceanFirst Bank commercial mortgage to finance the acquisition of a gas station in Linden, NJ. Post approval, the loan was modified to add an additional corporate guarantor, IK Communications Corp. and change borrower from IK Realty Group, LLC to co-borrowers IK Realty Group, LLC and HS and Sons, Inc.

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



TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

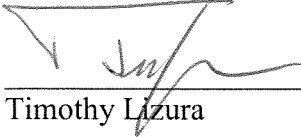
DATE: January 13, 2015

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 mobile generators at retail fuel stations within ¼ mile of emergency evacuation routes. The initial round resulted in 150 eligible applications of which 62 were funded. An additional 88 are under review. The second round approved by the members last month extended the program statewide. Since launching the second round on January 5, 10 stations have applied for funding and are currently under review.

To support program efficiencies, the members approved delegation to staff to approve these projects. Attached are the projects approved under delegation for 4Q 2014. All approvals represent those approved under the initial program guidelines established in 2013.



Timothy Lizura

Prepared by: Lisa Petrizzi

BERGEN COUNTY Applicant	Description	Grant	Anticipated Completion
E&E Exxon AME Management Inc. P39009	Installation of a permanent generator at 842 Route 17 North, Ramsey	\$65,000	March 2015
Exxon on the Run Ksertbas, Inc P38981	Installation of a permanent generator at 185 Route 17 S., East Rutherford	\$65,000	June 2015
GW Bridge Exxon Tiger Service Station, Inc. P39325	Installation of a permanent generator at 484 Route 4 East, Englewood	\$65,000	June 2015
Paramus Exxon on the Run Sertbas, Inc P38979	Installation of a permanent generator at 100 Route 17 N., Paramus	\$65,000	June 2015
Quick Chek - Lodi QuickChek Corporation P39208	Installation of a permanent generator at 116 Rte 46 EB, Lodi	\$65,000	March 2015
Quick Chek - Ramsey QuickChek Corporation P39176	Installation of a permanent generator at 40 Route 17 N, Ramsey	\$65,000	March 2015
Ridgewood Tiger Mart/Exxon Bergen Convenience Flagship P39005	Installation of a permanent generator at 490 State Rte 17 S, Ridgewood Village	\$65,000	June 2015
BURLINGTON COUNTY Applicant	Description	Grant	Anticipated Completion
Bordentown Valero APCO Petroleum Corp P39104	Installation of a permanent generator at 2000 Route 206, Bordentown	\$65,000	May 2015
Valero Westhampton APCO Petroleum Corp P39109	Installation of a quick connect at 2036 Rte 541, Westhampton	\$15,000	February 2015
ESSEX COUNTY Applicant	Description	Grant	Anticipated Completion
Fairfield Gulf Global Fuel Distributors P39330	Installation of a quick connect at 6 Rte 46, Fairfield	\$15,000	January 2015
Valero ADPP Enterprises Inc P39052	Installation of a permanent generator at 650 Route 46 East, Fairfield	\$65,000	June 2015
HUDSON COUNTY Applicant	Description	Grant	Anticipated Completion
Holland Tunnel Exxon Holland Tunnel Service Center P38967	Installation of a permanent generator at 597 Marin Boulevard, Jersey City	\$65,000	June 2015
QuickChek - Bayonne QuickChek Corporation P39206	Installation of a permanent generator at 20 East 53 rd Street, Bayonne	\$65,000	March 2015
HUNTERDON COUNTY Applicant	Description	Grant	Anticipated Completion

Busy Bee Shell Five Star Gas and Food Mart P39021	Installation of a quick connect at 170 State Route 173, Union	\$15,000	March 2015
Clinton Valero A.P.M. Management P39055	Installation of a permanent generator at 1747 Route 31 South, Clinton	\$65,000	March 2015
Hampton BP APM Management Inc P39130	Installation of a quick connect at 238 Route 31 N., Hampton	\$15,000	March 2015
MERCER COUNTY Applicant	Description	Grant	Anticipated Completion
QuickChek - Lawrenceville QuickChek Corporation P39203	Installation of a permanent generator at 303 Brunswick Circle, Lawrenceville	\$65,000	March 2015
Yardville Valero Tri-State Petro, Inc P39120	Installation of a quick connect at 42 Route 130, Yardville-Groveville	\$15,000	February 2015
MIDDLESEX COUNTY Applicant	Description	Grant	Anticipated Completion
APCO Valley Garage/Valero APCO Petroleum Corp. P39107	Installation of a permanent generator at 4000 Route 1, South Brunswick	\$65,000	March 2015
Oldbridge Food Mart/7-Eleven Oldbridge Food Mart LLC P38322	Installation of quick connect at 2401 Rte 9, Old Bridge	\$15,000	February 2015
QuickChek – Perth Amboy QuickChek Corporation P39196	Installation of a permanent generator at 853 Convery Blvd., Perth Amboy	\$65,000	March 2015
QuickChek – S. Brunswick QuickChek Corporation P39179	Installation of a permanent generator at 2432 US Highway 130, S. Brunswick	\$65,000	March 2015
Valero APCO Petroleum Corp. P39114	Installation of a permanent generator at 2633 Route 130, South Brunswick	\$65,000	March 2015
MONMOUTH COUNTY Applicant	Description	Grant	Anticipated Completion
BP Middletown Petro Realty, LLC P38957	Installation of a quick connect at 863 Highway 35, Middletown	\$15,000	January 2015
BP Aberdeen Petro Realty LLC P38932	Installation of a quick connect at 1103 Rt 34, Aberdeen	\$15,000	February 2015
Citgo Colts Neck HWY 34 LLC P39319	Installation of a quick connect at 267 Hwy 34, Colts Neck	\$15,000	February 2015
Eatontown Exxon Excellency Enterprises LLC P39292	Installation of a quick connect 150 Rte 35 & Wyckoff Road	\$15,000	February 2015
Molly Pitcher Exxon JMD Gas Corp P38994	Installation of a permanent generator at 4211 Route 9 North, Freehold	\$65,000	March 2015

QuickChek - Hazlet QuickChek Corporation P39174	Installation of a permanent generator at 1170 Hwy 36, Hazlet	\$65,000	March 2015
QuickChek - Highlands QuickChek Corporation P39205	Installation of a permanent generator at 460 Hwy 36, Highlands	\$65,000	March 2015
Spring Valley Exxon Petroleum Marketing Group P39166	Installation of a quick connect at 70 Route 9, Morganville	\$15,000	February 2015
Valero Englishtown & Subway Best Management Inc P39294	Installation of a permanent generator at 391 Rte 9 South, Englishtown	\$65,000	May 2015
MORRIS COUNTY Applicant	Description	Grant	Anticipated Completion
Morristown Exxon Petroleum Marketing Group P39171	Installation of a permanent generator at 109 Morris Street, Morristown	\$65,000	May 2015
Parsippany Gulf Rock Oil Co P39091	Installation of a quick connect at 400 Route 46, Parsippany-Troy Hills	\$15,000	February 2015
QuickChek - Hanover QuickChek Corporation P39198	Installation of a permanent generator at 2 Parsippany Road, Hanover	\$65,000	March 2015
QuickChek - Jefferson QuickChek Corporation P39201	Installation of a permanent generator at Rt 15 & Hellens Lane, Jefferson	\$65,000	March 2015
OCEAN COUNTY Applicant	Description	Grant	Anticipated Completion
Brick Shell Petroleum Marketing Group P39164	Installation of a quick connect at 1 Lanes Mill Road, Brick	\$15,000	February 2015
Exxon on Run Tiger Tail P38972	Installation of a permanent generator at 1444 Rte 88, Lakewood	\$65,000	June 2015
Lakewood Sunoco Gill Petroleum P39068	Installation of a quick connect at 741 River Avenue, Lakewood	\$15,000	February 2015
Oak Ridge Shell Service Center Petroleum Marketing Group P39165	Installation of a quick connect at 1095 Rte 37 W, Toms River	\$15,000	January 2015
Point Pleasant Citgo Rt 35 North LLC P39089	Installation of a permanent generator at 224 Hawthorne Ave, Pt. Pleasant Beach	\$65,000	May 2015
QuickChek - Berkley QuickChek Corporation P39207	Installation of a permanent generator at 768 Rte 9, Berkley	\$65,000	March 2015
QuickChek - Manchester QuickChek Corporation P39202	Installation of a permanent generator at 3001 Ridgeway Road, Manchester	\$65,000	March 2015
PASSAIC COUNTY Applicant	Description	Grant	Anticipated Completion

Exxon Tiger 23 Inc P39007	Installation of a permanent generator at 1431 State Route 23 S., Wayne	\$65,000	June 2015
Little Falls Valero ADPP Enterprises, Inc. P39124	Installation of a quick connect at 1755 Route 46 E, Little Falls	\$15,000	January 2015
SALEM COUNTY Applicant	Description	Grant	Anticipated Completion
Riggins R. Paul Riggins P38901	Installation of a quick connect at 129 E. Main Street, Millville	\$15,000	March 2015
SOMERSET COUNTY Applicant	Description	Grant	Anticipated Completion
Belle Mead Valero Belle Mead Petroleum, LLC P38891	Installation of a quick connect at 862 Route 206 S, Hillsborough	\$15,000	January 2015
QuickChek - Hillsborough QuickChek Corporation P39148	Installation of a permanent generator at 273 Route 206, Hillsborough	\$65,000	March 2015
SUSSEX COUNTY Applicant	Description	Grant	Anticipated Completion
Montague Gulf Petrozino LLC P39101	Installation of a permanent generator at 15 Route 23, Montague	\$65,000	May 2015
Montague Valero ADPP Enterprises, Inc. P39051	Installation of a permanent generator at 9 Route 23 S, Montague	\$65,000	March 2015
QuickChek - Lafayette QuickChek Corporation P39204	Installation of a permanent generator at 35 Rte 15, Lafayette	\$65,000	March 2015
QuickChek - Sparta QuickChek Corporation P39200	Installation of a permanent generator at 312 Sparta Avenue, Sparta	\$65,000	March 2015
QuickChek - Wantage QuickChek Corporation P39173	Installation of a permanent generator at 270 Rte 23, Wantage	\$65,000	March 2015
UNION COUNTY Applicant	Description	Grant	Anticipated Completion
Bayway Exxon Petroleum Marketing Group Inc P39170	Installation of a permanent generator at 508 Brunswick Avenue, Elizabeth	\$65,000	May 2015
Citgo Linden HWY 34 LLC P39220	Installation of a quick connect at 741 E. Edgar Road, Linden	\$15,000	February 2015
Linden Exxon Petroleum Marketing Group P39167	Installation of a permanent generator 801 W. Edgar Road, Linden	\$65,000	March 2015
QuickChek - Rahway QuickChek Corporation P39177	Installation of a permanent generator 2001 Route 1 & 9 North, Rahway	\$65,000	March 2015

WARREN COUNTY Applicant	Description	Grant	Anticipated Completion
Mobil Gill Petroleum Inc P39135	Installation of quick connect at 468-474 Route 31 South, Washington	\$15,000	February 2015
QuickChek - Independence QuickChek Corporation P39178	Installation of a permanent generator at 918 County 517, Independence	\$65,000	March 2015
QuickChek - Washington QuickChek Corporation P39209	Installation of a permanent generator at 350 NJSH 57 W, Washington	\$65,000	March 2015
Quick-Chek – White QuickChek Corporation P39195	Installation of a permanent generator at 567 County Road 519, White	\$65,000	March 2015
Washington Valero APCO Petroleum Corp P39103	Installation of a permanent generator at 1389 Route 130, Washington	\$65,000	March 2015
62 Grants	Approved to Date	\$3,030,000	

REAL ESTATE

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: Right of Entry Agreement Extension
Authority Owned Property
South East Avenue and Pamphylia, Bridgeton, NJ

DATE: January 13, 2015

Summary:

I am requesting the Members' approval to enter into its standard Right of Entry Agreement with Gateway Community Action Partnership (formerly known as Tri-County Community Action Partnership) for a two (2) year term in order to continue to perform its environmental remedial investigation of Authority-owned property in Bridgeton, New Jersey with the option to extend the Right of Entry Agreement, if necessary, in accordance with the delegated authorities outlined in the Real Estate Division Operating Authority.

Background:

In 1986, the Authority guaranteed a \$1,081,435 Industrial Development Bond to Corpac Industries, Inc. The bond was secured by a mortgage on the subject property. Corpac was never able to get the business operational and ultimately filed bankruptcy, and the Authority acquired ownership of the 4.75 acres of vacant land through a deed in lieu of foreclosure from Corpac.

Gateway Community Action Partnership (Gateway) is a federally-designated Community Action Program (CAP) for Cumberland, Gloucester and Salem counties in southern New Jersey. The agency's mission is to provide services that improve the quality of life and promote self-sufficiency. Gateway is interested in developing the property with a 24,000 square foot neighborhood shopping center known as Southeast Gateway Plaza.

In 2008 and again in 2010, the Members previously approved a Right of Entry Agreement allowing Tri-County Community Action Partnership, now known as Gateway Community Action Partnership and its consultant to enter the property to perform a preliminary environmental site investigation. The Right of Entry Agreements will expire in January 2015 and Gateway has requested a renewal in order to continue their environmental remedial investigations at the site. The Gateway's Licensed Site Remediation Professional (LSRP) has been working with the New Jersey Department of Environmental Protection (NJDEP) under the

Hazardous Discharge Site Remediation Fund (HDSRF) grant program to conduct a remedial investigation for groundwater contamination associated with a former landfill on the property. The project encountered a one year delay in receipt of HDSRF funding which was received in 2014. In July of 2014, the remedial investigation resumed and six (6) groundwater monitoring wells were installed and the initial round of sampling occurred in August of 2014. A second round of sampling and testing occurred in November 2014. In order to complete the groundwater investigation a minimum of eight (8) rounds of quarterly groundwater sampling and testing will be required by NJDEP. The HDSRF fund has provided approximately \$147,000 to fund the remedial investigation at this site.

Gateway remains committed to the development of the Southeast Gateway project on this site and adjacent properties owned by the City of Bridgeton and will continue to indemnify the Authority and provide insurance coverage naming the Authority as an additional insured. Copies of reports generated by Gateway's investigation will be shared with the Authority. The final terms of the Right of Entry Agreement will be subject to the approval of the Chief Executive Officer, President/Chief Operating Officer and the Attorney General's Office.

Recommendation:

In summary, I am requesting the Members' approval to execute the Authority's standard Right of Entry Agreement with Gateway Community Action Partnership for two (2) years, on terms acceptable to the Chief Executive Officer, President/Chief Operating Officer and the Attorney General's Office with an option to extend, if necessary, as authorized under the Real Estate Division Operating Authority.



Timothy J. Lizura
President/Chief Operating Officer

Prepared by: Edward Clark

RIGHT OF ENTRY PERMIT

The NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ("NJEDA") grants to GATEWAY COMMUNITY ACTION PARTNERSHIP, formerly known as Tri-County Community Action Partnership, ("Gateway"), its employees, officers, agents, consultants and contractors, a right to enter upon lands identified as Block 190, Lot 1, Bridgeton, NJ, (the "Premises") for the following purposes and subject to the following terms and conditions:

1. Gateway may enter upon the Premises during reasonable business hours to conduct environmental investigation activities.
2. Gateway agrees that all work undertaken by Gateway and its consultants and/or contractors will comply with all applicable permits, approvals, ordinances, statutes, regulations, building codes and other applicable laws.
3. Gateway covenants and agrees to, at all times, indemnify, protect and save harmless NJEDA from and against all cost or expense resulting from any and all losses, damages, detriments, suits, claims, demands, costs and charges, which NJEDA may directly or indirectly suffer, sustain or be subject to by reason or on account of Gateway's entry upon or the conduction of activities by Gateway, its contractors, subcontractors, agents, officers, employees or invitees. In addition, Gateway shall require its respective contractors, consultants, agents, and representatives to defend, indemnify, and hold harmless NJEDA from and against any and all claims, actions, suits, complaints, and proceedings, including but not limited to any attorney's fees, costs of defense, judgments and damages which arise from or are in any way connected with the contractors', consultants', agents', or representatives' entrance upon and use of the Premises.
4. The consideration for this permit will be the sum of ONE DOLLAR (\$1.00), receipt of which is hereby acknowledged.
5. This permit shall be effective upon the date it is signed by both parties and shall remain in effect for a period of two years.
6. All consultants, agents, assignees, contractors, subcontractors, officers, or employees of Gateway shall be covered by adequate Workers' Compensation.
7. Gateway agrees that it:
 - a. will not create any condition during or after the completion of its investigations, which violates any city, state or other regulatory agency or is dangerous.

- b. will return the property to the condition which existed before commencement of the investigation or testing.
- c. will deliver to NJEDA a copy of all information, reports, studies, etc. which are compiled from the investigation or testing.
- d. will not permit the creation of any liens affecting the Premises and shall promptly pay and discharge any claims or liabilities which may become a lien against the Premises.
- e. will maintain in force and effect, either directly or through its contractors, insurance for liability and property damage, in an amount not less than Three Million Dollars (\$3,000,000), naming the NJEDA as an additional insured and provide proof of same to the NJEDA prior to commencement of any work on the Premises.

8. Termination: It is understood and agreed that the NJEDA hereby reserves unto itself the right to terminate this Agreement at any time, for any reason whatsoever or for no reason at all, upon giving not less than thirty (30) days prior written notice to Gateway. In the event of NJEDA's exercising such right of termination, the NJEDA shall be without further liability whatsoever to Gateway under this Agreement. Gateway agrees that it shall not be entitled to any damages of any nature whatsoever in the event of such termination.

8. This document shall not be recorded.

9. The undersigned have full power and authority to bind Gateway and NJEDA to this Agreement.

ATTEST:

GATEWAY COMMUNITY ACTION PARTNERSHIP

By: _____

Dated: _____, 20__

ATTEST:

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

By: _____

Timothy J. Lizura
President/Chief Operating Officer

Dated: _____, 20__



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: January 13, 2015

RE: Real Estate Impact Fund

Request:

The Members of the Board are requested to approve the revisions to the Real Estate Impact Fund Program Specifications as outlined below.

Background:

On September 11, 2014, the Members approved a new pilot loan fund, the Real Estate Impact Fund (the "Fund"), to support and foster redevelopment in strategic urban areas and other significant locations that would not otherwise occur in the near term and to strengthen existing opportunities and catalyze future development and private investment resulting in the creation of jobs. The Members approved the utilization of \$10 million of NJEDA funds to capitalize the Fund and certain Program Specifications including, but not limited to, a section regarding Rates, Repayment, and Participating Mortgage Loan Structure.

When the program specifications were being considered, it was expected that the Fund loan would be matching the applicant's equity in the project on a 1:1 basis. Accordingly, the repayment terms were structured to require payments be made from 50% of the project's net cash flow after payment of senior debt to match the Fund's contribution to the project. However, in discussing this requirement in detail with several potential applicants, it has come to our attention that applicants could possibly be contributing more equity than the amount of our Fund loan. Therefore, it would be unrealistic to expect the Fund loan be repaid from 50% of the project's net cash flow but rather to be repaid in a percentage equal to the percentage of Fund loan's contribution to the project in relation to the total equity contributed by the applicant. Additionally, as the amount of equity contributed to the project by the applicant is not finalized until the completion of the project, it is recommended that the percentage used to determine the

repayment from the project's net cash flow be determined at the completion of the project, issuance of a permanent certificate of occupancy and submission of the final project budget including sources and uses of funds.

Finally, it is also recommended that the amount of the project's net cash flow be defined as net cash flow after payment of all project debt, not just the senior lender debt, as some projects will have other sources of debt in addition to a senior lender. Accordingly, the collateral required for the Fund loan will generally be subordinate to all project debt, not just the senior lender debt.

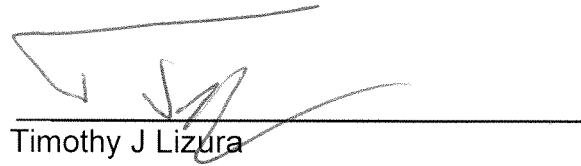
Below is a table illustrating the recommended revisions:

<u>Program Specifications approved on 9/11/2014</u>	<u>Recommended Program Specifications 1/13/2015</u>
<p data-bbox="235 718 711 785">Rates, Repayment, and Participating Mortgage Loan Structure</p> <ul data-bbox="284 835 795 1717" style="list-style-type: none"> <li data-bbox="284 835 795 903">• Loan Interest Rate during term shall be 3% <li data-bbox="284 911 795 1717">• During the term of the loan, interest shall accrue at the stated interest rate and payments shall be made from 50% of project's net cash flow, after payment of senior debt. In the event 50% of the net cash flow is insufficient to pay interest only, then any unpaid interest shall accrue and be added to the outstanding principal balance. In the event 50% of the net cash flow is in excess of the current interest, then the payment shall first be applied to accrued interest, if any, and then to reduce outstanding principal. All unpaid or deferred interest payments and principal plus amount equal to effective rate per below shall be due in full at end of loan term or at a Liquidity Event <p data-bbox="235 1768 795 1866">At approval, the Board shall determine the effective Rate of the loan, which shall range between 3% and 10%, determined</p>	<p data-bbox="826 718 1286 785">Rates, Repayment and Participating Mortgage Loan Structure</p> <ul data-bbox="875 835 1386 1873" style="list-style-type: none"> <li data-bbox="875 835 1386 903">• Loan Interest Rate during term shall be 3% <li data-bbox="875 911 1386 1873">• During the term of the loan, interest shall accrue at the stated interest rate and payments shall be made from the project's net cash flow, after payment of all project debt, based on the percentage of the Fund loan in relation to the percentage of the actual total equity contributed by the applicant to the project determined at the time of completion of the project, issuance of a permanent certificate of occupancy and submission of the final project budget including final sources and uses of funds. However, in no event shall the actual total equity contributed by the applicant to the project be less than what was presented at the time of approval of the Fund loan. In the event net cash flow is insufficient to pay interest only, then any unpaid interest shall accrue and be added to the outstanding principal balance. In

<p>by the economic feasibility and the need of the Impact Fund loan to the viability of the project, the economics pertaining to the return on investment, and the ability to attract the required Investment, and shall be due and payable at the earlier of the end of the loan term or at a Liquidity Event, on terms and conditions mutually agreed upon based on the structure and merits of the project</p>	<p>the event the percentage of net cash flow is in excess of the current interest, then the payment shall first be applied to accrued interest, if any, and then to reduce outstanding principal. All unpaid or deferred interest payments and principal plus amount equal to effective rate per below shall be due in full at the end of the loan term or at a Liquidity Event.</p> <p>At approval, the Board shall determine the effective Rate of the loan, which shall range between 3% and 10%, determined by the economic feasibility and the need of the Impact Fund loan to the viability of the project, the economics pertaining to the return on investment, and the ability to attract the required Investment, and shall be due and payable at the earlier of the end of the loan term or at a Liquidity Event, on terms and conditions mutually agreed upon based on the structure and merits of the project</p>
<p>Lien/Collateral/Security</p> <ul style="list-style-type: none"> -Generally subordinate to senior debt, secured by a mortgage -No personal guarantees required -Second assignment of all leases 	<p>Lien/Collateral/Security</p> <ul style="list-style-type: none"> • Generally subordinate to all project debt, secured by a mortgage and assignment of all leases • No personal guarantees required

Recommendation

The Members of the Board are requested to approve the recommended revisions to the Fund as outlined above and on the attached Program Specifications. .



Timothy J Lizura

Prepared by: Margaret Piliere

Real Estate Impact Fund
 Program Specifications
 January 2015

<p>Eligible Projects</p>	<p>Real estate development projects, including mixed-use (residential and minimum 20% commercial); retail; office; industrial;; entertainment venues; associated parking garage structures and/or land acquisition/assemblages for development. Residential only projects are ineligible. Small and mid-size development projects, typically not exceeding total project costs of \$15 million. Projects can be either new construction or substantial rehabilitation (defined as rehabilitation costs equaling not less than 50% of the value of the property after rehabilitation (excluding land value).</p>
<p>Eligible Uses</p>	<p>Loan proceeds can be used for eligible project development costs, including property acquisition and assembly; demolition and site clearance; environmental investigation and remediation; pre-development costs; on-site infrastructure; general construction and/or rehabilitation; and associated soft development expenses</p>
<p>Eligible Applicants</p>	<p>For profit and non-profit developers and business entities with demonstrated experience in successfully completing similar projects</p>
<p>Targeted Areas</p>	<p>Projects must be located within municipalities qualified to receive assistance under P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.); or within Fort Monmouth or be New Jersey university/college sponsored projects that are public-private partnerships that promote emerging technologies or industries</p>
<p>Loan Amounts</p>	<ul style="list-style-type: none"> • Minimum loan amount of \$250,000 • Maximum loan amount of \$3,000,000 • Loan shall not exceed 25% of total project costs • Total public (federal, state and/or local government) funding cannot exceed 50% of total project costs • If the project's returns are in excess of the JLL model without the Impact fund loan then the project will not qualify for in Impact Fund loan

Loan Term	Maximum 10 years, commencing upon construction completion; loan due at earlier of refinancing, sale of property, ownership change/transfer (together, "Liquidity Event"), or end of loan term
Rates, Repayment, and Participating Mortgage Loan Structure	<ul style="list-style-type: none"> • Loan Interest Rate during term shall be 3% • During the term of the loan, interest shall accrue at the stated interest rate and payments shall be made from the project's net cash flow, after payment of all project debt based on the percentage of the Fund loan in relation to the percentage of the total equity contributed by the applicant to the project determined at the time of completion of the project, issuance of a permanent certificate of occupancy and submission of the final project budget including final sources and uses of funds. However, in no event shall the actual total equity contributed by the applicant to the project be less than what was presented at the time of approval of the Fund loan. In the event net cash flow is insufficient to pay interest only, then any unpaid interest shall accrue and be added to the outstanding principal balance. In the event the percentage of net cash flow is in excess of the current interest, then the payment shall first be applied to accrued interest, if any, and then to reduce outstanding principal. All unpaid or deferred interest payments and principal plus amount equal to effective rate per below shall be due in full at the end of the loan term or at a Liquidity Event. • At approval, the Board shall determine the effective Rate of the loan, which shall range between 3% and 10%, determined by the economic feasibility and the need of the Impact Fund loan to the viability of the project, the economics pertaining to the return on investment, and the ability to attract the required Investment, and shall be due and payable at the earlier of the end of the loan term or at a Liquidity Event, on terms and conditions mutually agreed upon based on the structure and merits of the project
Investment Match and Other Funding	<ul style="list-style-type: none"> • Applicant must provide Owner Equity equal to a minimum of 20% of total project costs and must match Impact Fund investment of at least 1:1; Owner Equity shall not include grants or developer fee • Total public (federal, state and/or local government)

	funding, including all Authority funding, cannot exceed 50% of total project costs
Lien/Collateral/ Security	<ul style="list-style-type: none"> • Generally subordinate to all project debt, secured by a mortgage and assignment of all leases • No personal guarantees required •
Funding Disbursement	Funding will be made available at start of construction, proportionate to other construction funds, with standard 10% retainage
Job Creation	Minimum of 1 FTE job to be created/maintained per \$65,000 of loan funds
Readiness to Proceed	Projects shall evidence other funding commitments, design and construction documents, and generally be ready to commence construction within six months of approval
Fees	<ul style="list-style-type: none"> • Application fee: \$2,500 • Commitment fee: 0.875% of loan amount • Closing fee: 0.875% of loan amount • Applicants will reimburse NJEDA for any third party fees (e.g. appraisals, market studies, etc.) that the Authority deems necessary and incurs during application review and prior to Board approval
Board Approval	Board approval required for each project
Loan Administration	Authority review and approval of annual project operating budgets, annual audits or reviewed financial statements, and cash flow statements from operations to confirm annual net cash flow payments



MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: January 13, 2015

RE: **East Grand Associates Urban Renewal Entity, LLC**
P 40400

Request

The Members are asked to approve the application of East Grand Associates Urban Renewal Entity, LLC (“EG” or the “Applicant”) for a Real Estate Impact Fund Loan (“Impact Fund”) in the amount of \$1,270,000. Concurrent with this request, EG is seeking approval of an Economic Redevelopment and Growth Grant (“ERG”) in the amount of \$4,794,204 (P 39301).

Project Description

EG is proposing a new development located at 860 East Grand Street in Elizabeth. The Project consists of 55,463 square feet on 4.1 acres on the Eastern side of the city (Routes 1 & 9 as the bisecting artery) an area characterized as a “food desert”. This development includes a 25,059 square foot Foodtown (twenty year lease signed) and Dollar General (9,000 square feet draft lease) with letters of interest from fast food operators (1,200 and 2,000 square feet), a nail salon (1,640 square feet), a laundromat (5,000 square feet), a wireless carrier (1,000 square feet), a liquor store (6,000 square feet) and a bank (2,164 square feet). Lastly, a fast food pad for 2,400 square feet is under lease negotiations which are part of the project. This project meets the requirements of the Impact Fund in terms of project description, area and loan amount (including loan not to exceed 25% of total project costs and total public funding not to exceed 50% of total project costs).

The Project has recently completed environmental remediation (as the site was a former New Jersey Transit Bus maintenance facility) at a cost of approximately \$2 million paid for by the owner of the property, the City of Elizabeth. This cost is excluded from the budget. It is anticipated that a closing on the property and financing will occur in March of 2015 at which time construction will commence with anticipated completion in the fourth quarter of 2016.

Upon completion of this Project there is expected to be 90 new, full time, direct jobs and an estimated 71 construction jobs. The Impact Fund has a requirement for a minimum of one new job be created/maintained per \$65,000 of loan funds and this project has a ratio of assistance to new jobs of \$14,111 thereby meeting the requirement. New employee wage compensation is projected at \$2.5 million annually (average salaries are approximately \$28,419). The project is also anticipated to generate more than \$600,000 in annual local and State taxes.

Project Ownership

EG is wholly owned by East Grand Associates, LLC (“EGA”). EGA is owned 20% by East Grand Division LLC and 80% by Majic Elizabeth I, LLC. Majic Elizabeth I, LLC’s ownership includes George Jacobs, Peter Jacobsen and Fairview Realty Associates, LLC. Messrs. Jacobs and Jacobsen are members of Jacobs Enterprises, Inc. (“JE”) a full service real estate development firm. For details on the financial capacity and resources of the owners refer to the confidential memorandum which is attached at the end of the ERG memorandum.

In December of 2010, East Grand & Division, LLC was named the redeveloper of the Project by the City of Elizabeth as approved by Council. In July of 2014, City Council adopted a resolution designating EG as the new developer of the project (reflective of the new joint venture partner).

Jacobs Enterprises, Inc. is a development, consulting, management, and brokerage company focused on the retail and multi-family residential sectors. JE specializes in mixed-use development and complex redevelopment situations that encompass many other real estate sectors, including industrial, office and hotel as well as retail and residential facilities. JE manages properties and portfolios on behalf of third-parties. These services include property and asset management, leasing, construction and rehabilitation, and financing. Clients include family estates and holdings, fiduciaries and trustees, and financial institutions. Counseling services provided by JE are diverse and usual in support of attorneys and trustees in litigation or bankruptcy matters. JE also frequently serve as court-appointed receivers and advisers. Additionally, JE will step in as developers-for-a-fee for companies that are not looking to sell but do wish to accrete value to their real estate assets. JE acquires and develops properties throughout New Jersey, Pennsylvania, New York, and Connecticut. Portfolio of projects owned and/or managed is in excess of 1,250,000 square feet.

George Jacobs is President and majority owner of JE with over 25 years of experience in real estate development, asset management, consulting, and brokerage. Mr. Jacobs was a development and leasing/financing executive with Hartz Mountain and the Kaplan Organization before starting JE in 1990. Mr. Jacobs was directly involved in the development of over 10 million square feet of projects at these two companies. Mr. Jacobs holds Masters degrees from both Harvard and Rutgers, and currently serves on a number of boards, including the Advisory Councils of both Provident Bank and Union Center National Bank, the ICSC Alliance Program (state co-chairman), the Smart Growth Coalition, past president of the Counselors of Real Estate, the State’s Greyfields Task Force, the City of Clifton’s Economic Advisory Committee, Downtown New Jersey, and Board member of the New Jersey Apartment Association. Mr. Jacobs is licensed in New Jersey and Pennsylvania as a Real Estate Broker and in New Jersey as a Professional Planner.

Peter A. Jacobsen brings nearly two decades of management and brokerage experience to his position of Chief Operating Officer of JE. With a strong aptitude for strategic planning, Mr. Jacobsen is charged with the daily operation of the business and oversees the leasing, asset management, property management and accounting functions. Mr. Jacobsen started his career with Charles H. Greenthal Group, one of the largest privately owned residential property managers in Manhattan, where he managed luxury condos and co-ops before transitioning into leasing retail, office, and professional space. Mr. Jacobsen moved to the brokerage side representing retail tenants in developing expansion strategies while with Equis Corp., Trammell Crow, and Madison HGCD. Client roster included Coach, Sephora, Tiffany's, Barney's New York, Cosi and many other retailers. Mr. Jacobsen is a graduate of New York University, a licensed real estate broker in New York and New Jersey and an active member of the International Council of Shopping Centers.

William Santianna is the controller of JE possessing a diverse background in real estate property management, development, environmental remediation, and media advertising that spans over 20 years. Mr. Santianna was previously employed as the controller for Spinnaker Real Estate Partners and its predecessor organization for over 11 years where he supervised daily accounting operation including budgeting, cash flow, and tenant issues, while working closely with the property operations team and senior management. Mr. Santianna is a graduate of Rowan University.

Project Uses

<i>Uses (thousands)</i>	<i>Amount</i>
Land	\$ 3,100,000
Construction & Site	\$ 9,560,983
Professional Services	\$ 1,355,000
Financing & Soft Costs	\$ 2,288,599
Contingency	\$ 738,715
Developer Fee	\$ 0
TOTAL USES	\$ 17,043,297

Project Sources

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

<i>Sources</i>	<i>Amount</i>
Bank Loan	\$ 8,700,000
UEZ Loan	\$ 2,000,000
Grant from City of Elizabeth	\$ 1,426,495
NJEDA Impact Fund	\$ 1,270,000
Developer Equity	\$ 3,646,802
TOTAL SOURCES	\$ 17,043,297

Note that developer equity of \$3.6 million above represents 21% of the project costs thereby satisfying the Impact Fund program requirement of at least 20% equity contribution and that owner equity must at least match the Impact Fund investment 1:1.

The Applicant has provided a letter of commitment from Valley National Bank for construction and permanent financing (amounting to \$8.7 million). Additionally, a term sheet from Elizabeth Development Company (“EDC”) for a \$2 million subordinated loan from the City’s urban enterprise funds was provided with expectations that this loan will be approved within the next 60 days. The sources of funds to complete the project further includes \$1.43 million in grant funds from the City of Elizabeth, developer equity and the requested Impact Fund.

The project gap is calculated based on the Equity Internal Rate of Return identified in the gap analysis, which will be discussed below. These returns are calculated with and without the Impact Fund and ERG cash flows to compare the returns.

Gap Analysis

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

Without Impact Fund Loan	With Impact Fund Loan
Equity IRR 1.17%	Equity IRR 14.18%

As indicated in the chart above, the project would not otherwise be completed without the benefit of the Impact Fund Loan (and the ERG). **With the benefit of the Impact Fund (as well as the ERG), the Equity IRR is 14.18% which is slightly below the Hurdle Rate Model provided by EDA’s contracted consultant Jones Lang LaSalle which indicates a maximum IRR of 14.76% for a retail project located in Elizabeth.**

Real Estate Impact Fund Terms

The interest rate of the loan shall be 3%, with a beginning principal balance of \$1,270,000, and loan term of 10 years. Interest shall be made from 25.83% of the Project’s net cash flow, after payment of senior debt and UEZ loan. This percentage is based on the \$1,270,000 Impact Fund loan divided into the total equity contribution of \$4,916,802 based upon the budget submitted (should the actual costs increase at time of CPA certification, the percentage of cash flow may be revised downward accordingly). In the event 25.83% of the net cash flow is insufficient to pay interest only, then unpaid interest shall accrue and be added the outstanding balance. In the event 25.83% of net cash flow is in excess of the current interest, then the payment shall first be applied to accrued interest, if any, and then to reduce outstanding principal. All unpaid or deferred interest payments and principal plus an additional payment for the NJEDA to earn an agreed upon effective rate shall be due and payable at the earlier of the end of the loan term or a liquidity event.

The Impact Fund will have 0% interest from the date of closing until project completion which is expected to be a period of eighteen months.

The projected cash flow upon project stabilization shows that the project will be able to both pay the proposed annual interest obligation and reduce principal outstanding of the Impact Fund as well as other obligations within the project's capital structure. The principal outstanding of the Impact Fund at the end of year 10 is projected to be zero with a total payment of approximately \$500,000 recouped by the EDA in order to achieve an effective rate of 7% over the 10 term of the loan.

Collateral

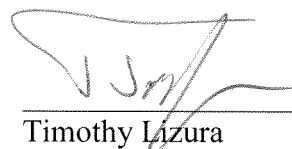
<u>Description</u>	Collateral Value
Second mortgage lien (shared pro rata, pari passu with EDC) on East Grand and Division Streets (block 8, lots 429 and 1123), Elizabeth, NJ. Value shown is minimum "as completed" appraisal to be provided. Second (shared with EDC) assignment of rents and leases.	\$12,000,000
LTV (\$8,700,000 bank loan + \$2 million UEZ loan + \$1,270,000 Impact Fund / \$12,000,000 collateral value)	100%

Recommendation

\$1,270,000 loan from the Impact Fund loan is recommended.

Closing of the loan is contingent upon East Grand Associates Urban Renewal Entity, LLC meeting the following conditions regarding the Project:

1. Financing commitments for all Project funding sources are consistent with the information provided by the Applicant in its application to the Authority for the loan;
2. Evidence of site control and site plan approval for all properties within the Project;
3. Satisfactory review by NJEDA real estate division of project cost reasonableness.
4. Actual operating results to be reviewed by NJEDA Real Estate division on annual basis.



Timothy Lizura
President and Chief Operating Officer

Prepared by: Michael A. Conte

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: January 13, 2015

RE: Technology Centre of New Jersey
Amendment to Payment in Lieu of Tax Agreement with North Brunswick
Township

Summary

The Members are asked for approval to amend the existing Payment in Lieu of Tax (“PILOT”) Agreement with the Township of North Brunswick (“Township”). The amendment will revise the PILOT rates for each tenant at the Technology Centre of New Jersey.

Background

At the April, 1996 meeting, the Members approved a PILOT agreement with the Township of North Brunswick. Since then, the Members have approved five amendments to the agreement.

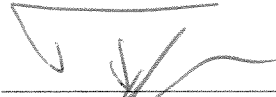
Discussions with the Township regarding the PILOT rates for 2015, 2016 and 2017 have resulted in proposed rates per the attached schedule. Rates will remain flat for 2015, and increase by 2% for each of the two subsequent years with the exception of Merial’s rate, which will remain flat for the three year term.

Because the PILOT is an obligation of the tenants and not the Authority, each proposed rate must be approved by the respective tenant. The PILOT amendment will be executed by the Authority only after written agreement from all the tenants is received. The only exceptions are Orthobond, a tenant in the Tech III building, and Commercialization Centre for Innovative Technologies tenants, all of which have executed gross leases which include PILOT payments. Accordingly, the cost of any increased PILOT for these tenants will be borne by the Authority as the landlord.

The attached Sixth Amendment to Agreement is in substantially final form. The final terms of the Sixth Amendment will be subject to revisions, although the basic terms and conditions will remain consistent with those in the attachment. The final terms of the Sixth Amendment will be subject to the approval of the President and the Attorney General’s Office.

Recommendation

In summary, I am requesting the Board Member's approval to amend the existing PILOT Agreement with the Township as described above and on the attached sheet, and to make all other changes necessary to carry out this transaction on terms acceptable to the Chief Executive Officer, the President/Chief Operating Officer and the Attorney General's Office.



Timothy J. Lizura
President/Chief Operating Officer

Prepared by: Christine Roberts

SIXTH AMENDMENT TO AGREEMENT CONCERNING
PAYMENT IN LIEU OF TAXES AND OTHER MATTERS

This Sixth Amendment to Agreement Concerning Payment in Lieu of Taxes made as of this _____ day of _____, 2015, by and among the TOWNSHIP OF NORTH BRUNSWICK (the "Township"), a municipality of the State of New Jersey with offices at 710 Hermann Road, North Brunswick, New Jersey 08902, and the New Jersey Economic Development Authority (the "EDA"), an instrumentality of the State of New Jersey with offices at 36 West State Street, Post Office Box 990, Trenton, New Jersey 08625 (being hereafter collectively referred to as the "Parties").

WITNESSETH

WHEREAS, the EDA is the owner of the Technology Centre of New Jersey (the "Tech Centre"), which is located in North Brunswick Township; and

WHEREAS, the EDA continues to develop the Tech Centre as an economic development project by leasing space at the Tech Centre. Private sector tenants ("Tenants") who lease space at the Tech Centre are required by New Jersey statute to make payments in lieu of taxes ("P.I.L.O.T."); and

WHEREAS, the Parties entered into an Agreement Concerning Payment in Lieu of Taxes, (the "P.I.L.O.T. Agreement"), dated June 3, 1996, which establishes a method for calculating P.I.L.O.T. owed by Tenants in connection with their occupancy of lease space at the Tech Centre; and

WHEREAS, the Parties entered into an Amendment to Agreement for the calendar years 2000 to 2002, inclusive; and

WHEREAS, the Parties entered into a Second Amendment to Agreement for the calendar years 2003 to 2005, inclusive; and

WHEREAS, the Parties entered into a Third Amendment to Agreement for the calendar years 2006 to 2008, inclusive; and

WHEREAS, the Parties entered into a Fourth Amendment to Agreement for the calendar years 2009 to 2011, inclusive; and

WHEREAS, the Parties entered into a Fifth Amendment to Agreement for the calendar years 2012 to 2014, inclusive; and

WHEREAS, the Fifth Amendment to Agreement requires the parties to renegotiate and enter into a revised agreement for the calendar years 2015 to 2017, inclusive; and

WHEREAS, the Parties, with the consent of each of the Tenants who pay P.I.L.O.T., have agreed upon a revised method for calculating P.I.L.O.T.;

NOW, THEREFORE, the Parties agree to amend, reaffirm and continue the P.I.L.O.T. Agreement as follows:

1. Paragraph 2 of the P.I.L.O.T. Agreement shall be amended by incorporating the attached schedule of tenants and P.I.L.O.T. rates for calendar years 2015, 2016 and 2017. For calendar years 2015, 2016 and 2017, each Tenant listed on the attached schedule shall be assessed the amount of P.I.L.O.T. indicated on the attached schedule.
2. Payments are to be made by the Tenants and the EDA will act as a collection agency transferring the P.I.L.O.T. monies from Tenants to the Township of North Brunswick. Payments are to be remitted to the Township in four (4) quarterly installments to be paid on or before April 10th, July 10th, October 10th and January 10th.
3. The Township reserves the right to assess Tenants' interest at the statutory rate (N.J.S.A. 54:4-67) for late payment of the P.I.L.O.T. EDA agrees to cooperate with the Township in identifying any Tenant who does not make timely P.I.L.O.T. payments.
4. For calendar year 2018 and subsequent years, assessment of P.I.L.O.T. for the above listed buildings will be set at mutually agreed upon amounts.
5. For new Tenants who occupy either a newly constructed building or a previously existing building at the Tech Centre, assessments and P.I.L.O.T. amounts will be mutually agreed upon based on the level of improvements in the premises occupied by each Tenant.
6. EDA will make diligent efforts to collect the payments mentioned in Paragraph 1 above from Tenants and forward such payments to North Brunswick Township by the due dates. As used in this paragraph "diligent efforts to collect" does not mean declaring a Tenant to be in default under its lease or initiating legal action.
7. P.I.L.O.T. assessed under the P.I.L.O.T. Agreement (including the provisions of this Sixth Amendment) shall satisfy all of the ad valorem property tax obligations imposed upon the Tech Centre and shall be consistent with all applicable statutory standards. The Township shall share P.I.L.O.T. received under the P.I.L.O.T. Agreement (including the provisions of this Amendment) with the County of Middlesex and the North Brunswick Township Board of Education only if and to the extent so required under applicable state statutes.

Except as expressly amended herein, all of the provisions of P.I.L.O.T. Agreement shall remain in full force and effect and are hereby ratified, renewed, confirmed and continued in the entirety. Terms used in this Sixth Amendment to P.I.L.O.T. Agreement shall have the same meaning given to them in the P.I.L.O.T. Agreement.

IN WITNESS WHEREOF, the Township of North Brunswick and the New Jersey Economic Development Authority have each caused this Sixth Amendment to be duly executed in its name and behalf as of the date first above written.

ATTEST:

TOWNSHIP OF NORTH BRUNSWICK

Clerk

Mayor

ATTEST:

NEW JERSEY ECONOMIC
DEVELOPMENT AUTHORITY

PILOT Agreement 2015-2017

Technology Centre of New Jersey - North Brunswick, New Jersey

Tenant	Square Feet	2015		2016		2017		Annual Amount	Annual Amount	Monthly Amount	PILOT/SF	PILOT/SF	PILOT/SF	PILOT/SF	Annual Amount	Annual Amount	Monthly Amount
		PILOT/SF	Annual Amount	PILOT/SF	Annual Amount	PILOT/SF	Annual Amount										
Premier	36,500	\$4.03	\$147,095.00	\$12,257.92	4.11	\$150,015.00	4.19	\$152,935.00	\$12,744.58	4.19	\$152,935.00	\$12,744.58		\$152,935.00	\$12,744.58		
Tech I - Merial	75,674	\$7.30	\$552,420.20	\$46,035.02	7.30	\$552,420.20	7.30	\$552,420.20	\$46,035.02	7.30	\$552,420.20	\$46,035.02		\$552,420.20	\$46,035.02		
Tech II - Vacant	27,775	NA			NA		NA			NA							
Tech II - Actavis (fka Watson)	32,341	\$5.67	\$183,373.47	\$15,281.12	5.78	\$186,930.98	5.90	\$190,811.90	\$15,577.58	5.90	\$190,811.90	\$15,577.58		\$190,811.90	\$15,577.58		
Tech III - CCIT*	40,873	\$5.95	Varies*	Varies*	6.07	Varies*	6.19	Varies*	Varies*	6.19	Varies*	Varies*		Varies*	Varies*		
Tech III - Sophion	5,125	\$5.72	\$29,315.00	\$2,442.92	5.83	\$29,878.75	5.95	\$30,493.75	\$2,489.90	5.95	\$30,493.75	\$2,489.90		\$30,493.75	\$2,489.90		
Tech III - Orthobond	7,066	\$5.95	\$42,042.70	\$3,503.56	6.07	\$42,890.62	6.19	\$43,738.54	\$3,574.22	6.19	\$43,738.54	\$3,574.22		\$43,738.54	\$3,574.22		
Tech III - Rutgers	26,832	Exempt			Exempt		Exempt			Exempt							
Tech IV - Chromocell	26,884	\$5.95	\$159,959.80	\$13,329.98	6.07	\$163,185.88	6.19	\$166,411.96	\$13,598.82	6.19	\$166,411.96	\$13,598.82		\$166,411.96	\$13,598.82		
Tech IV - Vacant	31,946	NA			NA		NA			NA							
Tech V - Vacant	26,000	NA			NA		NA			NA							
Total Technology Centre	337,016		\$1,114,206.17	\$92,850.51		\$1,125,321.43		\$1,136,811.35	\$93,776.79		\$1,136,811.35	\$94,734.28		\$1,136,811.35	\$94,734.28		

* PILOT varies - paid only on tenant occupied space



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: January 13, 2015

SUBJECT: Real Estate Division Delegated Authority for Leases, CCIT Grants, and Right of Entry (ROE)/ Licenses for Fourth Quarter 2014
For Informational Purposes Only

The following approvals were made pursuant to Delegated Authority for Leases and ROE/ Licenses in October, November and December 2014.

LEASES / CCIT GRANTS

<u>TENANT</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>TERM</u>	<u>S.F.</u>	<u>CCIT GRANT</u>
Conversion Energy	CCIT	Lease Holdover	Month to Month	800 s/f	N/A
Vasade Bioscience	CCIT	Lease Holdover	Month to Month	800 s/f	N/A
Grace Therapeutics	CCIT	New Lease	One Year	1600 s/f	N/A
Kamat Pharmaceuticals	CCIT	Lease Extension	One Year	1000 s/f	N/A
FLUIDDA	CCIT	Lease Extension	One Year	125 s/f	N/A
Nutrasorb	CCIT	Lease Extension	One Year	125 s/f	N/A
Brighter Ideas	CCIT	Lease Holdover	Month to Month	800 s/f	N/A
Novanex	CCIT	Lease Extension	One Year	800 s/f	N/A
Nexomics	CCIT	Lease Extension	One Year	800 sf	N/A
QualComp Consulting	CCIT	Lease Extension	One Year	900 s/f	N/A

RIGHT OF ENTRY/LICENSES

<u>ENTITY</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>CONSIDERATION</u>
Comcast	Barnes Street Parking Lot	Grant of Easement for Access to provide Service to St. Mary's Cathedral (access to pole)	-\$0-



Timothy J. Lizura
President/ Chief Operating Officer

Prepared by: Donna T. Sullivan