

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

April 9, 2019

MINUTES OF THE MEETING

Members of the Authority present: Chairman Larry Downes; Catherine Brennan representing State Treasurer Elizabeth Muoio; Dan Ryan representing Commissioner Catherine McCabe of the Department of Environmental Protection; Richard Mumford representing Commissioner Marlene Caride of the Department of Banking and Insurance; Paul Yuen representing Commissioner Robert Asaro - Angelo of Department of Labor and Workforce Development; Public Members Charles Sarlo, Vice Chairman; Philip Alagia, Fred Dumont, and Louis Goetting.

Members present via conference call: Public Members Thomas Scrivo, William Layton, and John Lutz, Third Alternate Public Member.

Absent: Public Member Massiel Medina Ferrara.

Also present: Timothy Sullivan, Chief Executive Officer of the Authority; Deputy Attorney General Gabriel Chacon; Adam Sternbach, Governor's Authorities' Unit; and staff.

Mr. Downes called the meeting to order at 10:00 am.

Pursuant to the Internal Revenue Code of 1986, Mr. Sullivan 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, Mr. Sullivan 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.

MINUTES OF AUTHORITY MEETING

Chairman Downes acknowledged the recent passing of Board Member Rodney Sadler, who fought to improve the City of Camden. Mr. Sadler was the Executive Director of Save Our Waterfront. He also served on the State Economic Recovery Board for Camden and the Economic Development Authority for over 16 years.

Mr. Lutz joined the meeting via conference call.

The next item of business was the approval of the March 19, 2019 meeting minutes. A motion was made to approve the minutes by Mr. Dumont, and seconded by Mr. Alagia, and was approved by the 10 voting members present.

The next item of business was the approval of the March 19, 2019 executive session meeting minutes. A motion was made to approve the minutes by Mr. Dumont, and seconded by Mr. Alagia, 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.

Ms. Brennan entered the meeting at this time.

BOARD PRESENTATION

Christina Fuentes, Director, Small Business Services, EDA gave a presentation on the many services the division provides to the small business community.

Mr. Scrivo joined the meeting via conference call.

Mr. Layton joined the meeting via conference call.

PUBLIC COMMENT

Several members of the Better Choices for New Jersey addressed the board.

The statement from Better Choices for New Jersey is attached.

AUTHORITY MATTERS

ITEM: Proposed New Rules - Brownfields Loan Program

REQUEST: Approve proposed program rules and authorize staff to submit the proposed program rules for promulgation, creation of the Brownfields Loan Program, utilization of up to \$15,000,000 in Authority funds to capitalize the program.

MOTION TO APPROVE: Mr. Ryan **SECOND:** Mr. Yuen **AYES: 12**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: Film Tax Credit Program – Order of Applicant Consideration

REQUEST: Confirm, in accordance with N.J.A.C. 19:31-21.7(a), the order of consideration in which the Members will consider film and television production applications for tax credits.

MOTION TO APPROVE: Ms. Brennan **SECOND:** Mr. Dumont **AYES: 12**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

ITEM: MOU – Advanced Manufacturing Student Outreach Pilot

REQUEST: Approve an MOU between the Authority and Ocean County Vocational Technical School District to support funding of the Advanced Manufacturing Student Outreach Pilot

MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Yuen **AYES: 12**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

INCENTIVE PROGRAMS

Grow New Jersey Assistance Program

ITEM: Genmab US, Inc. APPL.#45531
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. Ryan **SECOND:** Mr. Yuen **AYES: 12**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ITEM: Genmab US, Inc. APPL.#45531
REQUEST: To approve the application of Genmab US, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Plainsboro, NJ. Project location of Plainsboro Twp., Middlesex County qualifies as a Garden State Create Zone under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Jobs with Salary in excess of County Average and Targeted Industry of Life Sciences. The estimated annual award is \$1,281,000 for a 10-year term.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Ms. Brennan **AYES: 12**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

BOND PROJECTS

Bond Resolutions

ITEM: NJEDA Municipal Rehabilitation Refunding Bonds, 2019 Series
REQUEST: Approve the issuance of its Municipal Rehabilitation Refunding Bonds, 2019 Series A and its Municipal Rehabilitation Refunding Bonds, 2019 Series B.
MOTION TO APPROVE: Ms. Brennan **SECOND:** Mr. Goetting **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

Mr. Lutz recused himself because Barclays Capital Inc. is a client of his firm.

ITEM: NJEDA School Facilities Construction Refunding Bonds, 2019 Series
REQUEST: Approve the issuance of one or more series of School Facilities Construction Refunding Bonds, 2019 Series.
MOTION TO APPROVE: Ms. Brennan **SECOND:** Mr. Goetting **AYES: 12**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

ITEM: NJEDA School Facilities Construction Refunding Bonds 2019 Series GGG and 2019 Series HHH

REQUEST: Approve the issuance of its School Facilities Construction Refunding Bonds, 2019 Series GGG and its School Facilities Construction Refunding Bonds, 2019 Series HHH.

MOTION TO APPROVE: Ms. Brennan **SECOND:** Mr. Yuen **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

Mr. Lutz recused himself because Barclays Capital Inc. is a client of his firm

Public Hearing Only

PROJECT: Beloved Community Charter School, Inc.

APPL.# 45586

LOCATION: Jersey City, Hudson County

PROCEEDS FOR: Building acquisition, Refinancing, Renovation

FINANCING: \$39,525,000 Tax-exempt Bond; \$75,000 taxable Bond

Mr. Alagia left the meeting at this time.

Preliminary Bond Resolutions

PROJECT: Premio Foods

APPL.# 45591

LOCATION: Hawthorne Borough, Passaic County

PROCEEDS FOR: Equipment and Machinery

FINANCING: \$10,000,000 Total Costs

MOTION TO APPROVE: Ms. Brennan **SECOND:** Mr. Ryan **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

LOANS/GRANTS/GUARANTEES

Hazardous Discharge Site Remediation Fund

ITEM: Summary of NJDEP Hazardous Discharge Site Remediation Fund Program projects approved by the Department of Environmental Protection.

MOTION TO APPROVE: Mr. Ryan **SECOND:** Mr. Yuen **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PROJECT: New Jersey Performing Arts Center Corporation

APPL.#45329

LOCATION: Newark City, Essex County

PROCEEDS FOR: Remedial Investigation

FINANCING: \$201,517

Petroleum Underground Storage Tank (PUST)

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

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PROJECT: Lucille Virgilio Trust APPL.#45256
LOCATION: West Orange Twp., Essex County
PROCEEDS FOR: Remediation
FINANCING: \$22,997

PROJECT: Velma Morgan APPL.# 45370
LOCATION: Gloucester City, Camden County
PROCEEDS FOR: Remediation
FINANCING: \$147,025

PROJECT: Lillian Molina APPL.# 34431
LOCATION: Franklin Twp., Somerset County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: \$189,434

PROJECT: American Christian School Society APPL.# 45281
LOCATION: Roxbury Twp., Morris County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: \$270,264

Mr. Alagia returned to the meeting at this time.

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Credit Underwriting projects Approved Under Delegated Authority

Premier Lender Program:

PROJECT: 50 Somerset Place LLC APPL.#45592
LOCATION: Clifton City, Passaic County
PROCEEDS FOR: Purchase of property
FINANCING: \$11,520,000 ConnectOne Bank loan with \$2,000,000 EDA participation

PROJECT: 124 Market ST LLC APPL.#45470
LOCATION: Newark City, Essex County
PROCEEDS FOR: Purchase of property
FINANCING: \$1,250,000 M & T Bank loan with \$625,000 EDA participation

PROJECT: Dade Realty LLC APPL.#45502
LOCATION: Plainfield City, Union County
PROCEEDS FOR: Purchase of property
FINANCING: \$1,850,000 Lakeland Bank loan with \$823,000 EDA participation

PROJECT: IJA Holdings, LLC APPL.#45556
LOCATION: Trenton City, Mercer County
PROCEEDS FOR: Purchase of property
FINANCING: \$2,500,000 M & T Bank loan with \$1,250,000 EDA participation

Stronger NJ Business Loan Program:

PROJECT: Assisted Living Inc. APPL.#39941, #42395
LOCATION: Hopewell Twp., Mercer County
PROCEEDS FOR: Construction
FINANCING: \$1,437,795 loan and \$50,000 forgivable loan

Small Business Fund Program - Modifications:

PROJECT: KC Car Wash Inc. APPL.# 45466
LOCATION: Belleville Twp., Essex County
FINANCING CHANGE: Provident Bank approved a loan increase from \$790,000 to \$900,000 and the Authority increased its participation from \$395,000 to \$450,000, reflecting our 50% share of the loan.

FOR INFORMATION ONLY: Hazardous Discharge Site Remediation Fund - Delegated Authority First Quarter 2019 Approvals

FOR INFORMATION ONLY: Petroleum Underground Storage Tank Program - Delegated Authority First Quarter 2019 Approvals

FOR INFORMATION ONLY: Real Estate Division Leases and Right of Entry Licenses - Delegated Authority First Quarter 2019 Approvals

PUBLIC COMMENT

There was no public comment.

EXECUTIVE SESSION

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

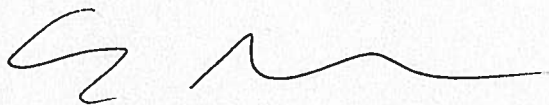
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Ryan AYES: 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

The Board returned to Public Session.

There being no further business, on a motion by Mr. Dumont, and seconded by Mr. Ryan, the meeting was adjourned at 12:05pm.

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



Erin Gold, Chief of Staff
Assistant Secretary

**BETTER
CHOICES
FOR NEW JERSEY**

April 9th, 2019

To Chairman Downes and Members of the New Jersey Economic Development Authority Board of Directors:

Given growing allegations that the NJ Economic Development Authority (EDA) rushed through billions in corporate subsidies to profitable and politically connected corporations without adequate oversight or accountability, and may even have turned a blind eye to fraudulent tax incentive applications, we the undersigned demand your resignation.

The state of New Jersey has awarded a staggering \$11 billion in tax incentives to corporations through EDA programs. But a January audit by Comptroller Philip James Degnan found that the EDA suffered from “inadequate monitoring, insufficient oversight, and non-existent policies and procedures,” including poor practices including self-reporting, insufficient monitoring, incongruous evaluation measures for approvals, and failure to comply with state laws and procedures. In short, the EDA lacked the basic internal controls to make sure companies were delivering on their promises to create jobs.

This month, WNYC reported on serious allegations that Gov. Christie’s Business Action Center pressured staff to approve tax incentives without due diligence. According to a whistleblower lawsuit cited in the report, the EDA approved at least one grant application where a company detailed non-existent locations that the company would move to if it was not awarded the grant. The same lawsuit maintained that the EDA manipulated the “net benefits test” that determines whether a tax incentive is in fact beneficial to the state.

Just last week, Gov. Phil Murphy’s special task force identified yet more allegations of corruption, political cronyism, and abuse. Gulsen Kama testified that her company worked with a consultant to misrepresent its plans to move jobs out of the state in order to secure a “Grow New Jersey” grant from the EDA. The EDA approved the grant, even though it knew that the same company had failed to comply with an earlier grant awarded under the Business Incentive Employment Program.

According to the task force, there are more whistleblowers who have yet to come forward, and more allegations of corruption and graft that have yet to surface. It is clear that companies have been playing New Jersey taxpayers for fools, lying about their plans to leave the state in order to extort untold amounts in corporate subsidies from the EDA. Worse, there are credible allegations that the EDA knew it and even helped companies cook the books.

For years, politicians and political appointees promised New Jersey taxpayers that giving billions to big corporations in exchange for empty promises to create jobs would pay for itself. But nearly a decade later, poverty is on the rise while the state’s wealthiest get even wealthier. Meanwhile, New

Jersey faces a fiscal crisis and a structural deficit that prevents it from making needed investments in education and transit, or meeting its obligations and regaining the faith of credit agencies.

Every dollar in tax breaks awarded to companies is a dollar that can't be spent meeting our collective needs. There is a role for reasonable, targeted, and fiscally responsible tax incentive programs that include adequate labor standards in New Jersey's economic development strategy. But at a minimum, taxpayers must have faith that companies are holding up their end of the bargain and delivering the jobs they promised. The EDA has broken that faith repeatedly under your watch.

We urge you to resign from your positions on the EDA Board of Directors so that the Authority can begin to regain the trust of taxpayers across the state.

Resign now.

Signed,

<i>Action Together Bergen</i>	<i>NJ 11th for Change</i>
<i>Action Together New Jersey</i>	<i>NJ Communities United</i>
<i>American Workforce Association</i>	<i>NJ State Industrial Union Council</i>
<i>Amalgamated Transit Union NJ State Council</i>	<i>NJ Work Environment Council</i>
<i>Badass Teachers Association - New Jersey</i>	<i>NJ-08 for Progress</i>
<i>Clean Water Action</i>	<i>NJ7 Forward</i>
<i>Collingswood Progressive Democrats for County Committee</i>	<i>NJDSC Progressive Caucus</i>
<i>CWA New Jersey</i>	<i>NJPP</i>
<i>CWA Local 1032</i>	<i>Occupy Bergen County</i>
<i>Cooper River Indivisible</i>	<i>Our Revolution Bergen County</i>
<i>David Pringle Associates LLC</i>	<i>Our Revolution Essex County NJ</i>
<i>Environment New Jersey</i>	<i>Our Revolution Trenton Metro</i>
<i>Glen Rock After the March</i>	<i>Our Revolution Union County</i>
<i>Good Government Coalition of New Jersey</i>	<i>OurSociety.org</i>
<i>Greater New Jersey Pride at Work</i>	<i>Progressive Democrats of America NJ</i>
<i>HPAE</i>	<i>People for Progress</i>
<i>Hudson County Central Labor Council</i>	<i>Rutgers Newark College Democrats</i>
<i>IFPTE Local 194</i>	<i>Rutgers University Progressives</i>
<i>Indivisible Cranbury</i>	<i>SEIU Local 32BJ</i>
<i>Indivisible Monroe</i>	<i>South Jersey DSA</i>
<i>Indivisible NJ-5</i>	<i>South Jersey Women for Progressive Change</i>
<i>JOLT USA</i>	<i>STAND Central NJ</i>
<i>Latino Action Network</i>	<i>Sunrise Jersey Shore</i>
<i>Laundry, Distribution and Food Service Joint Board, Workers United, SEIU</i>	<i>Westfield 20/20</i>
<i>Make the Road New Jersey</i>	<i>Wind of the Spirit Immigrant Resource Center</i>
<i>New Jersey Education Association</i>	<i>Wolf-PAC</i>
<i>New Jersey Policy Perspective</i>	
<i>New Jersey Tenants Organization</i>	<i>Women For Progress</i>
<i>New Jersey Working Families</i>	