



MEMORANDUM

TO: Members of the Authority
FROM: Melissa Orsen
Chief Executive Officer
DATE: August 8, 2017
SUBJECT: Agenda for Board Meeting of the Authority August 8, 2017

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Authority Matters

Incentive Programs

Bond Projects

Loans/Grants/Guarantees

Edison Innovation Fund

Office of Recovery

Real Estate

Board Memorandums

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

July 13, 2017

MINUTES OF THE MEETING

Members of the Authority present: Chairman Thomas Scrivo; Patrick Mullen representing Commissioner Richard Badolato of the Department of Banking and Insurance; Peter Simon representing State Treasurer Ford M. Scudder; Jeffrey Stoller representing Commissioner Aaron Fichtner of the Department of Labor and Workforce Development; Colleen Kokas representing Commissioner Bob Martin of the Department of Environmental Protection; Public Members: Larry Downes, Philip Alagia, David Huber, Fred B. Dumont; and Harold Imperatore, Third Alternate Public Member.

Present via conference call: Public Member Charles Sarlo.

Absent: Public Members: Massiel Medina Ferrara, William Layton, Patrick Delle Cava, First Alternate Public; William J. Albanese, Sr., Second Alternate Public Member; and Rodney Sadler, Non-Voting Member.

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

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

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the June 13, 2017 meeting minutes. A motion was made to approve the minutes by Mr. Alagia, and seconded by Mr. Huber and was approved by the 10 voting members present.

The next item of business was the approval of the June 13, 2017 executive session meeting minutes. A motion was made to approve the minutes by Mr. Downes, and seconded by Mr. Imperatore and was approved by the 10 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: 2016 Comprehensive Annual Report

REQUEST: To approve the Authority's comprehensive annual report for 2016, as required under Executive Order No. 37.

MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. Simon **AYES:** 10

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

Mr. Sarlo joined the meeting via conference call.

ITEM: New Jersey Asset Management Data System

REQUEST: To approve entering into a contract with a technology vendor to provide services to the Authority, in collaboration with the Office of the Secretary of Higher Education, related to the creation and maintenance of a New Jersey Asset Management Data System.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

INCENTIVE PROGRAMS

Grow New Jersey Assistance Program

ITEM: 1661, Inc., dba GOAT APPL.#44277

REQUEST: To approve the application of 1661, Inc., dba GOAT for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Secaucus Town, NJ. Project location of Secaucus, Hudson County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development. The estimated total award is \$256,600 for a 10-year term.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

ITEM: Jet.com APPL.#44260

REQUEST: Approve the recommendation not to disqualify.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ITEM: Jet.com

APPL.#44260

REQUEST: To approve the application of Jet.com for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Hoboken City, NJ. Project location of Hoboken, Hudson County qualifies as an Urban Transit Hub Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development, Jobs with Salary in Excess of County Average, Large Number of New/Retained F/T Jobs. The estimated total award is \$2,576,000 for a 10-year term.

MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Simon **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

ITEM: Modern Meadow, Inc.

APPL.#44288

REQUEST: To approve the application of Modern Meadow, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Nutley Township, NJ. Project location of Nutley Township, Essex County qualifies as a Mega Project under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Jobs with Salary in Excess of County Average, Large Number of New/Retained F/T Jobs, Targeted Industry (Manufacturing), Mega Ind. Project w/ Cap. Inv. in Excess of Min., Vacant Commercial Building in excess of 1,000,000 sq. ft. The estimated total award is \$3,221,750 for a 10-year term.

MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Imperatore **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: Nuts.com

APPL.#44251

REQUEST: To approve the application of Nuts.com for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Jersey City, NJ. Project location of Jersey City, Hudson County qualifies as an Urban Transit Hub Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development, Jobs with Salary in Excess of County Average, Targeted Industry (Manufacturing), Exceeds LEEDs Silver or Substantial Env. Remed. The estimated total award is \$1,237,500 for a 10-year term.

MOTION TO APPROVE: Mr. Huber **SECOND:** Ms. Kokas **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

ITEM: Richland Glass Co., Inc.

APPL.#44176

REQUEST: To approve the finding of jobs at risk.

MOTION TO APPROVE: Mr. Dumont **SECOND:** Ms. Kokas **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

ITEM: Richland Glass Co., Inc. APPL.#44176

REQUEST: To approve the application of Richland Glass Co., Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Vineland City, NJ. Project location of Vineland City, Cumberland County qualifies as a Distress Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of Minimum (non-Mega), Targeted Industry (Manufacturing), 2007 Revit. Index less than 465 in Cumberland County, On site Solar Generation of ½ of Project's Elec. Needs. The estimated total award is \$228,347 for a 10-year term.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

Grow New Jersey Assistance Program – Modifications

ITEM: Chelten House Products, Inc. APPL.#41334

REQUEST: To consent to reduce the size of the building at Progress Court, reduce the proposed capital investment at Progress Court, increase the proposed capital investment at Heron Court, and consent to a second six-month extension.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

ITEM: LiDestri Foods Inc. & Pennsauken Packing Company, LLC. APPL.#38764

REQUEST: To consent to a second six-month extension to certify its project at the QBF.

MOTION TO APPROVE: Mr. Huber **SECOND:** Mr. Mullen **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: TR U.S. Inc. APPL.#38872

REQUEST: To consent to a second six-month extension to meet its commitment of jobs.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

BOND PROJECTS

Bond Resolutions

ITEM: New Jersey Economic Development Authority/Motor Vehicle Surcharges Subordinate Revenue Refunding Bonds, 2017 Series A & B

REQUEST: To approve the adoption of the Bond Resolution and several actions and delegation of actions; the forms; the use of professionals; the reduction of the statutory bond closing fee; and authorize Authority staff to take all necessary actions incidental to the issuance of the 2017 Refunding Bonds

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

ITEM: New Jersey Economic Development Authority/Motor Vehicle Surcharges Subordinate Revenue Refunding Bonds, 2017 Series A & B

REQUEST: To approve the adoption of the First Supplemental Resolution; several actions and delegation of actions; the forms; the use of professionals; the reduction of the statutory bond closing fee; and authorize Authority staff to take all necessary actions incidental to the issuance of the 2017 Refunding Bonds

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

ITEM: New Jersey Economic Development Authority/Motor Vehicle Surcharges Subordinate Revenue Refunding Bonds, 2017 Series A & B

REQUEST: To approve 1. the adoption of the Fourth Supplemental Senior Resolution; several actions and delegation of actions; the forms; the use of professionals; the reduction of the statutory bond closing fee; and authorize Authority staff to take all necessary actions incidental to the issuance of the 2017 Refunding Bonds

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

Combination Preliminary and Bond Resolutions

ITEM: Friends of Hatikvah International Academy Charter School, Inc.* APPL.#44289

LOCATION: East Brunswick Township, Middlesex County

PROCEEDS FOR: Refinancing, Acquisition, Renovation, Working Capital

FINANCING: \$13,235,000 Tax Exempt Bond, \$265,00 Taxable Bonds

MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Huber **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

Premier Lender Program (PLP)

PROJECT: 5RG Realty LLC

APPL.#44158

LOCATION: Paterson City, Passaic County

PROCEEDS FOR: Acquisition of building

FINANCING: \$4,320,000 bank loan with a \$2,000,000 EDA participation

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

PROJECT: Soul Focus Building LLC APPL.#44265
LOCATION: Eatontown Borough, Monmouth County
PROCEEDS FOR: Acquisition of building
FINANCING: \$2,350,000 bank loan with a \$822,500 EDA participation
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Imperatore **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

Petroleum Underground Storage Tank (PUST)

ITEM: Summary of NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Stoller **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

PROJECT: Bloomingdale Warehouse LLC APPL.#44241
LOCATION: Bloomingdale Borough, Passaic County
PROCEEDS FOR: Remediation
FINANCING: \$244,134

PROJECT: Marian Hare APPL.#44167
LOCATION: Collingswood Borough, Camden County
PROCEEDS FOR: Remediation
FINANCING: \$49,879

Hazardous Discharge Site Remediation Fund

ITEM: Summary of NJDEP Hazardous Discharge Site Remediation Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Simon **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

PROJECT: Macrietta Realty Company APPL.#44102
LOCATION: Cranford Township, Union County
PROCEEDS FOR: Remedial Action
FINANCING: \$248,126

REAL ESTATE

ITEM: Award of Contract for NJEDA Parking Lots Construction Project Camden, NJ

REQUEST: To approve the award of a construction services contract to F.M. Schiavone Construction Inc. of Malaga, NJ.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Huber **AYES:** 10

RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

Mr. Sarlo abstained because his firm recently completed a project for F.M. Schiavone Construction Inc.

ITEM: FMERA Purchase and Sale & Redevelopment Agreement with the Borough of Oceanport or a future Municipal Complex

REQUEST: To consent to FMERA entering into the redevelopment agreement with the Borough of Oceanport

MOTION TO APPROVE: Mr. Dumont **SECOND:** Ms. Kokas **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

ITEM: PSE&G Company and the Authority DOT Southern Regional Headquarters, Grant of Easement Agreement, One Executive Campus, Cherry Hill, NJ

REQUEST: To approve entering into a Grant of Easement Agreement with PSE&G to allow them to install and maintain a gas line which will service a neighboring office building at Three Executive Campus, Cherry Hill, NJ.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

ITEM: Health/Agriculture and Treasury Taxation Buildings (Trenton) Predevelopment Services Bond Reimbursement Resolution

REQUEST: To approve a bond reimbursement resolution for an amount not to exceed \$5 million to permit the use of bond proceeds to reimburse predevelopment expenses.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Projects approved under Delegated Authority

Direct Loan Program: Goose Pond Investors LLC (44258)

Premier Lender Program: Industrial Court LLC. (44279), WKFM Realty Limited Liability Company (44203)

Stronger NJ Business Loan Program: Ex-Titanic Corp. and Atlas Express Inc. (P42508 & P42509), Mark Crego DBA MC Signs (P43067)

FOR INFORMATION ONLY: Hazardous Discharge Site Remediation Fund - Delegated Authority 2nd Quarter 2017 Approvals

FOR INFORMATION ONLY: Incentives Modifications

FOR INFORMATION ONLY: Post Closing Credit Delegated Authority Approvals for 2nd Quarter 2017

FOR INFORMATION ONLY: Petroleum Underground Storage Tank Program Delegated Authority Approvals

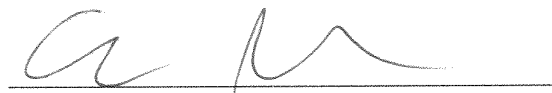
FOR INFORMATION ONLY: Real Estate Division Delegated Authority for Leases, CCIT Grants, and Right of Entry/Licenses for 2nd quarter 2017

PUBLIC COMMENT

There was no public comment.

There being no further business, on a motion by Mr. Mullen, and seconded by Mr. Alagia, the meeting was adjourned at 10:47am.

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



Erin Gold, Director, Marketing & Public Affairs
Assistant Secretary



MEMORANDUM

TO: Members of the Authority

FROM: Melissa J. Orsen
Chief Executive Officer

DATE: August 8, 2017

RE: Monthly Report to the Board

IMPACT OF GROW NEW JERSEY PROJECTS FELT FROM NORTH TO SOUTH

Evidence of projects approved under the Grow New Jersey (Grow NJ) program coming to fruition continued to mount in July, as three projects approved for Grow NJ tax credits hit milestones marking the final phases of their progress.

Cummins Inc., an Indiana-based global engine maker and power company, is preparing to move into its new 57,000-square-foot facility in Hudson County, where it has invested more than \$17.8 million. The training, sales, and repair facility, which was constructed on a former landfill, is expected to bring 120 jobs to Kearny.

Encouraged by Grow NJ tax credits, Mallinckrodt Pharmaceuticals, headquartered in the United Kingdom, is building out its Specialty Brands headquarters in Bedminster. Employees began moving into the site in early July, with nearly 250 anticipated to be located there by early August. An additional 230 jobs are expected to be added in the coming months. Mallinckrodt has invested approximately \$26.4 million to renovate the new location.

Earlier in the month, EDA staff attended the grand opening of the Sixers Innovation Lab Crafted by Kimball, located at the team's new Camden Waterfront facility, which opened late last summer. Illustrating yet another way the 76ers' presence in Camden is impacting the local economy, the Innovation Lab is focused on nurturing rapidly growing, early-stage companies in the consumer product space. The Innovation Lab provides selected companies with office space, access to industry experts, executives and financiers; third-party branding, marketing and legal services; and, the opportunity to pitch industry-leading investors and venture capital firms.

CCIT's TRACK RECORD OF FOSTERING GROWTH HIGHLIGHTED IN JULY

Governor Christie was welcomed by EDA staff and the community of entrepreneurs based at the EDA's Commercialization Center for Innovative Technologies (CCIT) in North Brunswick last month. The Governor visited with the founders of Celmatix Clinical Laboratories and Visikol, and several other of CCIT's nearly two dozen tenants before announcing that in June, New Jersey's unemployment rate held steady at a 16-year low of 4.1 percent, below the national average of 4.4 percent. The Governor chose CCIT as the backdrop for this announcement based on its track record of nurturing early stage companies toward job creation and expansion in the State. Successful CCIT graduates include Genewicz, Chromocell, and Advaxis.

The Founder and CEO of Celmatix, Dr. Piraye Yurttas Beim, was recognized recently in two high profile media outlets for her leadership in the life sciences industry. Beim, who founded her company to bring greater clarity to the treatment of infertility, was one of several women featured in an NBC News story offering advice from female entrepreneurs. She was also profiled in Elle Magazine's 2017 Women in Tech: Star Tech Voyagers. The company moved to CCIT in January 2017 and has hired three employees over the last year.

EDA CONTINUES EFFORTS TO RAISE AWARENESS OF SMALL BUSINESS PROGRAMS

EDA staff continued its efforts to raise awareness of its resources for small businesses in July. Staff visited Gorsegner Brothers Hardwood Floors, a family-owned business founded in Monmouth County in 1951. The company, which sells and installs flooring and stair and rail systems to residential and commercial customers, acquired a 1,900-square-foot facility in Holmdel to serve as its headquarters with the help of an Ocean First Bank loan that included an EDA participation through the Premier Lender Program.

Earlier in July, the EDA highlighted its support for All Towns Brake and Auto Center in Union County through the Small Business Fund. The family-owned, one-stop preventative maintenance and automotive repair center in Vauxhall received a direct loan through the Fund to help improve its cash flow and allow for strategic investment in the business.

Also noteworthy in July was the announcement of the availability of the Business Lease Incentive (BLI) and Business Improvement Incentive (BII) programs in Atlantic City. The programs, which are available in all Garden State Growth Zones (GSGZs), are administered by the EDA in collaboration with the legislatively-established GSGZs, which also include Camden, Paterson, Passaic, and Trenton. The programs are designed to support the growth of new and expanding retail and service businesses in targeted commercial corridors, positioning them to capitalize on the economic momentum already underway in GSGZs driven by the Economic Opportunity Act.

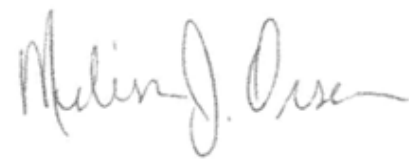
CLOSED PROJECTS

Through July 2017, EDA closed on more than \$188 million in traditional lending assistance to support 105 projects, leveraging \$244 million in capital investment and the creation of an estimated 434 new permanent jobs and 700 construction jobs.

In addition to the assistance provided through traditional lending programs, EDA executed agreements pending certification with 28 projects for \$993.9 million, leveraging \$3.7 billion in capital investment, the creation of 19,620 new jobs, 17,040 construction jobs and the retention of 3,952 jobs at risk of leaving New Jersey.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees, or exhibitors at 21 events in July. These included the NJBIA 2017 New Good Neighbor Awards in Bridgewater, the CAPRE 3rd Annual Newark CRE Summit in Newark, and the CCSNJ Committed to Camden event in Camden.



INCENTIVE PROGRAMS

GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)

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

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

APPLICANT: Aptapharma, Inc. P44129

PROJECT LOCATION: 1533 Union Ave. Pennsauken Township Camden County

GOVERNOR’S INITIATIVES:

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

APPLICANT BACKGROUND:

Aptapharma, Inc. (“Aptapharma”) is a technology-based pharmaceutical company that offers a broad range of oral drug delivery technologies and provides product development services for the pharmaceutical industry. The four main categories of services they provide are formulation development, consumer healthcare, contract research and contract manufacturing/packaging. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

Aptapharma is looking to invest in new equipment to become more efficient along with making renovations to its existing structure, owned by a related party, expanding it from 29,000 square feet to approximately 43,000 square feet. Due to higher costs of operation in NJ it is considering moving to an 80,918-square foot facility in Bensalem, PA, of which 40,295 square feet would be leased by Aptapharma. The alternate facility would be purchased by a related party to Aptapharma. The project would take 10-12 months to complete.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Aptapharma, 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 Ishwar Chauhan the President/CEO of Aptapharma, 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 \$452,499 over the 20-year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 75 New Jersey jobs listed in the application are at risk of being located outside the State on or before September 30, 2017. 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/Organization/R&D – Rehabilitation Projects	\$ 40
Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects	\$120
<i>Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem</i>	

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

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

As an Industrial/Warehouse/Logistics/R&D - 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	\$573,334	\$4,900,000
New Jobs	8	35
Retained Jobs	19	40

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 in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$3,000	The proposed capital investment of \$4,900,000 is 754.7% above the minimum capital investment resulting in an increase of \$3,000 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.
2007 Revit. Index > 465 in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	An increase of \$1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465	Pennsauken Township has a 2007 Revitalization Index of 481.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - 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 (\$4,900,000 / 10 / (35 + 40) = \$6,533) <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:		
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:	35 Jobs X \$8,500 X 100% =	\$297,500
Retained Jobs:	40 Jobs X \$8,500 X 50% =	<u>\$170,000</u>
	Total:	\$467,500
ANNUAL LIMITS:		
Distressed Municipality		\$ 8,000,000
TOTAL ANNUAL AWARD		<u>\$467,500</u>
TOTAL ANNUAL AWARD BASED ON THE BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD) BEING 110% OF THE AWARD WITH THE APPLICANT PLEDGING TO STAY IN THE QUALIFIED BUSINESS FACILITY FOR 20 YEARS:		
New Jobs:	35 Jobs X \$8,222 X 100% =	\$ 287,770
Retained Jobs:	40 Jobs X \$8,222 X 50% =	<u>\$ 164,440</u>
	Total:	\$ 452,210
TOTAL ANNUAL AWARD (APPROVED)		<u>\$ 452,210*</u>
* PLEASE SEE RECOUPMENT SCHEDULE BELOW		

7. The Applicant will be required to produce a site control document prior to closing that demonstrates control of the site for the entire 20-year period it has committed to remain in the Qualified Business Facility or its award will revert back to the standard award (\$3,796,860 for a 15-year commitment) based on the actual length of the site control document.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before September 30, 2017; 2) approve the proposed Grow New Jersey grant to encourage Aptapharma, 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**

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

APPLICANT: Eywa Pharma Inc. P44314

PROJECT LOCATION: 1 Duncan Drive Cranbury Township Middlesex County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Eywa Pharma Inc., (Eywa), founded in 2015, is a wholly-owned subsidiary of Eywa Pharma PTE. LTD (the Parent), a Singapore based global generic pharmaceutical company also founded in 2015. In addition to Eywa, the Parent has wholly-owned subsidiaries in India and the United Kingdom all involved in the research, development, manufacturing, and commercialization of generic and specialty pharmaceuticals across the globe. The Applicant has demonstrated the financial ability to undertake the project through the support of the Parent.

MATERIAL FACTOR/NET BENEFIT:

Eywa is intending to establish its first US operation in the form of an FDA approved production facility and will locate it in the Northeast. It has identified an existing 52,656 sq. ft. facility in Cranbury Township, NJ that will meet its operational needs following a significant buildout totaling more than \$14.5 million in capital investment. The New Jersey project would represent the creation of 34 jobs related to the new operation. Alternatively, Eywa has identified a suitable existing 51,000 sq. ft. facility in Wayne, PA that it would make a comparable investment into if it does not establish its operations in New Jersey.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Eywa Pharma 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 Vince H. Suneja, the Senior Vice President of Eywa Pharma Inc. and highest ranking U.S. based employee, 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 \$8.5 million over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$1,053,120	\$14,500,249
New Jobs	10	34
Retained Jobs	25	0

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

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of \$3,000 per year for projects located in a designated Priority Area	Cranbury Township is a designated Priority Area
Increase(s) Criteria		
Capital Investment in Excess of Minimum (non-Mega)	An increase of \$1,000 per job for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$3,000	The proposed capital investment of \$14,500,249 is 1,276.9% above the minimum capital investment resulting in an increase of \$3,000 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs (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 (\$14,500,249 / 10 / (34 + 0) = \$42,647)

	In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.
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<u>Grant Calculation</u>		
BASE GRANT PER EMPLOYEE:		
Priority Area		\$3,000
INCREASES PER EMPLOYEE:		
Capital Investment in Excess of Minimum:	\$ 3,000	
Targeted Industry (Manufacturing):	\$ 500	
INCREASE PER EMPLOYEE:		<u>\$ 3,500</u>
PER EMPLOYEE LIMIT:		
Priority Area	\$10,500	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		\$6,500
AWARD:		
New Jobs:	34 Jobs X \$6,500 X 100% =	\$221,000
Retained Jobs:	0 Jobs X \$6,500 X 50% =	<u>\$ 0,000</u>
	Total:	\$221,000
ANNUAL LIMITS:		
Priority Area (Est. 90% Withholding Limit)	\$ 4,000,000/(\$91,153)	
TOTAL ANNUAL AWARD		<u>\$221,000</u>

PROJECT IS: Expansion Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 14,500,249
EXPECTED PROJECT COMPLETION: June 1, 2018
SIZE OF PROJECT LOCATION: 52,656 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Industrial
CONSTRUCTION: Yes No

Eywa Pharma Inc.	Grow New Jersey	Page 5
NEW FULL-TIME JOBS:		34
RETAINED FULL-TIME JOBS:		0
STATEWIDE BASE EMPLOYMENT (AS OF SEPTEMBER 30, 2016):		1
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	Princeton	
MEDIAN WAGES:	\$ 75,000	
NET BENEFIT MODEL:		2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$ 10,664,302	
TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS)	\$ 2,210,000	
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 8,454,302	
ELIGIBILITY PERIOD:		10 years

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within 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 1 existing position it has within the State for the duration of the Grow NJ award. The number of new positions that are part of this Grow NJ award will only be counted above and beyond the first position at the proposed project site.

APPROVAL REQUEST:

The Members of the Authority are asked to approve the proposed Grow New Jersey grant to encourage Eywa Pharma 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. Sestrich

APPROVAL OFFICER: K. DeSmedt

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

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

APPLICANT: Factor Systems, Inc. d/b/a Billtrust P44307

PROJECT LOCATION: 1009 Lenox Drive Lawrenceville Township Mercer County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Factor Systems, Inc. d/b/a Billtrust, founded in 2001 and headquartered in Hamilton, Mercer County, NJ, is a private equity fund owned and independent software company. The company’s line of business includes automated invoice-to-cash solutions for businesses both business-to-business and business-to-consumer markets via a proprietary, cloud based solution. Billtrust integrates three key areas of the invoice-to-cash process: presentment, payment and cash application. Its strategic cloud based solution, Quantum Payment Cycle Management, makes it easier for organizations to get paid and automates the highly manual and complex invoice to cash process. Today the company employs more than 400 employees across the US and Canada, including 228 employees in Hamilton, NJ. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

The company is evaluating sites for its permanent headquarters to house 200 new employees and 228 existing employees. The company is currently operating in two leased facilities both located in Hamilton, NJ which lease agreements expire on June 30, 2018. The applicant would either lease 75,000 sq. ft. in Lawrenceville, NJ or Warminster, PA to relocate and expand its operations.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Factor Systems, 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 Flint Lane, the CEO of Factor Systems, 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 \$40 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 228 New Jersey jobs listed in the application are at risk of being located outside the State on or before June 30, 2018 when the current lease expires. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$3,000,000	\$7,312,500
New Jobs	25	200
Retained Jobs	35	228

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

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of \$3,000 per year for projects located in a designated Priority Area	Lawrenceville Township is a designated Priority Area
Increase(s) Criteria		
Jobs with Salary in Excess of County/GSGZ Average	An increase of \$250 per job for each 35% the applicant’s median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of \$1,500	The proposed median salary of \$90,000 exceeds the Mercer County median salary by 57% resulting in an increase of \$250 per year.
Large Number of New/Retained Full-Time Jobs	An increase of \$500 per job for 251-400 new or retained jobs, \$750 per job for 401-600 new or retained jobs, \$1,000 for 601-800 new or retained jobs, \$1,250 for 801-1,000 new or retained jobs and \$1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 428 Full-Time Jobs at the project location resulting in an increase of \$750.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Technology 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.

<p>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</p>	<p>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.</p>
<p>All other projects</p>	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * \$4,500 = \$2,250) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (\$7,312,500 / 10 / (200 + 228) = \$1,708) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

<u>Grant Calculation</u>	
BASE GRANT PER EMPLOYEE:	
Priority Area	\$3,000
INCREASES PER EMPLOYEE:	
Jobs with Salary in Excess of County Average:	\$ 250
Large Number of New/Retained F/T Jobs:	\$ 750
Targeted Industry (Technology)	\$ 500
INCREASE PER EMPLOYEE:	<u>\$1,500</u>
PER EMPLOYEE LIMIT:	
Priority Area	\$10,500
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:	\$4,500
AWARD:	
New Jobs:	200 Jobs X \$4,500 X 100% = \$900,000
Retained Jobs:	228 Jobs X \$1,708 X 100% = <u>\$389,424</u>
Total:	\$1,289,424
ANNUAL LIMITS:	
Priority Area (Est. 90% Withholding Limit)	\$ 4,000,000/(\$1,446,537)
TOTAL ANNUAL AWARD	<u>\$1,289,424</u>

PROJECT IS: (X) Expansion (X) Relocation
 ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 7,312,500
 EXPECTED PROJECT COMPLETION: June 30, 2018
 SIZE OF PROJECT LOCATION: 75,000 sq. ft.
 NEW BUILDING OR EXISTING LOCATION? Existing
 INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
 CONSTRUCTION: (X) Yes () No

NEW FULL-TIME JOBS: 200
 RETAINED FULL-TIME JOBS: 228
 STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016): 205
 CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: Hamilton
 MEDIAN WAGES: \$ 90,000
 NET BENEFIT MODEL: 2017
 GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): \$52,919,344
 TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT
 90% OF WITHHOLDINGS) \$12,894,240
 NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$40,025,104

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before June 30, 2018; 2) approve the proposed Grow New Jersey grant to encourage Factor Systems, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: D. Ubinger

APPROVAL OFFICER: T. Wells

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

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

APPLICANT: Geri-Care Pharmaceuticals Corp. P44313

PROJECT LOCATION: 1295 Towbin Ave Lakewood Township Ocean County

GOVERNOR’S INITIATIVES:

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

APPLICANT BACKGROUND:

Geri-Care Pharmaceuticals Corp. (“Geri-Care”) Geri-Care is a manufacturer and distributor of liquids and solid dose OTC generics, and supplements. Geri-Care produces over 250 OTC medicines and nutritionals, with more than 170 of them specifically geared to the nursing home market. It recently expanded into Mississippi and built a 132,000-square foot FDA approved manufacturing facility in Gulfport. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

This is relocation and expansion from the company's current three Brooklyn facilities. The plan involves relocating all or most of the existing Brooklyn operations, including executive and administrative offices, manufacturing and warehouse operations to the New Jersey facility. In addition, the company would enhance and expand its manufacturing capacities to include industrial-scale synthesis. The process could include all or part of unit operations, such as milling, granulation, coating, and tablet pressing. Geri-Care would lease a portion, approximately 50,000 square feet, of an 88,325-square foot facility in Lakewood Township, to be purchased by a related entity. This would be a 5 or 10-year lease with two 5-year renewal options and possibly an additional 3-year lease option to bring the total to 18 years. The project would include a significant renovation and upgrade to the site and the facility with costs being shared by both landlord and the company. The alternate site is a 170,000-square foot facility in Gulfport, MS, already owned by a related entity, 50,000-square feet of which would be leased by Geri-Care.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Geri-Care Pharmaceuticals Corp. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Sheindy Shindler, the President/CEO of Geri-Care Pharmaceuticals Corp., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the

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	1295 Towbin Avenue is located in a Deep Poverty Pocket.
Capital Investment in Excess of Minimum (non-Mega)	An increase of \$1,000 per job for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$3,000	The proposed capital investment of \$1,350,000 is 102.5% above the minimum capital investment resulting in an increase of \$3,000 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs ($1/2 * \\$9,250 = \\$4,625$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$1,350,000 / 10 / (130 + 0) = \\$1,038$) <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:

Deep Poverty Pocket: \$ 1,500

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

Targeted Industry (Manufacturing): \$ 500

INCREASE PER EMPLOYEE:

\$ 5,000

PER EMPLOYEE LIMIT:

Distressed Municipality \$11,000

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:

\$ 9,000

AWARD:

New Jobs: 130 Jobs X \$9,000 X 100% = \$1,170,000

Retained Jobs: 0 Jobs X \$1,038 X 100% = \$ 0,000

Total: \$1,170,000

ANNUAL LIMITS:

Distressed Municipality \$ 8,000,000

TOTAL ANNUAL AWARD

\$1,170,000

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

New Jobs: 130 Jobs X \$9,000 X 100% = \$ 1,170,000

Retained Jobs: 0 Jobs X \$1,038 X 100% = \$ 0,000

Total: \$ 1,170,000

TOTAL ANNUAL AWARD (APPROVED)

\$ 1,170,000*

*** PLEASE SEE RECOUPMENT SCHEDULE BELOW**

RECOUPMENT SCHEDULE

	<u>YEAR</u>	<u>RECOUPMENT AMOUNT</u>
IF THE APPLICANT LEAVES IN YEAR:	16	\$665,381.00
IF THE APPLICANT LEAVES IN YEAR:	17	\$123,826.08

PROJECT IS: (X) Expansion (X) Relocation

ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 1,350,000
EXPECTED PROJECT COMPLETION: March 30, 2018
SIZE OF PROJECT LOCATION: 50,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Industrial
CONSTRUCTION: (X) Yes () No

NEW FULL-TIME JOBS: 130
RETAINED FULL-TIME JOBS: 0
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016): 0
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
MEDIAN WAGES: \$ 53,404

NET BENEFIT MODEL: 2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): \$ 13,308,427
TOTAL AMOUNT OF AWARD: \$ 11,700,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$ 1,608,427

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within 12 months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. If the number of employees, salaries or capital investment to be counted in the Net Benefit Test (NBT) falls by more than 10% from the amounts contained herein, the net benefit to the state will need to be recalculated under the then current NBT model, which may reduce the amount of the Grow NJ Award.
7. The Applicant will be required to produce a site control document prior to closing that demonstrates control of the site for the entire 17-year period it has committed to remain in the Qualified Business Facility or its award will revert back to the standard award (\$11,034,619 for a 15-year commitment) based on the actual length of the site control document.

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: Matthew Sestrich

APPROVAL OFFICER: Mark Chierici

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

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

APPLICANT: Independent Chemical Corporation P44315

PROJECT LOCATION: 76-92 East 24th Street Paterson City Passaic County

GOVERNOR’S INITIATIVES:

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

APPLICANT BACKGROUND:

Independent Chemical Corporation, established in 1948, manufactures, packages and distributes chemical products for use in food, pharmaceuticals, cosmetics, industrial cleaning, fur, leather, environmental remediation and other industries. The company blends products and/or reacts products as it manufactures over 3000 different liquid and dry chemical products for domestic and international customers. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

Independent Chemical Corporation is seeking to relocate from its existing facility in Glendale, NY due to rising rent costs. To accomplish this, the company will purchase a 75,000 Sq. Ft. facility in Paterson, NJ and will renovate and occupy 55,000 Sq. Ft. or relocate its operations to a 50,000 Sq. Ft. facility in Haverstraw, NY. The project involves the creation of 33 new positions.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Independent Chemical Corporation 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 Jonathan Spielman, the CEO of Independent Chemical Corporation, 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 \$2.8 million over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

As an Industrial - Rehabilitation Project in Passaic 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	\$733,334	\$5,538,950
New Jobs	8	33
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
Garden State Growth Zone	Base award of \$5,000 per year for projects located in a Garden State Growth Zone	Paterson is a Garden State Growth Zone
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	76-92 East 24th Street 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	76-92 East 24th Street is located in a Transit Oriented Development by virtue of being within 1 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 \$44,000 exceeds the Garden State Growth Zone median salary by 43.03% resulting in an increase of \$250 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.
Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min	An increase of \$1,000 per job for a Mega Project or a project located in a Garden State Growth Zone for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$5,000	The proposed project is in a Garden State Growth Zone. The proposed capital investment of \$5,538,950 is 655.31% above the minimum capital investment resulting in an increase of \$5,000 per year.
On Site Solar Generation of ½ of Project's Elec. Needs	An increase of \$250 per job for a project that generates ½ of its electricity via on-site solar power generation	The applicant will have solar panels that generate in excess of ½ of the applicant's electricity needs

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

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

	<ul style="list-style-type: none"> - 1/2 of the Grant Calculation for New Full-Time Jobs (1/2 * \$14,500 = \$7,250) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (\$5,538,950 / 10 / (33 + 0) = \$16,784) <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>
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<u>Grant Calculation</u>	
BASE GRANT PER EMPLOYEE:	
Garden State Growth Zone	\$ 5,000
INCREASES PER EMPLOYEE:	
Deep Poverty Pocket:	\$ 1,500
Transit Oriented Development:	\$ 2,000
Jobs with Salary in Excess of GSGZ Average:	\$ 250
Targeted Industry (Manufacturing)	\$ 500
GSGZ Ind. Project w/ Cap. Inv. In Excess of Min:	\$ 5,000
On Site Solar Generation of 1/2 of Project's Elec. Needs:	\$ 250
INCREASE PER EMPLOYEE:	<u>\$ 9,500</u>
PER EMPLOYEE LIMIT:	
Garden State Growth Zone	\$15,000
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:	\$ 14,500
AWARD:	
New Jobs:	33 Jobs X \$14,500 X 100% = \$478,500
Retained Jobs:	0 Jobs X \$14,500 X 100% = <u>\$ 0</u>
Total:	\$478,500
ANNUAL LIMITS:	
Garden State Growth Zone	\$30,000,000
TOTAL ANNUAL AWARD	<u>\$478,500</u>

PROJECT IS: Expansion Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 5,538,950
EXPECTED PROJECT COMPLETION: February 1, 2018
SIZE OF PROJECT LOCATION: 55,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Industrial
CONSTRUCTION: Yes No

NEW FULL-TIME JOBS: 33
RETAINED FULL-TIME JOBS: 0
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016): 0
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
MEDIAN WAGES: \$ 44,000

NET BENEFIT MODEL: 2017
GROSS BENEFIT TO THE STATE (OVER 30 YEARS, PRIOR TO AWARD): \$ 7,636,174
TOTAL AMOUNT OF AWARD: \$ 4,785,000
NET BENEFIT TO THE STATE (OVER 30 YEARS, NET OF AWARD): \$ 2,851,174

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: C.Fuentes

APPROVAL OFFICER: S. Novak

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

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

APPLICANT: Legacy Cold Storage LLC P44321

PROJECT LOCATION: 1241 North Main Road Vineland City Cumberland County

GOVERNOR’S INITIATIVES:

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

APPLICANT BACKGROUND:

Legacy Cold Storage LLC was recently formed to provide freezer and cold storage services for agricultural products. The company will also package and repackage fruits and vegetables for wholesale distribution and a distribution center for large food chain stores. The company is a new joint venture formed by Vincent Consalo, owner of The Fresh Wave, LLC, distributor of fresh fruit and vegetables, located in Vineland, NJ and Brian and Dorothy Kargman, owners and operators of Brian Kargman Leasing Co., Inc., provider of transportation and trucking services located in Newfield, NJ. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

Legacy Cold Storage LLC is evaluating locations for a new cold storage facility and transportation company creating 100 jobs. Under consideration is the purchase of a 20,000 sq. ft. facility and the construction of a 42,000 sq. ft. addition in Vineland, NJ or the purchase of a 37,000 sq. ft. facility and construction of a 20,000 sq. ft. addition in Seaford, Delaware.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Legacy Cold Storage 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 Vincent A. Consalo, the CEO of Legacy Cold Storage 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 \$357,518 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>	(\$/Square Foot of Gross Leasable Area)
Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects	\$ 20
Industrial/Warehouse/Logistics/R&D - New Construction Projects	\$ 60
Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects	\$ 40
Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects	\$120
<i>Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem</i>	

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$826,667	\$6,200,000
New Jobs	35	100
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	Vineland City is a designated Distressed 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	1241 North Main Road is located in a Deep Poverty Pocket.
2007 Revit. Index > 465 in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	An increase of \$1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465	Vineland City has a 2007 Revitalization Index of 474.

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 * \$6,500 = \$3,250) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (\$6,200,000 / 10 / (100 + 0) = \$6,200) <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
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INCREASES PER EMPLOYEE:

Deep Poverty Pocket:	\$ 1,500	
2007 Revit. Index>465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem:	\$ 1,000	

INCREASE PER EMPLOYEE:\$2,500**PER EMPLOYEE LIMIT:**

Distressed Municipality	\$11,000
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LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:

\$6,500

AWARD:

New Jobs:	100 Jobs X \$6,500 X 100% =	\$650,000
Retained Jobs:	0 Jobs X \$6,500 X 50% =	<u>\$ 0,000</u>
	Total:	\$650,000

ANNUAL LIMITS:

Distressed Municipality	\$ 8,000,000
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TOTAL ANNUAL AWARD**\$650,000****TOTAL ANNUAL AWARD BASED ON THE BENEFIT TO THE STATE OVER 20 YEARS, PRIOR TO THE AWARD BEING 110% OF THE AWARD WITH A COMMITMENT TO REMAIN IN THE QUALIFIED BUSINESS FACILITY FOR 20 YEARS:**

New Jobs:	100 Jobs X \$3,574 X 100% =	\$357,400
Retained Jobs:	0 Jobs X \$3,5,74 X 50% =	\$0,000

TOTAL ANNUAL AWARD

\$357,400 *

* PLEASE SEE RECOUPMENT SCHEDULE BELOW

RECOUPMENT SCHEDULE

	<u>YEAR</u>	<u>RECOUPMENT AMOUNT</u>
IF THE APPLICANT LEAVES IN YEAR:	16	\$499,030.00
IF THE APPLICANT LEAVES IN YEAR:	17	\$391,884.90
IF THE APPLICANT LEAVES IN YEAR:	18	\$288,530.31
IF THE APPLICANT LEAVES IN YEAR:	19	\$188,832.13
IF THE APPLICANT LEAVES IN YEAR:	20	\$ 92,661.01

PROJECT IS: Expansion Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 6,200,000
EXPECTED PROJECT COMPLETION: July 1, 2018
SIZE OF PROJECT LOCATION: 62,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
CONSTRUCTION: Yes No

NEW FULL-TIME JOBS: 100
RETAINED FULL-TIME JOBS: 0
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016): 0
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
MEDIAN WAGES: \$ 27,500

NET BENEFIT MODEL: 2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): \$ 3,931,518
TOTAL AMOUNT OF AWARD: \$ 3,574,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$ 357,518

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

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

6. If the number of employees, salaries or capital investment to be counted in the Net Benefit Test (NBT) falls by more than 10% from the amounts contained herein, the net benefit to the state will need to be recalculated under the then current NBT model, which may reduce the amount of the Grow NJ Award.

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: J. Kenyon

APPROVAL OFFICER: T. Wells

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

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

APPLICANT: Sanofi U.S. Services Inc. P44130

PROJECT LOCATION: 55 Corporate Drive Bridgewater Township Somerset County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Sanofi U.S. Services, Inc. (Sanofi) is a U.S. subsidiary of Sanofi, S.A. (the Parent), a global life sciences company committed to improving access to healthcare and supporting people throughout the continuum of care. The Parent was formed in 2004, following a series of corporate transactions combining Sanofi-Synthelabo with Aventis to form sanofi-aventis, and was later renamed Sanofi, S.A. The Parent employs more than 110,000 people in approximately 100 different countries with five global business units and major therapeutic areas including vaccines, diabetes and cardiovascular, specialty care (rare diseases, multiple sclerosis, oncology, immunology), general medicines in emerging markets, and consumer healthcare. Sanofi, formerly known as sanofi-aventis US Inc., provides services across these same therapeutic areas. The Applicant has demonstrated the financial ability to undertake the project through the support of the Parent.

MATERIAL FACTOR/NET BENEFIT:

The U.S. headquarters of Sanofi is currently located at a commercial facility in Bridgewater, NJ and occupies four buildings totaling nearly 880,000 sq. ft. The current headquarters houses several operations including information technology, clinical trials, finance, industrial affairs, marketing, engineering, facility and client services, and legal. In the interest of reducing occupancy costs and modernizing its offices to be consistent with current employee per square foot standards, Sanofi is intending to consolidate 2,099 existing Bridgewater positions into a significantly smaller facility.

Sanofi has begun the process of exploring a reduction of leased space at the current headquarters to 674,325 sq. ft. by vacating one of the four buildings entirely. This consolidation would entail a capital investment of nearly \$40 million to reconfigure and modernize the three remaining buildings to accommodate increased densities. Alternatively, Sanofi has identified a parcel of land in Framingham, MA adjacent to an existing operation where it would construct a new 450,000 sq. ft. building offering significant spatial efficiencies through the design of a facility to its specific needs and by employing modern architectural and engineering practices. The additional reduction in footprint provided by the Massachusetts scenario would result in dramatic savings related to ongoing costs. In the event that Sanofi does not consolidate in New Jersey it would move all of the existing employees at the current Bridgewater facility out of the State.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Sanofi U.S. Services 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 Doug McLeester, the Vice President of Sanofi U.S. Services Inc. and its highest ranking U.S. employee, 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 \$465.5 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 2,099 New Jersey jobs listed in the application are at risk of being located outside the State on or before July 1, 2020 as this is the date upon which the alternate facility will be operational. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$26,973,000	\$39,947,182
New Jobs	25	0
Retained Jobs	35	2,099

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

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of \$3,000 per year for projects located in a designated Priority Area	Bridgewater Township is a designated Priority Area
Increase(s) Criteria		
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 \$138,681 exceeds the Somerset County median salary by 95.9% 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 2,099 Full-Time Jobs at the project location resulting in an increase of \$1,500.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Life Sciences business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs ($1/2 * \\$5,500 = \\$2,750$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$39,947,182 / 10 / (0 + 2,099) = \\$1,903$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

<u>Grant Calculation</u>		
BASE GRANT PER EMPLOYEE:		
Priority Area		\$ 3,000
INCREASES PER EMPLOYEE:		
Jobs with Salary in Excess of County Average:	\$ 500	
Large Number of New/Retained F/T Jobs:	\$1,500	
Targeted Industry (Life Sciences):	\$ 500	
INCREASE PER EMPLOYEE:		<u>\$ 2,500</u>
PER EMPLOYEE LIMIT:		
Priority Area	\$10,500	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		\$ 5,500
AWARD:		
New Jobs:	0 Jobs X \$5,500 X 100% =	\$ 0
Retained Jobs:	2,099 Jobs X \$1,903 X 100% =	<u>\$3,994,397</u>
	Total:	\$3,994,397
ANNUAL LIMITS:		
Priority Area (Est. 90% Withholding Limit)	\$ 4,000,000/(\$13,993,452)	
TOTAL ANNUAL AWARD		<u>\$3,994,397</u>

PROJECT IS: Expansion Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 39,947,182
EXPECTED PROJECT COMPLETION: July 1, 2020
SIZE OF PROJECT LOCATION: 674,325 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
CONSTRUCTION: Yes No

Sanofi U.S. Services Inc.	Grow New Jersey	Page 6
NEW FULL-TIME JOBS:		0
RETAINED FULL-TIME JOBS:		2,099
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):		2,150
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:		N/A
MEDIAN WAGES:	\$	138,681
NET BENEFIT MODEL:		2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$	505,451,457
TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS)	\$	39,943,970
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$	465,507,487
ELIGIBILITY PERIOD:		10 years

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease or purchase contract without a valid Grow NJ incentive contingency 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 July 1, 2020; 2) approve the proposed Grow New Jersey grant to encourage Sanofi U.S. Services 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. Sestrich**APPROVAL OFFICER:** K. DeSmedt

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



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: August 8, 2017

SUBJECT: F & S Produce Co., Inc. (“F&S”) – Modification
Grow New Jersey Assistance Program (“Grow NJ”) – P43888

Request:

Consent to change the location of the location of the Qualified Business Facility (“QBF”) for the approved Grow NJ from 730 Lebanon Road, Deerfield Twp., Cumberland County to 500 W. Elmer Road, Vineland, Cumberland County.

The change in location results in a change from a Mega Project to a Distressed Municipality, which will reduce the overall 10 year tax credit from \$28,125,000 to \$21,776,000. There will be no change in the number of originally projected new jobs (60) or retained jobs (380), a total of 440.

Board action is required because the proposed changes represent a greater than 25% change in square footage and the location change results in different base and bonuses, which do not meet the staff delegation approved by the members in July 2016.

Background:

Established in 1986, F&S is a processor of fresh cut and individually packaged quick frozen produce as well as specialty prepared refrigerated foods and purees for retail, food service, and industrial customers throughout the Northeast and Mid-Atlantic region.

In January 2017, the Members approved a \$28,125,000, 10 year Grow NJ to incent the creation of 60 new jobs and the retention of 380 at-risk jobs from their current New Jersey facilities. The approved QBF consisted of 100,000 sf industrial premises (new construction) in Deerfield Twp.

Subsequent to the Grow NJ approval, the company was presented with the opportunity to consider an alternate site, the soon to be vacant Progresso Foods site located at 500 W. Elmer Road, Vineland, NJ. In addition to the Progresso facility meeting its industrial manufacturing needs, a relocation to this site will prevent the facility from going dark and provides opportunities for workers displaced from layoffs.

The Progresso site has some additional advantages for F&S as well. First, selecting this location saves about 6 months of time in bringing their new plant up to production levels. Second, this facility is twice as large the original facility, which size allows F&S space for future expansion.

F&S proposes to purchase the 500,000 sf site and use 200,000 sf of space as the QBF. The remaining 300,000 sf will be leased and will not be part of the QBF. Although the size of the QBF will increase from 100,000 sf to 200,000 sf, the required capital investment per square foot is reduced from \$40 for new construction to \$13 1/3 for a renovation. The net result is a reduction in the required minimum capital investment from \$4,000,000 to \$2,666,667. While the applicant proposes to make a capital investment far in excess of the minimum, the applicant's estimated capital investment will decrease 26.2% from \$25,464,500 to \$18,790,500 primarily because the original QBF was new construction and the proposed QBF is an already constructed older facility.

Staff compared the total costs over 15 years for the QBF as originally proposed to the proposed QBF. A CBA comparison of the proposed QBF to the approved QBF evidences that the new site is \$2,597,121 more expensive than the original approved project over the 15 year grant commitment duration. Additionally, the total costs over 15 years at the original site were marginally different (.28%), \$375,549,610 for the original QBF versus \$376,590,395 for the new site. As the cost for the new site is more expensive and this change is less than 10%, staff did not undertake a new material factor determination.

However, because the project is moving from a Mega Project to a Distressed Municipality, the base credit award is reduced from \$5,000 to \$4,000. The new location is also no longer eligible for \$5,000 maximum for a Mega Project Industrial Capital Investment in excess of minimum, but is instead subject to a \$3,000 maximum. On the other hand, the new location qualifies for municipalities in southern counties with a 2007 Municipality Revitalization Index rank greater than 465. Thus, the per-employee calculated award is reduced from \$11,250 to \$9,250, which results in a reduction of the calculated annual award from \$2,812,500 to \$2,177,600, a 23% decrease.

Because the reduction in capital investment exceeded 25% and the change from a Mega Project to a Distressed Municipality project results in net benefit analysis for 20 years instead of 30, staff has re-run the net benefit test with the current model. Over the 20 years, the net benefit to the State is \$25,406,253, and therefore meets the program requirements.

Summary of Project Changes:

	<u>At Original Approval</u>	<u>As Proposed</u>
Base Grant:	\$ 5,000 (Mega Project)	\$ 4,000 (Distressed Muni.)
Increases:		
Large # New and Retained Jobs	\$ 750	\$ 750
Industrial Capital Investment in excess of minimum	\$ 5,000 (for Mega Project)	\$ 3,000
2007 Municipality Revitalization Index	\$ 0	\$ 1,000

Targeted Industry	\$ 500	\$ 500
Base + Increases:	\$11,250	\$ 9,250
Annual Award:		
New Jobs:	60 Jobs x \$11,250 x 100% = \$675,000	60 Jobs x \$9,250 x 100% = \$555,000
Retained Jobs:	380 Jobs x \$11,250 x 50% = \$2,137,500	380 Jobs x \$4,270 x 100% = \$1,622,600 (capped by capital investment)
Annual Limit:	\$30,000,000 (Mega Project)	\$8,000,000 (Distressed Municipality)
Total Annual Award	\$ 2,812,500	\$ 2,177,600
Project Location:	730 Lebanon Road, Deerfield Twp.	500 W. Elmer Road, Vineland
Size of Project Location:	100,000 sf	200,000 sf
Minimum Capital Investment Eligibility Requirement:	\$ 4,000,000	\$ 2,666,667
Estimated Eligible Capital Investment:	\$25,464,500	\$18,790,500
Jobs:	60 New 380 Retained	60 New 380 Retained
Net Benefit to the State (Net of Award):	\$100,015,347 over 30 years	\$25,406,253 over 20 years

Recommendation:

The members are asked to consent to the applicant's request to change the location of the QBF for the approved Grow NJ from 730 Lebanon Road, Deerfield Twp., Cumberland County to 500 W. Elmer Road, Vineland, Cumberland County.

The change in location results in a change from a Mega Project to a Distressed Municipality which effectively reduces the overall 10 year tax credit from \$28,125,000 to \$21,776,000. There will be no change in the number of originally projected new jobs (60) or retained jobs (380), a total of 440.

A handwritten signature in black ink, consisting of a stylized 'V' followed by a series of loops and a long horizontal stroke, positioned above a solid horizontal line.

Prepared by: Tyshon Lee



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura
President and Chief Operating Officer
DATE: August 8, 2017
SUBJECT: Princeton Tectonics - Modification
\$18,315,000 Grow NJ – P39899

Request:

Consent to a second six-month extension from April 14, 2018 to October 14, 2018 to provide the applicant sufficient time to meet its commitment to create 156 new jobs at the qualified business facility at 1777 Hylton Road, Pennsauken.

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

Background:

Princeton Tectonics designs and manufactures outdoor lighting equipment. It offers scuba, bike, outdoor, industrial, and tactical lighting products through wholesalers and outdoor equipment retail stores.

On October 14, 2014, the members approved a ten (10) year Grow NJ tax credit not to exceed \$18,315,000 to incent the retention of 95 at risk jobs from moving out of New Jersey and the creation of 156 new jobs, collectively 251 jobs, associated with the company's expansion and relocation of its assembly facility and headquarters from Bordentown to Pennsauken. The estimated capital investment to complete the project is \$3,650,220.

The Grow New Jersey statute requires projects to be completed and cost/job certified within three years of the Authority's approval, however the Authority may grant two six-month extensions of the deadline provided that the tax credit issuance date occur within four years of the date of Board approval.

The first of these six-month extensions was provided in July 2017 to extend the timeline from October 14, 2017 to April 14, 2018 to complete the project and certify costs and jobs.

Princeton Tectonics is now requesting a second six-month extension to provide more time to fulfill its new job requirement of creating 156 jobs. As staff has already provided the first six-month extension to April 14, 2018, the members are asked to approve the second six-month extension to October 14, 2018 to allow the applicant sufficient time to increase its new jobs at the facility from 47 hired to date to 156, which will aid the applicant in maximizing its benefit under the Grow NJ incentive.

Recommendation:

Consent to a second six-month extension from April 14, 2018 to October 14, 2018 to provide the applicant sufficient time to fulfill its new jobs requirements.

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

Prepared by: Karen Gallagher

BOND PROJECTS

BOND RESOLUTIONS

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

APPLICANT: Uncommon CP Properties II, LLC

P42263

PROJECT USER(S): Camden Prep, Inc. *

* - indicates relation to applicant

PROJECT LOCATION: 1575 Mt. Ephraim Avenue Camden City (T/UA) Camden

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

APPLICANT BACKGROUND:

Uncommon CP Properties II, LLC, a wholly owned subsidiary of Uncommon Schools, Inc. ("USI"), provides real estate services and holds title to real estate projects for the benefit of the schools within the USI network. USI is a 501(c)(3) not-for-profit entity that starts and manages public charter schools, and through its subsidiaries, owns real estate that is leased to the school for use as public school facilities. USI currently manages 42 public charter schools across NJ, NY and MA. Brett Peiser is the Chief Executive Officer and Norman Atkins is the Board Chair of USI.

In the Fall of 2014, Uncommon Schools launched its first charter school in Camden, Camden Prep, Inc. Currently located at 1575 Mt. Ephraim Ave., the School, (known as the Bonsall School) currently serves approximately 240 students in grades K-4. Camden Prep is a renaissance school project, approved and defined under the educational initiatives of the NJ Urban Hope Act. Bob Howitt is the President of Camden Prep. USI and Camden Prep are in good standing with the NJ Dept. of Education.

Uncommon CP Properties I, LLC closed on \$47.5 Million Qualified School Construction Bonds ("QSCBs") in November 2016 (Appl. P40716) to acquire several existing buildings in Camden located at 1675-1677 Haddon Avenue, 1683 Haddon Avenue, 1687-1689 Haddon Avenue and 370 W. Haddon Avenue - SL Copewood, demolish the buildings and construct a new 80,000 sq. ft. school, for up to 700 students in grades K-8.

Uncommon Properties and its affiliates have closed on several related bond financings with the Authority for the benefit of North Star Academy Charter School of Newark, Inc., currently a network of ten public charter schools ("NSA Charter Schools"). In 2009, the Authority issued \$16.48 million of QSCBs to build a new high school at 13-25 Central Ave., Newark (Appl. P29061). Proceeds of \$35,700,000 in QSCBs (Appl. P38413 & P38415) which closed in 2013, are being used to acquire NSA Valisburg Elementary & Middle School located on Hazelwood Ave. and for renovations at NSA Downtown Middle School and High School, located at 2 Washington Place, all in Newark. In 2016, proceeds of a \$41.3 million QSCBs (Appl. P42143) were used to construct a new K-12 facility located at 377 Washington St., Newark.

In addition, QZABs were issued in the principal amounts of \$7,806,000 in 2012 (Appl. P37823), \$7,132,000 in 2013 (Appl. P38814), \$7,145,000 in 2014 (Appl. P40207) and \$7,145,000 in 2015 (Appl. P41792), proceeds of which will be utilized for various renovation projects at several NSA Charter Schools in Newark.

The project will be occupied by Camden Prep, Inc., a 501(c)(3) not-for-profit entity. The Bonds are expected to be issued as Qualified School Construction Bonds pursuant to Section 54F of the Internal Revenue Code of 1986.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to finance a portion of the substantial reconstruction of the existing Bonsall School, a 128,000 sq. ft. facility which is over 100 years old. Renovations include replacement or major repair of building systems (HVAC, electrical, plumbing) as well as life and safety upgrades. The Project is expected to occur in phases starting in September 2017.

Other sources of funds include the proceeds of a \$7,876,000 QZAB closed on 12/30/16 (Appl. P43833) and the applicant's equity.

FINANCING SUMMARY:

BOND PURCHASER: Uncommon CP Lender II, Inc. (Direct Purchase)

AMOUNT OF BOND: \$29,833,634.33 Taxable Qualified School Construction Bond

TERMS OF BOND: The tax credit and the term will be determined prior to the issuance of the QSCB based on the tax credit rate and term published by U.S. Treasury; on 7/27/17, the rate was 4.21% for a maximum of 33 years.

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	\$25,180,000
Original Issue Discount 2017 QSCB	\$9,245,000
Original Issue Discount 2016 QZAB	\$4,077,000
Finance fees	\$1,130,000
Legal fees	\$450,000
Interest during construction	\$420,000
Renovation of existing equipment & machi	\$200,000
TOTAL COSTS	\$40,702,000

JOBS: At Application 42 Within 2 years 210 Maintained 0 Construction 209

PUBLIC HEARING: N/A

BOND COUNSEL: Chiesa, Shahinian & Giantomasi,

DEVELOPMENT OFFICER: D. Bennis

APPROVAL OFFICER: T. Wells

AMENDED BOND RESOLUTIONS

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

APPLICANT: Count Basie Theatre, Inc.

P44208

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 99-111 Monmouth Street Red Bank Borough (N) Monmouth

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

APPLICANT BACKGROUND:

Count Basie Theatre, Inc. is a nonprofit 1,568 seat theatre that provides a broad spectrum of entertainment and education programs that are designed to foster understanding and appreciation of the performing arts. Adam Philipson is the Chief Executive Officer. The Theatre was established in 1926 and was renamed in 1984 to honor jazz artist and Red Bank, NJ native William "Count" Basie.

A previous request by the applicant for a tax-exempt bond in the amount of \$8,000,000 closed on 8/19/2008. The bond was purchased by Sovereign Bank. The interest rate at closing was 4.45%.

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.

REFUNDING REQUEST:

Authority assistance will enable the applicant to reduce its interest expense by refunding the outstanding balance of the 2008 bond issue. Proceeds of the bond will also pay the cost of issuance. Also for consideration is the \$2,144,377 Tax-Exempt Bond P44209 to be used to refinance existing conventional debt, provide reimbursement for renovation costs and purchase equipment.

FINANCING SUMMARY:

BOND PURCHASER: Investors Bank

AMOUNT OF BOND: \$6,355,623 Tax-Exempt Bond.

TERMS OF BOND: 10 years; Fixed interest rate at 2.99%.

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond(s) to be refund	\$6,169,210
Swap Termination Fee	\$154,913
Legal fees	\$30,000
Accounting fees	\$1,500
TOTAL COSTS	\$6,355,623

PUBLIC HEARING: 06/13/17 (Published 05/29/17) **BOND COUNSEL:** McCarter & English, LLP

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: S. Novak

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

APPLICANT: Count Basie Theatre, Inc.

P44209

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 99-111 Monmouth Street Red Bank Borough (N) Monmouth

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

APPLICANT BACKGROUND:

Count Basie Theatre, Inc. is a nonprofit 1,568 seat theatre that provides a broad spectrum of entertainment and education programs that are designed to foster understanding and appreciation of the performing arts. Adam Philipson is the Chief Executive Officer. The Theatre was established in 1926 and was renamed in 1984 to honor jazz artist and Red Bank, NJ native William "Count" Basie.

A previous request by the applicant for a tax-exempt bond in the amount of \$8,000,000 closed on 8/19/2008. The bond was purchased by Sovereign Bank. The interest rate at closing was 4.45%.

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 reduce its interest expense by refinancing existing conventional debt, provide reimbursement for renovation costs and purchase equipment. Proceeds of the bond will also pay the cost of issuance. Also for consideration is the \$6,355,623 Tax-Exempt Refunding Bond P44208.

FINANCING SUMMARY:

BOND PURCHASER: Investors Bank

AMOUNT OF BOND: \$2,144,377 Tax-Exempt Bond.

TERMS OF BOND: 10 years; Fixed interest rate at 2.99%.

ENHANCEMENT: N/A

PROJECT COSTS:

Reimburse Renovation Costs	\$1,154,129
Refinancing	\$510,051
Purchase of equipment & machinery	\$451,822
Finance fees	\$28,375
TOTAL COSTS	\$2,144,377

JOBS: At Application 25 Within 2 years 15 Maintained 0 Construction 0

PUBLIC HEARING: 06/13/17 (Published 05/29/17) **BOND COUNSEL:** McCarter & English, LLP

DEVELOPMENT OFFICER: K. Durand **APPROVAL OFFICER:** S. Novak

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

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

APPLICANT: The Kintock Group of New Jersey Inc. P44382
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: Various Newark City (T/UA) Essex
GOVERNOR'S INITIATIVES: (X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

The Kintock Group of New Jersey, Inc., established in 1987, is a 501(c)(3) not-for-profit organization that contracts with federal, state and county law enforcement agencies to provide alternatives to incarceration and re-entry services for individuals transitioning from the criminal justice system to the community. Diane DeBarri is the Chairman of the Board and Chief Executive Officer of The Kintock Group of New Jersey, Inc.

A previous request by the applicant for a tax-exempt bond in the amount of \$3,377,500 with a guarantee of \$844,375 closed in December, 1999 (Appl. P10563). The 1999 bond enabled the applicant to construct and equip a community release facility in Bridgeton. The interest rate was 6.37% and Summit Bank was the bond purchaser. The Authority also provided a loan in the amount of \$500,000, which closed in February, 2000, to supplement the tax-exempt bond for the Bridgeton facility (Appl. P11122). The interest rate on the loan was 5.00%. The Authority provided a guarantee of \$1,000,000 on a \$4,000,000 conventional loan through Crown Bank, which closed in February, 2004 (Appl. P15265), for the construction and equipping of a facility to be used as an alternative to re-incarceration in Bridgeton. In 2010, The Authority refinanced the outstanding balances of the applicant's existing \$3.4 million tax-exempt bond, \$500,000 direct loan, and \$4,000,000 conventional loan through the issuance of a tax-exempt bond in the amount of \$3,215,000 (Appl. P31130).

The applicant is a 501(c)(3) not-for-profit entity for which the Authority may issue tax-exempt bonds as permitted under Section 103 and Section 145 of the 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 finance a portion of the cost related to the acquisition and renovation of properties located at 19-27 Meeker Ave., Newark, 37-47 Legal St., Newark, 40-58 Fenwick St., Newark, 32-38 Fenwick St., Newark and 13-17 Fenwick St., Newark to be used by The Kintock Group of New Jersey, Inc. Proceeds of the bond will also pay the cost of issuance.

Bond documents will include disclosure with respect to environmental status of the project property.

FINANCING SUMMARY:

BOND PURCHASER: Municipal Capital Markets Group, Inc. (Underwriter)
AMOUNT OF BOND: \$3,000,000 Tax-Exempt Bond.
TERMS OF BOND: 5 years; Fixed interest rate at the 5 year AAA municipal market data yield plus 350 basis points with a floor of 8.0%
ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	\$19,578,750
Debt service reserve fund	\$1,594,950
Underwriter Discount	\$202,050

APPLICANT: The Kintock Group of New Jersey Inc.

P44382

Page 2

Cost of Issuance	\$140,521
Legal fees	\$57,461
TOTAL COSTS	\$21,573,732

JOBS: At Application 350 Within 2 years 50 Maintained 0 Construction 0

PUBLIC HEARING: 08/08/07 (Published 07/25/17) **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi,

DEVELOPMENT OFFICER: K. Durand **APPROVAL OFFICER:** S. Novak

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

APPLICANT: Visiting Nurse Association of Northern New Jersey, Inc. P44316
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 175 South Street Morristown Town (N) Morris
GOVERNOR'S INITIATIVES: () Urban () Edison (X) Core () Clean Energy

APPLICANT BACKGROUND:

Visiting Nurse Association of Northern New Jersey, Inc. ("VNA"), established in 1893, is a 501(c)(3) not-for-profit home health care agency providing compassionate and comprehensive in-home nursing, rehabilitation therapies, social work, and home health aide services as well as adult day care and respite care throughout Morris and Hunterdon counties. The team of VNA health care professionals is dedicated to helping its patients achieve their highest levels of health, independence and quality of living. Faith F. Scott is the President and CEO.

VNA received Authority assistance in 2008 to refinance existing debt used to purchase its headquarters in Morristown, Morris County in the amount of \$4,000,000. Provident Bank purchased the 2008 Bond for 30 years at fixed rate of 4.4% for 10 years. In August 2015, the bond was modified to reduce the interest rate to 3.3% for a period of 10 years until the next rate rest in August 2025.

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 acquire the business assets of Prime Healthcare Services - Saint Clare's, LLC, a home health services agency serving the residents of Sussex and Warren counties.

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

FINANCING SUMMARY:

BOND PURCHASER: Provident Bank (Direct Purchase)
AMOUNT OF BOND: \$2,500,000 (Tax-exempt bond)
TERMS OF BOND: 10 years; Fixed rate for 5 years based on the tax-exempt equivalent of 5-year U.S. Treasury Securities plus 275 basis points; subject to rate reset at the same index on the fifth anniversary of the bond. Estimated rate is 3.12% as of 7/21/17.
ENHANCEMENT: N/A

PROJECT COSTS:

Acq.of company assets	\$3,000,000
Legal fees	\$60,000
Finance fees	\$40,000
TOTAL COSTS	\$3,100,000

JOBS: At Application 25 Within 2 years 15 Maintained 0 Construction 0

PUBLIC HEARING: 08/08/17 (Published 07/24/17) **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi,

DEVELOPMENT OFFICER: K. Durand **APPROVAL OFFICER:** T. Wells

LOANS/GRANTS/GUARANTEES

HAZARDOUS DISCHARGE SITE REMEDIATION FUND



MEMORANDUM

TO: Members of the Authority
FROM: Timothy Lizura
President/Chief Operating Officer
DATE: August 8, 2017
SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

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

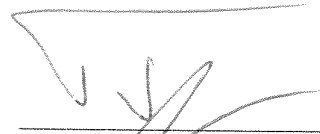
HDSRF Municipal Grants:

P44252 Borough of Woodbine (Woodbine Municipal Airport)	\$ 129,645
P42634 Rahway Redev. Agency (BDA Hamilton Laundry Site)	<u>\$ 235,708</u>
	\$ 365,353

HDSRF Commercial Loans:

P39520 Superior MPM LLC (Manufacturing Property Mgmt)	\$ 200,000
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Total HDSRF Funding – August 2017 **\$ 565,353**



Timothy Lizura

Prepared by: Reneé M. Krug

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

APPLICANT: Borough of Woodbine (Woodbine Municipal Airport) P44252
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: DeHirsh Avenue Woodbine Borough (T) Cape May
GOVERNOR'S INITIATIVES: () Urban () Edison (X) Core () Clean Energy

APPLICANT BACKGROUND:

In January 2000, Borough of Woodbine, identified as Block 125, Lot 1, received a grant in the amount of \$79,670 under P10309 which is a former airport and has potential environmental areas of concern (AOCs). The Borough of Woodbine owns the project site and has satisfied proof of site control. It is the Borough's intent, upon completion of the environmental investigation activities to redevelop the project site as an airport.

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

APPROVAL REQUEST:

Borough of Woodbine is requesting supplemental grant funding to perform RI in the amount of \$129,645 at the Woodbine Municipal Airport project site. Total grant funding including this approval is \$209,315.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: \$129,645
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$129,645
EDA administrative cost	\$500
TOTAL COSTS	\$130,145

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Rahway Redevelopment Agency (BDA Hamilton Laundry Site) P42634

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

PROJECT LOCATION: 276-370 Hamilton Street Rahway City (T/UA) Union

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

APPLICANT BACKGROUND:

In November 2009, Rahway Redevelopment Agency received a grant in the amount of \$544,137 under P23401 to perform Preliminary Assessment (PA), Site Investigation (SI) and Remedial Investigation (RI). The project site, identified as Block 167, Lots 38, 39, 45 is a former laundry facility which has potential environmental areas of concern (AOCs) and located within a Brownfields Development Area (BDA). The Rahway Redevelopment Agency currently owns the project site and has satisfied proof of site control. It is the Agency's intent, upon completion of the environmental investigation activities, to redevelop the project site as an amphitheater and performing arts center.

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

APPROVAL REQUEST:

The Rahway Redevelopment Agency is requesting supplemental grant funding to perform RI in the amount of \$235,708 at the Hamilton Laundry project site. Total grant funding including this approval is \$779,845.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$235,708

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$235,708
EDA administrative cost	\$500
TOTAL COSTS	<u><u>\$236,208</u></u>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Superior-MPM (Manufacturing Property Management) LLC P39520
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 12 East 2nd Street Bayonne City (T/UA) Hudson
GOVERNOR'S INITIATIVES: (X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

Superior-MPM (Manufacturing Property Management) LLC was the real estate holding company for DC Plastic Products Corp., currently an inactive corporation. DC Plastic Products Corp. was a blown-film extruder of plastic bags in Bayonne, NJ but ceased operations in 2015. DC Plastic Products Corp. began operation in 2011 as a woman-owned business ("WOB") after completing the acquisition of DC Plastics Inc. DC Plastics Inc. had been in operation since 1984 serving predominately the State and local government markets for trash bags.

APPROVAL REQUEST:

Approve a \$200,000 loan under the HDSRF program.

FINANCING SUMMARY:

LENDER: Hazardous Discharge Site Remediation Fund
AMOUNT OF LOAN: \$200,000
TERMS OF LOAN: The loan will be structured as a 5-year term with a fixed rate of interest equal to the Federal Discount Rate set at time of approval or closing (whichever is lower) with a floor of 5.00%. No payments will be required and interest will accrue. The loan will have a full balloon payment (principal plus interest) due at the end of the 5 year term or upon sale of the property, whichever occurs first.

PROJECT COSTS:

Remedial investigation	\$118,855
Remedial Action	\$81,145
TOTAL COSTS	\$200,000 *

* - Indicates that there are project costs reported on a related application.

DEVELOPMENT OFFICER: K. Hart

APPROVAL OFFICER: T. Bossert

PETROLEUM UNDERGROUND STORAGE TANK (PUST)



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President/Chief Operating Officer
DATE: August 8, 2017
SUBJECT: NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

The following Not-for profit, residential and commercial projects have been approved by the Department of Environmental Protection to perform upgrade, closure and site remediation activities. The scope of work is described on the attached project summaries:

UST Not-For Profit Grants:

P44074 Church of the Little Flower \$ 269,220


UST Residential Grants:

P42997 Bill Adams \$ 113,882
P43824 Michael Becker \$ 408,150
P44297 Ryan Couto \$ 122,639
\$ 644,671

UST Commercial Grants:

P44189 C&S Citgo Service Inc. \$ 27,133

Total UST Funding – August 2017 \$ 941,024



Timothy Lizura

Prepared by: Reneé M. Krug

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

APPLICANT: Church of the Little Flower

P44074

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 310 Plainfield Avenue Berkeley Heights Township (N)hion

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

APPLICANT BACKGROUND:

In September 2010, Church of the Little Flower, a 501 c (3) not-for-profit entity, received a grant in the amount of \$88,750 under P30059 to remove a leaking underground storage tank (UST) and perform the required remediation outside the Church building. The tank was decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

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

APPROVAL REQUEST:

The applicant is requesting supplemental grant funding in the amount of \$269,220 to perform the approved scope of work at the project site. Total grant funding including this approval is \$357,970.

The NJDEP oversight fee of \$26,922 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: \$269,220

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

PROJECT COSTS:

Remediation	\$269,220
NJDEP oversight cost	\$26,922
EDA administrative cost	\$500
TOTAL COSTS	\$296,642

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Bill Adams

P42997

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 232 Kent Road

Howell Township (T)

Monmouth

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

APPLICANT BACKGROUND:

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

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$113,882 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$11,388 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: \$113,882

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$113,882
NJDEP oversight cost	\$11,388
EDA administrative cost	\$250
TOTAL COSTS	\$125,520

APPROVAL OFFICER: W. Wisniewski

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

APPLICANT: Michael Becker

P43824

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 5 Washington Avenue

Marlboro Township (N)

Monmouth

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

APPLICANT BACKGROUND:

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

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$408,150 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$40,815 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: \$408,150

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$408,150
NJDEP oversight cost	\$40,815
EDA administrative cost	\$250
TOTAL COSTS	\$449,215

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Ryan Couto

P44297

PROJECT USER(S): Ryan Couto Living Trust *

* - indicates relation to applicant

PROJECT LOCATION: 704 Seventh Ave.

Asbury Park City (T/UA)

Monmouth

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

APPLICANT BACKGROUND:

Between May 2015 and September 2016, Ryan Couto received an initial grant in the amount of \$18,352 under P40690 and a supplemental grant in the amount of \$46,195 under P42816 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation and site restoration. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remediation at the project site.

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

APPROVAL REQUEST:

The applicant is requesting an aggregate supplemental grant in the amount of \$122,639 to perform the approved scope of work at the project site. Because the aggregate supplemental funding including this request is \$168,834, it exceeds the maximum aggregate staff delegation approval of \$100,000 and therefore requires EDA's board approval. Total grant funding including this approval is \$187,186.

The NJDEP oversight fee of \$12,264 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: \$122,639

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

PROJECT COSTS:

Remediation	\$122,639
NJDEP oversight cost	\$12,264
EDA administrative cost	\$250
TOTAL COSTS	\$135,153

APPROVAL OFFICER: W. Wisniewski

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

APPLICANT: G & S Citgo Service Inc.

P44189

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 284 South Summit Avenue Hackensack City (T/UA) Bergen

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

APPLICANT BACKGROUND:

Between May 1999 and March 2013, G & S Citgo Service Inc. received an initial grant in the amount of \$131,123 under P10675 and supplemental grants totaling \$137,590 under P12038 and P37710 to remove 5 leaking underground storage tanks (USTs). The tanks were decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

Financial statements provided by the applicant demonstrates that its financial condition conforms to the financial test for a hardship grant.

APPROVAL REQUEST:

The applicant is requesting aggregate supplemental grant in the amount of \$27,133 to perform the approved scope of work at the project site. Because the aggregate supplemental funding including this request is \$164,723, it exceeds the maximum aggregate staff delegation approval of \$100,000 and therefore requires EDA's board approval. Total grant funding including this approval is \$295,846.

The NJDEP oversight fee of \$2,713 is the customary 10% of the grant amount. This estimate assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: \$27,133

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

PROJECT COSTS:

Remediation	\$27,133
NJDEP oversight cost	\$2,713
EDA administrative cost	\$500
TOTAL COSTS	\$30,346

APPROVAL OFFICER: K. Junghans

EDISON INNOVATION FUND

**TECHNOLOGY BUSINESS TAX CERTIFICATE
TRANSFER PROGRAM**



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: August 8, 2017

SUBJECT: Technology Business Tax Certificate Transfer Program:
2017 Program Approvals

BACKGROUND

The Technology Business Tax Certificate Transfer Program allows technology and biotechnology companies with fewer than 225 employees in the U.S. and with certain minimum number of full-time employees in the State to sell their net operating losses and/or research and development tax credits to profitable corporate entities. Proceeds from those sales are required to be re-invested in the seller's business.

2017 PROGRAM CYCLE

Since the Program's inception, over 515 unique companies have been awarded a total benefit amount of more than \$905 million. Last year, the eighteenth year of the Program, approximately \$35.2 million was approved for 40 technology and biotechnology companies in need of capital and liquidity. As in previous Program years, a pool of \$60 million is available to be distributed in State Fiscal Year 2017-2018. Of this \$60 million, \$10 million is reserved for the surrender of transferable tax benefits exclusively by eligible companies operating within the boundaries of the State's three (3) Innovation Zones (technology clusters fostering business-university collaboration).

The Authority received applications from 44 companies requesting a total benefit amount of \$68,417,989 for the 2017 Program. Of the 44 applications received, 29 are returning applicants from last year's Technology Business Tax Certificate Transfer (aka NOL) Program, 4 are returning applicants applying after at least one year away from the Program, and 11 are uniquely new applicants. Additionally, 21 (48%) of the applicants identified themselves as biotechnology companies while the remaining 23 (52%) selected that they were technology companies. Included in this year's applicant pool there were 2 companies located in Innovation Zones. Also, there are 19 applicants that leveraged additional EDA benefits outside of 2017 Program.

For the 2017 Program, 38 applicants are recommended for approval, and are estimated to receive a total of \$51,214,343 giving an approximate average of \$1.34 million per applicant. Moreover, there are 4 applications being recommended herein for declination, as they did not meet the program legislative requirements as summarized on Attachment B. Furthermore, there were an additional 2 companies which withdrew their application from this year's Program.

RECOMMENDATION:

Based on evaluations by Authority staff, approval is recommended for the listed applicants on Exhibit A, which have been evaluated according to the criteria established by the Members of the Board and met the criteria for approval. Disapproval is recommended for the listed applicant that failed to meet all the eligibility criteria for approval.

A handwritten signature in black ink, appearing to be 'JFC', is written over a horizontal line. The signature is stylized and cursive.

Prepared by: Matthew Fields

Attachment A: Recommended Approvals		IZ = Applicant in Innovation Zone L = Applicant Leveraged additional EDA benefits L-CCIT = Applicant Leveraged CCIT N = Applicant New to the program R = Applicant Returning to the program after an absence	
1	Acuitive Technologies, Inc.	L	Angel Investor Tax Credit
2	Advaxis, Inc.	L - CCIT	CCIT Graduate
3	Agile Therapeutics, Inc.	L	Angel Investor Tax Credit
4	Angel Medical Systems, Inc.		
5	Arable Labs Inc.	N	
6	Avlino Inc.	L	Angel Investor Tax Credit, NJ Founders & Funders participant
7	Bellerophon Therapeutics, Inc.	L - CCIT	CCIT Tenant
8	Brilliant Light Power, Inc.		
9	Cancer Genetics, Inc.		
10	CircleBlack, Inc.	L	Angel Investor Tax Credit, NJ Founders & Funders participant
11	ContraVir Pharmaceuticals, Inc.		
12	Crescenta Biosciences, Inc.	L,N	Angel Investor Tax Credit,
13	CytoSorbents Medical, Inc.	L	Venture Fund Investment
14	Edge Therapeutics, Inc.	L	Angel Investor Tax Credit, Edison Innovation Fund (loan converted to equity, warrant position)
15	Elite Laboratories, Inc.		
16	Enhatch Inc.	N	
17	Flowonix Medical Inc.	L	Venture Fund Investment
18	Fusar Technologies, Inc.	L	TechLaunch Company, NJ Founders & Funders participant
19	Hemispherx Biopharma, Inc.	IZ	
20	I.D. Systems, Inc.	L,R	BRRAG
21	Impactivate Networks, Inc.	N	
22	Matinas Biopharma Nanotechnologies	N	
23	MDx Medical, inc. dba Vitals		
24	Miami International Holdings, Inc.	N	
25	Moblty, Inc.	N	
26	Nanotech Industrial Solutions		
27	Nephros	N	
28	Ocean Power Technologies, Inc.	L	Springboard Fund (loan), BPU Grant
29	Oncobiologics, Inc.		
30	Rive Technology, Inc.		
31	SightLogix, Inc. fka Automated Threat Detection	L	Springboard Fund (loan), Edison Innovation Fund (loan closed, warrant position)
32	Solidia Technologies, Inc	IZ,L	BEIP, BPU Grant
33	Soligenix, Inc.		
34	Svelte Medical Systems, Inc.	L	Angel Investor Tax Credit
35	Teleran Technologies	N	
36	United Silicon Carbide, Inc.	L	Edison Innovation Green Growth Fund (loan), Angel investor Tax credit
37	VectraCor	R	Angel Investor Tax Credit
38	Voxware, Inc.		

Attachment B:

Recommended Declinations

1. **doForms, Inc.** – is recommended to be declined from participating in the 2017 Technology Business Tax Certificate Transfer Program due to not meeting the Program definition of having “at least 10 full-time employees working in the State” set forth in § 19:31-12.2; having not supplied “financial statements” per eligibility requirements in § 19:31-12.3 and application requirements in § 19:31-12.4; and having not supplied a “certificate of incorporation” per application requirements in § 19:31-12.4. doForms, Inc. did not have the preceding two documents in by the application deadline of “June 30” as required under § 19:31-12.4.

Relative to employment requirements, the program requires an applicant employ a minimum number of full time employees in New Jersey.

"Full-time employee" means a person employed by a new or expanding emerging technology or biotechnology company on a permanent or indefinite basis for consideration for at least 35 hours a week.... "Full-time employee" shall not include any person who works as an independent contractor or on a consulting basis for the new or expanding emerging technology or biotechnology business; or any person who works as an intern, as a temporary employee, or in a temporary position

doForms, Inc., under the program requirements, must have 10 full time employees. The applicant's 10th employee has been reported as a summer intern.

Relative to financial statement reporting and in accordance with § 19:31-12.4 Application to the program requirements:

"Financial statements" means a statement prepared by an independent Certified Public Accountant (CPA), which shall include an opinion letter indicating the scope of the services performed (compilation, review, or audit) in accordance with Generally Accepted Accounting Principles (GAAP) as determined by the Financial Standards Accounting Board (FASB) and shall include a balance sheet, statement of income and expenses, cash flow statement, other statements as determined by the independent CPA, and footnotes where applicable. Complete applications must be received by June 30 for each State fiscal year. For determination of eligibility for the program, the initial application package shall also include.... financial statements for the two most recent full years of operation.

doForms, Inc. did not provide any 2016 financial statements by the application deadline of June 30, 2017. The applicant also did not provide the required Articles of Incorporation by the program deadline of June 30th.

2. **Eos Energy Storage** – is recommended to be declined from participating in the 2017 Technology Business Tax Certificate Transfer Program due to having not supplied “financial statements” per eligibility requirements in § 19:31-12.3 and application requirements in § 19:31-12.4;

"Financial statements" means a statement prepared by an independent Certified Public Accountant (CPA), which shall include an opinion letter indicating the scope of the services performed (compilation, review, or audit) in accordance with Generally Accepted Accounting Principles (GAAP) as determined by the Financial Standards Accounting Board (FASB) and shall include a balance sheet, statement of income and expenses, cash flow statement, other statements as determined by the independent CPA, and footnotes where applicable. Complete applications must be received by June 30 for each State fiscal year. For determination of eligibility for the program, the initial application package shall also include.... Financial statements for the two most recent full years of operation.

Eos Energy Storage did not provide final (draft statements were submitted) 2016 financial statements prepared by an independent Certified Public Accountant (CPA) by the application deadline of June 30, 2017.

3. **Myos Rens Technology Inc.** – is recommended to be declined from participating in the 2017 Technology Business Tax Certificate Transfer Program due to not meeting the Program definition of having “at least 10 full-time employees working in the State” set forth in § 19:31-12.2.

The program requires an Applicant employ a minimum number of full time employees in New Jersey. Further, the Program defines a “full time employee” as s a full-time employee whose primary office is in New Jersey and who spends at least 80 percent of his or her time in New Jersey, or who spends any other period of time generally accepted by custom or practice as full-time employment in New Jersey, as determined by the Authority.

The Applicant’s required 10th employee lives in Massachusetts. The applicant supplied documentation for, on average, two evenings of hotel reservations a week in NJ for the Massachusetts resident and provided email confirmation of a 30-hour work week commitment in NJ. The Applicant also provided documentation that the employee is paid for a 40-hour work week, hence falling short of the legislative 80% requirement at 75%.

4. **Sonnet BioTherapeutics, Inc.** – is recommended to be declined from participating in the 2017 Technology Business Tax Certificate Transfer Program due to not meeting the Program definition of having “at least 10 full-time employees working in the State” set forth in § 19:31-12.2.

The program applicant does not meet the requirement for the minimum of full time employees, when looking at the earliest date of formation, which requires a minimum of 10 full-time employees.

The program qualifications state that as a "New or expanding" means a technology or biotechnology company that: On June 30 of the year in which the company files such an application, has at least one full-time employee working in this State if the company has been incorporated or formed, irrespective of corporate structure or tax status, for less than three years, has at least five full-time employees working in this State if the company has been incorporated or formed, irrespective of corporate structure or tax status, for more than three years but less than five years, and has at least 10 full-time employees working in this State if the company has been incorporated or formed, irrespective of corporate structure or tax status, for more than five years.

As per the applicant company financial statements, from May 2011 to April 6, 2015, Sonnet operated as a division of Oncobiologics, Inc. On April 6, Sonnet spun off certain assets out of Oncobiologics and was incorporated. This places the company's earliest formation date over five years, thus requiring 10 full-time employees. The applicant company did not have 10 full-time employees under the program eligibility requirements.

OFFICE OF RECOVERY

ENERGY RESILIENCE BANK (ERB)



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: August 8, 2017

SUBJECT: Energy Resilience Bank Program Extension of Project Completion Deadline

Request:

The Members are asked to approve a change to the Energy Resilience Bank's Financing Program Guide to extend the disbursement date to September 30, 2020 and to delegate staff to approve any additional program or project extensions deemed necessary if consistent with program expenditure deadlines authorized by the federal Department of Housing and Urban Development.

Background:

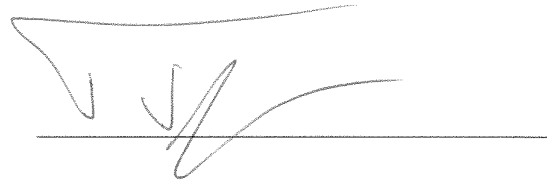
In July 2014, the Members approved the creation of the Energy Resilience Bank (ERB), initially capitalized with \$200 million of Community Development Block Grant Disaster Recovery ("CDBGDR") funds, to address statewide energy resilience needs. In October 2014, the Members approved the ERB Financing Program Guide and launched ERB's Funding Round 1 for Water and Wastewater Treatment Facilities and in October 2015, the Board approved the Funding Round 2 for Hospitals and Related Healthcare Facilities.

When the ERB program launched, the ERB Financing Program Guide contained a program funding disbursement deadline of September 30, 2019, consistent with the deadline set by the federal Department of Housing and Urban Development ("HUD"). EDA has proceeded with ERB program implementation and is assisting ERB project sponsors in moving their projects forward through technical feasibility, environmental review, full design and engineering, procurement and bidding, and into construction. As HUD has authorized an extension of the funding disbursement deadline, it is necessary to extend the ERB program guide's funding disbursement deadline to allow sufficient time for successful ERB project development and completion.

At this time, the ERB Financing Program Guide will be amended to extend the funding disbursement deadline to September 30, 2020. Going forward, should the need arise and EDA staff deem it necessary, staff will be authorized to provide additional program or project funding extensions provided any extension is consistent with the current overall HUD funding disbursement deadline authorization.

Recommendation:

The Members are asked to approve a change to the Energy Resilience Bank's Financing Program Guide to extend the disbursement date to September 30, 2020 and to delegate staff to approve any additional program or project extensions deemed necessary if consistent with program expenditure deadlines authorized by the federal Department of Housing and Urban Development.

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Prepared by: Liza Nolan

STRONGER NJ BUSINESS LOANS AND GRANTS



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: August 8, 2017

SUBJECT: Application Deadline for Stronger NJ Business Loan Program and Stronger NJ Business Grant Program

Request:

The Members are asked to approve a deadline for the submittal of all documentation for the Stronger NJ Business Loan Program (“SBL”) and Stronger NJ Business Grant Program (“SBG”) of October 31st 2017.

Background:

On November 13, 2015, the Board approved an extension of the disbursement deadline through delegated authority for up to twelve (12) months based on project needs. At that time, staff believed that this deadline would give applicants sufficient time to complete their projects while allowing the Authority enough time to fully disburse funds within the deadline set by the federal Department of Housing and Urban Development. In June of 2017, the Board approved an additional extension of the completion deadline for SBL to September 1, 2018, with a staff delegation for an additional six-month extension if necessary.

To date, there are several submitted, but incomplete, applications to both the SBL and SBG program. While the applications have been submitted and accepted, staff does not have sufficient information to render a decision as to whether the application meets all eligibility requirements and/or meets underwriting standards necessary for approval.

As most of our applicants to these programs have suffered appreciable storm damage, staff recognizes that the collection of all the required documentation, while running a small business, can be time consuming. Due to this consideration, and the fact that the initial program approval did not

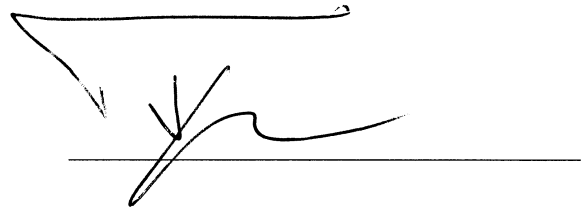
provide a deadline, staff has given applicants significant leeway in terms of time allowed to submit needed documents.

However, in order to ensure that these applications are able to meet the September 1, 2018 disbursement deadline, staff has determined that applicants must submit all documentation required to render a decision for eligibility review and credit underwriting as of October 31, 2017. This deadline, which is exclusive of the required environmental review for construction projects, should allow sufficient time for review and approval of applications, as well as the closing and disbursement process prior to September 1, 2018.

Applicants will be informed in writing that any open applications will be closed if all requested documentation is not received in final form, as determined by the Authority, by October 31, 2017. Applicants will be provided a comprehensive list of documents required. This deadline will also apply to declined application currently under appeal.

Recommendation:

The Members are asked to approve an October 31st, 2017 deadline for the submittal of all documentation for the Stronger NJ Business Loan Program and Strong NJ Business Grant Program applications.

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Prepared by: Kim Ehrlich

REAL ESTATE



MEMORANDUM

TO: Members of the Authority

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

RE: Technology Centre of New Jersey (Tech Centre), Tech IV, Second Floor
Biotechnology Development Center

DATE: August 8, 2017

Summary

I request that the Members approve:

- The operation of the Biotechnology Development Center (Program) on the second floor of the Tech IV within the Tech Centre, consisting of 32,626 sf of rentable space
- The capital improvements, fixture furniture and equipment, and one time first year maintenance expenses for the Program in the amount \$1 million
- Revisions to the Real Estate Delegated Authority required for the Program.

The Members' approval will be subject to Chromocell's right of first offer on non-CCIT vacant space at the Tech Centre.

Background

1. *Tech IV Background*
 - a. *Tech IV's Development and Second Floor Occupancy*
 - i. *Approval of Tech IV Development and Ortec Lease*

In August 2001, the Members approved, as part of the joint venture with the AFL-CIO Business Investment Trust in the Technology Centre of New Jersey, L.L.C. the development budget for Tech IV, as a speculative building, in the amount of \$17 million. From the approved budget, \$6.417 million was spent on Tech IV's core and shell which was completed in December 2002.

Tech IV was initially approved for the prospective tenant Ortec. However, due to financial circumstances, Ortec never occupied Tech IV, or the reduced space in Tech V which the Board approved in August 2002. Ortec paid \$978,000 to cancel the Tech IV lease. The balance of the \$17 million budget approved in 2001 remained unused.

ii. Novo Nordisk Lease and EDA Fit Out Allowance

In December 2004, the Members approved a lease, including a tenant work allowance, for Novo Nordisk. Novo Nordisk second floor space included offices, wet laboratories, laboratory support space, and conference rooms. The tenant work on the second floor was estimated at \$8.6 million, and was financed through an EDA \$200 sf tenant work allowance and \$100 sf of tenant equity. EDA and Novo Nordisk equally shared the cost of the generator that currently serves their former space. In addition, EDA paid for the common area lobby and access to the second floor. EDA's total investment in the second-floor tenant improvements was approximately \$5.6 million.

On April 25, 2005, Novo Nordisk executed a 10-year triple net lease and occupied the space until September 2008. In Tech IV, Novo Nordisk had established its first ever U.S. research and development center focusing on hemophilia and homeostasis. However, the venture was not successful, and Novo Nordisk decided to close the Tech IV facility.

iii. Early Termination of Novo Nordisk Lease

In December 2008, the Members approved the early termination of the Novo Nordisk lease for the payment of \$3.5 million, which was equal to one-half (1/2) of the remaining obligation of the lease (triple net rent and estimated CAM), discounted to present value at 7%. This settlement was consistent with real estate market practices. The early termination payment replaced Novo Nordisk's lease payments for approximately 34 months.

iv. Continued Second Floor Vacancy

In December 2008, Real Estate staff believed that because of the large investment in tenant improvements and the outstanding condition of the space, the property could be re-leased within one year to eighteen months with minimal cosmetic improvements, if any.

However, the intervening 2008 recession which included the collapse of the commercial real estate market made releasing the space difficult. Since 2011, Jones Lang Lasalle's marketing activities has generated 5 written proposals for the second floor (in conjunction with either Tech IV or Tech II). None of the 5 proposals resulted in an approved lease for the space.

b. Chromocell's Right of First Offer for Any Non-CCIT Vacancy at the Tech Centre

Chromocell, a Commercialization Center for Innovative Technologies (CCIT) graduate, occupies the two first floor graduate laboratory spaces within Tech IV. In April 2006, the Members approved a 5-year lease, with one 5-year extension, on a triple net basis for approximately 25,000 sf on the first floor of Tech IV. The initial Chromocell lease included 14,662 sf on the first floor, which was expanded as follows:

- On March 12, 2010, the lease was amended to include 846 sf on the second floor
- On March 2, 2011, the lease was expanded to include 10,676 sf on the first floor

The Chromocell lease includes the following right of first offer: "[EDA] will not make any written offer to lease available space located within the [Tech] Centre (but excluding space within the Commercialization Center) to a prospective tenant without first notifying [Chromocell] and giving [Chromocell] an opportunity to lease such space."

Upon the Members approving the proposed Program, Real Estate staff will offer the entire second floor of Tech IV (32,626 sf) to Chromocell to rent. If Chromocell does not accept the offer to rent the second floor, the Program will proceed as authorized by the Members in this memo and Chromocell would be eligible to lease space in BDC.

2. Proposed Program

a. Background

The New Jersey is a life sciences powerhouse and is home to the headquarters or major facilities of 14 of the world's largest biopharmaceutical companies. With more than 3,100 facilities operating across all sectors, New Jersey's life sciences industry directly employs 115,000 people, second only to California. The estimated annual contribution to New Jersey's economy is \$30.1 billion. The life sciences industry's share of the State's economy is 86% higher than the national average. In addition, NJ is the only state where a high degree of life science specialization spans 4 of 5 major industry subsectors: drugs and pharmaceuticals; research, testing, and medical labs; bioscience related distribution; and, medical devices.

More than 400 biotechnology companies also are situated in the Garden State, a 400% increase in less than a decade. The declining large pharmaceutical company presence in the state has created opportunities for the numerous mid-career pharma professionals to develop and grow new biotech companies. In particular, the sub-sector markets of clinical research organizations and generics are realizing particular growth in NJ.

b. Proposed Biotechnology Development Center

The Biotechnology Development Center (BDC) will provide step-out expansion space for companies graduating out of CCIT, as well as space for well-funded start-up companies that are beyond the stage of a CCIT tenant. New Jersey's biotech real estate market current lacks adequate "tweener space" for companies having needs of 3,4000 – 10,000 sf of lab and office space. Upon graduation, CCIT tenants frequently request access to expansion space that is near the research park so that they can accommodate the commuting patterns of their existing employees. There is a historical precedent of CCIT tenant companies taking space in the Technology Centre – including: Chromocell, Sophion, Hurel and soon to be Ascendia. In light of these "graduate" companies expanding on the campus, there is limited "tweener" space for CCIT graduates.

BDC will target all sub-sectors of the biotechnology industry ranging from new chemical entities drug discovery (NCE) to reformulation drug development (505b2) to contract research organizations (CRO) and generics research and development companies. A typical NCE tenant will have a higher ratio of offices to labs while CROs and generic R&D companies will have a higher ratio of labs and to offices. Tech IV second floor's configuration can accommodate the needs of both types of companies. See Exhibit B attached to this memo for the available labs and offices, and the sample packages used in the financial analysis.

To be competitive in the marketplace, in consultation with Jones Lang Lasalle, the current Tech Centre leasing broker, EDA staff recommends implementing the following pricing structure:

- Gross rent of \$45 sf, which may be adjusted upward or downward, based on market response
- Minimum lease terms of three years
- Common area factor of 1.35 in lieu of the actual factor of 1.88

The second floor's common area factor, 1.88, is higher than a typical building's ratio (between 1.15 and 1.25) due to Novo Nordisk's original design which included bathrooms, a shared area for consultation and eating, the internal hallways, the related second floor utility room on the first floor, and the shared common areas on the first and second floors. There is significant unrentable common area built into the second floor of Tech IV. To make the space more competitive, a common area factor of 1.35 will be used, which is similar to the being used by one of our competitors that also has a high common area factor for its property.

To better communicate the value of BDC and avoid confusion regarding loss factor calculations, lab and office "package pricing" will be promoted for marketing purposes only and square footage quotes will not be provided. However, the applicable square foot calculations will be incorporated in and included in the lease document that will be executed by EDA and the tenant.

EDA has a significant investment in the Tech IV second floor which eliminates the need to provide tenant improvement allowances as part of leasing proposal.

To maximize marketing potential, and given the anticipated broker representation with prospect tenants, the space will have real estate broker representation from the current broker of record – Jones Lang Lasalle.

BDC tenants on the second floor will be provided with the following amenities: dishwashing, kitchen, dining area, limited conference room(s), and reception. The reception area will be unmanned until the facility reaches stabilized occupancy, which is estimated at 80%. Until BDC reaches stabilized occupancy, CCIT staff will provide support to BDC. Upon reaching stabilized occupancy a part time reception employee will be considered.

c. Current Pipeline of CCIT Tenants

With a five-year graduation policy for incubating and nurturing the young tenants at CCIT, there is a consistent outflow of pipeline tenants for BDC, with approximately 15 tenants reaching the CCIT 5-year occupancy deadline between February 2018 and October 2021 (6 tenants in 2018, 4 tenants in 2019, and 5 tenants in 2021).

d. Program Costs

Attached as Exhibit A to this memo is the proposed Program budget for the initial capital improvements to facilitate sharing the fixtures, furniture and equipment for the vacant offices and shared public spaces, and first year one-time maintenance expenses totaling \$1 million.

e. Program Financial Analysis

Attached as Exhibit B to this memo is the 10-year projected cash flow that includes the program's projected net present value of the 10-year cash flow at a discount rate of 5%, and the calculation

of the internal rate of return. The assumptions included in the analysis are detailed within the Exhibit.

f. Revisions to Real Estate Delegated Authority for Program

Consistent with existing delegated authority guidelines for administering and executing leases and in order to facilitate execution of BDC leases, staff recommends that TLS staff be authorized to select tenants and execute the EDA's standard form of BDC lease agreement for lab and office space up to 8,000 square feet. Space will be leased through current market rental package rates with add-ons available for additional fees. Approval is also requested to add BDC leases to existing delegations for amendments, extensions, waivers, increases, reductions and terminations. Final terms of any lease agreement, amendment, extension, waiver, increase, reduction, or termination are subject to the approval of the Attorney General's Office. Any actions taken under delegated authority will be reported at the following Real Estate Committee meeting, and quarterly to the full Board of Directors.

g. Staff Recommendation

Because of the changes in the real estate market since 2008, leasing the second floor of Tech IV has become a challenge and the space has been vacant since Novo Nordisk's departure. Although the space has a grade A level of tenant improvements (i.e., glass office walls, finished laboratory, generator to service the building), the space cannot be subdivided for multiple tenant occupancy, and EDA's and JLL's marketing efforts have not been able to find a tenant that needs 32,000 sf of rentable lab and office space in the configuration that Novo Nordisk required.

Without deploying significant additional capital resources to the second floor, the best alternative is to commit the limited resources in the requested Program budget to reconfigure the space as shared laboratory and office space as described in the Program. The proposed Program will provide EDA a method to attempt to recapture the operating losses for the vacant floor that currently exists whether or not the Program is approved.

REDD and TLS staff recommends that the Members approve the Program.

Recommendation

The Members are asked to approve:

- The operation of the Biotechnology Development Center on the second floor of the Tech IV within the Tech Centre, consisting of up to 32,626 sf of rentable space
- The capital improvements, fixture furniture and equipment, and one time first year maintenance expenses for the Program in the amount \$1 million
- Revisions to the Real Estate Delegated Authority required for the Program.

The Members' approval of the Biotechnology Development Centre program will be subject to Chromocell's right of first offer to lease 32,626 sf on the second floor of Tech IV.



Timothy J. Lizura
President and Chief Operating Officer

Attachments

Prepared by: REDD and TLS Staff

Exhibit A**Techonology Centre of New Jersey
Biotechonology Development Center****Tech IV, 2nd Floor****Maintenance, FF&E and Capital Improvements Budget**

Maintenance, First Year	Amount
ITS service - receptionist	\$5,000
Patch/Paint offices	\$25,000
Flooring repairs	\$10,000
Keying-Door Locks	\$12,000
Card Access update	\$15,000
Fume Hood certification	\$11,500
Elevator programming	\$5,000
Public Wi-Fi	\$7,500
SUBTOTAL	\$91,000
10% Contingency	\$9,100
TOTAL MAINTENANCE 1st YR	\$100,100

Fixtures, Furniture & Equipment	
Interior Offices (1-11, C-E)	\$70,000
Exterior Offices (F, G, J)	\$22,500
Exterior Offices (H,I,K)	\$30,000
Conference Room A	\$7,500
Café Tables	\$5,600
Café Chairs	\$12,000
Reception Desk	\$10,000
Reception Lounge	\$10,000
Miscellaneous Improvements	\$50,000
Equipment & Start Up Costs	\$232,991
New Glass Wash	\$10,000
SUBTOTAL	\$460,591
10% Contingency	\$46,059
TOTAL FF&E	\$506,650

Capital Improvements	
Building Management System	\$100,000
Lab Countertops-small lab	\$60,000
Lab Countertops-large lab	\$135,000
Lobby Wall	\$50,000
New lobby Door - 2nd floor	\$10,000
Mailboxes	\$2,500
SUBTOTAL	\$357,500
10% Contingency	\$35,750
TOTAL CAPITAL IMPROVEMENTS	\$393,250

BUDGET TOTAL	\$1,000,000
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EXHIBIT B: FINANCIAL ANALYSIS

Assumptions Notes and Comments

1. Revenue

- a. Gross Rent. Calculated on a \$SF basis, the rent will start at \$40 SF, but will be expressed in monthly and annual figures
- b. Rent. The rent will be gross and include:
 - i. CAM
 - ii. PILOT
 - iii. Utilities
- c. Vacancy Estimate. The model assumes that stabilized occupancy will be approximately 80% of rentable square feet (RSF).
- d. Revenue Modeling. The analysis uses the following 6 lease packages (combinations of laboratories and office) as detailed in the following chart:

RSF	Annual Rent	Lease Start Date	Annual Increase	Initial Term (Yrs)	Vacancy Renewal (Yrs)	Vacancy Between Terms (Mos)
2,811	\$126,482	7/1/2018	2.50%	3	3	6
3,056	\$137,538	6/1/2019	2.50%	3	3	6
3,825	\$172,105	5/1/2020	2.50%	3	3	6
3,357	\$151,085	3/1/2021	2.50%	5	3	6
2,365	\$106,434	3/1/2022	2.50%	5	3	6
3,182	\$143,188	2/1/2023	2.50%	5	3	6

The annual rent is equivalent to \$45 SF Gross, based on the 1.35 common area factor.

The following items are included at the end of the Assumptions, Notes and Comments:

- A room chart with includes a summary description, useable SF, rentable SF, annual rent, and ACTUAL Rental SF for each room on the floor

- A chart detailing the rooms included in each package

The floor plan is included after the ARGUS 10-year analysis.

2. Rentable Square Feet

- Actual. The actual RSF for the second floor is 32,626, based on the actual common area factor of 1.88
- Proposed. The proposed RSF will be approximately 23,404 sf, based on a 1.35 common area factor
- Relationship to Expenses SF. The Expenses will be based on the actual RSF of the floor (32,626 sf), and the gross rent will not capture the expense difference between the actual RSF (32,626 sf) and proposed RSF (23,404 sf), which includes expenses for 9,222 sf on the floor (see

3. Operating Expenses

- Expenses are based on 32,626 sf (the unadjusted rentable leased space)
- The current the BASE year and incremental cost of the operating expenses for the second floor are estimated for 2018 as follows:

CAM	BOY 2017	% Incr.	BOY 2018
Existing CAM	\$235,195	103%	\$242,250
Addit. Janitorial	\$90,000	103%	\$92,700
Revised CAM	\$325,195	103%	\$334,950
Revised CAM \$SF	\$9.97		\$10.27
Incremental CAM	\$90,000		\$92,700
Increm. CAM \$SF	\$2.76		\$2.84

UTILITY ESTIMATE	BOY 2017	% Incr.	BOY 2018
Tech IV Base Year Total	\$277,902	103%	\$286,239
1st Floor	\$213,113	103%	\$219,506
2nd Floor	\$64,789	103%	\$66,733
Building Base Yr \$SF	\$4.60		\$4.74
2nd Floor Estimate 100% Occupied	\$150,080		\$154,647

-2nd Floor Existing Conditions (Vacant)	\$64,789	\$66,733
2nd Floor Incremental Utility Cost	\$85,290	\$87,914
2nd Floor Est. Incremental Cost \$SF	\$2.61	\$2.69

The 10-year cash flow projection includes ONLY the incremental cost of the CAM and utilities.

- c. Real Estate Payment in Lieu of Taxes (PILOT). The PILOT is estimated at the current Tech IV rate of \$6.19 SF. The PILOT only will be paid for on occupied space.

4. Capital Expenses and Lease Commissions

- a. Capital Expenses. The capital expenses included in year 1 are the book value of the Tech IV 2nd floor (tenant improvements and proportionate share of core and shell as of 1/1/2018) and the proposed program investment of \$1 million.
- b. Lease Commissions. Commissions are calculated using 5% for initial terms and renewals.

5. Initial Investment and Disposition Value

- a. Program Costs. The initial investment includes the \$1 million to prepare the floor for the Program
- b. Book Value and Disposition Value.

The ARGUS 10-year model does not include:

- i the second-floor book value as part of the initial investment
- ii second floor disposition value in year 10

ROOM CODE	ROOM	Useable SF	Lease RSF	Annual Rent	Actual RSF
C	Office-interior	200	270	\$12,150.00	376
D	Office-exterior	244	329	\$14,823.00	459
E	Office-exterior	248	335	\$15,066.00	467
F	Office-exterior	324	437	\$19,683.00	610
G	Office-exterior	324	437	\$19,683.00	610
H	Office-exterior	648	875	\$39,366.00	1,220
I	Office-exterior	648	875	\$39,366.00	1,220
J	Office-exterior	432	583	\$26,244.00	813
K	Office-corner	678	915	\$41,188.50	1,276
1	Office-interior	147	198	\$8,930.25	277
2	Office-interior	145	196	\$8,808.75	273
3	Office-interior	145	196	\$8,808.75	273
4	Office-interior	145	196	\$8,808.75	273
5	Office-interior	145	196	\$8,808.75	273
6	Office-interior	147	198	\$8,930.25	277
7	Office-interior	147	198	\$8,930.25	277
8	Office-interior	145	196	\$8,808.75	273
9	Office-interior	145	196	\$8,808.75	273
10	Office-interior	145	196	\$8,808.75	273
11	Office-interior	147	198	\$8,930.25	277
L	Lab - Bio	721	973	\$43,800.75	1,357
M	Lab - Chem	845	1,141	\$51,333.75	1,590
N	Lab - Bio	236	319	\$14,337.00	444
O	Cold Room	202	273	\$12,271.50	380
Q	Lab - Chem	634	856	\$38,515.50	1,193
R	Lab - Chem	757	1,022	\$45,987.75	1,425
S	Lab - Chem	959	1,295	\$58,259.25	1,805
T	Lab - Chem	936	1,264	\$56,862.00	1,762
U	Lab - Chem	654	883	\$39,730.50	1,231
V	Lab - Chem	900	1,215	\$54,675.00	1,694
W	Radioisotope	1,216	1,642	\$73,872.00	2,289
X1	Cubicle	672	907	\$40,824.00	1,265
X2	Cubicle	517	698	\$31,407.75	973
Y1	Cubicle	368	497	\$22,356.00	693
Y2	Cubicle	358	483	\$21,748.50	674

ROOM CODE	ROOM	Useable SF	Lease RSF	Annual Rent	Actual RSF
Z	Freezers/Equipment	393	531	\$23,874.75	740
AA	Equip/Storage	275	371	\$16,706.25	518
BB	Equip/Storage	403	544	\$24,482.25	758
CC	Freezers/Equipment	422	570	\$25,636.50	794
DD	Waste/Storage	172	232	\$10,449.00	324
EE	Storage	154	208	\$9,355.50	290
FF	Storage/Archive	120	162	\$7,290.00	226
GG	Copy/Print	73	99	\$4,434.75	137
TOTAL		17,336.00	23,403.60		32,626
				RSF Diff.	9,223

SAMPLE PACKAGES USED IN FINANCIAL ANALYSIS

Package A				
W	Lab - Chem, Radioisotope	1,216	1.3500	1,642
C	Office-interior	200	1.3500	270
D	Office-exterior	244	1.3500	329
I	Office-interior	147	1.3500	198
AA	Equip/Storage	275	1.3500	371
TOTAL AREA SF			Rent \$126,482.00	2,811

Package B				
U	Lab - Chem	654	1.3500	883
V	Lab - Chem	900	1.3500	1,215
E	Office-exterior	248	1.3500	335
2	Office-interior	145	1.3500	196
3	Office-interior	145	1.3500	196
DD	Waste/Storage	172	1.3500	232
TOTAL AREA SF			Rent \$137,538.00	3,056

Package C				
S	Lab - Chem	959	1.3500	1,295
T	Lab - Chem	936	1.3500	1,264
F	Office-exterior	324	1.3500	437
G	Office-exterior	324	1.3500	437
4	Office-interior	145	1.3500	196
5	Office-interior	145	1.3500	196
TOTAL AREA SF			Rent \$172,105.00	3,825

Package D				
Q	Lab - Chem	634	1.3500	856
R	Lab - Chem	757	1.3500	1,022
I	Office-exterior	648	1.3500	875
6	Office-interior	147	1.3500	198
7	Office-interior	147	1.3500	198
EE	Storage	154	1.3500	208
TOTAL AREA SF			Rent \$151,085.00	3,357

Package E				
L	Lab - Bio	721	1.3500	973
N	Lab - Bio	236	1.3500	319
J	Office-exterior	432	1.3500	583
8	Office-interior	145	1.3500	196
9	Office-interior	145	1.3500	196
GG	Copy/Print	73	1.3500	99
TOTAL AREA SF			Rent \$106,434.00	2,365

Package F				
M	Lab - Chem	845	1.3500	1,141
K	Office-corner	678	1.3500	915
10	Office-interior	145	1.3500	196
11	Office-interior	147	1.3500	198
FF	Storage/Archive	120	1.3500	162
CC	Freezers/Equipment	422	1.3500	570
TOTAL AREA SF			Rent \$143,188.00	3,182



BDC - Tech IV 2nd Floor
Technology Centre of NJ
685 US Route 1 South
North Brunswick, NJ 08902

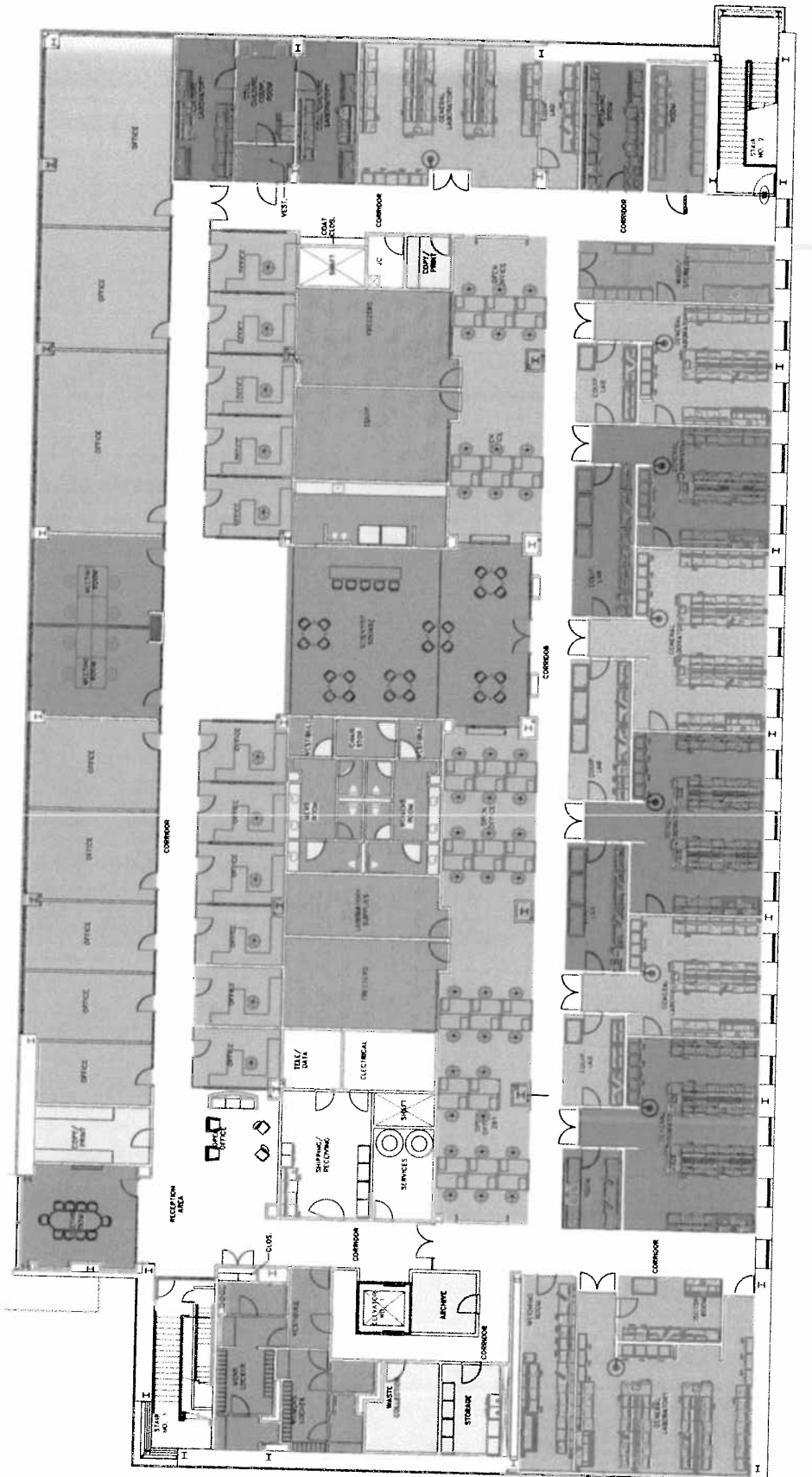
Software: ARGUS Ver. 15.0.1.26
File: BDC Tech IV 2nd Floor GROSS \$45
Property Type: Office/Industrial

Portfolio:
Date: 6/26/17
Page: 1

Schedule Of Prospective Cash Flow
In Inflated Dollars for the Fiscal Year Beginning 1/1/2018

For the Years Ending	Year 1 Dec-2018	Year 2 Dec-2019	Year 3 Dec-2020	Year 4 Dec-2021	Year 5 Dec-2022	Year 6 Dec-2023	Year 7 Dec-2024	Year 8 Dec-2025	Year 9 Dec-2026	Year 10 Dec-2027	Year 11 Dec-2028
Potential Gross Revenue	\$63,241	\$208,294	\$385,546	\$571,708 (29,831)	\$687,804 (33,079)	\$837,874 (42,231)	\$859,392 (31,656)	\$871,871 (35,104)	\$875,925 (84,149)	\$878,977 (28,264)	\$884,484 (85,471)
Base Rental Revenue	63,241	208,294	385,546	541,877	654,725	795,643	827,736	836,767	791,776	850,713	799,013
Absorption & Turnover Vacancy											
Scheduled Base Rental Revenue	63,241	208,294	385,546	541,877	654,725	795,643	827,736	836,767	791,776	850,713	799,013
Total Potential Gross Revenue	63,241	208,294	385,546	541,877	654,725	795,643	827,736	836,767	791,776	850,713	799,013
Effective Gross Revenue	63,241	208,294	385,546	541,877	654,725	795,643	827,736	836,767	791,776	850,713	799,013
Operating Expenses											
PILOT	(8,700)	(29,003)	(54,206)	(77,426)	(95,518)	(118,742)	(124,733)	(126,792)	(121,847)	(133,192)	(127,091)
Incremental Utility Cost	(87,914)	(90,112)	(92,365)	(94,674)	(97,041)	(99,467)	(101,953)	(104,502)	(107,115)	(109,793)	(112,537)
Incremental CAM Cost	(92,700)	(95,017)	(97,393)	(99,828)	(102,323)	(104,882)	(107,504)	(110,191)	(112,946)	(115,770)	(118,684)
Total Operating Expenses	(189,314)	(214,132)	(243,964)	(271,928)	(294,882)	(323,091)	(334,190)	(341,485)	(341,908)	(358,755)	(358,292)
Net Operating Income	(126,073)	(5,838)	141,582	269,949	359,843	472,552	493,546	495,282	449,868	491,958	440,721
Leasing & Capital Costs											
Leasing Commissions	(19,451)	(21,151)	(26,467)	(58,624)	(48,734)	(63,863)					
Book Value Tech IV 2nd Floor (TI & Core/Shell)	(1,000,000)									(17,290)	(43,342)
Program Investment (Total Budget)											
Total Leasing & Capital Costs	(1,019,451)	(21,151)	(26,467)	(58,624)	(48,734)	(63,863)					
Net Incremental Cash Flow	(1,145,524)	(26,989)	115,115	211,325	311,109	408,689	493,546	455,225	399,001	474,668	397,379
Net Present Value with sale @ 5%	1,213,268										
IRR with sale	18.82%										







MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: August 8, 2017

RE: NJ Unmanned Aircraft Systems Test Sites (NJ UASTS)
First Amendment to the Grant Agreement

Summary

The Members are asked to approve the First Amendment to the Grant Agreement (First Amendment) between the New Jersey Innovation Institute (NJII) and the Authority dated March 30, 2016 which provides: (1) an extension of four months until October 31, 2017 to use the \$41,279.50 in remaining funds to allow successful completion of several projects that are already underway, an (2) an extension for filing the required report until January 31, 2018.

Background

A. Program Information

The Federal Aviation Administration (FAA), in accordance with the FAA Modernization and Reform Act of 2012, was directed by Congress to establish six UASTS to integrate UAS into the National Airspace System. The main role of the UASTS is to perform research and development and provide data to the FAA to support the validation of standards and regulations.

In December 2013, the Mid-Atlantic Aviation Partnership (MAAP) was formed in support of a UASTS designation. The states of Virginia, Maryland and New Jersey provided initial funding support which ended in the Spring of 2016. At the time of the UASTS designation, Rutgers University (Rutgers) was the academic lead institution for New Jersey, however in the fall of 2015 at the concurrence of the MAAP advisory board, NJII became the academic and operational lead.

-2-

The national program is designed to ensure a safe operating environment and efficient integration of unmanned aircraft into the national airspace. In so doing, the Test Sites are expected to advance its technical capabilities overseeing the scale and scope of services delivered by unmanned aircraft, support the development of new air platforms and payloads, and promote the development of standards. Given the dominance of emerging, high tech companies, the presence of a physical Test Site in New Jersey is expected to be a significant contributor to regional development. The goal is to create a positive impact on private sector UAS researchers and operators that will increase the economic impact within the State of New Jersey. For such companies, physical proximity to a Test Site becomes mission critical to cost-effective operations.

B. The Members' Prior Actions

At the December 2016 meeting, the Members approved:

- The NJ UASTS budget of \$401,356 for fiscal year 2017, which included an unexpended carry forward of \$41,628 from fiscal year 2016.

At the January 2016 meeting, the Members approved:

- The termination of the Memorandum of Understanding with Rutgers in conjunction with the implementation of the NJ Unmanned Aircraft Systems (UAS) Consortium led by NJII.
- The execution of a Grant Agreement with the NJII, which permitted the NJEDA to reimburse up to \$700,000 of expenses related to the implementation of the NJ UAS Consortium through June 30, 2017.
- The NJ UASTS budget of \$298,644 for January through June of fiscal year 2016.

C. Funding Information

The NJ Legislature's Joint Budget Oversight Committee approved up to \$700,000 of funding provided from Business Employment Incentive Program bond proceeds to support the NJ UASTS through June of 2017 in accordance with its business plan.

The Members have approved the NJ UASTS annual budgets, and NJEDA staff have administered the quarterly disbursements upon review of the management prepared financial statements together will all relevant documents relating to income and expenses for each fiscal quarter thus far. Total Grant disbursements to date are \$658,720.50.

D. Purpose of the First Amendment

The NJ UASTS has several projects currently underway, which include:

- Engagement to support the Atlantic County Mosquito Commissions request to utilize UAS for wetland mapping and pesticide tablet placement, UAS vehicle selection and training assistance.
- Currently in discussions to support Icarus UAS for two separate flight campaigns in Maryland during the August/September 2017 timeframe. The first to facilitate research flights focusing on counter-drone technology. Identification of an incoming UAV at distances of up to 8 miles while identifying and analyzing command and control frequencies. The second will facilitate a drone flight of approximately 3 to 5 miles from the operator with a package deployment taking place.
- An US Army Cyber Blitz Exercise at Joint Base McGuire/Dix/Lakehurst is scheduled for September 2017 that will integrate UAS generated target acquisition and tracking data into various military fusion and distribution networks. The overarching intent is to operate within a crowded secure cyber training and analysis environment.

NJII requests the spending and reporting extensions to complete work on these projects.

The First Amendment is attached to this memo as Exhibit A. The final First Amendment may be subject to revision, although the basic terms will remain consistent with the attachment. The final First Amendment will be subject to the approval of the Chief Executive Officer, President/Chief Operating Officer, the Attorney General's Office, and NJII.

Recommendation

In summary, the Board Members are asked to approve this First Amendment to the Grant Agreement between NJII and the Authority which will provide: (1) an extension of four months until October 31, 2017 to use the \$41,279.50 in remaining funds to allow successful completion of several projects that are already underway, an (2) an extension for filing the required report until January 31, 2018.



Timothy J. Lizura
President and Chief Operating Officer

Attachment: Exhibit A
Prepared by: Elke C. Born

**FIRST AMENDMENT TO THE GRANT AGREEMENT BETWEEN
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
AND
NEW JERSEY INNOVATION INSTITUTE**

This FIRST AMENDMENT (the "Amendment") to the GRANT AGREEMENT is made as of the ____ day of _____ 2017, by and between the New Jersey Economic Development Authority ("EDA") and the New Jersey Innovation Institute ("NJII").

WHEREAS, EDA determined to support NJII in its implementation and operation of New Jersey Unmanned Aircraft System Test Site ("NJ UASTS"); and

WHEREAS, EDA and NJII entered into a GRANT AGREEMENT dated March 30, 2016, (the "Agreement"), because the integration of UAS into the national airspace will have a significant positive economic impact; and

WHEREAS, with the approval of the New Jersey Legislature Joint Budget Oversight Committee on December 17, 2015, EDA has approved the making of a grant to NJII in the maximum amount of \$700,000, to be used to reimburse a portion of the expenses related to the implementation and operation of the NJ UASTS projects; and

WHEREAS, the NJII has requested a four (4) month extension of time to allow successful completion of commitments on several projects that are already underway; and

WHEREAS, the implementation and operation of NJ UASTS during the extension period would benefit the goals of EDA and NJII, as well as the State of New Jersey;

NOW, THEREFORE in consideration of the mutual covenants contained herein and other goods and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, EDA and NJII amend the Agreement as follows:

1. All the recital clauses hereinabove set forth are incorporated by reference as though set forth verbatim and at length herein.

- a. Section 2 is hereby amended by inserting the following after subsection (vi):

(vii) The residual FY2016 and FY2017 Grant proceeds shall be used to pay for expenses incurred by NJII during the period of July 1, 2017 to October 31, 2017. No portion of the Grant proceeds may be used by NJII for any purpose other than those allowed in Section 4 of the Grant Agreement.

- b. Section 2 is hereby amended by deleting the last paragraph which states the following:

"Within forty-five (45) days from end of FY 2017, NJII shall reimburse EDA for all Grant proceeds not

expended by NJII during quarter three FY 2017 and quarter four FY 2017, calculated by the financial statements and documentation that NJII is required to submit as set for the in Section 5 of this Agreement.”

c. Section 2 is hereby further amended by inserting the following as the new last paragraph:

“By no later than January 31, 2018, NJII shall reimburse EDA for all Grant proceeds not expended by NJII through October 31, 2017, calculated by the financial statements and documentation that NJII is required to submit as set forth in Section 5 of the Grant Agreement.”

- 2. This Amendment may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.
- 3. This Amendment shall be governed in all respects by the laws of the State of New Jersey.
- 4. Except as expressly modified hereby, all terms, conditions, definitions, undertakings and covenants of the Agreement shall remain in full force and effect and are in no way abrogated by this Amendment. Capitalized terms used in the within Amendment but not otherwise defined herein shall have the meanings ascribed to them in the Agreement.
- 5. The parties hereby confirm the validity and continued force and effect of the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to the Agreement as of the date first written above.

**THE NEW JERSEY ECONOMIC DEVELOPMENT
AUTHORITY**

WITNESS

SIGNATURE
NAME:
TITLE:

THE NEW JERSEY INNOVATION INSTITUTE

WITNESS

SIGNATURE
NAME:
TITLE:



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: Grant of Easement to PSE&G
Tech Expansion Site, Lot 1.03
North Brunswick, New Jersey

DATE: August 8, 2017

Summary:

I am requesting the Members' approval to enter into a Grant of Easement Agreement with Public Service Electric & Gas ("PSE&G") to allow for entry upon lands for maintenance of upgraded powerlines in an adjacent pre-existing easement area as well as an aerial easement to allow for the potential blow out of wires and downed wire. This Agreement will be recorded of record at the Middlesex County Clerk's Office and become an Easement of record of Authority-owned property on Block 252, Lot 1.03 which is the detention basin at the Tech Expansion site.

Background:

In May 2017, the NJEDA was contacted by PSE&G requesting an easement for NJEDA's detention basin lot at the Tech Expansion site in North Brunswick, New Jersey (hereinafter "Property"). Real Estate Division staff met with the PSE&G project team to discuss PSE&G's undertaking of replacement of power lines for a transmission rebuild project on their Metuchen-Trenton-Burlington Project ("Project"). The current system infrastructure is, on average, 80 years and has reached its end of life.

The Project replaces aging infrastructure in 17 municipalities in New Jersey in order to strengthen the electric transmission system in all or parts of 13 states, including New Jersey.

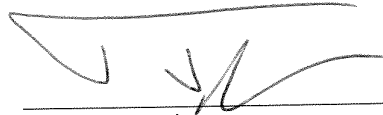
In North Brunswick, PSE&G holds an existing powerline easement on the Tech Expansion Site. The powerlines thereon are intended to be upgraded as set forth above. PSE&G requires an additional easement on the Property (adjacent to the existing easement) to allow for access for the upgrade and then the continued maintenance of the new power lines. The aerial portion of the easement is required to allow for the blow out or sway/swing of the transmission lines from the existing easement to the proposed easement area. The easement area is depicted on the map provided as Exhibit A.

PSE&G has provided an appraisal which values the easement area at \$5,000.00. Real Estate staff has reviewed the appraisal and concurs with the valuation. This is the consideration amount PSE&G will be paying EDA for the permanent easement. The Property is the detention basin of the Tech Expansion site; accordingly, it is not a developable parcel.

PSE&G will indemnify the Authority arising from its negligence or willful misconduct. The attached form of Grant of Easement Agreement, attached as Exhibit B, is in substantially final form. The final terms of the Grant of Easement Agreement will be subject to the approval of the President/Chief Operating Officer and the Attorney General's Office.

Recommendation:

In summary, I am requesting the Members' approval to execute a Grant of Easement Agreement with PSE&G, on terms acceptable to the Chief Executive Officer, President/Chief Operating Officer and the Attorney General's Office.



Timothy J. Lizura
President/Chief Operating Officer

Prepared by: Cathleen A. Hamilton

Grant of Easement

RECORD AND RETURN TO:
Corporate Properties
PSEG Services Corp.
80 Park Plaza, T6B
Newark, NJ 07102

Prepared by: Joy Schulein

GRANT OF EASEMENT

THIS INDENTURE, made this _____ day of _____, 2017, between NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, an instrumentality of the State of New Jersey, having an office at 39 West State Street, P.O. Box 990, Trenton, New Jersey 08625-0990 (hereinafter "Grantor"), and PUBLIC SERVICE ELECTRIC AND GAS COMPANY, having an office at 80 Park Plaza, Newark, New Jersey 07102 (hereinafter called "Grantee):

WITNESSETH:

WHEREAS, Grantor is the owner in fee simple of a certain tract of real property situate in the Township of North Brunswick, County of Middlesex and State of New Jersey commonly known as Block 252, Lot 1.03 (hereinafter called the "Property"); and

WHEREAS, Grantor does agree to convey an easement in perpetuity to Grantee for its use, occupancy and enjoyment and the use, occupancy and enjoyment of its licensees, successors in interest and assigns, in connection with the, maintenance and safety clearance of existing aerial transmission lines (the "Existing Facilities") at the Property, all in accordance with and for the purposes set forth in this Grant of Easement;

WHEREAS, the Existing Facilities are located on the Property adjacent to the Easement Area (hereinafter defined) pursuant to a Grant of Easement dated May 27, 1930 and recorded June 14, 1930 in Deed Book 987 Page 328 in the office of the Clerk of Middlesex County (the "Initial Easement").

NOW, THEREFORE, in consideration of these premises and the sum of FIVE THOUSAND AND 00/100 (\$5,000.00) DOLLARS, lawful United States currency paid to the Grantor by the Grantee, the receipt of which is hereby acknowledged, and in further consideration of the mutual conditions, covenants, promises and terms hereinafter contained, it is agreed that:

Grantor does hereby grant and convey unto Grantee an easement in perpetuity in, under, through, upon and across the hereinbefore described Property of Grantor, with full rights, privileges and authority for Grantee to enter upon the Easement Area from time to time, for the purpose of (i) perpetually operating and maintaining the Existing Facilities at the Property pursuant to the terms of the Initial Easement, (ii) permitting the Existing Facilities to blow-out and encroach upon the easement area described below and attached hereto as Exhibit A (the "Easement Area"); and (iii) inspecting, locating, relocating, installing, altering, extending,

constructing, repairing, replacing, rebuilding, removing and using the Existing Facilities and other fixtures, appurtenances and facilities installed pursuant to the Initial Easement which Grantee may, in its exclusive discretion and sole judgment, deem necessary or proper for the conduct of its business; together with such free and unlimited access to, egress and ingress in, from and over all points of said Easement Area and other remaining lands of Grantor as is reasonable or necessary for the full use, occupancy and enjoyment of said easement in accordance with the terms of the Initial Easement. Said Easement Area is more particularly shown on a map entitled, "Easement Exhibit," dated April 18, 2017 and attached hereto as Exhibit A, and is more particularly described in a metes and bounds description which is also attached hereto as Exhibit B.

Grantor does further grant and convey to Grantee the right, privilege and authority to trim, cut and remove such tree branches, roots, shrubs, plants, trees and vegetation which might, within the exclusive discretion and sole judgment of Grantee, interfere with or threaten the safe, proper or convenient, use, maintenance or operation of said Existing Facilities and located within the Easement Area.

Grantor shall have the right to use, occupy and enjoy the surface and air space above the Easement Area for any purpose which does not, within the exclusive discretion and sole judgment of Grantee, interfere with or threaten the safe, proper or convenient use, occupancy and enjoyment of same by Grantee. Grantor agrees, however, to comply with the requirements of the National Electrical Code and the National Electrical Safety Code, the Department of Transportation Minimum Federal Safety Standards promulgated under the authority of the Natural Gas Pipeline Safety Act of 1968, and to the "Underground Facility Protection Act," as applicable to clearances to any buildings or structures and agrees that no buildings or structures shall be erected within the Easement Area. Grantor shall at all times provide access to Grantee. Prior to construction of any improvements in the Easement Area, Grantor shall supply Grantee with plans of sufficient detail on said improvements and must obtain approval of said improvements from Grantee, which shall not be unreasonably withheld. At no point shall any improvements exceed 20 feet from present grade.

Grantee shall perform all work in connection with the rights, privileges and authority herein granted and conveyed in a workmanlike manner and with a minimum of inconvenience to the Grantor, and any damage done to the land or premises of Grantor shall be promptly repaired and restored as nearly as possible to its condition immediately prior to damage, at the sole cost and expense of Grantee.

If Grantor shall, at any time after the initial installation of said Existing Facilities, request Grantee to relocate said Existing Facilities to a different location or locations, it shall do so at such location or locations as shall be mutually satisfactory to the parties hereto at the sole cost and expense of Grantor, Grantee to have the same rights and privileges in the new location or locations as in the former location or locations.

Grantor covenants to warrant generally the rights above granted, will execute such further assurance of the same as may be required, and that Grantee shall have the quiet possession thereof free from all liens and encumbrances.

Grantee shall defend and indemnify Grantor against, and shall save Grantor harmless from, and shall reimburse Grantor with respect to, any and all claims, demands, actions, causes of action, injuries, orders, losses, liabilities (statutory or otherwise), obligations, damages, fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by, imposed upon or asserted against Grantor by reason of any accident, injury (including death at any time resulting therefrom) or damage to any person or property arising out of or resulting from any negligent act, omission or willful misconduct of Grantee or by any employee, licensee, invitee or agent of Grantee.

This Grant of Easement shall be governed by and construed in accordance with the laws of the State of New Jersey.

The provisions of this Indenture shall inure to the benefit of and be obligatory upon the respective parties hereto and their successors and assigns.

Signature page to follow

IN WITNESS WHEREOF, Grantor and Grantee have signed these presents the day and year first above written.

**NEW JERSEY ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Name:
Title:

WITNESS/ATTEST

Name:
Title:

**PUBLIC SERVICE ELECTRIC
AND GAS COMPANY
By PSEG Services Corp., Agent**

By: _____
Roger J. Trudeau
Manager – Corporate Real Estate
Transactions

ATTEST

Name:
Title:

STATE OF _____)
: SS.
COUNTY OF _____)

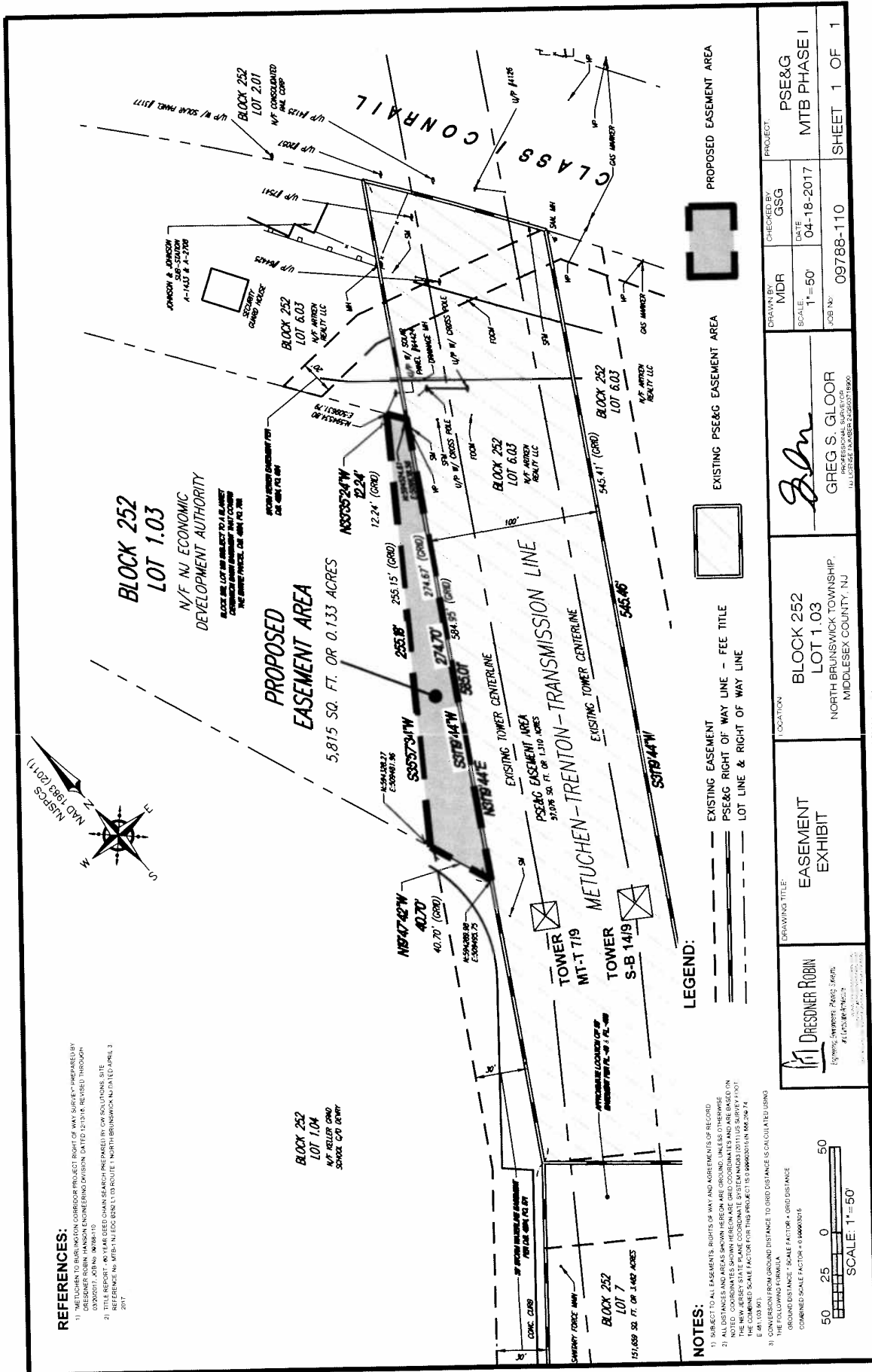
BE IT REMEMBERED, that on this ____ day of _____, 2017, before me, the subscriber, a Notary Public of the State of _____, personally appeared _____, who, I am satisfied, is _____ of _____, named in and which executed the foregoing instrument for and on behalf of _____ as the voluntary act and deed of said _____.

Notary

STATE OF NEW JERSEY)
: SS.
COUNTY OF ESSEX)

BE IT REMEMBERED, that on this ____ day of _____, 2017, before me, the subscriber, a Notary Public of the State of New Jersey, personally appeared ROGER J. TRUDEAU, who, I am satisfied, is Manager – Corporate Real Estate Transactions of PSEG Services Corporation, Agent for PUBLIC SERVICE ELECTRIC AND GAS COMPANY, the corporation named in and which executed the foregoing instrument, and he thereupon acknowledged that the said instrument was made by the corporation and sealed with its corporate seal and was signed, sealed with the corporate seal and delivered by him as such officer and is the voluntary act and deed of the corporation, made by virtue of authority from its Board of Directors.

Notary



May 16, 2017

Job No. 09788-110

**Description of
Proposed Easement
to be granted to
Public Service Electric and Gas Company
located on part of Block 252, Lot 1.03
situated in
North Brunswick Township
County of Middlesex, State of New Jersey**



Jersey City

Corporate Office

One Evertrust Plaza, Suite 901
Jersey City, NJ 07302-3085
PHONE: 201-217-9200
FAX: 201-217-9607

Asbury Park Office

603 Mattison Avenue
Asbury Park, NJ 07712
PHONE: 732-988-7020
FAX: 732-988-7032

Cherry Hill Office

535 Route 38 East
Suite 208
Cherry Hill, NJ 08002
PHONE: 856-488-6200
FAX: 856-488-4302

Fairfield Office

55 Lane Road, Suite 220
Fairfield, NJ 07004-1015
PHONE: 973-696-2600
FAX: 973-696-1362

www.dresdnerrobin.com

BEING a portion of the lands as described in a deed between DKM-Atlantic Corp. and New Jersey Economic Development Authority dated October 25, 2004 and recorded on November 4, 2004 in Deed Book 5404, Page 752 in the Middlesex County Clerk's Office.

BEGINNING at a point in the northwesterly line of the PSE&G Metuchen – Trenton Transmission Line where the same is intersected by the common lot line of Block 252, Lot 1.04, N/F Keller Grad School C/O Devry and Block 252, Lot 1.03, N/F NJ Economic Development Authority; said point of beginning having New Jersey State Plane grid coordinates (NAD 1983, U.S. Survey feet), of N: 594,289.98 feet, E: 509,495.75 feet and running, thence; on the ground:

1. Along the common lot line of Block 252, Lot 1.04, N/F Keller Grad School C/O Devry and Block 252, Lot 1.03, N/F NJ Economic Development Authority, North 19 degrees 47 minutes 42 seconds west, 40.70 feet to a point; thence
2. Running through 252, Lot 1.03, N/F NJ Economic Development Authority, North 35 degrees 57 minutes 34 seconds east, 255.18 feet to a point; thence
3. Along the common lot line of Block 252, Lot 1.03 N/F NJ Economic Development Authority and Block 252, Lot 6.03, N/F Artken Realty LLC, South 33 degrees 35 minutes 24 seconds East, 12.24 feet to a point, thence
4. Along the northwesterly line of the PSE&G Metuchen – Trenton Transmission Line, South 31 degrees 19 minutes 44 seconds West, 274.70 feet to the point or place of BEGINNING.

Subject to all easements, rights of way and agreements of record.

Bearings recited in this description are referenced to the New Jersey State Plane Coordinate System-North American Datum 1983 (NAD 83) (2011). All distances recited in this description are ground distances.

Containing 5,815 S.F. or 0.133 Acres

This description was prepared in accordance with exhibit entitled: "Easement Exhibit, Block 252, Lot 1.03, North Brunswick Township, Middlesex County, N.J." Prepared by Dresdner Robin, dated 04-18-2017, Job No. 09788-110.



Greg S. Gloor
Professional Land Surveyor
NJ LS License No. 37189

BOARD MEMORANDUM



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

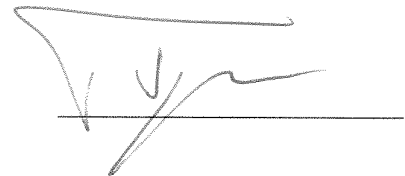
DATE: August 8, 2017

SUBJECT: Projects Approved Under Delegated Authority –
For Informational Purposes Only

The following projects were approved under Delegated Authority in July 2017:

Premier Lender Program:

- 1) 52 La France LLC (P44355), located in Bloomfield Township, Essex County, is a real estate holding company formed to purchase the project property. The operating company, S&F Supplies Inc., is a leading supplier and distributor of high quality sign and awning materials. TD Bank approved a \$7,740,000 bank loan with a 25.8% (\$2,000,000) Authority participation. Proceeds will be used to purchase the project property. The Company currently has 125 employees and plans to create 20 new positions within the next two years. SSBCI Funds were utilized for this project. On June 13, 2017, the members of the EDA Board approved a \$2,980,000 GROW award to S&F Supplies Inc., in support of the project.
- 2) Global Furniture USA, Inc. (P44364), located in East Brunswick Township, Middlesex County, is an importer and distributor of home furnishings in the US. Provident Bank approved a \$2,000,000 line of credit with a one-year renewal of a 37.5% guarantee of principal outstanding, not to exceed \$750,000. Proceeds will be used for working capital. Currently, the Company has 30 employees and plans to create 3 new jobs over the next two years. SSBCI funds were utilized for this project.



Prepared by: G. Robins
/gvr



MEMORANDUM

TO: Members of the Authority

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

DATE: August 8, 2017

SUBJECT: PUST and HDSRF Program Funding Status
(For Informational Purposes Only)

In December, 2012, the members approved a change in the administration of the subject programs as a result of new Treasury guidance for fund transfers. Staff has reported to the board quarterly on the status of the funds.

Below is the funding availability as of the second quarter ending on June 30, 2017:

PUST:

As of June 30th, remaining cash and unfunded appropriations net of commitments was \$3.6 million available to support an estimated \$22.5 million pipeline of projects, of which approximately \$6.0 million are under review at EDA.

HDSRF:

As of June 30th, remaining cash and unfunded appropriations net of commitments was \$9.5 million available to support an estimated \$31.4 million pipeline of projects, of which approximately \$4.8 million are under review at EDA.

Prepared by: Wendy Wisniewski



MEMORANDUM

TO: Members of the Authority
FROM: Timothy Lizura, President and Chief Operating Officer
DATE: August 8, 2017
SUBJECT: Technology & Life Sciences - Delegated Authority Approvals for Q2 2017
For Informational Purposes, Only

Angel Investor Tax Credit Program – 2017 Q2 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 the second quarter of 2017, 49 Angel Tax Credit applications for \$1,805,665 in tax credits were approved. This represented \$18,056,659 in private investments in 13 unique technology and life science companies.

Sector	Investment amount	Applications	% of total investments	% of total applications
Clean Technology	\$8,451,251	1	47%	8%
Life Sciences	\$6,683,429	8	37%	62%
Technology	\$2,921,979	4	16%	31%

Attached please find a list of all ATC applications that were approved under delegated authority in the second quarter of 2017.

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

Prepared by:
 Kathleen Coviello
 Alec Tripodi

Investor	Technology Company	Investment Amount	Tax credit amount	Calendar Year
Tianjin Heyueguyu Equity Investment Fund Limited Partnership	Admera Health, LLC	\$3,000,000	\$300,000	2017
1	Admera Health, LLC	\$3,000,000	\$300,000	2017
TNT Management LLC	Astarte Medical Partners, Inc.	\$30,000	\$3,000	2017
TNT Management LLC	Astarte Medical Partners, Inc.	\$100,000	\$10,000	2017
2	Astarte Medical Partners, Inc.	\$130,000	\$13,000	
Thomas B. Ahrensfield UGMA	BioAegis Therapeutics, Inc.	\$50,000	\$5,000	2017
1	BioAegis Therapeutics, Inc.	\$50,000	\$5,000	
Akoyat Ilac Biyoteknoloji Yatirim Ye Dis Ticaret	Crescenta Biosciences, Inc.	\$749,960	\$74,996	2017
1	Crescenta Biosciences, Inc.	\$749,960	\$74,996	
Chafetz Group LLC	Energy Technology Savings, Inc.	\$219,638	\$21,964	2017
Chafetz Group LLC	Energy Technology Savings, Inc.	\$19,638	\$1,964	2017
Dana Reisman and Seth Reisman, JTWS	Energy Technology Savings, Inc.	\$56,623	\$5,662	2017
Eric W. Witmond	Energy Technology Savings, Inc.	\$101,080	\$10,108	2017
Four L Partners LLC	Energy Technology Savings, Inc.	\$100,000	\$10,000	2017
Gary Leff	Energy Technology Savings, Inc.	\$50,000	\$5,000	2017
Jacob Klein	Energy Technology Savings, Inc.	\$100,000	\$10,000	2017
Jendan Dai, LLC	Energy Technology Savings, Inc.	\$100,000	\$10,000	2017
MJM-1 LLC	Energy Technology Savings, Inc.	\$200,000	\$20,000	2017
Portage Capital LLC	Energy Technology Savings, Inc.	\$100,000	\$10,000	2017
Richard Wood	Energy Technology Savings, Inc.	\$100,000	\$10,000	2017

The 2012 Jordan Friedman GST Trust	Energy Technology Savings, Inc.	\$50,000	\$5,000	2017
The 2012 Matthew Friedman GST Trust	Energy Technology Savings, Inc.	\$50,000	\$5,000	2017
13	Energy Technology Savings, Inc.	\$1,246,979	\$124,698	
AltEnergy Storage, LLC	Eos Energy Storage, LLC	\$3,000,000	\$300,000	2017
Corinthian Investors, LLC	Eos Energy Storage, LLC	\$250,000	\$25,000	2017
John T. Raymond	Eos Energy Storage, LLC	\$4,750,000	\$475,000	2017
The John T. Raymond 2012 Delaware Trust	Eos Energy Storage, LLC	\$250,001	\$25,000	2017
The William P. Miller Trust	Eos Energy Storage, LLC	\$201,250	\$20,125	2017
5	Eos Energy Storage, LLC	\$8,451,251	\$845,125	
Kolivan LLC	Futurestay, Inc.	\$25,000	\$2,500	2017
1	Futurestay, Inc.	\$25,000	\$2,500	
Jennifer Lynn Gordon Irrevocable Trust	Innovaci, Inc.	\$50,000	\$5,000	2017
Joseph Monte	Innovaci, Inc.	\$100,000	\$10,000	2017
Michael Gordon	Innovaci, Inc.	\$200,000	\$20,000	2017
Rachel Katherine Gordon Irrevocable Trust	Innovaci, Inc.	\$50,000	\$5,000	2017
River Capital Associates, LLC	Innovaci, Inc.	\$100,000	\$10,000	2017
The Patrick Scire 2001 GST Trust	Innovaci, Inc.	\$100,000	\$10,000	2017
Thomas Larsen	Innovaci, Inc.	\$50,000	\$5,000	2017
7	Innovaci, Inc.	\$650,000	\$65,000	
Kavitha Pareddy	Kovid, Inc.	\$250,000	\$25,000	2017
KP Management Trust	Kovid, Inc.	\$250,000	\$25,000	2017
Pothuru Family Limited Partnership	Kovid, Inc.	\$500,000	\$50,000	2017
3	Kovid, Inc.	\$1,000,000	\$100,000	
Ashok G. & Alka G. Nigalaye	Nevakar, LLC	\$500,000	\$50,000	2017
Maduri N. Krishnan	Nevakar, LLC	\$300,000	\$30,000	2017
Sukanya Krishnan	Nevakar, LLC	\$100,000	\$10,000	2017
3	Nevakar, LLC	\$900,000	\$90,000	

Robert W. Croce	Svelte Medical Systems, Inc.	\$100,000	\$10,000	2017
1	Svelte Medical Systems, Inc.	\$100,000	\$10,000	
Anthony Hume Dilweg	TAXIS Pharmaceuticals, Inc.	\$50,000	\$5,000	2017
Ernst A. Langner	TAXIS Pharmaceuticals, Inc.	\$50,000	\$5,000	2017
Ernest Mario	TAXIS Pharmaceuticals, Inc.	\$1,000,000	\$100,000	2017
Gregory Mario	TAXIS Pharmaceuticals, Inc.	\$26,500	\$2,650	2017
Gregory Mario	TAXIS Pharmaceuticals, Inc.	\$50,000	\$5,000	2017
Mario family partners	TAXIS Pharmaceuticals, Inc.	\$250,000	\$25,000	2017
SSC Venture Fund, LLC	TAXIS Pharmaceuticals, Inc.	\$58,469	\$5,847	2017
SSC Venture Fund, LLC	TAXIS Pharmaceuticals, Inc.	\$93,500	\$9,350	2017
8	TAXIS Pharmaceuticals, Inc.	\$1,578,469	\$157,847	
Andrew Yawger & Christine Yawger	Turnpoint Medical Devices, Inc.	\$25,000	\$2,500	2017
Patrick J. Darche	Turnpoint Medical Devices, Inc.	\$30,000	\$3,000	2017
Richard Darche	Turnpoint Medical Devices, Inc.	\$120,000	\$12,000	2017
3	Turnpoint Medical Devices, Inc.	\$175,000	\$17,500	
49	13	\$18,056,659	\$1,805,665	

Post-closing actions approved under delegated authority during Q2 2017:

Borrower (Operating Company)	EDA Exposure	Action
Princeton Power Systems, Inc.	\$1,464,297.71	Approved company's request for a six-month payment moratorium on the CEMF loan to provide cost relief while the company executes on its sustainability plan and to aid in its expense reduction.