

The company we keep,
keeps getting better.



New Jersey Statewide Supermarket Summit

Leveraging Funding *State Incentive and Assistance Programs*

June 17, 2009

Tim Lizura
Senior Vice President, Business Development



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY



EDA - Who We Are

State financing and economic development agency dedicated to offering:

- Financing Assistance
- Access to Small Business Services
- Real Estate Development Assistance
- International Trade Services

Mission: To strengthen New Jersey's economy by retaining and growing businesses through financial assistance, by renewing communities, and by promoting the State's strategic advantages to attract domestic and international businesses.

The company we keep,
keeps getting better.



EDA Results

EDA Results 2008	
<i>Projects Assisted</i>	396
<i>Total Assistance</i>	\$551.5 Million
<i>Public/Private Investments</i>	\$1.4 Billion
<i>Estimated New Permanent Jobs</i>	7,018
<i>Estimated Construction Jobs</i>	16,943

EDA Results 1974-2008	
<i>Projects Assisted</i>	9,996
<i>Total Assistance</i>	\$19.6 Billion
<i>Public/Private Investments</i>	\$41.4 Billion
<i>Estimated New Permanent Jobs</i>	295,018
<i>Estimated Construction Jobs</i>	299,943

The company we keep,
keeps getting better.



EDA Resources

Traditional Lending

Loan Participations/Direct Loans
Guarantees
Bond Financing
Statewide Loan Pool
Preferred Lender Program
New Jersey Business Growth Fund
Fast Start for small business

Expansion/Relocation

BEIP
BRRAG

Real Estate Assistance

Site Location Services
Technical Assistance

Technology & Life Sciences

Edison Innovation Fund:
Edison Innovation R&D Fund Wraparound
Edison Innovation Commercialization Fund
Edison Innovation Growth Fund
Technology Business Tax Certificate Transfer Program
Venture Fund Investments
Edison Innovation Clean Energy Manufacturing Fund

Urban & Site Solutions

Urban Plus
Sales Tax Exemption (UEZ)
Local Development Financing Fund (LDFF)
Urban Transit Hub Tax Credit Program
Fund for Community Economic Development
Brownfields Reimbursement

Small Business Services

International Trade Services



Operator Funding Resources

- **Long-Term Debt**
 - Fixed Asset and Working Capital
- **Incentives**
 - Capital Improvement
 - Employment Creation
- **Brownfields Investigation and Remediation**
 - Long-term debt
 - Grants

The company we keep,
keeps getting better.



Developer Funding Resources

- **New Markets Tax Credits**
- **Redevelopment Area Bonds (RAB) and Revenue Allocation District (RAD) Bonds**
- **Brownfields Reimbursement Program**



General Eligibility Requirements

- Focus on projects located in Atlantic City, Camden, East Orange, Elizabeth, Jersey City, Newark, New Brunswick, Paterson and Trenton.
- Financing provided by the EDA must be used to:
 - Create or maintain jobs;
 - Increase ratables; or,
 - Leverage public financing by a ratio of at least 1:1

****Other program-specific requirements apply.***



Operator Project Example

Project Facts

- 40,000 - 65,000 sf, full-service supermarket
 - Urban location
 - Costs
 - Acquisition & Site Improv. \$2,800,000
 - Development \$5,400,000
 - Equipment \$3,385,000
- Total \$11,585,000



Operator Project Example

Bank Financing

- Financing
 - Long term debt \$10,426,500
 - Equity (10% of project cost) \$1,158,500Total \$11,585,000
- Terms
 - Fixed interest rate 7%
 - Term 10 years



Operator Project Example

With EDA Assistance

- Financing

▪ Bank - Long term debt	\$6,734,000
▪ EDA - Long term debt	\$2,000,000
▪ EDA - CESCO	\$1,692,500
▪ Equity (10% of project cost)	<u>\$1,158,500</u>
Total	\$11,585,000

- EDA Terms

▪ EDA - Long term debt	
▪ Fixed interest rate	2%
▪ Term	5 years
▪ Amortization	15 years

- EDA - CESCO

▪ Fixed interest rate	0%
▪ Term	10 years
▪ Grant – 20%	\$338,500



Operator Project Example

Debt Service per Year

- Bank Financing
w/o EDA Assistance \$1,452,725

- With EDA Assistance
 - Bank – Long Term Debt \$520,008
 - EDA – Long Term Debt \$154,442
 - EDA – CESCO \$135,400
- Total** **\$809,850**

**Annual Debt Service
Savings**

\$642,875

The company we keep,
keeps getting better.



New Jersey Economic Development Authority

(866) 534-7789

www.njeda.com

www.NewJerseyBusiness.gov