New Jersey Economic Development Authority

MEMORANDUM

TO: Members of the Authority

FROM: Melissa Orsen
Chief Executive Officer

DATE: November 13, 2015

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

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Incentive Programs

Bond Projects

Loans/Grants/Guarantees

Office of Recovery

Board Memorandums

Real Estate

Executive Session

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

October 15, 2015

MINUTES OF THE MEETING

Members of the Authority present: Al Koeppe, Chairman; Jennifer Duffy representing Acting State Treasurer Robert Romano; Jeffrey Stoller representing Commissioner Hal Wirths of the Department of Labor and Workforce Development; Commissioner Richard Badolato of the Department of Banking and Insurance; Patrick Mullen representing Commissioner Richard Badolato of the Department of Banking and Insurance; Public Members: Larry Downes, Charles Sarlo, David Huber, Patrick Delle Cava, First Alternate Public Member; and Harold Imperatore, Third Alternate Public Member.

Member Present via conference call: Colleen Kokas representing the Commissioner of the Department of Environmental Protection; Public Members Joseph McNamara, Vice Chairman; and Massiel Medina Ferrara.

Absent: Public Members Fred B. Dumont, Philip B. Alagia, and 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 Bette Renaud; Michael Collins, Governor's Authorities' Unit; and staff.

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

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the September 10, 2015 meeting minutes. A motion was made to approve the minutes by Mr. Huber, 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.

Mr. Sarlo entered the meeting at this time.

Ms. Duffy entered at the meeting at this time.

CHIEF EXECUTIVE OFFICER'S MONTHLY REPORT TO THE BOARD

INCENTIVE PROGRAMS

Residential Economic Redevelopment and Growth Grant Program

ITEM: Branch Village Urban Renewal, LLC and the Housing Authority of the City of Camden APPL.#41085
REQUEST: To approve the application of Branch Village Urban Renewal, LLC and the Housing Authority of the City of Camden for a project located in Camden, Camden County for the issuance of tax credits. The recommendation is to give up to 40% of actual eligible costs, not to exceed $5,028,590, in tax credits based on the budget submitted.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Stoller **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: Carver Hall Urban Renewal, LP APPL.#40492
REQUEST: To approve the application of Carver Hall Urban Renewal, LP for a project located in Atlantic City, Atlantic County for the issuance of tax credits. The recommendation is to award up to 40% of actual eligible costs, not to exceed $13,524,105, in tax credits based on the budget submitted.
MOTION TO APPROVE: Mr. Imperatore **SECOND:** Mr. Delle Cava **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Grow New Jersey Assistance Program

ITEM: The Eggo Company APPL.#41410
REQUEST: To approve the application of The Eggo Company for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Winslow Township, NJ. Project location of Winslow Township, in Atlantic County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of Minimum (non-Mega), Targeted Industry of Manufacturing, On Site Solar Generation of ½ of Project's Elec. Needs, and Exceeds LEEDs Silver. The estimated annual award is $944,000 for a 10-year term.
MOTION TO APPROVE: Mr. Delle Cava **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

ITEM: FC USA, Inc. APPL.#41420
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Sarlo **SECOND:** Mr. Huber **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ITEM: FC USA, Inc. APPL.#41420
REQUEST: To approve the application of FC USA, Inc. for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Montvale Borough, NJ. Project location of Montvale, in Bergen County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for a bonus increase to the tax credit award for Large Number of Retained Jobs. The estimated annual award is $759,375 for a 10-year term.
MOTION TO APPROVE: Mr. Huber **SECOND:** Mr. Delle Cava **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

ITEM: GBT III US LLC APPL.#41351
REQUEST: To approve the application of GBT III US LLC for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Jersey City, NJ. Project location of Jersey City, 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, and Exceeds LEEDs Silver. The estimated annual award is $1,827,500 for a 10-year term.
MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: Grocery Delivery E-Services USA Inc. d/b/a HelloFresh APPL.#41345
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Delle Cava **SECOND:** Mr. Imperatore **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

ITEM: Grocery Delivery E-Services USA Inc. d/b/a HelloFresh APPL.#41345
REQUEST: To approve the application of Grocery Delivery E-Services USA Inc. d/b/a HelloFresh for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Newark, NJ. Project location of Newark, Essex County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project located at 2 Gateway is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Transit Oriented Development, and Large Number of New/Retained Full-Time Jobs. The estimated annual award is $1,197,338 for a 10-year term. In addition, the project located at 60 Lister Avenue is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket and Large Number of New/Retained Full-Time Jobs. The estimated annual award is $2,512,904 for a 10-year term.
MOTION TO APPROVE: Mr. Huber **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

Chairman Koeppe remarked that at last month's meeting, Mr. Richard Tolson, Director Bricklayers and Allied Craftworkers of NJ highlighted the need to keep jobs in New Jersey. Chairman Koeppe stated that while the EDA recognizes the importance of creating construction jobs for NJ residents, without statutory authority it is not within our control. Chairman Koeppe also commended the joint efforts of the EDA and Department of Labor on job creation and training needs.

ITEM: Innocor, Inc. APPL.#41349
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Delle Cava **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

ITEM: Innocor, Inc. APPL.#41349
REQUEST: To approve the application of Innocor, Inc. for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Red Bank Borough, NJ. Project location of Red Bank Borough, Monmouth County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for a bonus increase to the tax credit award for a Targeted Industry of Manufacturing. The estimated annual award is $332,500 for an 8-year term.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Huber **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

Commissioner Richard Badolato entered the meeting at this time.

ITEM: NICE Systems, Inc. APPL.#41380
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Delle Cava **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: NICE Systems, Inc. APPL.#41380
REQUEST: To approve the application of NICE Systems, Inc. for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Hoboken City, NJ. Project location of Hoboken 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, Large Number of New/Retained Full-Time Jobs, Targeted Industry of Technology, and Exceeds LEEDs Silver. The estimated annual award is $2,280,380 for a 10-year term.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Albanese **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

ITEM: SunGard Data Systems, Inc. APPL.#41268
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Huber **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

ITEM: SunGard Data Systems, Inc. APPL.#41268
REQUEST: To approve the application of SunGard Data Systems, Inc. for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Jersey City, NJ. Project location of Jersey City, 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, and Targeted Industry of Finance. The estimated annual award is $804,350 for a 10-year term.
MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. Huber **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

ITEM: Wayside Technology Group, Inc. APPL.#41357
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Delle Cava **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

ITEM: Wayside Technology Group, Inc. APPL.#41357
REQUEST: To approve the application of Wayside Technology Group, Inc. for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Oceanport Borough, NJ. Project location of Oceanport Borough, Monmouth County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The estimated annual award is $261,000 for a 10-year term.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Stoller **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

ITEM: Clean Green Textile Service, LLC APPL.#41390
REQUEST: To approve the finding of material factor in the decision to make capital investment and locate in Camden, NJ.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Delle Cava **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

ITEM: Clean Green Textile Service, LLC APPL.#41390
REQUEST: To approve the application of Clean Green Textile Service, LLC for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Camden City, NJ. The estimated annual award is $560,500 for a 10-year term.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Delle Cava **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

BOND PROJECTS

Amended Bond Resolutions

ITEM: NJEDA/Liberty State Park/Liberty Science Center Project APPL.#41239
REQUEST: To approve the Forth Supplemental State Lease Revenue Bond Resolution (i) to refund in whole or in part the $81,640,000 outstanding balance of the 1996 Bonds, 2003 Series A Bonds, 2005 Series B Bonds and 2005 Series C Bonds, plus pay costs of issuance , for a total bond amount not to exceed $86 million and (ii) authorize amendments to the Bond Resolution to permit the issuance of Refunding Bonds to refund bonds issued under the Prior Resolution.
MOTION TO APPROVE: Mr. Imperatore **SECOND:** Mr. Huber **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

ITEM: Springpoint at Montgomery, Inc. APPL.#41505
LOCATION: Montgomery Township/Somerset
PROCEEDS FOR: Refinancing
FINANCING: $55,000,000 Tax-exempt bond
MOTION TO APPROVE: Mr. Huber **SECOND:** Mr. Stoller **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

ITEM: Springfield Senior Services . APPL.#41504
LOCATION: Statewide/Multi County
PROCEEDS FOR: Refinancing
FINANCING: $37,500,000 (max.) Tax-exempt bond
MOTION TO APPROVE: Mr. Huber **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Combination Preliminary and Bond Resolutions

ITEM: BUF Health and Human Services Corporation, Inc. APPL.#41376
LOCATION: Plainfield City/Union
PROCEEDS FOR: Refinancing
FINANCING: $3,040,000 Tax-exempt bond
MOTION TO APPROVE: Mr. Delle Cava **SECOND:** Mr. Stoller **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

ITEM: CHCC of Wayne, LLC APPL.#41479
LOCATION: Wayne Township/Passaic
PROCEEDS FOR: Acquisition of existing building
FINANCING: $16,200,000 Tax-exempt bond
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Delle Cava **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

ITEM: Congregation Oros Bais Yaakov of Lakewood, Inc. APPL.#41487
LOCATION: Lakewood Township/Ocean
PROCEEDS FOR: Refinancing
FINANCING: $4,775,000 Tax-exempt bond
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Huber **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Preliminary Resolutions

ITEM: Contemporary Graphics and Bindery APPL.#41350
LOCATION: Camden City/ Camden
PROCEEDS FOR: Renovation of existing building
FINANCING: $11,352,000
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Delle Cava **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

ITEM: Rowan University/Rutgers-Camden Board of Governors APPL.#41073
LOCATION: Camden City/ Camden
PROCEEDS FOR: Construction of new building/Purchase of equipment & machinery/ Environmental Investigation and Remediation
FINANCING: $55,000,000
MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 26

ITEM: Sephardic Torah Center APPL.#41344
LOCATION: Long Branch City/Monmouth
PROCEEDS FOR: Refinancing
FINANCING: $1,407,000
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Huber **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 27
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

Petroleum Underground Storage Tank Program

FOR INFORMATION ONLY: Petroleum Underground Storage Tank Program (PUST) – Delegated Authority Third Quarter 2015 Approvals

Hazardous Discharge Site Remediation Fund Program

ITEM: Summary of NJDEP Hazardous Discharge Site Remediation Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Delle Cava **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 28

PROJECT: City of Bridgeton (Abbotts Manufacturing) APPL.#41100
LOCATION: Bridgeton City/Cumberland
PROCEEDS FOR: Remedial Investigation
FINANCING: $16,140

PROJECT: Township of Maurice River (Ackley Garage) APPL.#40818
LOCATION: Maurice River Township/Cumberland
PROCEEDS FOR: Remedial Investigation
FINANCING: $166,830

PROJECT: G.R.A. Realty APPL.#41144
LOCATION: Newark City/Essex
PROCEEDS FOR: Remedial Investigation
FINANCING: $105,577 (50% Innocent Party Grant)

PROJECT: Essie L. Smith APPL.#41521
LOCATION: Plainfield City/Union
PROCEEDS FOR: Remedial Investigation
FINANCING: $70,490

PROJECT: Granite 1280 LLC APPL.#41117
LOCATION: Teaneck Township/Bergen
PROCEEDS FOR: Remedial Investigation/Site investigation
FINANCING: $134,747

PROJECT: Phillip E. Daniel APPL.#41173
LOCATION: Irvington Township/Essex
PROCEEDS FOR: Remedial Investigation/Site investigation
FINANCING: $45,000

FOR INFORMATION ONLY: Hazardous Discharge Site Remediation Fund – Delegated Authority Third Quarter 2015 Approvals

EDISON INNOVATION FUND

Technology Business Tax Certificate Transfer Program

FOR INFORMATION ONLY: Technology Business Tax Certificate Transfer Program – Appeals

ITEM: Technology Business Tax Certificate Transfer Program – Appeals
REQUEST: Consent of the members to the Hearing Officer's recommendation to uphold the declination of the NOL application for Millennium Biotechnologies, Inc.
MOTION TO APPROVE: Mr. Huber **SECOND:** Mr. Stoller **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 29

Mr. Michael James, CEO, of Millennium Biotechnologies, Inc. thanked the board for its consideration of the application. He added that his primary concern was to keep the company in Newark and to retain jobs. He states that towards this end, he often works in excess of 60 hours a week.

Chairman Koeppe stated that the because of the position the Board is in, we can't stray from our statutory obligations, but one recourse for Mr. James might be take it to the appellant level.

OFFICE OF RECOVERY

Energy Resilience Bank (ERB)

ITEM: Energy Resilience Bank – ERB Launch of Funding Product for Hospitals-Healthcare Facilities and Program Guide Revisions
REQUEST: To review and approve the Energy Resilience Bank's Hospitals-Healthcare Facilities Financing Program Guide, as well as changes to the ERB Financing Program Guide and the ERB Funding Round 1: Water and Wastewater Treatment Facilities Program Guide.
MOTION TO APPROVE: Mr. Huber **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 30

Stronger New Jersey Loan Program (Appeals)

FOR INFORMATION ONLY: Stronger NJ Business Loan Program Appeal – The Maine Course LLC

ITEM: Stronger NJ Business Loan Program Appeals
The Maine Course, LLC - 617945
REQUEST: To approve the Hearing Officer's recommendation to uphold the declination of the Stronger NJ Business Loan application for The Maine Course, LLC.
MOTION TO APPROVE: Mr. Delle Cava **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 31

Stronger New Jersey Grant Program (Appeals)

FOR INFORMATION ONLY: Stronger NJ Business Grant Program Appeal – Bob Jentz Painting, LLC

ITEM: Stronger NJ Business Grant Program Appeals
Bob Jentz Painting, LLC – 510784
REQUEST: To approve the Hearing Officer's recommendation to uphold the declination of the Stronger NJ Business Grant application for Bob Jentz Painting, LLC.
MOTION TO APPROVE: Mr. Delle Cava **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 32

BOARD MEMORANDUMS

ITEM: 8 Boys, LLC (P39844) – Economic Recovery Fund
600 Ellis Street
Glassboro, Gloucester County, New Jersey
REQUEST: Increase the amount of EDA participation from $1,000,000 in a $5,000,000 mortgage to $1,750,000 (17.5%) in TD Bank's increased commercial loan of $9,995,000 to Liscio's real estate holding company, for the acquisition and renovations to the project facility in Glassboro.
MOTION TO APPROVE: Mr. Delle Cava **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 33

ITEM: Credit Delegation for Loan and Guarantee Programs
REQUEST: Delegate authority to staff (Level 4: Director with Recommending Officer) to allow temporary maturity extensions for up to six (6) months to improve customer service and efficiencies with matters that have limited financial risk.
MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. Imperatore **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 34

ITEM: New Jersey Community Development Entity-4, LLC
$18,500,000 New Markets Tax Credit Allocation
REQUEST: Consent to actions needed to wind up NJCDE-4's sub-allocation of New Market Tax Credits.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Delle Cava **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 35

FOR INFORMATION ONLY: Delegated Authority Approvals for 3rd Quarter 2015

FOR INFORMATION ONLY: Incentives Modifications

FOR INFORMATION ONLY: Retail Fuel Station – Energy Resiliency Program

FOR INFORMATION ONLY: Projects Approved Under Delegated Authority

NJ Main Street Program: CHA Learning Centers, Inc. d/b/a Somerset Hills School (P41381)

Small Business Fund Program: 1013 Bergenline LLC (P41267); Belli Moran Group LLC (P41353); J Par Realty, LLC and PKD LLC (P39302)

New Jersey Advantage Program: Aldo Carpets, Inc. (P41374 & P41375)

Camden ERB: Fayer's Market, Inc. (P41346)

Stronger NJ Business Loan Program: Arthur Weiler d/b/a Pirates Cove Marina (P40048); Jo Ann Netta d/b/a Black Dog Café Deli (P39033, P41348, & P41419); Green Earth Biodiesel (P40977); Monmouth Marine Engines, Inc. (P41360); New Jersey Appliance LLC (P39907 & P41480)

New Jersey Business Growth Fund - Modification: R & W Investments and Technitool Inc. (P41392)

REAL ESTATE

FOR INFORMATION ONLY: Real Estate Division Delegated Authority for Leases, CCIT Grants, and Right of Entry (ROE)/Licenses for Third Quarter 2015

FOR INFORMATION ONLY: Real Estate Division Delegated Authority for Approvals of Projects under the Streetscape Revitalization Program for the Third Quarter 2015

ITEM: Camden Waterfront Development and Option Agreement, dated October 19, 2004, and amended November 18, 2013 and July 31, 2015
REQUEST: To approve the Letter Agreement Authorizing the Sale of Steiner + Associates' Interest in Camden Town Center, L.L.C., and the Third and Fourth Amendments to the D&O Agreement)
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Imperatore **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 36

ITEM: FMERA Purchase and Sale & Redevelopment Agreement with RADAR Properties, LLC for Building 2525 in the Tinton Falls Section of Fort Monmouth
REQUEST: Asked to consent to the Fort Monmouth Economic Revitalization Authority entering into the redevelopment agreement that is contained within FMERA's Purchase and Sale & Redevelopment with RADAR Properties, LLC for the sale and renovation of Building 2525 in the Tinton Falls section of the former Fort Monmouth.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Delle Cava **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 37

ITEM: FMERA Purchase and Sale & Redevelopment Agreement with Lennar for Parcels C & C1 in Tinton Falls

REQUEST: Asked to consent to the Fort Monmouth Economic Revitalization Authority entering into the redevelopment agreement that is contained within FMERA's Purchase and Sale & Redevelopment with US Home Corporation, a wholly owned subsidiary of Lennar Corporation, for Parcel C and C1 in the Tinton Falls section of the former Fort Monmouth.

MOTION TO APPROVE: Mr. Delle Cava **SECOND:** Commissioner Badolato **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 38

PUBLIC COMMENT

There were no public comments.

There being no further business, on a motion by Commissioner Badolato, and seconded by Mr. Delle Cava, the meeting was adjourned at 11:50 am.

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

Lori Matheus, SVP, Strategic Partnerships
Assistant Secretary

MEMORANDUM

TO: Members of the Authority

FROM: Melissa J. Orsen
Chief Executive Officer

DATE: November 13, 2015

RE: Monthly Report to the Board

NEW JERSEY MARKS THIRD ANNIVERSARY OF SUPERSTORM SANDY

Governor Christie's activities commemorating the third anniversary of Superstorm Sandy included a visit to Booth Movers in Moonachie, where he hosted a roundtable discussion comprised of business owners that received grants to support their recovery through the EDA-administered Stronger New Jersey Business Grant program. In business since the early 1940s, Booth Movers was the recipient of a Stronger NJ Business grant for $50,000 after losing inventory and suffering damage to its solar electrical system.

Nearly 1,200 small businesses have been supported through the Stronger NJ Business Grant and Loan programs to date. In total, the EDA has awarded $184 million to support the recovery of small businesses and communities through the Stronger NJ programs.

EDA CONTINUES SUPPORT OF TECHNOLOGY SECTOR

Awards for companies participating in the State's Technology Business Tax Certificate Transfer (NOL) Program were finalized last week, with 41 companies set to share a total of $47.4 million for Fiscal Year 2016. Administered by the EDA and the New Jersey Department of Treasury's Division of Taxation, this competitive program enables eligible companies to sell New Jersey tax losses and/or research and development tax credits to raise cash to finance their growth and operations.

Since the program was established in 1999, more than 500 unique businesses have been approved for awards totaling $860 million. Twenty-one of the companies participating this year have previously taken advantage of other State programs, highighting the breadth of support offered to this critical sector of the economy.

This includes competitive funding EDA previously provided to encourage the expansion of co-working spaces in New Jersey. Last month, EDA helped to celebrate the grand opening of an expanded facility in Jersey City for Indiegrove; the celebration came three months after the company closed on a $175,000 EDA loan. Indiegrove used the funding to nearly double its space to 10,268 square feet.

EDA-SUPPORTED BUSINESSES ACROSS STATE CELEBRATE MILESTONES

In addition to Indigrove, a range of other EDA-supported businesses celebrated milestones last month.

In Newark, we joined other State and local officials to celebrate the completion of Prudential Financial's new $444-million, 20-story office tower. Supported through the Urban Transit Hub Tax Credit Program, the project included the creation of 400 new, permanent jobs and an estimated 1,300 construction jobs.

In mid-October, Tim Lizura joined local officials in Atlantic Highlands, where Carton Brewing is expanding with the support of lines of credit from Provident Bank, backed by EDA guarantees. The brewery, which samples beer on-premise and self-distributes to over 350 bars, restaurants and liquor stores, will use the financing to expand their business.

Moving south, Paul Ceppi visited Atlantic City Contact Center last week, which recently opened in the Claridge Hotel, where it will employ more than 300 by early next year. The 24/7 contact center was supported through the Grow NJ program.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 41 events in October. These included the NJBIA Awards for Excellence Reception in Edison, the CIANJ Manufacturing Summit in Newark, and the Governor's Conference on Housing and Economic Development in Atlantic City.

CLOSED PROJECTS

Through October 2015, EDA provided more than $987 million in assistance to 223 projects, supporting more than 8,100 existing jobs, the creation of more than 6,900 new jobs and over 3,300 construction jobs and leveraging more than $1.2 billion in public/private assistance.

INCENTIVE PROGRAMS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: November 13, 2015

RE: Notice of Proposed Amendments–Grow New Jersey Assistance (Grow NJ) Program
Notice of Adoption, Without Change and With N.J.A.C. 19:31-18.4(c) Not Adopted

Request:

The Members are requested to approve proposed amendments to the rules implementing the Grow New Jersey Assistance (Grow NJ) Program to address greater efficiencies in administration of the program, as discussed below.

In addition, the Members are requested to approve a notice of adoption, without change and with N.J.A.C. 19:31-18.4(c) not adopted for proposed amendments to the Urban Transit Hub Tax Credit Program (UTHTC) Program to clarify certain deadlines for applications and reporting; and the Grow NJ Program to clarify the administration of certain statutory elements of the program, particularly as relates to Atlantic City.

Background:

I. Notice of Proposed Amendments–Grow NJ Program

The following provides a summary of the major provisions of the proposed amendments which address greater efficiencies in administration of the program involving successor and affiliate entities of a business, factors considered by the Authority when determining whether to allow a different period of time by full-time employees at the qualified business facility, clarification of minimum capital investment and job eligibility for certain proximate buildings, and subleasing of a qualified business facility.

Successor and Affiliate Entities

- Revise the definition for "business" to include a successor to the business and a successor to an affiliate of the business if the business applied for a credit based upon any capital investment made by or full-time employees of the affiliate, provided any successor must execute the incentive agreement and comply with its requirements;
- Provide that the incentive agreement shall include: the obligation to not reduce the number of full-time employees in the successor's Statewide employment in the last tax period prior to the approval of the award; an agreement that all parties to the incentive agreement are jointly and

severally liable under the incentive agreement; and an acknowledgment that the tax credit will be allocated to each party to the incentive agreement in accordance with the number of full-time employees that each employs at the qualified business facility; and

- For purposes of the requirement to maintain 80 percent of the business's Statewide workforce, define "business" to include any affiliate that contributed to the full-time employees at the qualified business facility for the relevant tax period or contributed capital investment to the project. To facilitate the calculation of the Statewide workforce, the application will ask for a list of all affiliates directly or indirectly controlled by the business along with the Statewide workforce of these affiliates. The business must also include in its' annual report the list of affiliates that contributed to the full-time employees at the qualified business facility and, for each such affiliate not listed in the application, the number of full-time employees in New Jersey in the last tax period prior to the credit amount approval.

Determination of Required Time Spent at the Qualified Business Facility

- Provide that the characteristics of the employee's job and time at the facility will be the factors considered the EDA to determine whether to allow a full-time employee to be an eligible position if he or she spends less than 80 percent of his or her time at the qualified business facility. The characteristics of the employee's job and time include, but are not limited to, the amount of continuous time spent at the facility and the economic impact of the employee on the area in which the facility is located.

Clarification of Minimum Capital Investment and Job Eligibility

- Establish requirements for the aggregation of the required minimum capital investment which shall apply only for buildings that are proximate and have the same minimum investment per square feet of gross leasable area; and that proximate buildings shall include, but not be limited to, buildings that are adjacent to each other or across a single public right of way from each other.
- Provide that the minimum number of new or retained full-time jobs may be met in the aggregate in a complex of buildings; however, if a complex of buildings includes one or more buildings located in a Garden State Growth Zone (GSGZ) or a county for which the minimum number of new or retained full-time jobs is reduced, i.e., Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean or Salem counties, the business shall meet the minimum job requirement by locating no less than the reduced minimum number of new or reduced full-time jobs at the building in the GSGZ or one of the counties for which the minimum capital investment required is reduced.

Determination of Grant Amount; Bonus Award

- Provide that the total amount of tax credit shall be calculated by combining the jobs in buildings that have the same factors set forth in the section that affect the tax credit calculation; and that the total amount of tax credit shall be calculated separately for jobs in a building with factors that are different than the factors affecting the calculation for jobs in the other buildings in a complex of buildings.

Economic Analysis to Support Material Factor

- Provide that, unless the EDA determines that extraordinary circumstances such as geographic or regulatory constraints exist, the business shall provide a full-economic analysis of the in-State and out-of-State alternatives to support the requirement that the business demonstrate that the grant award is a material factor in its' decision to create or retain jobs.

De Minimis Subleasing

- Provide that the business may lease or sublease an amount up to five percent of the qualified business facility to a new tenant without forfeiting any of the business's credits, provided no full-time employees or capital investment by the new tenant shall contribute to the business's eligible full-time employees or capital investment.

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

On August 17, 2015, proposed rule amendments approved by the EDA Board were published in the New Jersey Register which revise the UTHTC Program to clarify certain deadlines for applications and reporting; and revise the Grow NJ Program to clarify the administration of certain statutory elements of the program, particularly as relates to Atlantic City. The 60-day comment period expired on October 16, 2015 with comments submitted by two individuals representing Windels Marx Lane & Mittendorf, LLP and Silk Associates Real Estate, as summarized in the attached adoption along with EDA responses to each. The notice of adoption, without change, includes responses to comments submitted by two individuals; and N.J.A.C. 19:31-18.4(c), involving complex of buildings in different geographical locations, is removed from the adoption and is addressed with revisions in the above-mentioned proposed amendments.

Recommendation:

The Members are asked to approve the proposed amendments and also are asked to authorize staff to submit the adoption and proposed amendments for promulgation in the December 21, 2015 edition of the New Jersey Register, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law (OAL). The Authority will operate with the proposed rule amendments upon submission to OAL, with risk to the applicant if changes are not adopted as proposed.

The Members are asked to approve the attached adoption, without change and with N.J.A.C. 19:31-18.4(c) not adopted and also are asked to authorize staff to submit the notice of adoption for promulgation in the December 21, 2015 edition of the New Jersey Register, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law (OAL).

Timothy Lizura

Prepared by: Jacob Genovay

DRAFT

OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Proposed Amendments: N.J.A.C. 19:31-18.2, 18.3, 18.5, 18.8, 18.11, 18.15 and 18.16

Authority Assistance Programs; Grow New Jersey Assistance Program

Authorized By: New Jersey Economic Development Authority, Melissa Orsen, Chief Executive Officer.

Authority: P.L. 2011, c. 149.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number PRN 2015-___.

Submit written comments by February 19, 2016 to:

Jacob Genovay, Senior Legislative and Regulatory Officer
New Jersey Economic Development Authority
PO Box 990
Trenton, NJ 08625-0990
jgenovay@njeda.com

The agency proposal follows:

Summary

The New Jersey Economic Development Authority ("EDA" or "Authority") is proposing amendments to the rules implementing the Grow New Jersey Assistance (Grow NJ) Program to address greater efficiencies in administration of the program involving successor and affiliate entities of a business, factors considered by the EDA when determining whether to allow a different period of time by full-time employees at the qualified business facility, clarification of minimum capital investment, and job eligibility for certain proximate buildings and subleasing of a qualified business facility.

N.J.A.C. 19:31-18.2 Definitions

The proposed amendments revise the definition for "business" to provide that after approval by the EDA Board of the incentive, a business shall include a successor, as determined by the Authority, to the business and a successor, as determined by the Authority, to an affiliate of the business if the business applied for a credit based upon any capital investment made by or full-time employees of the affiliate, provided any successor must execute the incentive agreement and comply with its requirements. In addition, the incentive agreement shall include the following requirements: the obligation to not reduce the number of full-time employees in the successor's Statewide employment in the last tax period prior to the approval of the award; an agreement that all parties to the incentive agreement are jointly and severally liable under the incentive agreement; and an acknowledgment that the tax credit will be allocated to each party to the incentive agreement in accordance with the number of full-time employees that each employs at the qualified business facility.

The proposed amendments also revise the definition for "eligible position" or "full-time job" to clarify that the EDA has the sole discretion to determine whether to allow a full-time employee to be an eligible position if he or she spends less than 80 percent of his or her time at the qualified business facility. The proposed amendments provide, with an example, that the factors the Authority will consider in making its' determination are the characteristics of the employee's job and time at the facility, which include the amount of continuous time spent at the facility and the economic impact of the employee on the area in which the facility is located.

N.J.A.C. 19:31-18.3 Eligibility Criteria

Proposed new N.J.A.C. 19:31-18.3(a)1v establishes requirements, with examples in paragraphs v(1), (2) and (3), for the aggregation of the required minimum capital investment which shall apply only for buildings that are proximate, as determined by the Authority, and have the same minimum investment per square feet of gross leasable area. In addition, proximate buildings shall include, but not be limited to, buildings that are adjacent to each other or across a single public right of way from each other.

Proposed new N.J.A.C. 19:31-18.3(a)2iv provides, with examples in paragraphs (a)2iv(1), (2) and (3), that the minimum number of new or retained full-time jobs may be met in the aggregate in a complex of buildings; however, if a complex of buildings includes one or more buildings located in a Garden State Growth Zone or a county for which the minimum number of new or retained full-time jobs is reduced, i.e., Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean or Salem counties, the business shall meet the minimum job requirement by locating no less than the reduced minimum number of new or reduced full-time jobs at the building in the Garden State Growth Zone or one of the counties for which the minimum capital investment required is reduced.

Proposed new N.J.A.C. 19:31-18.3(a)3(1) provides that the material factor in the business's decision to create or retain the minimum number of full-time jobs shall be supported by a full economic analysis of the in-State and out-of-State alternatives under consideration by the business except in extraordinary circumstances, as determined by the Authority, including, but not limited to, a project's geographic or regulatory constraints.

N.J.A.C. 19:31-18.5 Application Submission Requirements

The proposed amendments at N.J.A.C. 19:31-18.5(a)1viii clarify that the total number of employees in New Jersey listed in the application are those that are full-time at the time of application and in the last tax period prior to the credit amount approval.

The proposed amendments at N.J.A.C. 19:31-18.5(a)2vi, pertaining to identification of the proposed qualified business facility, delete the term "qualified business facility" which is replaced with "contiguous buildings" for purposes of determining geographical location that extends over more than one geographical location.

Proposed new N.J.A.C. 19:31-18.5(a)4 requires that the business's application additionally include a list of all affiliates that are directly or indirectly controlled by the business, and the total number of full-time employees in New Jersey of each affiliate at the time of application and in the last tax period prior to the credit amount approval.

N.J.A.C. 19:31-18.8 Determination of Grant Amount; Bonus Award

The proposed amendments at N.J.A.C. 19:31-18.8(a) provide that the total amount of tax credit shall be calculated by combining the jobs in buildings that have the same factors set forth in the section that affect the tax credit calculation; and that the total amount of tax credit shall be calculated separately for jobs in a building with factors that are different than the factors affecting the calculation for jobs in the other buildings in a complex of buildings.

N.J.A.C. 19:31-18.11 Reporting Requirements and Annual Reports

The proposed amendments at N.J.A.C. 19:31-18.11(a)1: 1) revise the information which shall be contained in the annual report furnished by the business to include the list of affiliates that contributed to the full-time employees at the qualified business facility, and the number of full-time employees in New Jersey in the last tax period prior to the credit amount approval of any affiliate that contributed to the full-time employees and was not listed in the application; and 2) clarify that the number of full-time employees in the business's Statewide workforce are as defined in N.J.A.C. 19:31-18.15(a).

N.J.A.C. 19:31-18.15 Reduction and Forfeiture of Tax Credits

The proposed amendments at N.J.A.C. 19:31-18.15(a) provide that for purposes of the paragraph, "business" shall include any affiliate that contributed to the full-time employees at the qualified business facility for the relevant tax period or contributed capital investment to the project.

N.J.A.C. 19:31-18.16 Effect of Sale or Lease of Qualified Facilities

The proposed amendments at N.J.A.C. 19:31-18.16(b), pertaining to subleases: 1) delete the term "tenant" which is replaced with "business" and add the terms "leases or" to the existing "subleases"; 2) delete the terms "its tenancy" which is replaced with "the qualified business facility"; 3) delete the term "sublessor" which is replaced with "business"; 4) adds the terms "lease or" pertaining to forfeiture of credits; and 5) provide that the business may lease or sublease an amount up to five percent of the qualified business facility to a new tenant without forfeiting any of the business's credits, provided no full-time employees or capital investment by the new tenant shall contribute to the business's eligible full-time employees or capital investment.

As the Authority has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The EDA anticipates that the proposed amendments will have a positive social impact by enabling certain successor and affiliate entities of a business to assume benefits provided under the Grow NJ Program. In addition, the proposed amendments authorize the aggregation of minimum capital investment and jobs eligibility requirements in certain instances which may qualify more projects to participate in the program. Finally, the proposed amendments permit a qualified business to execute a minor lease of up to five percent, without forfeiting any of the business's credits, as currently required.

Economic Impact

Under the New Jersey Economic Opportunity Act, 143 projects have been approved for up to $2.99 billion in tax credits under the Grow NJ Program. The assistance provided is estimated to produce $2.5 billion in capital investment and is expected to create more than 19,300 new jobs, 17,900 retained jobs and nearly 9,000 construction jobs. To date, 66 percent of projects have received a bonus for being in one of the defined targeted industries, which include manufacturing, finance, energy, technology and life sciences. Finally, more than 64 percent of Grow NJ tax credits approved thus far support projects in a targeted community, including Distressed Municipalities, Urban Transit Hubs or Garden State Growth Zones. The proposed amendments therefore, will have a positive economic benefit by possibly stimulating additional economic development and job creation throughout New Jersey.

Federal Standards Statement

A Federal standards analysis is not required because the proposed amendments are not subject to any Federal requirements or standards.

Jobs Impact

The proposed amendments are intended to result in the retention of existing private sector jobs and creation of new private sector jobs, as well as further job growth in the construction industry due to the capital investment requirements of the Grow NJ Program.

Agriculture Industry Impact

The proposed amendments will have no impact on the agriculture industry of the State of New Jersey.

Regulatory Flexibility Statement

The Grow NJ Program provides tax credits to eligible businesses that create a minimum of 10 to 35 new, and 25 to 50 retained full-time jobs. The proposed amendments, as discussed in the Summary above, may indirectly benefit small businesses and do not impose any additional compliance requirements as outlined in N.J.S.A. 52:14B-16 et seq. Specifically, eligible businesses will be required to comply with the EDA's standard, on-line application process and regular incentive compliance guidelines, however any costs due to reporting, recordkeeping, or other compliance requirements on qualifying businesses will be fully offset by the amount of financial assistance received and the only professional services required for such purposes are fully offset by the amount of financial assistance received; and the only professional services required for such purposes are from a certified public accountant.

Housing Affordability Impact Analysis

The proposed amendments will not impact the amount or cost of housing units, including multi-family rental housing and for sale housing in the State. The proposed amendments address greater efficiencies in administration of the program involving successor and affiliate entities of a business, clarification of minimum capital investment, and job eligibility for certain proximate buildings and subleasing of a qualified business facility.

Smart Growth Development Impact Analysis

The proposed amendments will not impact the number of housing units or result in any increase or decrease in the average cost of housing in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan. The proposed amendments address greater efficiencies in administration of the program involving successor and affiliate entities of a business, clarification of minimum capital investment, and job eligibility for certain proximate buildings and subleasing of a qualified business facility.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions in brackets [thus]):

SUBCHAPTER 18. GROW NEW JERSEY ASSISTANCE PROGRAM

19:31-18.2 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

…

"Business" means an applicant proposing to own or lease premises, or that has acquired the premises within 24 months prior to project application, in a qualified business facility that is: a corporation that is subject to the tax imposed pursuant to section 5 of P.L. 1945, c. 162 (N.J.S.A. 54:10A-5), a corporation that is subject to the tax imposed pursuant to sections 2 and 3 of P.L. 1945, c. 132 (N.J.S.A. 54:18A-2 and 54:18A-3), section 1 of P.L. 1950, c. 231 (N.J.S.A. 17:32-15) or N.J.S.A. 17B:23-5, or is a partnership, an S corporation, or a limited liability company or a non-profit corporation. If the business or tenant is a cooperative or part of a cooperative, then the cooperative may qualify for credits by counting the full-time employees and capital investments of its member organizations, and the cooperative may distribute credits to its member organizations. If the business or tenant is a cooperative that leases to its member organizations, the lease shall be treated as a lease to an affiliate or affiliates. In connection with a regional distribution facility of foodstuffs, the business entity or entities that own or lease such facility shall qualify as a business regardless of the type of the business entity or entities that own or lease such facility; the ownership or leasing of such facility by more than one business entity; or the ownership of the business entity or entities that own or lease such facility. Such ownership or leasing, whether by members, shareholders, partners, or other owners of the business entity or entities, shall be treated as ownership or leasing by affiliates. Such members, shareholders, partners, or other ownership or leasing participants and others that are tenants in the facility shall be treated as affiliates for the purpose of counting the full-time employees and capital investments in the facility. For the purposes of a regional distribution facility of foodstuffs, leasing shall include subleasing and tenants shall include subtenants. A business shall include an affiliate of the business if that business applies for a credit based upon any capital investment made by or full-time employees of an affiliate. **After approval by the Board of the incentive, a business shall include a successor, as determined by the Authority in its sole discretion, to the business and a successor, as determined by the Authority in its sole discretion, to an affiliate of the business if the business applied for a credit based upon any capital investment made by or full-time employees of the affiliate, provided any successor must execute the incentive agreement, which shall include: the obligation to not reduce the number of full-time employees in the successor's Statewide employment in the last tax period prior to the approval of the award an agreement that all parties to the incentive agreement are jointly and severally liable under the incentive agreement; and an acknowledgment that the tax credit will be allocated to each party to the incentive agreement in accordance with the number of full-time employees that each employs at the qualified business facility.**

...

"Eligible position" or "full-time job" means a full-time position in a business in this State that the business has filled with a full-time employee. To be eligible as an eligible position or full-time job, the employee must have his or her primary office at the qualified business facility and must spend at least 80 percent of his or her time at the qualified business facility, or spend any other period of time generally accepted by custom or practice as full-time employment at the qualified business facility, as determined by the Authority **in its sole discretion based on the characteristics of the employee's job and time at the facility, including, but not limited to, the amount of continuous time spent at the facility and the economic impact of the**

employee on the area in which the facility is located. For example, a reduced period of time is not applicable to a truck driver or salesperson who does not regularly contribute to the local economy due to the transient nature of his or her job responsibilities at the qualified business facility.

...

19:31-18.3 Eligibility criteria

(a) In order to be considered for a Grow New Jersey tax credit, the chief executive officer of a business shall demonstrate at the time of application that the business, expressly including its landlord or seller, will make, acquire, or lease a capital investment equal to or greater than, the applicable capital investment required in (a)1 below at which it will retain full-time jobs and/or create new full-time jobs in an amount equal to or greater than, the applicable number in (a)2 below.

1. For all projects approved after September 18, 2013, the effective date of P.L. 2013, c. 161, the minimum capital investment required shall be reduced by one-third (utilizing even numbers rounded down) for projects located in a Garden State Growth Zone or projects located within Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem counties:

i.-iv. (No change.)

v. The minimum capital investment shall be aggregated only for buildings that are proximate, as determined by the Authority in its sole discretion, and have the same minimum investment per square feet of gross leasable area. Proximate buildings shall include, but not be limited to, buildings that are adjacent to each other or across a single public right of way from each other. The following are examples:

(1) A complex of buildings consists of building A and building B, which are both on the same block but separated by other buildings. Both buildings are existing office buildings that will be rehabilitated. The minimum capital investment for the project will be aggregated based on the total square feet of gross leasable area of the two buildings.

(2) A complex of buildings will consist of building A and building B, which will be adjacent to each other but have separate entrances. Building A is an existing office building that will be rehabilitated; building B will be a newly constructed office building. The business will have to make a minimum capital investment at building A and a separate minimum capital investment at building B.

(3) A complex of buildings consists of building A and building B, which are located in an industrial park and are separated solely by a parking lot. Both buildings are existing industrial buildings that will be rehabilitated for continued industrial use. The minimum capital investment for the project will be aggregated based on the total square feet of gross leasable area of the two buildings.

2. The minimum number of new or retained full-time jobs required shall be reduced by one-quarter (utilizing even numbers rounded down) for projects located in a Garden State Growth Zone or projects located within Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem counties.

i.-ii. (No change.)

iii. For any other business, a minimum of 35 new or 50 retained full-time jobs[;]**.**

iv. The minimum number of new or retained full-time jobs may be met in the aggregate in a complex of buildings. Notwithstanding the preceding sentence, if a complex of buildings includes one or more buildings located in a Garden State Growth Zone or a county for which the minimum number of new or retained full-time jobs is reduced, the business shall meet the minimum job requirement by locating no less than the reduced minimum number of new or reduced full-time jobs at the buildings in the Garden State Growth Zone or one of the counties for which the minimum capital investment required is reduced. The following are examples:

(1) The complex of buildings for a manufacturing company consists of three buildings located in one municipality and one building located in a different municipality. The company will have three new jobs at each building. Neither municipality is a Garden State Growth Zone or in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem counties. The company has met the minimum full-time jobs required because the minimum full-time jobs, 10 new or 25 retained full-time jobs may be met in the aggregate across all four buildings. If the company meets all other program requirements, the company will be eligible to receive tax credits for all 12 new full-time jobs.

(2) The complex of buildings for a manufacturing company consists of two buildings located in municipality A and one building located in municipality B. The company will have four new jobs at each building in municipality A and two new jobs at the building in municipality B. Municipality A is a Garden State Growth Zone, but municipality B is not a Garden State Growth Zone or in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem counties. The company has met the minimum full-time jobs required because the reduced minimum full-time jobs, eight new or 19 retained full-time jobs, has been met in the aggregate at the buildings in municipality A. If the company meets all other program requirements, the company will be eligible to receive tax credits for all 10 new full-time jobs.

(3) The complex of buildings for a manufacturing company consists of two buildings located in municipality A and one building located in municipality B. The company will have three new jobs at each building in municipality A and two new jobs at the building in municipality B. Municipality A is a Garden State Growth Zone, but municipality B is not a Garden State Growth Zone or in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem counties. The company has not met the minimum full-time

jobs because the number of jobs in the aggregate at the buildings in municipality A is six, which is less than the reduced minimum full-time jobs, eight new or 19 retained full-time jobs.

3. The business shall also demonstrate to the Authority that:

i.-ii. (No change.)

iii. The award of tax credits will be a material factor in the business's decision to create or retain the minimum number of full-time jobs for eligibility under the program.

(1) Except as determined by the Authority in its sole discretion based on extraordinary circumstances, including, but not limited to, geographic or regulatory constraints of a project, the business shall provide a full economic analysis of the in-State and out-of-State alternatives under consideration by the business to support that it demonstrates a material factor.

(2) If, in a Garden State Growth Zone, the site was acquired or leased prior to project application, the business shall provide additional extrinsic evidence to demonstrate that the award of tax credits is a material factor in the business's decision to create or retain the minimum number of full-time jobs for eligibility under the program, including, but not limited to, viable alternatives to the site and the business's ability to dispose of or carry the costs of the site, if the business moves to the alternate site.

(3) In satisfaction of this requirement, with respect to a project in a Garden State Growth Zone that qualifies under the Municipal Rehabilitation and Economic Recovery Act pursuant to P.L. 2002, c. 43 (N.J.S.A. 52:27BBB-1 et seq.) or a project located in a Garden State Growth Zone which contains a Tourism District as established pursuant to section 5 of P.L. 2011, c. 18 (N.J.S.A. 5:12-219) and regulated by the Casino Reinvestment Development Authority, the award of tax credits will be a material factor in the business decision to make a capital investment and locate in a Garden State Growth Zone that qualifies under the Municipal Rehabilitation and Economic Recovery Act pursuant to P.L. 2002, c. 43 (N.J.S.A. 52:27BBB-1 et seq.) or a Garden State Growth Zone which contains a Tourism District as established pursuant to section 5 of P.L. 2011, c. 18 (N.J.S.A. 5:12-219) and regulated by the Casino Reinvestment Development Authority; and

iv. For a non-gaming business facility within an established Tourism District to qualify as a tourism destination project, the facility will have a significant impact on the economic viability of the Tourism District within which it is located by satisfying the following:

(1) Having a capital investment in excess of $ 50,000,000, excluding any capital investment for site acquisition, at which more than 250 full-time employees of a business are created or retained; and

(2) Demonstrating to the satisfaction of the Authority a combination of two or more of:

(A) Positive financial benefit to the District;

(B) A net increase in visitors to the District;

(C) An increase in marketing dollars spent on the District; or

(D) The addition of unique amenities or services to the existing project or District.

(b)-(d)

19:31-18.5 Application submission requirements

(a) Each application to the Authority made by a business shall include the following information in an application format prescribed by the Authority:

1. Business information, including information on all affiliates contributing either full-time employees or capital investment or both to the project, shall include the following:

i.-vii. (No change.)

viii. The total number of **full-time** employees in New Jersey **at the time of application and in the last tax period prior to the credit amount approval**;

ix.-xv. (No change.)

2. Project information shall include the following:

i.-v. (No change.)

vi. Identification of the site of the proposed qualified business facility, including the block and lot of the site as indicated upon the local tax map. For purposes of determining geographical location of [a qualified business facility] **contiguous buildings** that extend[s] over more than one geographical location, the [qualified business facility] **contiguous buildings** shall be considered in the geographical location with the most beneficial total tax credit amount;

vii.-xi. (No change.)

3. Employee information shall include the following:

i.-iii. (No change.)

iv. Any other necessary and relevant information as determined by the Authority for a specific application[.]**; and**

4. A list of all affiliates that are directly or indirectly controlled by the business, and the total number of full-time employees in New Jersey of each affiliate at the time of application and in the last tax period prior to the credit amount approval.

(b)-(g) (No change.)

19:31-18.8 Determination of grant amount; bonus award

(a) The total amount of tax credit for an eligible business shall be for each new or retained full-time job as set forth in this section. The total tax credit amount shall be calculated and credited to the business annually for each year of the eligibility period; however, except as set forth in N.J.A.C. 19:31-18.11(e), the total tax credit amount credited annually to the business shall not exceed the maximum amount determined by the Board under N.J.A.C. 19:31-18.7(d) and the amount calculated pursuant to N.J.A.C. 19:31-18.7(g), divided by the number of years in the eligibility period. **The total amount of tax credit shall be calculated by combining the jobs in buildings that have the same factors set forth in this section that affect the tax credit calculation. The total amount of tax credit shall be calculated separately for jobs in a building with factors that are different than the factors affecting the calculation for jobs in the other buildings in a complex of buildings.**

(b)-(h) (No change.)

19:31-18.11 Reporting requirements and annual reports

(a) After notification pursuant to N.J.A.C. 19:31-18.7(g), the business shall furnish to the Authority an annual report certified by the chief financial officer of the business in a format as may be determined by the Authority, which shall contain the following information:

1. The number of full-time employees and new or retained full-time positions employed at the qualified business facility, **the list of affiliates that contributed to the full-time employees at the qualified business facility,** the number of full-time employees in its Statewide workforce **as defined in N.J.A.C. 19:31-18.15(a), the number of full-time employees in New Jersey in the last tax period prior to the credit amount approval of any affiliate that contributed to the full-time employees and was not listed in the application,** total lease payments, and information on any change or anticipated change in the identity of the entities comprising the business elected to claim all or a portion of the credit. This certified report is due 120 days after the end of the business's tax privilege period; and failure to submit the certified report within 120 days, absent extenuating circumstances and the written approval of the Authority, will result in forfeiture of the tax credit for that privilege period. To the extent a business has received an award for both new and retained full-time jobs, the business shall meet the employment requirements related to the retained full-time jobs before receiving benefits for new full-time jobs; and

2. (No change.)

(b)-(f) (No change.)

19:31-18.15 Reduction and forfeiture of tax credits

(a) If, in any tax period during the eligibility period, the business reduces the total number of full-time employees in its Statewide workforce by more than 20 percent from the number of full-time employees in its Statewide workforce in the last tax period prior to the credit amount approval, then the business shall forfeit its credit amount for that tax period and each subsequent tax period, until the first tax period for which documentation demonstrating the restoration of the business's Statewide workforce to the threshold levels required by this paragraph has been reviewed and approved by the Authority, for which tax period and each subsequent tax period the full amount of the credit shall be allowed. The Statewide workforce shall not include full-time employees at any point-of-final purchase retail facilities, unless the award includes full-time employees engaged in final point of sale retail. **For purposes of this paragraph, "business" shall include any affiliate that contributed to the full-time employees at the qualified business facility for the relevant tax period or contributed capital investment to the project.**

(b)-(d) (No change.)

19:31-18.16 Effect of sale or lease of qualified facilities

(a) (No change.)

(b) Unless otherwise permitted in this subchapter, if a [tenant] **business leases or** subleases [its tenancy] **the qualified business facility** in whole or in part during the eligibility period, the new tenant shall not acquire the credit of the [sublessor] **business**, and the [sublessor tenant] **business** shall forfeit all credits for the tax period of its **lease or** sublease and all subsequent tax periods. **Notwithstanding the foregoing, a business may lease or sublease an amount up to five percent of the qualified business facility to a new tenant without forfeiting any of the business's credits; however, no full-time employees or capital investment by the new tenant shall contribute to the business's eligible full-time employees or capital investment.**

D R A F T

OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Authority Assistance Programs

Urban Transit Hub Tax Credit Program and Grow New Jersey Assistance Program

Adopted Amendments: N.J.A.C. 19:31-9.1, 9.2, 9.4, 9.7, 18.2, 18.3, 18.4, 18.7, 18.11, and 18.15

Proposed: August 17, 2015, at 47 N.J.R. 2055(a).

Adopted: November __, 2015, by the New Jersey Economic Development Authority, Melissa Orsen, Chief Executive Officer.

Filed: November __, 2015, as R.2015 d.___, **without change and with N.J.A.C. 19:31-18.4(c) not adopted.**

Authority: P.L. 2007, c. 346 and P.L. 2011, c. 149.

Effective Date: December __, 2015.

Expiration Date: November 9, 2017.

Summary of Public Comment and Agency Response:

Julie Tattoni, Windels Marx Lane & Mittendorf, LLP

COMMENT: The provisions at proposed new N.J.A.C. 19:31-18.4(c), which establishes requirements in instances where buildings in a complex of buildings are located in geographical locations that would give different tax credit calculations under N.J.A.C. 19:31-18.8, should be revised to add that: "[i]f a single building is located in multiple geographical locations that would yield different total tax credit calculations under N.J.A.C. 19:31-18.8, the qualified business facility will meet the capital investment and job eligibility requirements for the location that yields the highest level of per-employee tax credits among the multiple geographical locations in which the building is located; and all qualified jobs in the building shall be treated as being located in the geographical location which yields the highest per-employee tax credit among said multiple geographical locations."

RESPONSE: The provisions at existing N.J.A.C. 19:31-18-5(a)2vi specify that for purposes of determining geographical location of a qualified business facility (including a single building pursuant to the definition of "qualified business facility" at N.J.A.C. 19:31-18.2) that extends over more than one geographical location, the qualified business facility shall be considered in the geographical location with the most beneficial tax credit amount.

Larry Silk, Silk Associates Real Estate

COMMENT: The provisions at N.J.A.C. 19:31-18.3(a)3iv(1), which establish requirements for a non-gaming business facility within an established Tourism District to qualify as a tourism destination project, specifically a capital investment in excess of $50,000,000 excluding any capital investment for site acquisition, should be revised to either $10,000,000 to $15,000,000 or $35,000,000 inclusive of land and building acquisition costs.

RESPONSE: The statutory definition of "tourism destination project" in the Economic Opportunity Act of 2014, Part 3, P.L. 2014, c. 63 requires that such project have a "significant impact on the economic viability of the [Tourism] District." The $50 million and 250 job requirement is consistent with the largest investment required for a mega-project and thus is an appropriate benchmark for "significant impact."

Federal Standards Statement

A Federal standards analysis is not required because the adopted amendments are not subject to any Federal requirements or standards.

Full text of the adoption follows:

ECONOMIC REDEVELOPMENT AND GROWTH (ERG) PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: November 13, 2015

RE: **One Journal Square Partners Urban Renewal Company, LLC**
Economic Redevelopment and Growth Grant Program ("ERG")
P #40469

Request

As created by statute, the Economic Redevelopment and Growth (ERG) Program offers State incentive grants to finance development projects that demonstrate a financing gap. Applications to the ERG Program are evaluated to determine eligibility in accordance with P.L. 2013, c. 161 and as amended through the "Economic Opportunity Act of 2014, Part 3," P.L. 2014, c. 63, based on representations made by applicants to the Authority. Per N.J.S.A. 52 :27D-489a et seq. / N.J.A.C. 19:31-4 and the program's rules, developers or non-profit organizations on behalf of a qualified developer, must have a redevelopment project located in a qualifying area, demonstrate that the project has a financing gap, meet minimum environmental standards, meet a 20% equity requirement, and, except with regards to a qualified residential project, yield a net positive benefit to the state. Grants are made annually based on the incremental eligible taxes actually generated as a result of the project.

The Members are asked to approve the application of One Journal Square Partners Urban Renewal Company, LLC (the "Applicant") for a Project located at One Journal Square, Jersey City, Hudson County (the "Project"), for the reimbursement of eligible taxes generated by the project per the ERG program of the Authority as set forth in the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161 ("Act").

The total costs of the Project are estimated to be $205,370,750 and of this amount $197,422,908 are the estimated eligible costs under the ERG program. The applicant is eligible for an ERG award of 20% of actual eligible costs which equates to $39,484,582. Due to the project's projected collection of taxes the ERG award was limited to $34 million. The recommendation is to award 17.22% of actual eligible costs, not to exceed $34,000,000. Note that once actual eligible project costs have been certified by the CPA, the maximum ERG will be capped at this 17.22% figure.

Project Description

The overall One Journal Square Enterprise ("Enterprise") is a $400 million, mixed use development project in Jersey City. The site is located at One Journal Square, Jersey City. The site is approximately 2 acres consisting of vacant unimproved land and a public parking lot. Upon completion of the Enterprise the site will consist of approximately 744 apartment units, 78,000 square feet of useable retail space, 101,000 square feet of office co-work space and a parking garage with 388 spaces for tenants. The project will also include the re-design and redevelopment of the historic Journal Square Plaza. Construction will include the addition of lawn areas, new pavers, seating areas, planting beds and ornamental trees. The project will also include the construction of a granite memorial water fall and a pool.

The subject of this application (the "Project") is the construction of a 9-story podium building and 2 floors of building amenities which will include over 491,000 gross square feet. The first two floors of the building will contain 78,000 square feet of useable retail space and the remaining floors will contain 101,000 useable office square feet, structured parking, a mechanical floor and building amenities. The office space will be utilized for a WeWork branded co-work facility, including 75,000 square feet to be operated as an incubator facility that caters to high tech and innovation technology businesses. WeWork Companies Inc. will be the tenant leasing the project's 101,000 square feet of office space and has applied for a GROW NJ award in conjunction with the applicant applying for an ERG.

The applicant intends to meet EDA's green building requirements by meeting NJ BPU's Pay for Performance guidelines.

The Applicant purchased the site on December 29, 2014 from MEPT Journal Square Urban Renewal, LLC for a purchase price of $26 million. The sale is an an arms-length transaction. The land cost attributed to this phase has been determined to be $5 million based on the site's total buildable square feet which was approved by Jersey City.

The applicant provided a retail market study dated July 14, 2015 prepared by HR&A Advisors, Inc. and office space lease comparables both of which were consistent with the rents and absorption rates estimated in the project's pro forma.

It is anticipated One Journal Square Enterprise will create an estimated 625 construction jobs and upon completion the project is estimated to create 1,530 permanent jobs. The Project will create 325 construction jobs and upon completion the project is estimated to create 120 permanent retail jobs. The Project is anticipated to be completed by spring 2018 and will be in compliance with the law.

Project Ownership

The applicant will be 100% wholly owned by One Journal Square Partners Member, LLC. One Journal Square Partners Member, LLC will be 100% owned by One Journal Square Partners Holding, LLC. One Journal Square Partners Holding, LLC will be owned by K2 One Journal Square Member LLC (50% interest) and WeWork Companies, Inc. (50% interest.) K2 One Journal Square Member is a joint venture partnership between two special purpose entities created by the KABR Group (50% interest) and The Kushner Companies (50% interest.).

The KABR Group, based in Ridgefield Park, NJ and The Kushner Companies, with offices in New York, NY and Florham Park, NJ have worked together on numerous projects. These Real Estate Development firms are currently partners in four redevelopment projects, including three large projects in Jersey City: 65 Bay Street, 30 Journal Square and One Journal Square, the subject of this memo. 30 Journal Square is anticipated to comprise of 495 units and 263,000 Square feet of commercial space and 65 Bay Street is a 50 story residential tower that will contain 447 units. KABR Group and Kushner Companies have also partnered on a project in Ridgefield Park, NJ which includes the construction of 294,817 square feet of commercial space.

The KABR Group was founded by Kenneth Pasternak, Laurence Rappaport, and Adam Altman in 2008. The founders have over 60 years of combined experience as real estate professionals. Since its founding, the KABR Group has acquired and developed over 4 million of square feet of commercial, retail and industrial space and 4,000 multifamily units.

The Kushner Companies, founded in 1948, is a family owned and operated, real estate company headquartered in New York City. Currently the company's portfolio of real estate includes more than 20,000 multifamily units and over 12 million square feet of office, industrial, and retail space throughout New York, New Jersey, Pennsylvania, Maryland, Ohio, and Illinois. The company has completed over $13 billion of transactions since 2007.

WeWork Companies Inc. provides consulting and housing to start-up companies. The Company offers shared office space for a monthly fee that includes high speed internet, phone service, mail handling, and other amenities. WeWork Companies markets to entrepreneurs who would like to participate in a co-working environment. WeWork had 29 Co-Working locations in 10 cities as of March 2015 with plans to expand the number of locations substantially over the next year. WeWork's was established in 2010 and is one of the fastest growing startups. In June of 2015, the company raised $430 million at a $10 billion valuation.

Project Uses

The Applicant proposes the following uses for the Project:

Uses	*Total Project Costs*	*RES ERG Eligible Amount*
Acquisition of Land and Buildings	$ 5,000,000	$ 5,000,000
Construction & Site Improvements	166,745,000	166,745,000
Professional Services	3,669,115	3,669,115
Financing & Other Costs	15,959,092	13,511,250
Contingency	8,497,543	8,497,543
Developer Fee	5,500,000	0
TOTAL USES	**$ 205,370,750**	**$ 197,422,908**

ERG eligible project costs exclude ineligible costs aggregating $7.9 million, which includes Senior debt reserve escrows of $2.4 million and developer fee of $5.5 million.

Sources of Financing	*Amount*
Senior Debt Financing	$ 123,929,214
RAB	10,000,000
Equity:	
Applicant & Investor Equity	71,441,536
Total	**$ 205,370,750**

The Applicant has signed an engagement letter with the mortgage broker Meridian Capital Group, LLC to secure construction and permanent financing. The Applicant has demonstrated that they have the ability to fund the equity required to complete the project. The applicant has initiated discussions with Jersey City in relation to the RAB, which is consistent with Executive Order 205-007 issued by Mayor Fulop on September 3, 2015.

Gap Analysis

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

Without ERG	With ERG
Equity IRR 10.45%	Equity IRR 11.84%

As indicated in the chart above, the project would not otherwise be completed without the benefit of the ERG. **With the benefit of the ERG, the Equity IRR is 11.84% which is below the Standard Hurdle Rate Model provided by EDA's consultant Jones Lang LaSalle which indicates a maximum IRR of 13.87% for a retail & office real estate project located in Jersey City.**

Net Positive Benefit Analysis

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

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

The ERG net positive benefit analysis includes 120 new full time retail positions with an annual blended wage of approximately $28,000 before benefits, for a total annual payroll of $3,359,963. The present value of the Net Positive Benefits to the State from the ERG model is $17.3 million after applying the 110% coverage ratio. For underwriting purposes, the underwriter assumed a conservative approach and estimated 843 jobs were being created for the purposes of determining the net benefit to the State in contrast to 1,530 previously mentioned.

WeWork Companies Inc. also applied for a GROW Award. The GROW Award's net benefit calculation includes WeWork Technology incubator jobs therefore these jobs were not included in the calculation of the ERG net benefit analysis. The present value of the Net Positive Benefits to the State from WeWork Companies Inc. is $111 million after applying the 110% coverage ratio. The Net Benefit to the State less the GROW award, when approved will be $52 million.

The project is not deemed a destination facility. As such, none of the sales taxes collected by the State can be deemed net new based on Authority policy. The total present value of the net benefits is reduced by the present value of all local and State grants, including any approved ERG and GROW awards to the project, resulting in the present value of the Net Positive Benefits to the State of $35.3 million after applying the 110% coverage ratio.

Other Statutory Criteria

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

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

As per the Retail Market Study dated July 14, 2015 prepared by HR&A Advisors, Inc., the existing competitive retail set, the key planned additions to the market located proximate to the proposed development, the vacancy/occupancy trends, rental rates, anticipated growth rates, and absorption rates have been analyzed and incorporated into the pro-forma submitted for the proposed project. The Northern New Jersey and Journal square commercial real estate market remain very strong with occupancies rates of competing properties in the 96% to 98% range.

The subject property is located at 1 Journal Square in Jersey City, Hudson County. The site is directly southwest of the Journal Square PATH Station. Journal square serves as the headquarters for the County's daily newspaper and many major financial institutions. The project falls within the Journal Square Redevelopment plan which seeks to create the opportunity for more people to live, work, shop, and play in close proximity to the square while promoting a long term fiscal impact on the city and enhancing the aesthetic appeal of Journal Square.

The area surrounding the subject site consists primarily of a mixture of retail, office, and apartment use properties. Journal Square Plaza consists of several large office and retail spaces surrounding the subject site. There are several mixed use buildings with retail on the first floor and office or apartments above. The Hudson County Community College is directly adjacent to the subject site.

Based on the expected generation of $1.42 million in sales tax and corporate business tax upon stabilization (with modest increases each year thereafter), the amount of incremental State and local direct taxes over the 20 year period and a 75% rebate of eligible taxes, there are adequate funds to support the reimbursement of taxes to the Applicant as outlined in the analysis. As mentioned earlier, per the project's financial returns and to obtain the funding necessary to develop this project, there is a demonstrated need for the redevelopment incentive grant agreement. EDA has received a letter of support for this project from the Mayor of Jersey City.

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

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

Jersey City is the largest municipality in Hudson County with a population of 262,146 (2014 U.S. Census Bureau Population Estimate). This represents a 17% growth over the 2010 US Census Bureau data making the municipality the fastest growing in New Jersey and a symbol of the state's reinvigorated urban core. Jersey City is located on the South Eastern section of Hudson County; the city's proximity and convenient access to and from Manhattan (NY) continues to make Jersey City an attractive location for corporations relocating business operations in the greater metropolitan area. Jersey City can be characterized as a well-developed, urban community with mixed type uses.

Jersey City contains approximately 19.2 square miles and is surrounded by Hoboken, Union City and North Bergen to the north, Secaucus and Newark Bay to the west, Bayonne to the south and the Hudson River and New York City to the east. Currently, Jersey City is the second largest city in the state. In recent years, the city has steadily narrowed the gap in population between itself and Newark, giving rise to the likelihood that Jersey City will soon become the largest city in New Jersey. Historically, Jersey City has been a major industrial center. Manufacturers include pharmaceuticals, electrical equipment, iron products, chemicals and processed food.

In recent years industrial development has waned and a transition to office and residential uses has occurred. The proposed project will provide a retail product that is more comparable to development found in the convenience trade area. The convenience trade area in which this project is located contains older dated retail spaces. The addition of this space will enhance the area's retail space and overall appeal. The project is in conformance with Jersey City's redevelopment goals of revitalizing land and industrial sites into residential neighborhoods, commercial and office space.

While Jersey City is experiencing a large amount of development and revitalization it remains an economically distressed City. Jersey City's median household income is $58,308 versus the state's median household income of $71,637. Jersey City's unemployment rate was 7.3% versus that state's unemployment rate as of 6.3%. Additionally, Jersey City is ranked # 531 in the MRI index, and is a Distressed Community.

Recommendation

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

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

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

Reimbursement shall commence upon:

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

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

Total Actual Eligible Project Costs: $197,422,908

Eligible Tax Credits and Recommended Award: 17.22% of actual eligible costs, not to exceed $34,000,000 to be paid over twenty years.

Timothy Lizura
President and Chief Operating Officer

Prepared by: Matthew Boyle

GROW NEW JERSEY ASSISTANCE PROGAM (GROW NJ)

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

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

APPLICANT: WW 1 Journal Square LLC P41291

PROJECT LOCATION: One Journal Square Jersey City Hudson County

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

APPLICANT BACKGROUND:
WW 1 Journal Square LLC was recently formed by WeWork Companies Inc. to be the tenant in a new development project. Founded in 2010, as a collaborative office community, WeWork now operates 30 physical locations in ten markets: New York, San Francisco, Los Angeles, Washington D.C., Boston, Seattle, Austin, London, Tel Aviv, and Amsterdam. WeWork operates three business models: WeWork (space-as-a-service), WeWork Commons (a la carte access to services), and WeLive (residential units).

To establish its locations, WeWork enters into long-term lease agreements for centrally-located commercial office space, and outfits the space with elements that entrepreneurial individuals and small businesses, the Company's target market, need to conduct business. In turn, the individuals or small businesses enter into "memberships" with the WeWork landlord to utilize the space and amenities. WeWork locations consist of single- and multi-person private offices and open desk areas, as well as designed kitchens, lounges and meeting spaces that are shared among members. WeWork members have access to third-party services at steep discounts, such as health insurance. Every membership includes high-speed internet, printers and copiers, meeting rooms, office supplies and coffee. The applicant has demonstrated the financial ability to undertake the project through the support of its parent company.

One Journal Square Partners Urban Renewal Company LLC has also applied to the Authority for a commercial Economic Redevelopment and Growth grant for the retail and commercial portions of this redevelopment project.

MATERIAL FACTOR/NET BENEFIT:
WeWork is rapidly growing and evaluating its expansion plans in the Metro New York Area and is considering a new WeWork location in an approximately 1 million sq. ft. mixed use redevelopment facility to be constructed in Jersey City, NJ or leasing 50,504 sq. ft. in an existing facility located in the waterfront business district of Stamford, Connecticut.

Under the proposed project in NJ, WW 1 Journal Square LLC (WW 1 or the Operator) would lease a total of 101,000 sq. ft. in an approx. 1 million sq. ft. mixed use redevelopment project from One Journal Square Partners, LLC, of which WeWork Companies Inc. holds a 50% interest. Within the 101,000 sq. ft. of space, a lease for 75,000 sq. ft. would be designated as a qualified incubator facility under the Grow NJ program. A separate lease for the remaining 26,000 sq. ft. would be utilized for other WeWork members. The Operator is applying on behalf of one or more businesses ("Tenants" or "Members") that meet the requirements for the tax credit and/or a group of non-qualifying businesses or positions. As defined in the proposed Grow NJ Regulations, a position is a full-time employee employed by a business at a qualified incubator facility who spends at least 16 hours a week at that facility and at least 80% of his or her time in the State; a position in a qualified incubator facility is considered a Grow full-time job. The proposed project would provide shared workspace, community, and services for the tenants, such as entrepreneurs, freelancers, startups and small businesses. The WeWork project is expected to create 723 jobs (which may be "positions") in Jersey City.

Per the Grow NJ Regulations in order for the facility to be considered a qualified incubator, at least 50% of the gross leasable area of the incubator is restricted for use by one or more technology startup companies throughout the commitment period. The facility must also be located near a research institution, teaching hospital, college or university (the "Research Institute") and the Operator must have a written agreement with the Research Institute that provides opportunities for the tenants to collaborate with the research institute. The proposed location is located near several research institutes and the Operator has proposed partnering with New Jersey City University.

WeWork has also provided its business model and has explained how the business model will ensure that the benefit from the Grow tax credit award will flow to the Tenants and how the Tenants will be informed of the award and the benefits. Membership fees would be discounted; and the remainder will be used to help the project economics pertaining to the return on the investment for the development entity and the ability to attract the required investment in the project.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of WW 1 Journal Square LLC has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Michael Gross, the CEO of WW 1 Journal Square 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 $63 million over the 20 year period required by the Statute.

The Grow New Jersey program calls for projects to be completed and the accompanying tax credits issued within three years of the Authority's approval of the project. In extenuating circumstances, the Authority may grant two six-month extensions of the deadline, however, in no event shall the incentive effective date occur later than four years following the date of approval by the Authority. Due to the size of the project and the complexity involved in constructing and equipping the facility, WW 1 Journal Square LLC has requested for the Authority to grant the two six-month extensions jointly with the approval of the award.

ELIGIBILITY AND GRANT CALCULATION:

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

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

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects	$ 20

Industrial/Warehouse/Logistics/R&D - New Construction Projects	$ 60
Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects	$ 40
Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects	**$120**

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	$9,000,000	$12,831,765
New Jobs	35	723
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
Urban Transit Hub Municipality	Base award of $5,000 per year for projects located in a designated Urban Transit Hub Municipality	Jersey City is a designated Urban Transit Hub Municipality
Increase(s) Criteria		
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	One Journal Square is located in a Deep Poverty Pocket.
Qualified Incubator Facility	An increase of $500 per job for a project locating in a Qualified Incubator Facility	The applicant is creating a Qualified Incubator Facility.
Transit Oriented Development	An increase of $2,000 per job for a project locating in a Transit Oriented Development	One Journal Square is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a New Jersey Transit Corporation rail

		station.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $9,000 = $4,500) or - **The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($12,831,765 / 10 / (723 + 0) = $1,774)** In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Urban Transit HUB Municipality		$5,000
INCREASES PER EMPLOYEE:		
Deep Poverty Pocket:	$1,500	
Qualified Incubator Facility	$ 500	
Transit Oriented Development:	$2,000	
INCREASE PER EMPLOYEE:		$4,000
PER EMPLOYEE LIMIT:		
Urban Transit HUB Municipality	$12,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		$9,000

AWARD:

New Jobs:	723 Jobs X $9,000 X 100% =	$6,507,000
Retained Jobs:	0 Jobs X $1,774 X 100% =	$0,000
	Total:	**$6,507,000**

ANNUAL LIMITS:	
Urban Transit HUB Municipality	$10,000,000

TOTAL ANNUAL AWARD **$6,507,000**

MAXIMUM AWARD IN EXCESS OF $4,000,000 PER YEAR ($6,507,000):

ANNUAL AMOUNT DETERMINED AS NECESSARY TO COMPLETE THE PROJECT = $5,900,403 ($8,161 PER NEW JOB / $0 PER RETAINED JOB)

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$12,831,765
EXPECTED PROJECT COMPLETION:	June 30, 2019
NEW FULL-TIME JOBS:	723
RETAINED FULL-TIME JOBS:	0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$122,293,345
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 63,289,315
TOTAL AMOUNT OF AWARD:	$ 59,004,030
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 70,000

SIZE OF PROJECT LOCATION: 75,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION? New

INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
STATEWIDE BASE EMPLOYMENT: 0
PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after Board approval. Applicant has 3 years plus two six-month extensions to submit its CPA certification but in no event can the tax credit be issued more than 4 years from the date of 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. At the time of CPA certification, the applicant will submit a written agreement with a research institution, teaching hospital, college or university that provides opportunities for the tenants to collaborate with the research institute.

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: M. Abraham **APPROVAL OFFICER:** 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: Audio and Video Labs, Inc. P41518

PROJECT LOCATION: 7905 Route 130 Pennsauken Township Camden County

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

APPLICANT BACKGROUND:
Audio and Video Labs, Inc. was incorporated in 1946, and is engaged in CD and DVD duplication and manufacturing, as well as digital music distribution, music rights administration and web hosting. The applicant is also a publisher and distributor of books and ebooks, operating in the self-published book market. The company operates from a disc manufacturing and headquarters facility in Pennsauken, New Jersey, and a digital music distribution and Baby Music store in Portland, OR. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
The applicant is experiencing growth, and is seeking to expand its operations through the purchase of multiple pieces of large scale printing equipment in an attempt to in-source the fulfillment of its contracted book publishing orders. Currently, the company owns and operates a 120,960 SF manufacturing site in Pennsauken Township, NJ, in which it is considering installing four new machines to accommodate its in-sourced operations. Alternatively, the applicant could continue to outsource its production to a contract manufacturer, which operates in Michigan and New York, to fulfill its book printing orders. At the NJ location the applicant would create 25 new full-time jobs, however all jobs at the contracted manufacturer's locations would be employed by the contract company. If the applicant were to expand its operations at the NJ site, it would incur upfront equipment and associated renovation costs. The applicant would not incur upfront costs if it were to continue to outsource its book publishing to the out-of-state contract manufacturer.

The location analysis submitted to the Authority shows making an investment in New Jersey to be the more expensive option and, as a result, the management of Audio and Video Labs, 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 William van Veen, the CEO of Audio and Video Labs, 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 $147,589 over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	$1,612,800	$3,629,068
New Jobs	8	25
Retained Jobs	19	0

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

Base Grant	Requirement	Proposed by Applicant
Distressed Municipality	Base award of $4,000 per year for projects located in a designated Distressed Municipality	Pennsauken Township is a designated Distressed Municipality
Increase(s) Criteria		
Capital Investment in Excess of Minimum (non-Mega)	An increase of $1,000 per job for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum	The proposed capital investment of $3,629,068 is 125% above the minimum capital investment resulting in an increase of $3,000 per year.

	increase of $3,000	
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.
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	The Retained Full-Time Jobs will receive the lesser of: - **½ 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 ($3,629,068 / 10 / (25 + 0) = $14,516) In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:

Distressed Municipality		$ 4,000

INCREASES PER EMPLOYEE:

Capital Investment in Excess of Minimum (non-Mega):	$ 3,000	
Targeted Industry (Manufacturing):	$ 500	
2007 Revit. Index>465 in Camden:	$ 1,000	
INCREASE PER EMPLOYEE:		$ 4,500

PER EMPLOYEE LIMIT:

Distressed Municipality	$11,000	

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $ 8,500

AWARD:

New Jobs:	25 Jobs X $8,500 X 100% =	$ 212,500
Retained Jobs:	0 Jobs X $8,500 X 50% =	$ 0
	Total:	**$ 212,500**

ANNUAL LIMITS:

Distressed Municipality	$ 8,000,000	

TOTAL ANNUAL AWARD **$ 212,500**

TOTAL ANNUAL AWARD BASED ON THE BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD) BEING 110% OF THE AWARD:

New Jobs:	25 Jobs X $5,902 X 100% =	$ 147,550
Retained Jobs:	0 Jobs X $5,902 X 50% =	$ 0
	Total:	**$ 147,550**

TOTAL ANNUAL AWARD (APPROVED): **$ 147,550**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 3,629,068
EXPECTED PROJECT COMPLETION:	April 1, 2016
NEW FULL-TIME JOBS:	25
RETAINED FULL-TIME JOBS:	0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 1,623,089
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 147,589
TOTAL AMOUNT OF AWARD:	$ 1,475,500
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 32,194
SIZE OF PROJECT LOCATION:	120,960 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	N/A
STATEWIDE BASE EMPLOYMENT:	314

PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. The Net Benefit to the State will be recalculated if the CPA certification shows a 10% or more reduction of the number of eligible jobs, capital investment, or payroll from the amounts approved by the Board. If the Net Benefit analysis does not support awarding a tax credit for the entire approved amount, then the amount of the award will be reduced accordingly.
7. The applicant will maintain the 314 current positions it has at the project site for the duration of the Grow NJ award. The number of new positions that are subject to this Grow NJ award will only be counted above and beyond the first 314 positions employed by the applicant at the project site.

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: J. Kenyon **APPROVAL OFFICER:** D. Poane

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

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

APPLICANT: Borax Paper Products, Inc. P41506

PROJECT LOCATION: 50 Meadowlands Parkway Secaucus Town Hudson County

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

APPLICANT BACKGROUND:
Borax Paper Products, Inc., established in 1974, is a distributor of food service paper, packaging and janitorial products in the greater New York City market. The company's primary product categories include food service containers, cups and lids, bags, janitorial and cleaning supplies, napkins, cutlery, plates and bowls, protective packaging and sheets, towels, tissues, trays, placemats and table cloths. Included in the company's customer base are food retailers, food service organizations, restaurants, hospitals, food manufacturers, bakeries and educational institutions. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Locating in Secaucus would provide an opportunity for the company to house its headquarters and warehouse operations in one facility, and allow the applicant to benefit from increased ease of internal communication as well as management involvement in operations. If the applicant were to locate in the Kingston, NY facilities, it would maintain its current operational structure of separate spaces for office and warehouse functions. The move from the Bronx would include 83 employees and the renovation of the leased facility. The company is requesting assistance to offset the costs associated with relocation to NJ, as Kingston, NY is less expensive. The applicant has submitted a cost benefit analysis comparing the renovation and operating costs of the Secaucus, NJ space to the alternative Kingston, NY space.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Borax Paper Products, 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 Mark Borak, the CEO of Borax Paper Products, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $13.3 million over the 20 year period required by the Statute.

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

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

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

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

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

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

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

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

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$4,450,560	$9,410,709
New Jobs	35	83
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	Secaucus Town is a designated Distressed Municipality

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: - **½ of the Grant Calculation for New Full-Time Jobs (1/2 * $4,000 = $2,000) or** - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($9,412,800 / 10 / (83 + 0) = $11,340) In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:

Distressed Municipality			$ 4,000
PER EMPLOYEE LIMIT:			
Distressed Municipality		$11,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:			$ 4,000
AWARD:			
New Jobs:	83 Jobs X $4,000 X 100% =		$332,000
Retained Jobs:	0 Jobs X $4,000 X 50% =		$ 0
		Total:	**$332,000**
ANNUAL LIMITS:			
Distressed Municipality		$ 8,000,000	
TOTAL ANNUAL AWARD			**$332,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 9,410,709
EXPECTED PROJECT COMPLETION:	March 1, 2016
NEW FULL-TIME JOBS:	83
RETAINED FULL-TIME JOBS:	0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 16,654,989
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 13,334,989
TOTAL AMOUNT OF AWARD:	$ 3,320,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 43,040
SIZE OF PROJECT LOCATION:	222,528 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	N/A
STATEWIDE BASE EMPLOYMENT:	0

PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: C. Fuentes **APPROVAL OFFICER**: D. Poane

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

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

APPLICANT: Comar Holding Company, LLC and subsidiaries P41513

PROJECT LOCATION: 220 Laurel Road Voorhees Township Camden County

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

APPLICANT BACKGROUND:
Comar Holding Company, LLC ("Comar") is a recently formed holding company for its operating subsidiaries, Comar, LLC and Comar Unicon Puerto Rico LLC. Originally incorporated in NJ in 1949, Comar is a manufacturer of molded bottles, containers and light industrial parts. The company provides packing and dispensing packaging solutions for health and wellness, specialty food, household and industrial, personal care and related market segments worldwide. The company's primary products include oral syringes, dropper assemblies, bottles and other packaging products.

In October 2013, Comar was purchased by Graham Partners, which provided access to additional capital and resources to support Comar's global expansion plans and broaden the company's product development and manufacturing capabilities. Further, in 2014, Comar acquired Convergence Packaging Holdings, LLC and its subsidiaries, Scandia Plastics, LLC, Paradigm Packaging, Inc. and Precision Medical, Inc. The addition of the Convergence companies expands Comar's molding capabilities as well as some new products. The combined facilities now include all major rigid plastic processing platforms and a wide range of design and assembly technologies and materials. Headquartered in Buena, NJ, the company also operates manufacturing and distribution facilities in Buena, NJ as well as Wisconsin, California, Georgia and Puerto Rico. The applicant has demonstrated the financial ability to undertake the project.

Comar has received Authority assistance via tax-exempt bond financing since 1994 and most recently in 2009 with a tax-exempt bond in the amount of $7,000,000. Proceeds of the 2009 Bond were used to expand and upgrade its equipment for the manufacturing operations in Buena. The 2009 Bond was paid in full in 2013.

MATERIAL FACTOR/NET BENEFIT:
The company is considering relocating its headquarters, as it has become difficult to maintain its corporate headquarters at the same location as its manufacturing operations. The company is considering leasing 11,000 sq. ft. in Voorhees, NJ or in Wilmington, DE. The project consists of relocating 20 employees from Buena and creating an additional 10 full-time employees.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Comar Holding Company, LLC has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Michael C. Ruggieri, the CEO of Comar Holding Company, 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 $4.9 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 20 New Jersey jobs listed in the application are at risk of being located outside the State on or before March 15, 2016, when the company anticipates the alternate location to be available. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

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

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

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

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

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

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

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

As a Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Project for a manufacturing business in 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	$293,334	$1,075,000
New Jobs	8	10
Retained Jobs	19	20

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	Voorhees 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 $102,000 exceeds the Camden County median salary by 115% resulting in an increase of $750 per year.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: - **½ of the Grant Calculation for New Full-Time Jobs (1/2 * $4,250 = $2,125)** or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs

	($1,075,000 / 10 / (10 + 20) = $3,583) In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:			
Priority Area			$3,000
INCREASES PER EMPLOYEE:			
Jobs with Salary in Excess of County Average:		$ 750	
Targeted Industry (Manufacturing):		$ 500	
INCREASE PER EMPLOYEE:			$1,250
PER EMPLOYEE LIMIT:			
Priority Area		$10,500	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:			$4,250
AWARD:			
New Jobs:	10 Jobs X $4,250 X 100% =		$42,500
Retained Jobs:	20 Jobs X $4,250 X 50% =		$42,500
		Total:	**$85,000**
ANNUAL LIMITS:			
Priority Area (Est. 90% Withholding Limit)		$ 4,000,000/($145,031)	
TOTAL ANNUAL AWARD			**$85,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 1,075,000
EXPECTED PROJECT COMPLETION:	September 15, 2016
NEW FULL-TIME JOBS:	10
RETAINED FULL-TIME JOBS:	20

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 5,765,736
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 4,915,736
TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS)	$ 850,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 102,000
SIZE OF PROJECT LOCATION:	11,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	Buena
STATEWIDE BASE EMPLOYMENT:	364

PROJECT IS: ( ) Expansion (X) Relocation
CONSTRUCTION: (X) Yes ( ) No

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before March 15, 2016; 2) approve the proposed Grow New Jersey grant to encourage Comar Holding Company, 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: IPAK, Inc. P41519

PROJECT LOCATION: 821 Memorial Ave. Camden City Camden County

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

APPLICANT BACKGROUND:
IPAK, Inc., ("IPAK") a New Jersey and federally certified Women Owned Small Business, produces highly differentiated sales, marketing and educational tools for its national clients. IPAK delivers printing, packaging, technology and video solutions that enhance a product's use and the customer's bottom line. From in-classroom learning kits to boxed multimedia retail sets, IPAK adds value by structurally designing functional packaging, manufacturing and all of its components and distributing the final product. An example of IPAK's work includes printing and coil binding photo-enlarged assessment books for the visually impaired. Primary industries served are education, healthcare, entertainment and the government. Located in West Deptford, NJ, IPAK has over 50 pieces of equipment and 114 full-time employees. The applicant has demonstrated the financial ability to undertake the project.

A BRRAG Award was granted to IPAK, Inc. in 2012 for 84 employees in the amount of $189,000. This award will need to be paid back to the Authority in advance of closing of the Grow NJ Award.

MATERIAL FACTOR/NET BENEFIT:
The proposed project is located in Camden, NJ, a city that ranked 566 out of 566 municipalities in the 2007 New Jersey Municipal Revitalization Index. In recognition of Camden's inability to attract investment, in the New Jersey Economic Opportunity Act, the Legislature declared that Camden and the other Garden State Growth Zones presented significant challenges to development and created incentives unique to Camden and other similarly situated Garden State Growth Zones to overcome these barriers.

The management of IPAK, Inc. has indicated that the grant of tax credits is a material factor in the company's decision whether or not to locate the project in Camden. The Authority is in receipt of an executed CEO certification by Karen Primak, the CEO of IPAK, Inc., which states that the Grow New Jersey award is a material factor in the company's decision to make the capital investment and locate the project in Camden. The CEO certification also states that the application has been reviewed and the information submitted and representations contained therein are accurate.

Staff reviewed the project and finds support for management's assertion that the award of tax credits is a material factor in the company's decision to locate in Camden. If IPAK, Inc. chooses the Camden option, the company would establish the project in Camden. The alternative is to relocate to Philadelphia, PA.

This project represents a significant positive step forward for Camden's redevelopment efforts, bringing IPAK to the city. It is estimated that the project would have a net benefit to the State of $5.7 million over the 35 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 114 New Jersey jobs listed in the application are at risk of being located outside the State. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the award of the Grow New Jersey tax credits is a material factor in the applicant's decision to make a capital investment and locate in Camden.

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

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

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	$365,067	$1,359,000
New Jobs	8	0
Retained Jobs	19	114

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

Base Grant	Requirement	Proposed by Applicant
Garden State Growth Zone	Base award of $5,000 per year for projects located in a Garden State Growth Zone	Camden 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	821 Memorial Ave. 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	821 Memorial Ave. is located in a Transit Oriented Development by virtue of being 1 mile (GSGZ project) of the midpoint of a Port Authority Transit Corporation rail station
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a 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 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 $1,359,000 is 272% above the minimum capital investment resulting in an increase of $5,000 per year.
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	Camden City has a 2007 Revitalization Index of 566

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	**The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.**
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $15,000 = $7,500) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($1,359,000 / 10 / (0 + 114) = $1,192) In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Garden State Growth Zone		$5,000
INCREASES:		
Deep Poverty Pocket:	$1,500	
Transit Oriented Development:	$2,000	
Targeted Industry (Manufacturing):	$ 500	
Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min:	$5,000	
2007 Revit. Index>465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem:	$1,000	
INCREASE PER EMPLOYEE:		$10,000
PER EMPLOYEE LIMIT:		
Garden State Growth Zone	$15,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		$15,000

AWARD:

New Jobs:	0 Jobs X $15,000 X 100% =	$0,000
Retained Jobs:	114 Jobs X $15,000 X 100% =	$1,710,000
	Total:	**$1,710,000**

ANNUAL LIMITS:	
Garden State Growth Zone and MRERA	$35,000,000
TOTAL ANNUAL AWARD	$1,710,000

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 1,359,000
EXPECTED PROJECT COMPLETION:	March 31, 2016
NEW FULL-TIME JOBS:	0
RETAINED FULL-TIME JOBS:	114

GROSS BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD)	$ 22,848,729
NET BENEFIT TO THE STATE (OVER 35 YEARS, NET OF AWARD):	$ 5,748,729
TOTAL AMOUNT OF AWARD:	$ 17,100,000
TERM:	10 years
MEDIAN WAGES:	$ 29,244
SIZE OF PROJECT LOCATION:	27,380 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	West Deptford
STATEWIDE BASE EMPLOYMENT:	114

PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the award of the Grow New Jersey tax credits is a material factor in the applicant's decision to make a capital investment and locate in Camden; 2) approve the proposed Grow New Jersey grant to encourage IPAK, Inc. to locate in Camden. 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:	Radwell International, Inc.		P41250
PROJECT LOCATION:	1 Millennium Drive	Willingboro Township	Burlington County

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

APPLICANT BACKGROUND:
Radwell International, Inc. started business in 1979 as Speck Industrial Controls, Inc. ("Speck") as a distributor for Eagle Signal, a product line of industrial timers and counters, and general control products. In 2005, the company moved to its current location in Lumberton and changed its name to Radwell International, Inc. ("Radwell"). Recently, branch operations have been set up and opened in the United Kingdom and in Canada, and in the US in the states of Texas, Indiana, and North Carolina. The company currently employs 828 full and part-time people worldwide. A total of 588 currently work in Radwell's Lumberton headquarters locations consisting of 448 full-time, 110 part-time and 30 seasonal summer intern employees. Radwell's growth has averaged about 20% per year since inception. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
The company continues to grow in sales, physical size, and employees. Radwell is pushing the limits of its space and operations capability in New Jersey and is determining its strategy for the next several years. The company would like to revamp its headquarters corporate operations functions and main distribution processes, including the installation of a highly automated and innovative inventory management system known as Swisslog, as its foundation. After extensive research and investigation into other US states Radwell is considering two options for this needed expansion. Option 1 is to acquire a new facility in Texas where Radwell recently made an acquisition. Radwell would transform that location from a small branch/satellite to its primary headquarters. Lumberton would scale back to be that of a branch location and/or close down completely. This scale back would likely occur this way: Radwell investment and expansion attention would focus on Texas, including Swisslog and other build out and fit out of that branch location to build that into a distribution hub/headquarters facility. The purchase of the Willingboro facility, in an Area in Need of Redevelopment, and associated changes would be stopped. The 100 Mount Holly Bypass ("MHB") facilities would be closed by the end of the lease, or 4/30/2016; some of the 100 MHB operations would move back to the 111 MHB facility and to TX; all hiring and incremental spending at the 111 MHB facility would be halted. The 111MHB facility and operation would be allowed to shrink through attrition; the remaining jobs would

move to TX and the 111 MHB facilities would be sold. Radwell anticipates moving all employees and closing NJ operations completely by May 1, 2018. Option 2 would be to purchase an existing vacant building in Willingboro and then renovate and relocate to it. Radwell has determined that the most cost effective option over the long period will be to move its headquarters operation to the Texas location; however, if Radwell is provided with the assistance from the Grow New Jersey Program then it will move forward with Option 2.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Radwell International, 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 Brian Radwell, the CEO of Radwell International, 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 $47.6 million over the 30 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 448 New Jersey jobs listed in the application are at risk of being located outside the State on or before May 1, 2018, the day the current lease expires on 100 Mount Holly Bypass. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

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

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

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

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

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

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

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

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

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$4,149,134	$22,608,945

New Jobs	27	145
Retained Jobs	38	448

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

Base Grant	Requirement	Proposed by Applicant
Mega Project	Base award of $5,000 per year for projects designated as a Mega Project	A Qualified Business Facility located in an Area in Need of Redevelopment prior to October 24, 2014 within Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem counties having a Capital Investment in excess of $20,000,000 and having more than 150 employees created or retained. The proposed Willingboro facility is in Block 3, which is in the area designated as the "Town Center" and that is the area deemed by the ordinance to be in need of redevelopment.
Increase(s) Criteria		
Large Number of New/Retained Full-Time Jobs	An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 593 Full-Time Jobs at the project location resulting in an increase of $750.

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

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

All other projects	The Retained Full-Time Jobs will receive the lesser of: - **½ of the Grant Calculation for New Full-Time Jobs (1/2 * $5,750 = $2,875)** or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($22,608,945 / 10 / (145 + 448) = $3,812) In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:

Mega Project $ 5,000

INCREASES PER EMPLOYEE:

Large Number of New/Retained F/T Jobs: $ 750

INCREASE PER EMPLOYEE: $ 750

PER EMPLOYEE LIMIT:

Mega Project $15,000

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $5,750

AWARD:

New Jobs:	145 Jobs X $5,750 X 100% =	$833,750
Retained Jobs:	448 Jobs X $5,750 X 50% =	$1,288,000
	Total:	**$ 2,121,750**

ANNUAL LIMITS:

Mega Project $30,000,000

TOTAL ANNUAL AWARD **$ 2,121,750**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 22,608,945
EXPECTED PROJECT COMPLETION:	December 31, 2017
NEW FULL-TIME JOBS:	145
RETAINED FULL-TIME JOBS:	448

GROSS BENEFIT TO THE STATE (OVER 30 YEARS, PRIOR TO AWARD):	$ 68,854,164
NET BENEFIT TO THE STATE (OVER 30 YEARS, NET OF AWARD):	$ 47,636,664
TOTAL AMOUNT OF AWARD:	$ 21,217,500
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 38,875
SIZE OF PROJECT LOCATION:	311,185 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	Lumberton
STATEWIDE BASE EMPLOYMENT:	448

PROJECT IS: (X) Expansion (X) Relocation
CONSTRUCTION: (X) Yes ( ) No

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before May 1, 2018; 2) approve the proposed Grow New Jersey grant to encourage Radwell International, 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: Frederick Goldman, Inc. P41654

PROJECT LOCATION: 55 Hartz Way Secaucus Town Hudson County

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

APPLICANT BACKGROUND:
Frederick Goldman, Inc., formed in 1948 by Frederick Goldman, now owned and operated by his sons, Jonathan and Richard Goldman, is a privately held jewelry manufacturer which focuses on bridal jewelry, and diamond and gemstone fashion jewelry for women. Most products are sold under the brands Goldman, Diana, ArtCarved, Keepsake, Triton, Vera Wang, and Scott Kay, as well as on a non-private label basis. The company's distribution network includes independent jewelry stores, specialty chain stores, mass merchants, discount retailers and internet retailers. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
The applicant has submitted an economic analysis detailing the cost differential between locating this project in Secaucus, NJ or West Nyack, NY. It would purchase the 57,454 SF New Jersey location, through an affiliate entity, which would then lease the site to the applicant. Locating in New Jersey, the applicant would incur higher upfront renovation costs, higher rental expense, and an annual shuttle expense, as there is limited parking on-site. The 49,000 SF NY location would be leased from an unrelated entity, and require less upfront renovation. The applicant would relocate all 251 full-time positions currently at the Manhattan location to either site.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Frederick Goldman, 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 Jonathan Goldman, the CEO of Frederick Goldman, 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 $25 million over the 20 year period required by the Statute.

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

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

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

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

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

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

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

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

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$1,149,080	$4,468,779
New Jobs	10	251
Retained Jobs	25	0

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

Base Grant	**Requirement**	**Proposed by Applicant**
Distressed Municipality	Base award of $4,000 per year for projects located in a designated Distressed Municipality	Secaucus Town is a designated Distressed Municipality
Increase(s) Criteria		
Capital Investment in Excess of Minimum (non-Mega)	An increase of $1,000 per job for each additional amount of capital investment in an industrial premises that	The proposed capital investment of $4,468,779 is 289% above the minimum capital investment resulting in

	exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $3,000	an increase of $3,000 per year.
Large Number of New/Retained Full-Time Jobs	An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 251 Full-Time Jobs at the project location resulting in an increase of $500.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $8,000 = $4,000) or - **The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($4,468,779 / 10 / (251 + 0) = $1,780)** In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:

Distressed Municipality		$ 4,000

INCREASES PER EMPLOYEE:

Capital Investment in Excess of Minimum (Non Mega):	$ 3,000	
Large Number of New/Retained F/T Jobs:	$ 500	
Targeted Industry (Manufacturing):	$ 500	

INCREASE PER EMPLOYEE: $ 4,000

PER EMPLOYEE LIMIT:

Distressed Municipality	$ 11,000	

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $ 8,000

AWARD:

New Jobs:	251 Jobs X $8,000 X 100% =	$2,008,000
Retained Jobs:	0 Jobs X $1,780 X 100% =	$ 0
	Total:	**$2,008,000**

ANNUAL LIMITS:

Distressed Municipality	$ 8,000,000	

TOTAL ANNUAL AWARD **$2,008,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 4,468,779
EXPECTED PROJECT COMPLETION:	July 1, 2016
NEW FULL-TIME JOBS:	251
RETAINED FULL-TIME JOBS:	0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 45,089,320
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 25,009,320
TOTAL AMOUNT OF AWARD:	$ 20,080,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 37,190
SIZE OF PROJECT LOCATION:	57,454 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
CITY FROM WHICH JOBS WILL BE RETAINED IN NEW JERSEY:	N/A
STATEWIDE BASE EMPLOYMENT:	19

PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. The applicant will maintain the 19 current positions it has within the State for the duration of the Grow NJ award. The number of new positions that are subject to this Grow NJ award will only be counted above and beyond the first 19 positions employed by the applicant at the project site.
7. The applicant must certify upon project completion that the Qualified Business Facility meets the definition of Industrial Premises contained in the Grow NJ published Regulations.

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: M. Abraham **APPROVAL OFFICER**: D. Poane

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

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

APPLICANT: Seton Hall-Hackensack School of Medicine P41426

PROJECT LOCATION: 340 Kingsland Street Clifton City/Nutley Township Passaic County/Essex County

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

APPLICANT BACKGROUND:
In June 2015, Seton Hall University ("SHU") and Hackensack University Health Network ("HUHN") signed the School of Medicine Agreement to establish the principle elements of a long-term relationship between them to, among other things, develop an outstanding school of medicine and graduate medical education program to attract top medical school applicants, retain exceptional physicians and faculty, and create a regional, national and internationally based health education initiative. The Seton Hall-Hackensack School of Medicine ("SOM") is a nonprofit New Jersey Corporation which will seek tax exempt status under Section 501(c)(3) of the Internal Revenue Code. The SOM is jointly controlled and operated by SHU and HUHN, with each institution appointing 50% of the SOM Board of Trustees. The Seton Hall Board of Regents possesses certain reserved powers with respect to the academic operations of the SOM. The Hackensack Board of Trustees possesses certain reserved powers with respect to clinical activities related to the SOM. The parties agreed to share equally in the capital and operational costs to establish the SOM, and to cooperate in obtaining additional funding sources including through philanthropy, research grants, and federal and State funding and appropriations. The SOM is in the process of obtaining required regulatory approvals and accreditation needed by the State and national accrediting agency. The New Jersey Board of Medical Examiners issued a Conditional Approval which required, among other things, receiving accreditation by the American Medical Association Liaison Committee on Medical Education ("LCME"). The LCME accreditation process is ongoing, but is contingent upon securing an appropriate location. The parties are in extensive negotiations with Roche to lease Buildings 123 and 123A of the vacant Nutley/Clifton campus, the expected location of the qualified business facility. Buildings 123 and 123A will also house the Seton Hall University College of Nursing ("CON") and School of Health and Medical Sciences ("SHMS"), which will have a separate lease which is not part of the Grow Award. The SOM and Seton Hall University ("SHU") will enter into a reciprocal access and licensing agreement, or similar agreement, to permit employees of the SOM and employees of Seton Hall University to circulate within the two leased premises for collaborative work. The total square footage of the former Roche Labs corporate campus is more than 1,200,000 square feet, 477,171 square feet of which will be leased evenly, 238,576 square feet by SOM and the balance, by CON and SHMS. Due to the unique spatial relationship between the School of Nursing, School of Medicine and the teaching staff, the 80% requirement for

employment at the qualified business facility may be met by any employee's presence within the entire footprint of the complex that houses the qualified business facility. The applicant has demonstrated the financial ability to undertake the project through the finances of HUHN and SHU.

MATERIAL FACTOR/NET BENEFIT:
The proposed project is located on a vacant corporate campus, with more than 51% situated within a distressed municipality (Clifton City). The project is expected to generate substantial business activity on the balance of the site within the host communities, become an economic driver in the region and the State in the health care and bio-pharma fields, and address the critical physician shortage predicted for New Jersey. HUHN/SHU envisions a vibrant University campus with the presence of over 500 medical students and faculty in addition to approximately 1,500 faculty and students enrolled in the College of Nursing and School of Health and Medical Sciences. The School of Medicine will have an academic component, which is a 50/50 contribution between HUHN and SHU, and a significant research component, which is 100% HUHN. Additionally, SHU will align its College of Nursing and School of Health and Medical Sciences with the School of Medicine and HUHN will provide the clinical programs necessary to the medical students. The combination of substantial onsite research activities with a new school of medicine and an established health network will form a university research hospital. Construction for SOM and CON & SHMS is approximately $75,000,000, half of which is reflected in the Grant Award for the SOM portion, along with another $17,658,000 for construction and equipment for the research component, or a total of $55,158,000 of qualifying capital investment.

The managements of HUHN and SHU have indicated that the grant of tax credits is a material factor in the company's project decision. The Authority is in receipt of an executed CEO certification by Robert C. Garrett, the CEO of HUHN, and a CEO certification by A. Gabriel Esteban the President of SHU, that state 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 of jobs would not occur and the scope of the project would be materially reduced. Because the SOM requires approval by the State Board of Medical Examiners, which has so far given conditional approval, the location of the Project is constrained to the State of New Jersey. Due to this unique circumstance, an analysis of the costs of an out-of-state alternative was not appropriate. Nonetheless, staff performed additional due diligence and analyzed the construction and operating pro forma financial projections provided by the applicant to substantiate a determination that the grant of the award is a material factor to the creation of the Project as described. It is estimated that the project would have a net benefit to the State of $ 67.6 million over the 20 year period required by the Statute.

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

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

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

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

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

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

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

As a **Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Project** for an other targeted industry business in 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	$9,543,040	$55,158,000
New Jobs	25	271
Retained Jobs	35	0

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

Base Grant	Requirement	Proposed by Applicant
Distressed Municipality	Base award of $4,000 per year for projects located in a designated Distressed Municipality	Clifton City is a designated Distressed Municipality
Increase(s) Criteria		
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500	The proposed median salary of $65,564 exceeds the Passaic County median salary by 46.0% 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 271 Full-Time Jobs at the project location resulting in an increase of $500.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense,	The applicant is a Health business.

	Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	
Vacant Commercial Building in excess of 1,000,000 sq. ft.	An increase of $1,000 per job for a project that includes a vacant commercial building having in excess of 1,000,000 sq. ft. of office or laboratory space available for more than 1 year.	340 Kingsland Street is a commercial building and a Qualified Business Facility per the regulations, with space of 1,200,000 sq. ft., (of which the applicant will occupy 238,576 sq. ft.) that has been vacant for more than 12 months.

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

PROJECT TYPE	**GRANT CALCULATION**
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	**The Retained Full-Time Jobs will receive the lesser of:** - **½ of the Grant Calculation for New Full-Time Jobs (1/2 * $6,250 = $3,125)** or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($55,158,000/ 10 / (271 + 0) = $20,353) In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Distressed Municipality		$4,000
INCREASES PER EMPLOYEE:		
Jobs with Salary in Excess of County Average:	$ 250	
Large Number of New/Retained F/T Jobs:	$ 500	
Targeted Industry (Health):	$ 500	
Vacant Commercial Building in excess of 1,000,000 sq. ft.	$ 1,000	
INCREASE PER EMPLOYEE:		$2,250
PER EMPLOYEE LIMIT:		
Distressed Municipality	$11,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		$6,250

AWARD:

New Jobs:	271 Jobs X $6,250 X 100% =	$1,693,750
Retained Jobs:	0 Jobs X $6,250 X 50% =	$0,000
	Total:	**$1,693,750**

ANNUAL LIMITS:		
Distressed Municipality	$ 8,000,000	
TOTAL ANNUAL AWARD		**$1,693,750**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 55,158,000
EXPECTED PROJECT COMPLETION:	July 31, 2017
NEW FULL-TIME JOBS:	271
RETAINED FULL-TIME JOBS:	0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 84,538,456
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 67,600,956
TOTAL AMOUNT OF AWARD:	$ 16,937,500
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 65,564
SIZE OF PROJECT LOCATION:	238,576 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	N/A
STATEWIDE BASE EMPLOYMENT:	0

PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. Due to the unique spatial relationship between the School of Nursing, School of Medicine and the teaching staff, the 80% requirement for employment at the qualified business facility may be met by any employee's presence within the entire footprint of the complex that houses the qualified business facility.
7. At project completion, the applicant will certify to the number of full-time employees that existed at the time of approval and were relocated to the qualified business facility ("Number of Existing Jobs"). The applicant will be required to maintain the Number of Existing Jobs filled with full-time employees at the qualified business facility for the duration grant's commitment period. Full-time employees in new jobs will count toward the Grow award only if the Number of Existing Jobs is first filled with full-time employees.

APPROVAL REQUEST:

The Members of the Authority are asked to approve the proposed Grow New Jersey grant to encourage SOM 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: Mathew Abraham **APPROVAL OFFICER**: Mark Chierici

GROW NEW JERSEY ASSISTANCE PROGRAM - MODIFICATIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: November 13, 2015

SUBJECT: Grow New Jersey modification request for Great Socks, LLC
P41133

MODIFICATION REQUEST

The Board approved Great Socks, LLC for a $15,000,000 Grow New Jersey Grant Award on August 11, 2015. Since then, the company could not procure the original project site, 1601 – 1607 Thorne Street, Camden City, Camden County and has identified a new location also in the city of Camden, 1535 Broadway. The Board is requested to modify the previously approved award to the newly identified site.

BACKGROUND:

Great Socks, LLC is a limited liability company recently formed by LongWater Opportunities, LLC, a private equity firm based in Dallas, TX that invests in family owned manufacturing businesses. Great Socks is negotiating an asset purchase agreement with Standard Merchandising Co., a family owned, textile manufacturing business operating since 1922, currently in two plants, Camden and Reading, PA. The company experienced large growth in the 1970's and the 1980's, manufacturing knit headbands and wristbands for the tennis market. Currently, the company manufactures socks, which have overtaken tennis accessories as its largest line of business. Standard Merchandising has 67 employees in Camden, NJ and 25 employees in Reading, PA. The applicant has demonstrated the financial ability to undertake the project.

MODIFICATION:

Great Socks, LLC was approved for a $15,000,000 Grow New Jersey Grant Award on August 11, 2015. Since the Board Approval date, the company could not secure the original project site, 1601 – 1607 Thorne Street, Camden City, and has identified a new location, also in the city of Camden, 1535 Broadway.

The site previously approved consisted of leasing 54,000 sq. ft. at 1601 – 1607 Thorne St. The company planned to relocate its headquarters and operations to that building. The proposed capital investment was $1,604,047 in renovations plus the retention of 67 jobs and the creation of 33 new jobs to New Jersey. The alternative was to lease 55,000 sq. ft. in Reading, PA. The location analysis at the time of approval showed New Jersey to be the more expensive option.

The applicant still plans to house its headquarters and main operations at the new building, which is one mile from the prior location and proposes to create 33 full-time jobs and retain 67 full-time jobs. The new leased space in NJ is larger at 69,900 sq. ft. and the proposed capital investment is higher with site acquisition costs plus renovation of the existing 21,000 sq. ft. and construction of an additional 48,900 sq.

ft. at $6,800,000. The total Grow New Jersey Award is lower than previously approved as the location is no longer in a transit oriented development.

MATERIAL FACTOR/NET BENEFIT:

The proposed project is located in Camden, NJ, a city that ranked 566 out of 566 municipalities in the 2007 New Jersey Municipal Revitalization Index. In recognition of Camden's inability to attract investment, in the New Jersey Economic Opportunity Act, the Legislature declared that Camden and the other Garden State Growth Zones presented significant challenges to development and created incentives unique to Camden and other similarly situated Garden State Growth Zones to overcome these barriers.

The management of Great Socks, LLC has indicated that the grant of tax credits is a material factor in the company's decision whether or not to locate the project in Camden. The Authority is in receipt of an executed CEO certification by Jordan Bastable, the CEO of Great Socks, LLC, which states that the Grow New Jersey award is a material factor in the company's decision to make the capital investment and locate the project in Camden. The CEO certification also states that the application has been reviewed and the information submitted and representations contained therein are accurate.

Staff reviewed the project and finds support for management's assertion that the award of tax credits is a material factor in the company's decision to locate in Camden. If Great Socks, LLC chooses the Camden option, the company would retain a manufacturing facility in Camden. The alternative is to relocate to Reading, PA.

This project represents a significant positive step forward for Camden's redevelopment efforts, retaining a manufacturing facility in the city. It is estimated that the project would have a net benefit to the State of $7.6 million over the 35 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 67 New Jersey jobs listed in the application are at risk of being located outside the State. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the award of the Grow New Jersey tax credits is a material factor in the applicant's decision to make a capital investment and locate in Camden.

ELIGIBILITY AND GRANT CALCULATION:

The only change to the eligibility requirements is the increased capital investment and the new project location is not located in a transit oriented development.

The date in which the applicant must complete and submit the capital investment and employment requirements will remain within three years from the date of the original approval of the Grow New Jersey Award, which approval was granted on August 11, 2015.

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

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

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial/Warehouse/Logistics/R&D - **Rehabilitation Projects**	$ 20

Industrial/Warehouse/Logistics/R&D - New Construction Projects	$ 60
Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects	$ 40
Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects	$120

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	$932,000	$6,800,000
New Jobs	8	33
Retained Jobs	19	67

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. The project at the new site remains eligible for the Base Award and Increases previously approved, except the new location is not in a Transit Oriented Development, and for which the CEO certified that but for the $13,000,000 Grow New Jersey award, the creation and/or retention of jobs would not occur:

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	Camden 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	1535 Broadway is located in a Deep Poverty Pocket.
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	The applicant is a Manufacturing business.

	primarily warehouse, distribution or fulfillment center business	
Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min	An increase of $1,000 per job for a Mega Project or a project located in a Garden State Growth Zone for each additional amount of capital investment that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $5,000	The proposed project is in a Garden State Growth Zone. The proposed capital investment of $6,800,000 is 628% above the minimum capital investment resulting in an increase of $5,000 per year.
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	Camden City has a 2007 Revitalization Index of 566.

Grant Calculation

BASE GRANT PER EMPLOYEE:

Garden State Growth Zone		$5,000

INCREASES PER EMPLOYEE:

Deep Poverty Pocket:	$1,500	
Targeted Industry (Manufacturing):	$ 500	
Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min:	$5,000	
2007 Revit. Index>465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem:	$1,000	

INCREASE PER EMPLOYEE: $8,000

PER EMPLOYEE LIMIT:

Garden State Growth Zone $15,000

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $13,000

AWARD:

New Jobs:	33 Jobs X $13,000 X 100% =	$ 429,000
Retained Jobs:	67 Jobs X $13,000 X 100% =	$ 871,000
	Total:	**$1,300,000**

ANNUAL LIMITS:

Garden State Growth Zone and MRERA $35,000,000

TOTAL ANNUAL AWARD **$1,300,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 6,800,000
ESTIMATED PROJECT COMPLETION:	October 31, 2017
NEW FULL-TIME JOBS:	33
RETAINED FULL-TIME JOBS:	67

GROSS BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD)	$ 20,683,127
NET BENEFIT TO THE STATE (OVER 35 YEARS, NET OF AWARD):	$ 7,683,127
TOTAL AMOUNT OF AWARD:	$ 13,000,000
TERM:	10 years
MEDIAN WAGES:	$ 28,000
SIZE OF PROJECT LOCATION:	69,900 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial

CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	Camden
STATEWIDE BASE EMPLOYMENT:	67

PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No

RECOMMENDATION:

Based on the above, staff recommends a modification request allowing the Qualified Business Facility to be located at the new address.

Prepared by: Teresa Wells

BOND RESOLUTIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

SUBJECT: NJEDA/Biomedical Research Facilities Bonds, Series 2016

DATE: November 13, 2015

SUMMARY OF PROPOSED FINANCING

The Authority is currently being asked to approve the issuance of one or more series of Biomedical Research Facilities Bonds, Series 2016 (the "2016 Bonds"). The 2016 Bonds (not to exceed $55,000,000) will be used to (i) provide $50,000,000 in proceeds for the costs of the Biomedical Research Facilities Project (as defined herein) and (ii) pay the costs of issuance of the 2016 Bonds.

BACKGROUND

Rowan University-Rutgers Camden Board of Governors ("Board of Governors" or "Applicant") was created by Section 34 of the New Jersey Medical and Health Sciences Education Restructuring Act, L. 2012, c. 45, ("Restructuring Act") as amended by L. 2013, c. 227, which provided the Board of Governors with the power to "develop plans for the operation and governance of health science facilities, including the planning concerning the development and financing of capital improvements or expansions of health science facilities." One method the Board of Governors intends to advance this statutory objective is by developing a collaborative and cost-efficient health sciences center within a health sciences center located within a broader health sciences campus in Camden in partnership with Rowan University ("Rowan") and Rutgers, The State University ("Rutgers").

Pursuant to L. 2006 c. 102 (the "2006 Act"), the Authority may issue up to $270 million in bonds to finance capital construction projects for stem cell research, biomedical research, blood collection and cancer research facilities. Section 6 of the 2006 Act authorizes the issuance of bonds to generate proceeds in an amount not to exceed $50 million "to fund capital costs of biomedical research facilities," subject to an agreement being reached between the Authority and the Treasurer for the repayment of the bonds, subject to annual appropriations by the State Legislature. The Bond Resolution and First Supplemental Resolution to be approved by the Authority do not authorize the issuance of bonds to finance any State capital construction projects other than the Project (as defined below).

The Biomedical Research Facilities Project (the "Project") consists of the acquisition of approximately 1.125 acres of land in the City of Camden, Camden County, New Jersey by the Board of Governors created pursuant to L. 2012, c.45, to be ground leased to Rutgers, and the construction thereon of an approximately 65,000 square foot Health Sciences Center, constituting a Biomedical Research Facility under the 2006 Act, including instructional and clinical space, research offices and laboratories, to be owned by Rutgers and operated by a consortium consisting of Rutgers and the Coriell Institute for Medical Research, a New Jersey nonprofit corporation. The Project will be occupied by Rutgers, Rowan and the Joint Board.

On June 9, 2015, the Members preliminary approved the funding in the amount of $50 million for the Project in accordance with the requirements of the 2006 Act. Further, on October 15, 2015, the Members approved a preliminary resolution which is intended to be a declaration of the Authority's official intent to reimburse any expenditure of Project costs incurred and paid prior to the issuance of 2016 Bonds by the Authority in accordance with Treasury Regulations Section 1.150-2(e).

APPROVAL REQUEST

The Members are requested to approve the adoption of the Biomedical Research Facilities Bond Resolution (the "Bond Resolution") and the First Supplemental Biomedical Research Facilities Bond Resolution ("First Supplemental Resolution") authorizing the issuance of one or more series of the 2016 Bonds in the amount not to exceed $55,000,000. The 2016 Bonds will be secured by a State Contract with the State Treasurer as authorized by Section 5 of the 2006 Act. Pursuant to the State Contract, payments will be directly remitted by the State Treasurer to pay the debt service on the 2016 Bonds subject to annual appropriation by the State Legislature for this purpose.

The 2016 Bonds will be issued as fixed rate bonds subject to the following parameters, all as determined by an Authorized Officer of the Authority as defined in the Bond Resolution, in consultation with the State Treasurer, Office of Public Finance, Attorney General's Office and Bond Counsel: (i) the final maturity of any of the 2016 Bonds will not exceed 20 years; and (ii) the true interest cost for fixed rate bonds issued as tax-exempt bonds will not exceed 7%, and 8%, if issued as taxable bonds.

The Members are requested to approve certain actions and delegation of actions to an Authorized Officer with information provided by the State Treasurer, Bond Counsel, the Board of Governors and in consultation with, the Office of Public Finance, Bond Counsel and the Attorney General's Office, as applicable and as approved by the State Treasurer, which actions are more fully set forth in First Supplemental Resolution, which is incorporated herein by reference, and will be memorialized in one or more Series Certificates, and may include, without limitation:

- To determine the date of issuance, sale and delivery, the maturity date, the principal amount, the interest rate and the redemption provisions of each Series of 2016 Bonds in accordance with the parameters set forth above;
- To determine whether each series of the 2016 Bonds shall be issued as tax-exempt or taxable obligations;
- To select and appoint any additional co-managers and/or underwriters for the 2016 Bonds upon recommendation of the State Treasurer, utilizing Treasury's RFP process in accordance with Executive Order No. 26 and Executive Order No. 37;
- To purchase one or more municipal bond insurance policies with respect to any or all of the maturities of the 2016 Bonds if determined that municipal bond insurance is necessary, available or desired in order to achieve the economic objectives of the financing.

Pursuant to the 2006 Act, the Authority and the Treasurer will enter into a project agreement which will specify the scope of the Project, the use of the proceeds of the 2016 Bonds, the acquisition plan for the Project site, the proposed occupants and permitted uses of the Project, the proposed operational plan and operating budget for the

Project including any rental income from the Project, and such other matters as the Treasurer shall determine (the "Project Agreement").

The Authority has been requested by the Treasurer to review and approve the requisitions of the Applicant for the reimbursement or the payment of Project costs from the proceeds of the 2016 Bonds. The Members are requested to delegate the approval of the requisitions to an Authorized Officer of the Authority, upon satisfactory review of the requisitions, supporting documentation and payment of an administrative fee.

In accordance with the provisions of the 2006 Act, in addition to the approval of the Bond Resolution and the First Supplemental Bond Resolution by the Treasurer and the Authority, the resolutions are subject to the written approval of Joint Budget Oversight Committee of the Legislature ("JBOC") and the State Treasurer. The State Treasurer has provided his written approval by letter dated November 13, 2015. It is anticipated that the plan of finance for the 2016 Bonds will be submitted by the Authority for review and approval by JBOC sometime during December 2015.

Professionals for the 2016 Bonds were selected in compliance with Executive Order No. 26. M. Jeremy Ostow, Esq. was selected as Bond Counsel through a competitive RFQ/RFP process performed by the Attorney General's Office on behalf of Treasury for State appropriation-backed transactions. Through Treasury's competitive RFP process, Janney Montgomery Scott was selected as senior manager. The Members are requested to delegate to an Authorized Officer the appointment of a Trustee, Paying Agent, Registrar, Dissemination Agent and Escrow Agent to be selected through a competitive RFP process by the Office of Public Finance. The First Supplemental Bond Resolution will also authorize Authority staff to take any and all necessary actions incidental to the issuance of the 2016 Bonds subject to the Treasurer's approval, including without limitation, the selection of additional underwriters and municipal bond insurers, if any, as described above.

RECOMMENDATION

Based upon the above description, and subject to the criteria set forth above, the Members are requested to: (i) approve the adoption of the Bond Resolution and First Supplemental Bond Resolution authorizing the issuance of the 2016 Bonds in the total aggregate principal amount not to exceed $55,000,000, as well as other matters in connection with the issuance and sale thereof and otherwise described above; (ii) approve several actions and delegation of actions to Authorized Officers as may be necessary or advisable in order to issue the 2016 Bonds; (iii) approve the form of the State Contract and the Project Agreement, provided that an Authorized Officer is hereby authorized, with the advice of Bond Counsel and the Attorney General's Office, to make such changes, insertions and deletions to and omissions from such forms as may be necessary or appropriate; (iv) approve the delegation to an Authorized Officer of the Authority of the review and approval of the requisitions of the Applicant for payments of the Project costs from the proceeds of the 2016 Bonds; (v) authorize the use of the aforementioned professionals; and (vi) authorize Authority staff to take all necessary actions incidental to the issuance of the 2016 Bonds subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General's Office.

Prepared by: Teresa Wells

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

APPLICANT: MSC State & River LLC P40717

PROJECT USER(S): Mastery Schools of Camden, Inc. * * - indicates relation to applicant

PROJECT LOCATION: East State St. and River Ave. Camden City (T/UA) Camden

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

APPLICANT BACKGROUND:

MSC State & River LLC was recently formed to hold title to real estate for the benefit of schools operated by Mastery Charter Schools ("Mastery"). Mastery is a nationally recognized leader in school transformation and currently operates 16 charter schools serving 10,380 students in Philadelphia, PA and Camden, NJ. Mastery stands out for its skill at taking violent, low performing schools and turning the schools into high performing, supportive community schools. Bob Victor is the Chair and Scott Gorden is the CEO of Mastery.

Mastery Schools of Camden, Inc. ("Mastery Camden"), a 501(c)(3) organization, is the newest branch of Mastery, opened in 2014 as a renaissance school project as approved and defined under the educational initiatives of the NJ Urban Hope Act. It currently operates an elementary school for 380 students in grades K-5 in two temporary locations, North Camden Elementary located at 800 Erie St. and Cramer Hill Elementary located at 1033 Cambridge Ave. Mastery Camden is in good standing with the NJ Department of Education. Judy Tschirgi is the Chair of Mastery Camden.

The project will be occupied by Mastery Schools of Camden, 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 construct a three-story, 85,000 sq. ft. school building on 3.9 acres of vacant land currently owned by the City of Camden Redevelopment Agency (CCRA). The Applicant and CCRA executed a redevelopment agreement for the site in February 2015. The new school will hold 750 students in grades K-8 and will include a gym, a digital library and a cafeteria with auditorium seating and outdoor space.

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

FINANCING SUMMARY:

BOND PURCHASER: MCSF Lender LLC (Direct Purchase)

AMOUNT OF BOND: $47,500,000 Taxable Qualified School Construction Bond

TERMS OF BOND: The tax credit rate and the term will be determined prior to issuance of the QSCB based on the tax credit rate and term published by U.S. Treasury. The estimated interest rate and term as of 10/29/15 is 4.62% for 25 years.

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	$24,248,000
Original Issue Discount	$18,000,000
Engineering & architectural fees	$4,849,000
Interest during construction	$1,800,000

Land	$628,000
Purchase of equipment & machinery	$600,000
Legal fees	$500,000
Finance fees	$150,000
TOTAL COSTS	$50,775,000

JOBS: At Application 48 Within 2 years 38 Maintained 0 Construction 224

PUBLIC HEARING: N/A

BOND COUNSEL: Chiesa, Shahinian & Giantomasi

DEVELOPMENT OFFICER: D. Benns

APPROVAL OFFICER: T. Wells

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

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

APPLICANT: Bnos Melech of Lakewood, Inc. P41386

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

PROJECT LOCATION: 550 James Street Lakewood Township (T/UA) Ocean

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

APPLICANT BACKGROUND:

Bnos Melech of Lakewood, Inc., a 501(c)(3) not-for-profit organization established in 2004, operates a girl's elementary school, grades kindergarten through 8. The school includes 850 students in an 82,500 sq. ft., 2 story building. Zev H. Hess is the President. The project has been reviewed and approved by the Attorney General's Office relating to the First Amendment's Establishment Clause.

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

APPROVAL REQUEST:

Authority assistance will enable the applicant to refinance conventional debt plus pay a portion of the costs of issuance. The difference in the project costs and the bond amount will be funded with the Applicant's equity.

FINANCING SUMMARY:

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

AMOUNT OF BOND: $7,800,000 Tax-exempt Bond

TERMS OF BOND: 25 years; Variable interest rate based on the tax-exempt equivalent of 1 month LIBOR. On the closing date, the applicant may enter into a fixed interest rate swap for 10 years. There will be a call option on the 10th anniversary and every 5 years thereafter. The indicative fixed interest rate is 3.15% for 10 years as of 10/14/15.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	$7,800,000
Finance fees	$60,000
Legal fees	$30,000
TOTAL COSTS	$7,890,000

JOBS: At Application 40 Within 2 years 12 Maintained 0 Construction 0

PUBLIC HEARING: 11/13/15 (Published 10/27/15) **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi

DEVELOPMENT OFFICER: M. Athwal **APPROVAL OFFICER:** T. Wells

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

APPLICANT: Chapin School P41514

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

PROJECT LOCATION: 4101 Princeton Pike Lawrence Township (N) Mercer

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

APPLICANT BACKGROUND:

Chapin School, a 501(c)(3) not-for-profit organization established in 1931, operates a pre-kindergarten through eighth grade school. The school includes 275 students in a 27,000 sq. ft. building located on 14.5 acres. The project facility houses classrooms, offices, meeting rooms, learning commons, library/media center, technology lab, and a science lab. Frances Jordan Chapin is the founder of the school.

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

APPROVAL REQUEST:

Authority assistance will enable the applicant to refinance existing conventional debt and pay associated closing costs.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	$8,000,000
Finance fees	$100,000
Legal fees	$95,000
Accounting fees	$5,000
TOTAL COSTS	$8,200,000

JOBS: At Application 114 Within 2 years 1 Maintained 0 Construction 0

PUBLIC HEARING: 11/13/15 (Published 10/27/15) **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi

DEVELOPMENT OFFICER: M. Athwal **APPROVAL OFFICER:** D. Poane

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

APPLICANT: Talmud Torah Bais Avrohom P41230

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

PROJECT LOCATION: 915 New Hampshire Ave Lakewood Township (T/UA) Ocean

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

APPLICANT BACKGROUND:

Talmud Torah Bais Avrohom is a boys' elementary yeshiva that was established in 1992 with only 15 students. The school caters to students from Kindergarten to grade eight. In 2003, with enrollment at over 300 students, the school moved to its present location and changed its name to reflect a donor's generosity. The current 2015/2016 school year boasts an enrollment of 613 students. The school has a faculty of 45 teachers, seven principals, including Rabbi Wulliger, President, and seven administrators. The project has been reviewed and approved by the Attorney General's Office relating to the First Amendment's Establishment Clause.

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

APPROVAL REQUEST:

Authority assistance will enable the applicant to refinance the existing commercial mortgages, and pay closing costs. Costs above the bond amount will be funded by equity from Talmud Torah Bais Avrohom.

FINANCING SUMMARY:

BOND PURCHASER: Fulton Bank of NJ (Direct Purchase)

AMOUNT OF BOND: $3,000,000 Tax-Exempt Bond

TERMS OF BOND: 20 years; Fixed rate for 5 years based on the tax exempt equivalent of 4.50%, currently 2.96%. Interest rate shall be reset on the fifth (5th) anniversary of the Loan and every fifth (5th) anniversary thereafter, at the tax exempt equivalent of the Federal Home Loan Bank of New York interest rate plus 2.5%.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	$3,000,000
Other Other Costs	$150,000
Legal fees	$25,000
Finance fees	$25,000
TOTAL COSTS	$3,200,000

JOBS: At Application 30 Within 2 years 20 Maintained 0 Construction 0

PUBLIC HEARING: 11/13/15 (Published 10/27/15) **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi

DEVELOPMENT OFFICER: M. Athwal **APPROVAL OFFICER:** M. Chierici

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

APPLICANT: Talmud Torah Bais Avrohom P41230

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

PROJECT LOCATION: 915 New Hampshire Ave Lakewood Township (T/UA) Ocean

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

APPLICANT BACKGROUND:

Talmud Torah Bais Avrohom is a boys' elementary yeshiva that was established in 1992 with only 15 students. The school caters to students from Kindergarten to grade eight. In 2003, with enrollment at over 300 students, the school moved to its present location and changed its name to reflect a donor's generosity. The current 2015/2016 school year boasts an enrollment of 613 students. The school has a faculty of 45 teachers, seven principals, including Rabbi Wulliger, President, and seven administrators. The project is being reviewed by the Attorney General's Office relating to the First Amendment's Establishment Clause.

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

APPROVAL REQUEST:

Authority assistance will enable the applicant to refinance the existing commercial mortgages, and pay closing costs. Costs above the bond amount will be funded by equity from Talmud Torah Bais Avrohom.

FINANCING SUMMARY:

BOND PURCHASER: Fulton Bank of NJ (Direct Purchase)

AMOUNT OF BOND: $3,000,000 Tax-Exempt Bond

TERMS OF BOND: 20 years; Fixed rate for 5 years based on the tax exempt equivalent of 4.50%, currently 2.96%. Interest rate shall be reset on the fifth (5th) anniversary of the Loan and every fifth (5th) anniversary thereafter, at the tax exempt equivalent of the Federal Home Loan Bank of New York interest rate plus 2.5%.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	$3,000,000
Other Other Costs	$150,000
Legal fees	$25,000
Finance fees	$25,000
TOTAL COSTS	$3,200,000

JOBS: At Application 30 Within 2 years 20 Maintained 0 Construction 0

PUBLIC HEARING: 11/13/15 (Published 10/27/15) **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi

DEVELOPMENT OFFICER: M. Athwal **APPROVAL OFFICER:** M. Chierici

PRELIMINARY RESOLUTIONS

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

APPLICANT: The Fred 101, LLC P41631

PROJECT USER(S): Frederick Goldman, Inc. * * - indicates relation to applicant

PROJECT LOCATION: 55 Hartz Way Secaucus Town (N) Hudson

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

APPLICANT BACKGROUND:

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

Frederick Goldman, Inc. will relocate its entire existing manufacturing operation from its current rented location in Manhattan, to Secaucus, NJ. The project will include the purchase of a building, machinery, equipment and renovations. Frederick Goldman, Inc. is also seeking the approval of its Grow NJ application at the EDA board meeting to be held on November 13, 2015.

APPROVAL REQUEST:

Authority assistance will enable the applicant to acquire, renovate and equip a 57,454 sq.sf. space, as well as pay costs of issuance.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	$11,500,000
Renovation of existing building	$2,980,000
Purchase of equipment & machinery	$520,000
Legal fees	$50,000
Finance fees	$50,000
Accounting fees	$50,000
TOTAL COSTS	$15,150,000

JOBS: At Application 0 Within 2 years 251 Maintained 0 Construction 23

PUBLIC HEARING: 11/13/15 (Published 10/27/15) **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi,

DEVELOPMENT OFFICER: M. Athwal **APPROVAL OFFICER:** D. Poane

LOANS/GRANTS/GUARANTEES

LOCAL DEVELOPMENT FINANCING FUND PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - LOCAL DEVELOPMENT FINANCING FUND PROGRAM - (PREMIER

APPLICANT: The Patrick School, Inc. P41501

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

PROJECT LOCATION: 547-557 Morris Avenue Elizabeth City (T/UA) Union

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

APPLICANT BACKGROUND:

The Patrick School (TPS) is a private, not for profit that provides comprehensive secondary and affordable education to students from all socioeconomic backgrounds. TPS was formally known as St. Patrick High School which was a co-educational four-year Catholic high school in Elizabeth. The school was operated under the Roman Catholic Archdiocese of Newark and founded as a vocational school in 1863 as part of Saint Patrick's Parish in Elizabeth, making it the oldest parochial high school in New Jersey. However, the school was closed in June 2012 by the Newark Archdiocese in the face of increasing costs. Former administrators, alumni, parents and benefactors affiliated with St. Patrick's opened an independent, non-denominational school called "The Patrick School" in September 2012. The school has a middle school serving grades 6 through 8 and a high school serving grades 9 through 12. The student body consisting of 100 girls (40%) and boys (60%) come from urban areas. TPS is registered with the Department of Education of the State of New Jersey as a non-public school and is accredited by the Middle States Association of Colleges and Schools. The school is headed by the principal, Christopher Chavannes, and Keith Biddulph, the Chairman of the Board of Trustees.

This project involves the acquisition of the property that the school currently leases.The applicant has demonstrated to the Authority that our participation is critical to the project's success reflecting that Valley National Bank's Commitment is conditioned on EDA's participation in the loan.

APPROVAL REQUEST:

Approval is requested for a $800,000 (50%) EDA participation in a $1,600,000 Valley National Bank loan under the Statewide Loan Pool program.

FINANCING SUMMARY:

LENDER: Valley National Bank

AMOUNT OF LOAN: $1,600,000 Valley National Bank loan with a 50% ($800,000) EDA participation.

TERMS OF LOAN: 25 year Term and Amortization. Fixed at closing at the weekly average yield on US Treasury Bonds adjusted to a constant maturity of five (5) years (the "Index") plus a margin of 225 basis points ("Margin") with the resulting number being rounded up to the nearest one-eighth of one percentage point (0.125%), subject to an interest rate floor of 3.50%. The indicative rate as of October 23, 2015 was 3.75%. The interest rate will reset every five (5) years during the loan term at the then prevailing Index, margin and floor. There will be an introductory rate for the first six (6) months of the Loan term with interest on the unpaid principal balance of the Loan to be calculated at a fixed rate of 1.75%.

TERMS OF PARTICIPATION: Fixed at closing at the Five Year US Treasury rate or 2%, whichever is greater, plus 50 basis points. The indicative rate as of October 23, 2015 was 2.50%. Ten year term with five year interest rate reset and a 20 year amortization.

PROJECT COSTS:

Acquisition of existing building	$1,600,000
Bank Commitment Fees	$4,000
Finance fees	$1,825
TOTAL COSTS	$1,605,825

JOBS: At Application 10 Within 2 years 12 Maintained 0 Construction 0

DEVELOPMENT OFFICER: M. Athwal **APPROVAL OFFICER:** T. Bossert

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

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

DATE: November 13, 2015

SUBJECT: NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

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

UST Residential Grants:

John Manczur	$ 103,222
Steven Matthews	$ 25,904

Total UST Funding – November 2015	**$ 129,126**

Prepared by: Wendy Wisniewski

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

APPLICANT: John Manczur P41482

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

PROJECT LOCATION: 209 High Crest Dr. West Milford Township (N) Passaic

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

APPLICANT BACKGROUND:

In March 2015, John Manczur received a grant in the amount of $11,074 under P40013 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

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

APPROVAL REQUEST:

The applicant is requesting a supplemental grant in the amount of $103,222 to perform the approved scope of work at the project site. Because the supplemental grant funding request exceeds the maximum staff delegated approval of $100,000, it requires EDA's board approval. Total grant funding including this approval is $114,296.

The NJDEP oversight fee of $10,322 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: $103,222

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remediation	$103,222
NJDEP oversight cost	$10,322
EDA administrative cost	$250
TOTAL COSTS	$113,794

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Steven Matthews P40556

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

PROJECT LOCATION: 26 Cross St. Montclair Township (T/UA) Essex

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

APPLICANT BACKGROUND:

Between November 2009 and May 2015, Steven Matthews received an initial grant in the amount of $6,457 under P27624 and supplemental grants totaling $52,891 under P31006 and $125,875 under P38513 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

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

APPROVAL REQUEST:

The applicant is requesting an additional supplemental grant in the amount of $25,904 to perform the approved scope of work at the project site. Because the supplemental funding request exceeds the maximum staff delegation approval of $100,000, it requires EDA's board approval. Total grant funding including this approval is $211,127.

The NJDEP oversight fee of $2,590 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: $25,904

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remediation	$25,904
NJDEP oversight cost	$2,590
EDA administrative cost	$250
TOTAL COSTS	$28,744

APPROVAL OFFICER: K. Junghans

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

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

DATE: November 13, 2015

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 third quarter ending September 30, 2015:

PUST:
As of September 30th, remaining cash and unfunded appropriations net of commitments was \$15.5 million available to support an estimated \$40.7 million pipeline of projects, of which approximately \$4.4 million are under review at EDA.

HDSRF:
As of September 30th, remaining cash and unfunded appropriations net of commitments was \$33.7 million available to support an estimated \$48.4 million pipeline of projects, of which approximately \$3.7 million are under review at EDA.

Prepared by: Wendy Wisniewski

STRONGER NEW JERSEY PROGRAMS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: November 13, 2015

RE: Stronger NJ Business Program modifications

Request:

The Members are requested to approve modifications to the Stronger NJ Business Loan Program ("the Program") regarding eligible costs and the extension of disbursement deadlines through delegated authority for the Stronger NJ Business Grant, Loan, and Neighborhood Community Revitalization Programs (collectively "Sandy Programs").

Background:

The Board approved the creation of the Program at the June 11, 2013 meeting. Since that time, staff has gained greater understanding of the specific funding requirements of businesses seeking assistance through the Program.

At the time of Program approval, certain costs, specifically accounting and legal, were not deemed eligible for applicants seeking construction loans as these costs were eligible under working capital. When these costs have occurred previously, they were covered under the applicant's working capital loan. Due to timing of the construction loans now being approved and disbursed upon, caused by the environmental review, this is no longer feasible for some applicants. Therefore, staff now recommends that accounting and legal costs associated with approved construction projects should be eligible for reimbursement under the Program as part of a construction loan if these costs are not otherwise reimbursed through a working capital loan.

Further, at the time of Program approval, it was understood that only equipment and machinery purchases involving installation would necessitate a federally required Environmental and Historic Review ("Review"). Due to the fact that a Review would not be required, to facilitate these purchases, all equipment and machinery leases, purchases and rentals which did not entail installation were classified as working capital expenses in the original Board approval. All repairs or replacements of equipment or machinery that did require installation were deemed to be construction costs. Installation is not the event that triggers Review, but the cost of the equipment or machinery, in that all equipment and machinery expenditures over $5,000 in aggregate require Reviews. Therefore, in order to ensure that costs are covered under the appropriate loan, staff recommends the following changes: 1) For working capital, "Equipment, machinery, fixture and/or furnishing purchases under $5,000 in aggregate and do not require installation" and 2) For Renovation or New Construction, "Repair or purchase of equipment or machinery of any cost that also requires installation or totals more than $5,000 in aggregate." Also, this modification will clarify that furniture and fixtures under $5,000 not requiring installation may be classified as working capital. These modifications do not impact the eligibility of costs, only which category of loan they are to be covered under.

Recommendation:

The Members are requested to approve the inclusion of legal and accounting costs associated with construction projects as eligible costs and allow for the repair or purchase of equipment or machinery over $5,000 to be considered an eligible construction cost for the Stronger NJ Business Loan Program. In addition, delegated authority is requested to allow staff to extend final disbursement deadlines for Sandy Programs for up to twelve months based on project needs in accordance with HUD regulations and funding timelines established by HUD.

Prepared by: Kim Ehrlich

STRONGER NJ BUSINESS LOAN PROGRAM

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

APPLICANT: DMM Associates P41354

PROJECT USER(S): LBI Recreation Center Inc. * * - indicates relation to applicant

PROJECT LOCATION: 806 N Bay Ave Beach Haven Borough (N) Ocean

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

APPLICANT BACKGROUND:

Established in 2006, DMM Associates ("DMM") is the real estate holding company that owns the facility in which the operating company, Thundering Surf - Settler's Mill aka Thundering Surf Water Park aka LBI Recreation Center, Inc. ("LBI Recreation" or the "Company") leases. Owned by three corporate entities having 33.33% interest each - Adventure Golf Development Corp. Fransa Corp and Morey Development Beach Haven, Inc. - DMM was formed for the sole purpose of owning the real estate that the operating company utilizes.

Founded in 1990, LBI Recreation is a large seasonal entertainment venue featuring a water park, a miniature golf course and casual eateries. LBI Recreation operates from Memorial Day weekend through Labor Day weekend of each year. The Company previously received a $50,000 EDA grant under the Stronger New Jersey Grant Program.

APPROVAL REQUEST:

Approval of a $2,123,233 Construction loan under the Stronger NJ Business Loan Program.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $2,123,233

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

PROJECT COSTS:

Renovation of existing building	$2,671,200
TOTAL COSTS	$2,671,200

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

DEVELOPMENT OFFICER: E. Bialy **APPROVAL OFFICER:** K. Black

BOARD MEMORANDUMS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

DATE: November 13, 2015

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

The following project was approved under Delegated Authority in October 2015:

Small Business Fund Program:

1) Galvanic Printing and Plate Co., Inc. (P41311), located in Moonachie Borough, Bergen County, is a real estate holding entity. The related operating companies, Flexi Printing Plate Co. Inc. and Galvanic Graphic Group, LLC are commercial printers. Columbia Bank approved a $1,350,000 bank loan contingent upon a $472,500 (35%) Authority participation. Proceeds will be used to refinance existing debt. Currently, the Company has 55 employees and plans to create five new positions within the next two years.

Prepared by: D. Lawyer
DL/gvr

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORIT

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura, President and Chief Operating Officer

DATE: November 13, 2015

SUBJECT: Technology & Life Sciences - Delegated Authority Approvals for 3rd Quarter 2015
For Informational Purposes Only

In the 3rd quarter, $8,329,950 of investments in 10 companies were approved for $832,995 of tax credits. This brings the year-to-date approvals through 9/30/2015 to $1,015,603 of tax credits approved for investment of $10,156,050 in 12 companies.

The following Angel Investor Tax Credit applications were approved under delegated authority during the 3rd Quarter of 2015:

Investor	Technology Company	Investment amount	Tax Credit amount
Catherine M. Brown	D3UC LLC	$ 25,000	$ 2,500
Mark D. Vaccari	D3UC LLC	$ 25,000	$ 2,500
Margee S. Vaccari	D3UC LLC	$ 25,000	$ 2,500
David Vaccari, Jr.	D3UC LLC	$ 25,000	$ 2,500
Snehal Patel	Drug Stores II LLC	$ 62,500	$ 6,250
Piushbhai Patel	Drug Stores II LLC	$ 62,500	$ 6,250
Wayne Huepenbecker	Edge Therapeutics	$ 100,000	$ 10,000
David R. Victor Revocable Trust UAD 3/29/00	Edge Therapeutics	$ 100,000	$ 10,000
DJ&J, LLC	Edge Therapeutics	$ 250,000	$ 25,000
NeuroCore Investment Partners LLC	ElectroCore LLC	$ 3,583,000	$ 358,300
Michael Gamson	Eos Energy Storage	$ 1,000,000	$ 100,000
David M. Cohen	Eos Energy Storage	$ 165,660	$ 16,566
Bruce Langone	Eos Energy Storage	$ 64,526	$ 6,452
Glenn Oztemel	Eos Energy Storage	$ 200,000	$ 20,000
Matthew Lenhart	Eos Energy Storage	$ 500,000	$ 50,000
SGB Family Holdings, LP	Inpensa, Inc.	$ 250,000	$ 25,000
SGB Family Holdings, LP	Inpensa, Inc.	$ 250,000	$ 25,000
Josh Burwick	Inpensa, Inc.	$ 75,000	$ 7,500
Domo, LLC	Inpensa, Inc.	$ 100,000	$ 10,000
Andrew Brown	Inpensa, Inc.	$ 75,000	$ 7,500
C. Parkhill Mays III	Inspirit Group, LLC	$ 166,667	$ 16,666
BEMP 2012, LLC	Kiswe Mobile	$ 100,002	$ 10,000

Investor	Technology Company	Investment amount		Tax Credit amount	
BEMP 2012, LLC	Kiswe Mobile	$	200,000	$	20,000
Rajiv and Sushma Lakhanpal	SpectraMD USA	$	100,000	$	10,000
Rajiv and Sushma Lakhanpal	SpectraMD USA	$	200,000	$	20,000
Sandeep Tyagi	SpectraMD USA	$	50,000	$	5,000
Sandeep Tyagi	SpectraMD USA	$	150,000	$	15,000
James Formisano	Zipz, Inc.	$	108,020	$	10,802
Neil Desena	Zipz, Inc.	$	100,000	$	10,000
Neil Desena	Zipz, Inc.	$	177,663	$	17,766
James Rogan	Zipz, Inc.	$	39,412	$	3,941
Total		**$**	**8,329,950**	**$**	**832,995**

Prepared by:
Kathleen Coviello
Robert DiGiovanni

REAL ESTATE

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: November 13, 2015

RE: FMERA Purchase and Sale & Redevelopment Agreement with Trinity Hall for Building 2290 in the Tinton Falls Section of Fort Monmouth

Summary

The Members are asked to consent to the Fort Monmouth Economic Revitalization Authority ("FMERA") entering into the redevelopment agreement that is contained within FMERA's Purchase and Sale & Redevelopment Agreement ("PSARA") with Trinity Hall, Inc. ("Trinity") for the sale and renovation of Building 2290 (the "Project") in the Tinton Falls section of the former Fort Monmouth.

Background

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

FMERA executed a Memorandum of Agreement ("MOA") with the Army as of June 25, 2012 that enabled the Army to formally accept FMERA's Economic Development Conveyance ("EDC") application and begin the process of conveying Phase One properties to FMERA for redevelopment. The Project is located within the Fort's Phase One area. FMERA received title to all of the remaining Phase One properties from the Army by deed dated May 29, 2014.

FMERA issued a Request for Offers to Purchase ("RFOTP") in connection with the planned redevelopment of the Project on February 27, 2015. The property comprising the Project consists of 7.4± acres of land and one building, Building 2290, also known as the Child Development Center. The property's permitted principal uses under FMERA's Land Use Rules include institutional, civic, and open space/recreational uses. Building 2290 is a 19,600 sf, one-story, building constructed in 1996. The facility, containing classrooms, a kitchen and recreational areas, formerly housed a daycare center and preschool. The Army vacated the building in 2011. The Fort Monmouth Reuse and Redevelopment Plan (the "Reuse Plan") contemplates reuse of

Building 2290 as a child care/school facility.

Proposals were due on May 27, 2015, with FMERA receiving proposals from three parties: Trinity Hall; The Yeshiva School; and CommVault. Three members of the FMERA staff, along with one representative from the Army, independently evaluated and scored the three proposals. The evaluation team unanimously agreed that the proposal submitted by Trinity was compliant with the terms of the RFOTP and the highest scoring. Trinity's proposal also offered the highest purchase price for the property.

Trinity is a registered 501c3 non-profit corporation that will acquire the property and utilize the location as a girls-only Catholic school. Trinity is currently located in Leonardo, New Jersey. The Project will enable Trinity to relocate all students and staff to this location upon completion of renovations in 2016. The Project will result in the retention of twenty-two (22) jobs in Monmouth County, and the creation of an additional one hundred (100) new jobs at Fort Monmouth within forty-eight (48) months of closing. Trinity intends to pay for the purchase and all necessary improvements with cash on hand.

The EDC Agreement calls for the Army to receive 63% of the net proceeds from the sale of Building 2290, with FMERA receiving the remainder. Trinity's final $2,000,000 offer price for the property, however, is less than the $2,200,000 Floor Price established by appraisal. Following negotiations with Trinity, staff recommended a sale price of $2,000,000. The Army has agreed to base the division of net sale proceeds on that amount.

Purchase and Sale & Redevelopment Agreement

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

Trinity will upgrade site improvements, re-establish utility service to the property, clean the building's exterior, and bring Building 2290 to full code compliance (as evidenced by receipt of a temporary certificate of occupancy) at an estimated cost of $500,000. Purchaser's site improvements will include interior renovation and exterior parking lot repair. Trinity covenants to relocate twenty-two (22) existing jobs and to create a minimum of one hundred (100) additional full-time equivalent jobs at the property within forty-eight (48) months of closing, or pay a penalty of $1,500 per job (up to $183,000). Trinity will secure its job creation and project completion obligations by posting bonds or through a cash deposit. Provided all approvals are in place, Trinity will commence the site improvement and renovation work within forty-five (45) days of closing and complete construction within twenty-four (24) months of closing. In the event that Trinity does not commence or complete construction within the timeframes specified above, FMERA may exercise a right to repurchase the Project from Trinity for the initial sale price of $2,000,000 plus the cost of improvements made by Trinity.

Pursuant to the FMERA Act, all purchasers of real estate on Fort Monmouth must enter into a redevelopment agreement containing the following provisions, which will be covenants running with the land until the redeveloper completes the project: (i) a provision limiting the use of the property to the uses permitted by the Reuse Plan or an amendment to the Reuse Plan as approved by the FMERA Board and uses permitted by FMERA's Land Use Rules; (ii) a provision requiring the redeveloper to commence and complete the project within a period of time that FMERA deems reasonable; and (iii) a provision restricting the transfer of the property or the redeveloper's rights under the PSARA prior to completion of the project. Based on the redevelopment provisions of the PSARA between FMERA and Trinity set forth above, staff concludes that the essential elements of a redevelopment agreement between FMERA and Trinity are sufficiently addressed, and that it is not necessary for FMERA to enter into a separate redevelopment agreement with Trinity for its redevelopment of Building 2290.

Attached is a substantially final form of the PSARA between FMERA and Trinity as approved by FMERA's Board at its October 21, 2015 meeting. The final terms of the PSARA will be subject to the approval of FMERA's Executive Director and the Attorney General's Office.

Recommendation

In summary, I am requesting that the Members consent to FMERA entering into the redevelopment agreement contained within the Purchase and Sale & Redevelopment Agreement with Trinity Hall, Inc. for redevelopment of Building 2290 in the Tinton Falls section of the former Fort Monmouth.

Timothy J. Lizura
President/Chief Operating Officer

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

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: November 13, 2015

RE: FMERA Purchase and Sale & Redevelopment Agreement with TetherView for Russel Hall in the Oceanport Section of Fort Monmouth

Summary

The Members are asked to consent to the Fort Monmouth Economic Revitalization Authority ("FMERA") entering into the redevelopment agreement that is contained within FMERA's Purchase and Sale & Redevelopment Agreement ("PSARA") with TetherView Property Management, LLC ("TetherView") for the sale and renovation of Russel Hall (the "Project") in the Oceanport section of the former Fort Monmouth.

Background

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

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

FMERA issued an initial Request for Offers to Purchase ("RFOTP") in connection with the planned redevelopment of the Russel Hall parcel on September 6, 2013. The RFOTP included a parcel approximately 6.5 acres in size, along with the ±42,300 square foot former Garrison Headquarters building (#286) constructed in 1936, and the accompanying paved and parking areas, a former helipad and green space. The Fort Monmouth Reuse and Redevelopment Plan ("Reuse Plan") calls for the reuse of the building as institutional office space by the Federal Emergency Management Agency. FMERA received a proposal from one firm: Kiely Realty, LLC ("Kiely"). Kiely's proposal, as submitted, was compliant with the RFOTP and proposed a commercial office use instead of an institutional office use, so an amendment to the Reuse Plan would be needed to complete the sale. An evaluation committee comprised of FMERA staff reviewed the proposal and agreed that the Kiely proposal was compliant with the Reuse Plan in all other aspects, and recommended FMERA proceed to exclusive negotiations.

At FMERA's January 2014 meeting, its Board authorized staff to enter into exclusive negotiations with Kiely. Additionally, at its May 21, 2014 meeting, the FMERA Board authorized staff to: (i) execute a Lease in Furtherance of Conveyance ("LIFOC") with the Army for Russel Hall; and (ii) enter into a sublease with Kiely for Russel Hall, both upon final terms acceptable to FMERA's Executive Director and the Attorney General's Office. FMERA entered into a lease with the Army for Russel Hall, but the sublease to Kiely was not executed.

While FMERA staff and Kiely made significant progress toward the negotiation of a mutually acceptable Purchase and Sale Agreement for Russel Hall, the parties disagreed over the reactivation of the former heliport located on the Russel Hall parcel. Pursuant to Kiely's request of November 25, 2014, FMERA's counsel returned the Initial and Additional Deposits to Kiely with accrued interest. Consequently, at its December 2014 meeting, FMERA's Board authorized the termination of the RFOTP process and the issuance of a new RFOTP.

On February 13, 2015, FMERA issued a second RFOTP in connection with the planned redevelopment of Russel Hall. The new parcel is approximately 4.6 acres, and includes the Garrison Headquarters building and the accompanying paved and parking areas, but excludes the former helipad. The RFOTP for Russel Hall allowed respondents to submit proposals to redevelop the property into office use, medical use or research use, and bidders were advised that FMERA would be willing to undertake to amend the Reuse Plan to allow the property to be redeveloped for those uses. Also, the property is located within the Fort Monmouth National Register Historic District and redevelopment is restricted accordingly. The RFOTP was advertised in the Asbury Park Press and the Star Ledger, and posted to the FMERA, NJEDA and New Jersey State Business Portal websites. The response date for offers to purchase Russel Hall was April 13, 2015.

FMERA received proposals compliant with the RFOTP from three parties: TetherView, the Borough of Oceanport and Eagle Realty Group. An evaluation committee scored the proposals independently, according to criteria and weightings contained in the RFOTP and FMERA's Sales Rules, and TetherView received the highest score. TetherView also submitted the highest price proposal. TetherView's proposal, as submitted, is for a commercial use instead of an institutional office use, so an amendment to the Reuse Plan will be needed to complete the sale. The TetherView proposal was compliant with the Reuse Plan in all other aspects, and FMERA staff began negotiations with TetherView for a PSARA.

TetherView's proposal calls for the reuse and renovation of Russel Hall to serve as the new home of TetherView, Inc., a private cloud computing services company currently located in Staten Island, New York. The building will also be renovated to accommodate Monarch Medical ("Monarch"), a provider of medical imaging equipment also currently based in Staten Island. These two users will occupy approximately 15,000 square feet of space initially. TetherView proposes to make minimal changes to the exterior of the building, in compliance with all historic preservation requirements. In addition, TetherView will renovate the balance of the building in phases, as it identifies additional users. TetherView envisions some of this space will be used to train users on software developed by the company, and plans to welcome technology incubators to the building. In the move to Russel Hall, TetherView and Monarch will bring 30 jobs at closing, with the creation or relocation of a total of 75 full-time jobs within two years. The selection of TetherView as the purchaser of Russel Hall would serve FMERA's goals to attract small businesses and technology companies to Fort Monmouth.

Purchase and Sale & Redevelopment Agreement

Pursuant to the terms of the PSARA, TetherView will pay $1,313,000 for the property. Closing will occur within 30 days of satisfaction of the conditions precedent to closing, which include: FMERA entering into an MOA with the Army and acquiring title to the property; TetherView completing due diligence and obtaining all approvals necessary to develop the project; receipt of a final remediation document; FMERA obtaining an amendment to the Reuse Plan; TetherView receiving a GROW NJ award from NJEDA to retain and create jobs in connection with the Project; and consent from the NJEDA Board of TetherView as redeveloper. The parties will endeavor to satisfy these contingencies within 12 months of execution of the PSARA, and TetherView will have the option to extend this time period for an additional six months if it has not obtained approvals within the initial timeframe, provided it is proceeding in good faith. FMERA will convey the property to TetherView in as-is condition, but with clear title and subject to the Army's on-going obligations under CERCLA to address any pre-existing contamination that may exist on the property.

TetherView will renovate Russel Hall's exterior and grounds consistent with all applicable historic preservation requirements, perform base building upgrades including HVAC and security systems, and fit out approximately 15,000 square feet of space for TetherView and Monarch, incurring a minimum investment of $500,000. The balance of the building will be fit out as tenants are identified and/or for use as a technology incubator. TetherView will create and/or relocate a minimum of 75 full-time jobs to the property within 24 months of obtaining the initial certificate of occupancy, or pay a penalty of $1,500 per job. Provided all approvals are in place, TetherView will commence the improvements and renovations within 45 days of closing and complete construction within 18 months thereafter. In the event that TetherView does not commence or complete construction within the timeframes specified above, FMERA may exercise a right to repurchase the property from TetherView for the initial sale price of $1,313,000.

In an effort to accommodate TetherView's move to the Fort while negotiations with the Army on the transfer of Phase I property continues, FMERA will grant TetherView a license to enter the property prior to closing for the purposes of due diligence activities; facilitating the planning, design, financing and approvals; and allowing the purchaser to commence renovations. FMERA will also seek to amend the existing LIFOC with the Army to allow for the occupation of the building prior to closing.

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

Attached is a substantially final form of the PSARA between FMERA and TetherView as approved by FMERA's Board at its October 21, 2015 meeting. The final terms of the PSARA will be subject to the approval of FMERA's Executive Director and the Attorney General's Office.

Recommendation

In summary, I am requesting that the Members consent to FMERA entering into the redevelopment agreement contained within the Purchase and Sale & Redevelopment Agreement with TetherView Property Management, LLC for redevelopment of Russel Hall in the Oceanport section of the former Fort Monmouth.

Timothy J. Lizura
President/Chief Operating Officer

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