

New Jersey Economic Development Authority

2015 Annual Report



New Jersey Economic Development Authority
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Message from EDA Board Chairman Al Koeppel

As Chair of the Board of the New Jersey Economic Development Authority (EDA), I am proud to report on another successful year in 2015 as the Authority advanced its mission to drive job creation and attract investment to the State. In line with its reputation, the EDA has maintained its steadfast commitment to furthering its mission while adhering to the highest standards of due diligence and fiduciary oversight.

Throughout the year, the EDA has tirelessly administered its portfolio of programs to support entrepreneurs, small businesses, large companies, developers and municipalities. The following pages document the results of those efforts, reporting on financial results and highlighting specific projects that embody the impact of EDA assistance and the spirit and determination of New Jersey's business community.

Of particular note in 2015 is the progress of projects approved under the Economic Opportunity Act. On the following pages, you will see this evidenced by companies marking milestones such as groundbreakings, construction, hiring of new employees, ribbon cuttings, and certifications that their obligations to qualify for tax credits have been met. The ripple effect of the Economic Opportunity Act is particularly evident in cities across the State, as commercial, residential, retail and academic projects begin to take hold.

The EDA has helped to advance impactful projects over the last year and I am proud of the role the Board has played in these efforts. From supporting emerging technology companies through its mentorship and incubator programs, to helping municipalities complete storm recovery projects, and attracting large out-of-state companies to cities that have historically suffered from disinvestment, the EDA staff and Board have performed with enthusiasm and integrity.

Congratulations to the Authority on another strong year, and many thanks to the Board for its unwavering support and exemplary service.

A handwritten signature in black ink, appearing to read "Al Koeppel". The signature is fluid and cursive, with a large initial "A" and "K".

Al Koeppel
EDA Board Chair

Message from CEO Melissa Orsen and President & COO Tim Lizura

From financing programs for small businesses and not-for-profits, to mentoring and investment resources for technology and life sciences start-ups, to job creation and private investment spurred by tax credits under the Economic Opportunity Act, the impact of programs administered by the Authority was evident in many facets of the State's economy in 2015.

In total, the EDA finalized more than \$440 million in financing assistance through its lending programs in 2015, leveraging over \$669 million in total public/private investment and the creation of an estimated 1,440 new permanent jobs and 1,890 construction jobs. In addition, 51 incentive projects executed agreements in 2015 and are pending certification. These projects, supported with up to \$812.4 million in tax credits or reimbursements, involve over \$1 billion of anticipated private investment, the expected creation of 6,859 new permanent jobs and more than 2,840 construction jobs, and the retention of nearly 6,140 jobs "at risk" of leaving the State.

In keeping with the new tagline "EDA Was Here," which is the cornerstone of our small business awareness program, EDA and its staff were here, every day, all year, serving as an important resource for the companies that make up New Jersey's thriving economy.

The EDA often partners with financial institutions, local organizations and other State agencies to help borrowers bridge financing gaps and increase their access to capital. This includes offering low-interest loans, bond financing, and support for micro-lenders to increase their lending capacity and the technical assistance and training services they offer.

The EDA also continued its commitment to supporting the growth of New Jersey's technology sector in 2015. Notably, we launched the Executives-in-Residence (EIR) program at our Commercialization Center for Innovative Technologies (CCIT) in North Brunswick. Developed and designed in partnership with BioNJ, the EIR program taps into the breadth and depth of knowledge of New Jersey's life sciences executives in transition, benefitting both executives and CCIT tenants.

Our Sandy recovery team was hard at work throughout 2015, supporting nearly 500 small businesses and communities with over \$69 million in assistance through our Stronger New Jersey programs, funded under New Jersey's Community Development Block Grant – Disaster Recovery allocation.

The Fort Monmouth Economic Revitalization Authority (FMERA) also had an unprecedented year, issuing 10 Requests for Offers to Purchase (RFOTPs) and advancing a combined 270 acres for redevelopment at the Fort. With tech industry leader CommVault placing its roots on the Fort and Staten Island-based Tetherview moving in soon, FMERA is achieving restoration of the Fort's reputation for technology leadership in the Monmouth County region.

Finally, the work of the Partnership for Action team coupled with the powerful Economic Opportunity Act has continued to keep us all busy. The enhanced Grow New Jersey and Economic Redevelopment and Growth programs have successfully increased interest from businesses and developers inside and outside the State. Together with legacy incentive projects coming to fruition,

we celebrated a host of grand openings and groundbreakings across New Jersey in 2015, including new headquarters for Subaru in Camden, Goya in Jersey City, and Prudential Financial in Newark.



While EDA staff continued to display the high level of professionalism and competency they are well known for, we would also like to commend them for their ongoing commitment to the greater good. This was particularly evident during the holiday season, when staff executed the EDA’s first annual “Community Challenge.” Teams of employees engaged in projects that impacted more than ten not-for-profit organizations, including those serving victims of domestic violence, the elderly, foster children, abandoned and abused animals, and those suffering from poverty and/or homelessness and hunger. We are proud that the EDA’s Senior Leadership Team also took part in this effort, joining with Habitat for Humanity of Burlington County to help construct a home in Willingboro for a family of five, as pictured above.

As we move forward in 2016, we remain committed to growing New Jersey’s economy, helping to create quality jobs and stronger communities.

Melissa J. Orsen
EDA CEO

Timothy J. Lizura
EDA President & COO

2015 Activity

Lending Projects - Closed	
252	<i>Projects Assisted</i>
\$443.5 Million	<i>EDA Assistance</i>
\$669.1 Million	<i>Estimated Public/Private Investment</i>
1,892	<i>Estimated Construction Jobs</i>
1,441	<i>Estimated New Permanent Jobs</i>
3,195	<i>Existing Jobs Supported</i>

Incentive Projects - Executed Agreements/Pending Certification	
51	<i>Projects Assisted</i>
\$812.4 Million	<i>EDA Assistance</i>
\$1.09 Billion	<i>Estimated Public/Private Investment</i>
\$3.86 Billion*	<i>Estimated Net Benefit to State</i>
2,842	<i>Estimated Construction Jobs</i>
6,859	<i>Estimated New Permanent Jobs</i>
6,139	<i>Estimated Retained "At Risk" Jobs</i>

***Net Benefit related to \$737.1 million of EDA assistance approved under the Grow New Jersey and Economic Redevelopment and Growth (ERG) programs.**

EDA Mission
<p>The New Jersey Economic Development Authority (EDA) is an independent State agency that finances small and mid-sized businesses, administers tax incentives to retain and grow jobs, revitalizes communities through redevelopment initiatives, and supports entrepreneurial development by providing access to training and mentoring programs.</p>

Encouraging Job Creation and Community Investment



“This has truly been a team effort involving the state, as well as the county and city...we are thrilled to be coming back and look forward to creating new jobs in the City of Passaic.”

- Michael Ostroff, CEO, Patella Woodworking

With the continued collaboration of the Partnership for Action (PFA) and tax incentives through the New Jersey Economic Opportunity Act (EOA) adding to the State’s inherent strengths as a business location, small and large companies in industry sectors targeted for growth are choosing to locate and grow across New Jersey, with particular interest in the State’s cities.

In the financial services industry, companies such as Brown Brothers Harriman & Co., RBC Capital Markets and First Data Corporation have decided to expand operations in New Jersey. In August, JPMorgan Chase & Co. announced that it will be moving 2,150 jobs from Manhattan, bringing its total headcount in Jersey City to approximately 7,000. The company also expects to invest more than \$68 million to expand its regional technology and operations hub. This PFA-supported project was approved for Grow NJ tax credits of up to \$187 million over ten years to encourage the company to expand in New Jersey instead of locations in Delaware and Ohio. In addition to its job and capital investment commitments, JPMorgan Chase & Co. also invested \$1 million to provide skill-based job training for local residents over the next two years.

Companies in the manufacturing sector are also locating and growing in New Jersey. Patella Woodworking recently moved back to the State after relocating to New York in 2012. The company moved to a new 89,000-square-foot headquarters and manufacturing facility on the former site of the Hercules Chemical Company in the City of Passaic. Approved for Grow NJ tax credits of up to \$10.3 million, the manufacturer relocated from Orangeburg, New York and expects to create 70 new jobs. In addition to Grow NJ, the EDA also supported the company through the Premier Lender Program. Valley National Bank provided \$7.2 million in loans that were backed by a 50-percent EDA guarantee.



“As this development and other projects underway in Trenton move forward, we foresee this City becoming an increasingly vibrant destination and sought after place to live and work.”

- W. David Henderson, Principal, HHG

The EDA administers the legislatively-created Grow NJ program in strict accordance with the EOA statute. Applications must satisfy statutorily-established job and capital investment requirements, as well as 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.

Passaic City is one of five Garden State Growth Zones (GSGZ) established under the EOA. This designation affords cities most in need of investment with lower eligibility thresholds and higher incentive levels. Along with Passaic, projects located in Paterson, Trenton, Camden and Atlantic City also benefit from the enhanced incentives. Increased interest in these cities illustrates how key policy objectives outlined in the EOA are effectively being achieved.

Trenton’s designation as a GSGZ is helping to attract new investment and development to the State’s capital city.

Roebling Lofts, a mixed-use development being advanced by HHG Development Associates, will transform the old Roebling Steel building into rental lofts and apartments. Closed since the mid-1950’s, the structure represents the first of four John A. Roebling’s Sons buildings planned for rehabilitation by HHG. The project will include multi-family lofts, two-bedroom lofts, and one-bedroom units, all featuring high ceilings and large industrial windows. Future plans for the complex include an additional building housing loft-style units and restaurant/retail space to be built from the ground up.

The \$42 million project was approved for up to \$16.1 million in tax credits over 10 years through the residential Economic Redevelopment and Growth (ERG) program. As New Jersey’s key developer incentive program, ERG prioritizes development in smart growth locations with infrastructure in place, particularly in urban areas and those near train stations.



“Subaru’s decision, coupled with the long-standing commitment by Campbell, provides an excellent platform for further economic development and job creation in the city of Camden.”

- Gerard H. Sweeney, President & CEO, Brandywine Realty Trust

The City of Camden, also a GSGZ, continued its renaissance in 2015, with companies such as Subaru of America and Holtec International breaking ground last year.

In December, Subaru commenced construction of its new state-of-the-art headquarters and training/service center, located adjacent to Campbell Soup Company’s world headquarters. The Subaru campus will be the first new corporate headquarters in Knights Crossing, a new development by Brandywine Realty Trust. Subaru was approved for Grow NJ tax credits of up to \$117.8 million related to the retention of 500 jobs and the expected creation of 100 new jobs. Holtec International broke ground in July, paving the way for its new 600,000-square-foot manufacturing and technology center on the waterfront. Holtec was approved for up to \$260 million in Grow NJ tax credits and expects to create thousands of new jobs.



“We will work with the State of New Jersey and the City of Camden to leverage our plant to serve as a training academy to help young men and women, especially unemployed Camden residents and veterans, to acquire skills that yield well-paying jobs.”

- Dr. Kris Singh, Holtec's founder, president and CEO



"Partnering with RBH, Goldman Sachs, Prudential, NJEDA, the City of Newark, and the ICC allows us to bring our global headquarters and the world's largest indoor vertical farm close to where the consumer is, while also creating jobs."

- David Rosenberg, CEO, AeroFarms

In addition to GSGZs, the EOA targets investment in "distressed" areas of the State. Projects locating in these communities are also eligible for increased incentive levels. To date, over 90 percent of awards approved under the Grow NJ and ERG programs are for projects located in a targeted community.

In Newark, local officials helped to break ground in July on Aerofarms' new headquarters and R&D center. The company aims to create the world's largest aeroponic farm in a renovated warehouse in the Ironbound community. The project, which was approved for a commercial ERG of up to \$2.2 million and Grow NJ tax credits of up to \$6.5 million, is expected to create more than 69 new jobs and leverage private investment totaling more than \$42.5 million.

Also in Newark, grand openings were celebrated in 2015 for two projects supported under the legacy Urban Transit Hub Tax Credit Program.

In late September, Prudential Financial celebrated its new \$444-million, 20-story office tower on Broad Street. The company, which plans to house approximately 3,000 employees at the new facility, is also leading efforts to revitalize nearby Military Park. The 740,000-square-foot facility was built partially with the support of up to a \$211 million Urban Transit Hub tax credit approved by the EDA in 2012.

Also in September, officials marked the opening of 494 Broad Street, where Urban Transit Hub tax credits of up to \$37.4 million approved in 2012 helped to support the expansion of an office building that contains a Cablevision call center and several retail establishments. The project was expected to create 150 new jobs. During the term of the Hub award, 500 jobs must be located at the project site in order for the project to be in compliance.



“We believe the tax credits will translate into a significant economic boost to the region. Both Hackensack University Health Network and Seton Hall University look forward to building a world-class institution that will prepare future healthcare professionals to provide the best quality care and ultimately innovate the way healthcare is delivered in New Jersey.”

- Robert C. Garrett, President and CEO, Hackensack University Health Network, and Dr. A. Gabriel Esteban, President, Seton Hall University

Southern New Jersey also experienced a flurry of economic activity in 2015. At a job fair held in Pennsauken in September, the impact of the EOA was on full display as hundreds of new employees were sought from companies supported through the Grow NJ program. This includes lighting manufacturer Princeton Tec, expected to create 156 jobs at its new headquarters and assembly facility in Pennsauken.

In Atlantic County, Barrette Outdoor announced in October that it had moved into its new manufacturing facility in Galloway and was seeking to hire more than 250 people to fill the new positions that were material to their Grow NJ approval. Barrette was approved for tax credits of up to \$29.8 million to encourage the leading vinyl, wood and aluminum manufacturer to relocate to Galloway instead of consolidating its operations in Tennessee. The company’s new facilities are housed in the former Lenox plant, a 415,000-square-foot building that was vacant for more than a decade.

In addition to business attraction and retention, the EOA has also helped to advance projects that highlight the State’s commitment to higher education. The future Seton Hall-Hackensack School of Medicine, which will be the only private medical school in New Jersey, will be housed on the vacant former Roche corporate campus in Nutley and Clifton. The \$75 million project was approved in November for up to \$16.9 million in Grow NJ tax credits, and is expected to create more than 270 new jobs.

With the goal of bringing in the first class for fall 2017, the campus will hold roughly 500 medical students and faculty, in addition to an estimated 1,500 students and faculty associated with the nursing and health and medical sciences schools. The four-year medical school would serve as an anchor to the 119-acre site, drawing research and industry to the campus through collaborative partnership.



“The PRC Group wanted to work in partnership with the State, The College of New Jersey, and the community to create a vibrant retail and student housing center...we could not have done this work, at no financial cost to the College or State, without the 2009 Economic Stimulus Act allowing for private capital to be invested and form a Public Private Partnership.”

- Bob Kaye, CEO, The PRC Group

Other higher education projects include Campus Town, a new 12-acre, 278-square-foot residential, retail and office development on the campus of The College of New Jersey (TCNJ) in Ewing. Hailed as a model of collaboration, TCNJ partnered with The PRC Group on the mixed-use development, which celebrated its grand opening in August. The nearly \$85 million project was supported by a residential ERG of up to \$15.7 million, and was also approved by the EDA through the Higher Education Institution Public-Private Partnerships Program (P3). P3, overseen by EDA, permits a state or county college to enter into a private-public partnership allowing the private entity to assume full financial and administrative responsibility for an on-campus construction project as long as the college retains ownership of the land.

In Glassboro, the vast Rowan Boulevard project, a mixed-use development that will directly link Rowan University to the Borough’s downtown district, is moving forward. Supported with a residential ERG of up to \$22 million, 220 Rowan Boulevard celebrated a Topping Off ceremony in October. This phase of the project involves student housing, market-rate apartments, retail and office space, and parking. Rowan Boulevard was also supported under P3 and with tax-exempt and taxable bonds issued by the EDA.

Fueling Innovation in the Garden State



“Indiegrove is a space for entrepreneurs to focus and interact with like-minded individuals looking to grow their businesses and gain independence. We are thankful to the EDA for helping to make our expansion possible and look forward to accommodating even more members in the months and years ahead.”

- Indiegrove Founder Zahra Amanpour

Through continuous outreach, programs and events, the EDA sustained its efforts to grow New Jersey’s vibrant technology ecosystem in 2015. With a focus on providing a continuum of assistance to support the industry, the EDA’s diverse array of resources includes financing and tax credits, real estate and mentoring.

In January, EDA approved a \$175,000 loan to help co-working space Indiegrove nearly double its footprint in downtown Jersey City from 6,000 square feet to 10,268 square feet. For entrepreneurs and startup companies with limited cash flow, co-working spaces do not require members to sign long-term leases and foster mentoring networks for their members.

Another way the EDA helps increase available capital for growing technology companies is through its investment in venture funds. In 2015, the EDA approved a \$2.5 million limited partnership investment in Edison VIII, an Edison Partners venture fund that will invest in 20-25 growth stage technology businesses across four industry sectors: financial technology, healthcare information technology, marketing technology, and enterprise 2.0. The EDA invested in four previous Edison Partners funds from which a total of \$195.8 million was invested in 45 New Jersey-based technology companies.

In total, the EDA has committed \$40 million to 12 venture funds that have leveraged the EDA’s investments in New Jersey businesses by more than 62 times.



“The NOL funding, as well as the great programs and support we get from EDA, are, and will be, paramount to our success. The funding enables us to quicken the pace of our product enhancements and research and development by providing funding to expand our software development team. This leads to quicker revenue growth for the company.”

- Bob Gold, Gold Group Enterprises CEO

Growing companies can also take advantage of the State’s Technology Business Tax Credit Certificate Transfer (NOL) Program, which enables eligible technology and biotechnology companies to sell New Jersey tax losses and/or research and development tax credits to raise cash to finance their growth and operations.

Last year, the EDA approved 41 companies to share a total of \$47.4 million through the program. Since its inception in 1999, more than 500 businesses have been approved for awards totaling over \$860 million. Gold Group Enterprises, which uses its proprietary cloud-based software platform to help clients in a variety of industries expand their digital footprint, took advantage of the program in 2015. The company is based in Clark and has an office in Asbury Park.

The NOL program also supports companies like Akers Biosciences. Located in West Deptford, Akers Biosciences has spent over 25 years developing, manufacturing and supplying rapid screening and testing products -- known as “assays” -- designed to deliver quicker and more cost-effective healthcare data to healthcare providers and consumers. Berkeley Heights-based Edge Therapeutics, a biotechnology company that discovers, develops and seeks to commercialize novel hospital-based therapies capable of transforming treatment paradigms in the management of acute, life-threatening conditions, benefited from the NOL program last year and also received nearly \$2 million in investments under the State’s Angel Investor Tax Credit Program.

Signed into law by Governor Christie in 2013, the Angel Investor Tax Credit Program offers a 10 percent refundable tax credit against New Jersey corporation business or gross income tax for qualified investments in an emerging technology business with a physical presence in New Jersey and that conducts research, manufacturing, or technology commercialization in the state.



“Falling under the CCIT umbrella establishes an immediate sense of familiarity and reputation with our clients. As importantly, not only do we have state-of-the-art laboratories, we also have access to well-equipped conference rooms, friendly administrative staff, scientific resources such as autoclaves and other analytical instruments.”

Shridhar Kamat, Pharmaceutical Development Associate, Kamat Pharmatech

In 2015, the EDA approved 213 applications through the program, representing investment of more than \$50 million of private capital into developing technology and life sciences companies. Since the program’s inception, 422 applications have been approved for investments totaling more than \$125 million.

Taxis Pharmaceuticals, a producer of pharmaceuticals targeting multidrug-resistant bacterial infections, raised more than \$1.1 million as a result of the Angel Investor Tax Credit Program. A graduate of the EDA’s Commercialization Center for Innovative Technologies (CCIT), the growing company now rents larger space on the Technology Centre of New Jersey campus, also in North Brunswick.

Home to nearly two dozen seed-stage life sciences companies, CCIT offers its tenants affordable lab and office space, as well as a wealth of resources, including help identifying funding sources, educational sessions and networking opportunities. In 2015, CCIT welcomed two new tenants, Pre-D Partners and SunGen Pharma. Additionally, existing tenant companies PDS Biotechnology, Hudson BioPharma, Ascendia Pharmaceutical and Kamat Pharmatech all expanded their presence at the facility.

The EDA has launched several programs at CCIT in recent years to further enhance its support of the industry. This includes the Executives-in-Residence (EIR) Program, which commenced in February 2015 in collaboration with BioNJ. Designed for high-level biotechnology executives currently in transition, the program taps into the State’s broad life sciences talent pool and enables tenant companies to seek advice on a range of topics, including business development, commercialization, partnering and licensing, health economics, and reimbursement.



“Each potential investor gave us encouragement and we made a number of contacts, which are very valuable to us going forward.”

- Dr. Mary Potasek, Simphotek Co-founder and President

Businesses such as CCIT tenant VEESAG Mobile have taken advantage of the opportunity to meet one-on-one with advisors right in their building. VEESAG Mobile develops wearable technology aimed at helping people maintain their independence, remain healthier and live better. The company has also attended New Jersey Founders & Funders events held at CCIT. Hosted semi-annually, New Jersey Founders & Funders enables early-stage businesses to meet with potential investors in ten-minute, one-on-one “speed dating” sessions to discuss strategy, business models and funding opportunities. Four events held to date – including those held in March and October 2015 - have introduced more than 120 entrepreneurs to investors.

Along with the EIR Program and New Jersey Founders & Funders, CCIT also offers its tenants access to other educational and support opportunities such as “Lunch and Learns” and the “Meet with Money” series, during which investors and local enterprises speak about best practices in their industry. In 2015, nine investors and entrepreneurs came to speak to CCIT tenants through these two series.

For more established companies, the EDA offers Grow NJ, which was strengthened through the Economic Opportunity Act to offer enhanced benefits to companies in targeted industries, including technology, life sciences, energy and health. The Act also reduced the threshold to qualify for Grow NJ to as low as 10 fulltime jobs for technology startups and also lowered the minimum capital investment threshold for these emerging companies.



"Axtria's project keeps 100 jobs right where they belong, here in New Jersey, and brings with it an expected 75 additional positions. Attracting this type of job-creating investment is critical to success in today's 21st century innovation economy."

- Lt. Governor Kim Guadagno

In 2015, nearly \$200 million in Grow NJ tax credits were approved for companies in the greater technology industry, including Axtria Inc., which recently celebrated the opening of its newly expanded facility in Berkeley Heights. The big data and analytics firm, approved for up to \$3.65 million in tax credits, expects to create 75 new jobs and invest an estimated \$1.1 million to support its expansion.

The EDA also approved B Positive National Blood Services, LLC for Grow NJ tax credits of up to \$3.5 million in 2015 to encourage the life sciences firm to expand its operations in Glassboro over a location in Pennsylvania. If the South Jersey location is chosen, the company expects to create 65 new jobs and invest over \$1 million to renovate the space in accordance with Federal Drug Administration standards for a plasma collection site.

With the support of up to \$39.3 million in Grow NJ tax credits, Audible Inc. is creating a new engineering and development hub on James St. in Newark, just blocks from its Washington Street headquarters. The project, expected to create 350 new jobs, will leverage an estimated \$56.7 million of private investment. A subsidiary of Amazon.com, Audible is the world's largest seller and producer of downloadable audiobooks and other spoken-word information and entertainment.

Grow NJ is also helping to build on the cluster of technology and life sciences companies located in Mercer and Middlesex counties. Systech, a global technology leader in product safety and consumer and brand protection, is considering an expansion in Plainsboro with the support of up to \$11.7 million in approved Grow NJ tax credits. Start-up pharmaceutical technology company Adare Pharmaceuticals is considering Lawrence for its offices with the support of up to \$1.9 million in approved Grow NJ tax credits. Together, these companies would create an estimated 210 new jobs and leverage more than \$5.6 million of private investment.

Increasing Access to Capital

Who connected a N.J. manufacturer to funding for a new facility?

As a manufacturer of industrial hose products, Flexline is an expert in creating connections. When they wanted to expand, they turned to another expert in creating connections - the New Jersey Economic Development Authority (EDA). Through a loan backed by an EDA guarantee, Flexline was able to expand into a new facility in Kenilworth. We can do the same for you. Our loan participation, guarantee, line of credit guarantee, direct loan, and tax-exempt bond financing programs empower businesses of all sizes to reach their goals. So if your business needs to connect with capital, we're here for you.



Flexline, Kenilworth, NJ



To find out how the EDA can help your business access financing, call 609-858-6767 or visit NJEDA.com.



The EDA often partners with financial institutions, local organizations and other State agencies to help borrowers bridge financing gaps and increase their access to capital. This includes offering low-interest loans, bond financing, and support for micro-lenders to increase their lending capacity and the technical assistance and training services they offer.

To raise awareness of programs for small businesses, the EDA launched a print and digital marketing campaign in October. The campaign features the theme “EDA Was Here,” anecdotally showcasing how businesses have used the EDA’s financing programs to overcome challenges, meet their needs and grow. The campaign includes print ads in various New Jersey business publications, as well as search engine marketing and digital display ads on various business websites.

Union County manufacturer Flexline is currently featured in publications throughout the State as part of the campaign. Flexline was approved for a \$1.35 million PNC Bank loan through the Premier Lender Program, backed by a 25 percent EDA guarantee. The loan supported the acquisition of a commercial building to house the company’s operations in Kenilworth. The Premier Lender Program lowers the cost of borrowing for small businesses through the EDA’s alliance with commercial banking partners.

Carton Brewing in Atlantic Highlands received lines of credit from Provident Bank totaling \$2.29 million, with a 50 percent EDA guarantee. The brewery, which samples beer on-premise and self-distributes to over 350 bars, restaurants and liquor stores, will use the financing to expand its business, including the purchase of equipment and the acquisition of an adjacent building.



"It's important to us to continue doing what we do in our neighborhood and we appreciate the support of the State, Provident Bank, and our customers as we grow."

- Augie Carton, Carton Brewing

The EDA also offers direct loans through the Small Business Fund. Habitat for Humanity of Burlington County received a loan to purchase the building it had been leasing in Maple Shade since 2014. Prior to that, the entity's corporate offices and "ReStore" operations had been located in Cinnaminson. The move to Maple Shade was driven by the goal of expanding, and attracting more customers to the "ReStore," which sells donated, secondhand items to raise money for the organization.



"The financing the EDA provided has helped us to settle into a more permanent home and build lasting relationships with volunteers and other stakeholders."

- John Garton, Controller, Habitat for Humanity of Burlington County



“Tri-Power’s client base consists of biomedical, pharmaceutical and aerospace clients, mostly in the Northeast, so Denville is an ideal location. It was important to us to invest in the community, our employees’ workplace and in the future of NJ where we have built our business and grown our client base; and the State’s support was instrumental in making that happen.”

- Robert Mastice, Managing Director/Co-Owner, Tri-Power

The Small Business Fund requires that a business be in operation for at least one full year. Not-for-profit corporations that have been operating for at least three full years may also be eligible.

Morris County-based Tri-Power Consulting also received a loan through the Small Business Fund. Tri-Power used their funding to help establish a permanent home in Denville. The engineering, design, manufacturing and consulting business was established in 1996 and works with a diverse range of Fortune 500 leaders.

Through the New Jersey Advantage Program, a partnership with TD Bank, family-owned Aldo Design Group closed on both a line of credit for working capital, and a loan to refinance an existing mortgage. The Carteret-based company is a leading flooring and interior products resource for retail and commercial customers and homebuilders of all sizes.

The New Jersey Advantage Program provides financing to creditworthy New Jersey businesses committed to job creation and retention. The program offers loans and lines of credit financed by TD Bank up to \$5 million, with an EDA guarantee of up to 50 percent. Companies benefit from optional fixed or variable below-market interest rates.



“The financing provided by the New Jersey Advantage Program will improve our cash flow, allowing us to invest more in growing our business and finding even more ways to be the best resource we can to our clients.”

- Albert Benavides, President, Aldo Design Group

Beyond the support of its lending programs, the EDA offers affordable bond financing solutions to credit-worthy manufacturing companies seeking financing for capital improvements and expansions. EDA provides a link from Main Street to Wall Street for small and mid-sized manufacturers in New Jersey, as well as not-for-profit organizations, giving them access to capital they may not be able to obtain on their own and enabling them to borrow money at a lower cost.

Tax-exempt bonds for manufacturing companies can be used for real estate acquisitions, new equipment, machinery, building construction, and renovations. Tax-exempt bonds for not-for-profit organizations seeking capital to expand community services can be used to finance land and building acquisitions, new construction and renovations, equipment purchases, debt refinancing and working capital.

In the manufacturing sector, Frederick Goldman, Inc. took advantage of the longer terms and lower costs associated with bonds issued by the EDA. The jewelry manufacturer closed on \$7.5 million in tax-exempt bonds to purchase a new facility in Secaucus for its operations. The bonds were directly purchased by Investors Savings Bank and will help the company acquire and renovate the 88,000-square-foot building. The company was also approved by the EDA for tax credits through Grow NJ to encourage the company’s relocation to New Jersey and the creation of over 250 new jobs.

Not-for-profit organization Hudson Community Enterprises, Inc. closed on a \$1.5 million tax-exempt bond, directly purchased by The Provident Bank, to refinance conventional debt and acquire machinery and equipment. Established in 1957, the Jersey City-based organization has business operations throughout New Jersey and offers a range of education, training, and employment opportunities for youth with disabilities exiting school, adults with disabilities in its vocational rehabilitation programs, as well as community residents facing other barriers to employment.



“Our goal is to provide valuable resources to people who are looking to start new careers. The capital from GNEC has helped us to pay rent and purchase equipment, which enabled us to operate and have revenue coming in sooner than we would have without GNEC’s help.

- Suresh V. Sagi, M.D., President, AAHSC

In addition to bank partners, EDA makes capital available to financial intermediary organizations that can effectively reach small businesses in local markets, including micro-lenders and Community Development Financial Organizations (CDFIs). These organizations have the ability to offer term loans and lines of credit to micro-enterprises and small companies not qualified for traditional bank financing, extending the state’s reach to underserved communities and businesses.

Since 2010, the EDA has provided a total of \$4.2 million to CDFIs through its Loans to Lenders Program, including UCEDC, Greater Newark Enterprises Corporation (GNEC) and New Jersey Community Capital (NJCC).

The EDA and GNEC visited the Academy of Allied Health Sciences (AAHSC) in Newark in August. The full-time health sciences school received a \$25,000 working capital loan. Housed in a state-of-the-art 5,200-square-foot facility, AAHSC’s mission is to provide students, many of whom are low income, disadvantaged and displaced workers, with the skills needed for a career in allied healthcare. AAHSC also features a scholarship program for military spouses. The school boasts a near perfect graduate job placement record.

Earlier in the summer, the EDA and NJCC visited Parlor Gallery in Asbury Park, a woman-owned, gallery which received a \$20,000 working capital loan from NJCC. Parlor Gallery, which has a staff of four, used the working capital loan to support the creation of marketing materials and other operating costs.



“The support EDA and NJCC provided has helped us build our client base and raise awareness of events and exhibits at the gallery. It’s exciting to see our vision of educating and advising collectors coming to life.”

- Jenn Hampton, Director/Curator, Parlor Gallery

In addition to financing, the EDA has also established a strategic partnership with UCEDC to increase the array of training and technical assistance services available to entrepreneurs and small businesses in the State. UCEDC offers a wide variety of free and low-cost training workshops, including a series of courses that help develop financial and business literacy for business owners at all stages of maturation and a comprehensive program that walks entrepreneurs through all aspects of starting a business, culminating in the development of a business plan. UCEDC also offers a range of financing vehicles.

In 2015, UCEDC trained or mentored more than 1,900 entrepreneurs, conducted 97 business training workshops, and provided \$1.4 million in loans to 65 small businesses, 69 percent of which were minority- or woman-owned enterprises.

Raquel Gonzalez of Jersey City found the expert business advice she and her husband Joe needed to build their commercial farming business when she enrolled in a recent UCEDC Entrepreneurship 101 training program. During the six-week program, she learned how to realistically assess her business concept and assumptions and determine if she was personally ready for small business ownership. Raquel’s business, Lonchando Farms, will produce fresh vegetables, herbs and leafy greens, such as lettuce, spinach and micro greens. With a rapidly growing “foodie” scene in Jersey City, Raquel believes she’ll have plenty of customers interested in these crops.

A statewide organization, UCEDC has established a presence in Camden and Asbury Park to enable local entrepreneurs, businesses, and students to benefit from its programs. Also in 2015, UCEDC entered into a partnership with the City of Atlantic City, establishing another satellite location for entrepreneurial counseling and training.



“With a Biology degree and a research background, I had no real grounding in marketing, finance, business planning etc. This course taught me step by step how to develop my business plan...and I love the ongoing relationship that I have with the staff of UCEDC - I can reach out to them for any questions I might have.”

- Raquel Gonzalez, Founder, Lonchando Farms

Rebuilding and Resilience Efforts Continue



“Booth Movers survived, thanks, in part to our Stronger NJ Business Grant. Revenue has increased by at least 10 percent each year since the storm.”

- Adam Padla, Vice President, Booth Movers

EDA continued its support of the State’s rebuilding and resiliency efforts in 2015, approving over 175 businesses for more than \$27.6 million in Stronger NJ Business grants and loans.

In October, the State marked the third anniversary of Superstorm Sandy, with State officials commemorating the milestone by hosting a roundtable with local business owners at Booth Movers in Moonachie. At the time of the storm, 18 inches of water poured into the company's offices and two warehouses. Flood waters destroyed customers' possessions, office furniture and equipment.

Irvington-based Primo Baby is a family-owned manufacturer of baby care products which are sold at ToysRUS, Buy Buy Baby and Amazon. The company’s buildings sustained major wind damage during the storm. According to Paulette Zazzara, President, Primo Baby, “We have been in business in this area for 68 years, and Sandy was by far the most disruptive event we have experienced. The Stronger NJ Business Grant Program has helped us stay on track so we can continue being a valuable resource for our high-profile customers.”

Dr. Celeste Kunz, a horse veterinarian in Millstone, was approved for a Stronger NJ Business Grant in 2015 to support working capital needs following extensive equipment and structural repairs after damage from hurricane-force winds during Superstorm Sandy. Included were repairs to a highly-specialized equine hyperbaric chamber.



“Recovering from the storm created some unexpected cash flow challenges. The Stronger NJ Business Grant has helped me to maintain the high standard of care I strive for.”
- Dr. Celeste Kunz, Equine Veterinarian, Millstone

Other Stronger NJ Business assistance approved in 2015 includes grants for Jamaican Me Crazy, a variety store in Margate; Girasole Restaurant and Lounge in Atlantic City; and Compound Engineering Solutions in Clifton. Businesses approved for loans in 2015 included Atlas Refinery in Newark; Barnacle Bill’s Amusements in North Ortle; and Gateway Marina in Highlands.

Through the Neighborhood and Community Revitalization (NCR) Program, many of the 35 approved projects achieved milestones in 2015. Berry Lane Park in Jersey City was supported by an NCR Development and Public Improvement grant of \$5 million. The 17-acre park has newly constructed ball fields, courts, tree planting, landscaping, paths and other amenities, and is designed to return storm waters to mitigate flooding.



“Bringing back activity that increases the value of a community is good for our health and great for local economies, and what makes that possible is working together. We are proud to support Jersey City in cleaning up and transforming this property into the largest municipally owned and operated park in the city.”

- Gina McCarthy, Administrator, Environmental Protection Agency

As part of the EDA's efforts to improve resilience in the State, the \$7 million Retail Fuel Station (RFS) grant program allowed retail fuel stations to develop faster and more reliable access to back-up power during an energy emergency. All retail fuel stations statewide with a minimum gasoline capacity of 18,000 gallons were eligible to apply before the March 2015 deadline. When the program first launched in December 2013, it was limited to those stations in close proximity to evacuation routes with minimum gasoline storage capacity of 30,000 gallons. Eligibility was expanded in January 2015 to stations statewide that met minimum fuel storage requirements. The voluntary program is funded through the federal Hazard Mitigation Grant Program.

Fifty-eight of the 134 stations approved by the EDA have installed their back-up systems. Of those, 32 are through permanent generators and 26 are quick connect systems. To date, \$4.16 million has been allocated to 134 total applicants. As a reimbursement program, funds are not disbursed until completion of all required inspections, installation, and submission of all required documentation.

EDA Executive Team



Melissa Orsen
Chief Executive Officer



Timothy J. Lizura
President & Chief Operating Officer



Maureen Hassett
*Senior Vice President,
Governance,
Communications &
Strategic Initiatives*



Frederick J. Cole
*Senior Vice President,
Operations*



Lori Matheus
*Senior Vice President,
Finance & Development*

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Alfred C. Koeppe
Former CEO, Newark Alliance
Former President & COO, PSEG
Former CEO, Bell Atlantic-New Jersey

Vice Chairman

Joseph A. McNamara
Director, Laborers-Employers Cooperation
and Education Trust & Health & Safety

Ex-Officio Members

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Acting Commissioner, New Jersey
Department of Banking & Insurance

Bob Martin
Commissioner, New Jersey Department of
Environmental Protection

Ford M. Scudder
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Harold J. Wirths
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Labor & Workforce Development

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Essex County Chief of Staff

Laurence M. Downes
Chairman and CEO, New Jersey Resources

Fred. B. Dumont
Business Manager, Heat & Frost Insulators
and Allied Workers Local 89
Vice President, New Jersey State Building and
Construction Trades Council

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Patrick R. Delle Cava
Business Manager, International Brotherhood
of Electrical Workers, Local 102

Harold Imperatore
Proprietor, The Bernards Inn

Nonvoting Member

Rodney Sadler
Economic Recovery Board for Camden

Certifications Pursuant to E.O. 37

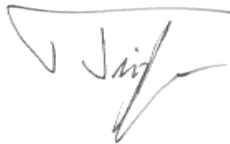
June 14, 2016

In accordance with Executive Order No. 37, the New Jersey Economic Development Authority's 2015 Annual Report also serves as the comprehensive report of the Authority's operations. This report highlights the significant action of the Authority for the year, including the degree of success the EDA had in promoting the State's economic growth strategies and other policies.

The report of independent auditors, Ernst & Young, dated May 31, 2016, is attached and completes the EDA's requirements concerning the preparation of a comprehensive report required by Executive Order No. 37.

I, Tim Lizura, certify that during 2015, the Authority has, to the best of my knowledge, followed all of the Authority's standards, procedures and internal controls.

I further certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the Authority for the year in question.



Timothy J. Lizura
EDA President & COO

I, Richard LoCascio, certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the Authority for the year in question.



Richard LoCascio, CPA
Controller