MEMORANDUM

TO: Members of the Authority
FROM: Timothy Sullivan
     Chief Executive Officer
DATE: January 16, 2020
SUBJECT: Agenda for Board Meeting of the Authority January 16, 2020

Notice of Public Meeting

Roll Call

Approval of Previous Month’s Minutes

CEO’s Report to the Board

Authority Matters

Office of Economic Transformation

Bond Projects

Loans/Grants/Guarantees

Real Estate

Board Memorandums

Executive Session

Public Comment

Adjournment
MINUTES OF THE MEETING

The next item of business was the approval of the November 14, 2019 meeting minutes. A motion was made to approve the minutes by Mr. Dumont, and seconded by Ms. Maloney, and was approved by the 9 voting members present.

Mr. Lutz abstained from voting because he was absent.

The next item of business was the approval of the November 14, 2019 executive session meeting minutes. A motion was made to approve the minutes by Mr. Dumont, and seconded by Ms. Maloney, and was approved by the 9 voting members present.

Mr. Lutz abstained from voting because he was absent.

Chairman Quinn announced that today would be the last meeting for Board Members Tom Scrivo, former EDA Chair; William Layton, and John Lutz. He thanked them for their service on the board over the years.
FOR INFORMATION ONLY: The next item was the presentation of the Chief Executive Officer’s Monthly Report to the Board.

AUTHORITY MATTERS

ITEM: 2020 Fiscal Year Plan
REQUEST: To review and approve the 2019 Fiscal Year Plan that has been reviewed by the Audit Committee.
MOTION TO APPROVE: Mr. Dumont  SECOND: Mr. Lutz  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

OFFICE OF ECONOMIC TRANSFORMATION

ITEM: Technology Business Tax Certificate Transfer Program – 2019 Approvals
REQUEST: To approve the which have been evaluated according to the criteria established by the legislation.
MOTION TO APPROVE: Ms. Maloney  SECOND: Mr. Lutz  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

ITEM: Technology Business Tax Certificate Transfer Program – Appeals
REQUEST: To approve the hearing officer’s recommendation.
MOTION TO APPROVE: Mr. Dumont  SECOND: Mr. Lutz  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

INCENTIVES

Grow New Jersey Assistance Program - Modifications

ITEM: Independent Chemical Corporation and affiliates
REQUEST: To approve recommendations associated with project certification.
MOTION TO APPROVE: Mr. Dumont  SECOND: Ms. Maloney  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ITEM: W&W Jewelers Inc.
REQUEST: To approve recommendations associated with project certification.
MOTION TO APPROVE: Mr. Quinn  SECOND: Mr. Mumford  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5
NJ Film and Digital Media Tax Credit Program

PROJECT: SPR Media LLC
APPL.#00185324
MAX AMOUNT OF TAX CREDITS: $2,566,865
MOTION TO APPROVE: Mr. Dumont
SECOND: Mr. Lutz
AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

PROJECT: Arete Productions LLC
APPL.#00187675
MAX AMOUNT OF TAX CREDITS: $160,296
MOTION TO APPROVE: Ms. Diaz
SECOND: Ms. Maloney
AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PROJECT: Big Indie Chemical Hearts, Inc.
APPL.#00187684
MAX AMOUNT OF TAX CREDITS: $2,566,865
MOTION TO APPROVE: Mr. Lutz
SECOND: Ms. Diaz
AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PROJECT: Mida Films Inc.
APPL.#00187681
MAX AMOUNT OF TAX CREDITS: $40,316
MOTION TO APPROVE: Mr. Dumont
SECOND: Ms. Maloney
AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

BOND PROJECTS

Bond Resolutions

ITEM: NJEDA NJ Transit Transportation Project Revenue Bonds
REQUEST: To approve the issuance of one or more series of its tax exempt NJ Transit Transportation Project revenue Bonds and all associated actions.
MOTION TO APPROVE: Ms. Maloney
SECOND: Mr. Dumont
AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Amended Bond Resolutions

PROJECT: White Horse HMT Urban Renewal, LLC
APPL.#00185103
LOCATION: Hammonton Township, Atlantic County
PROCEEDS FOR: Construction, Acquisition, Renovation and Working Capital
FINANCING: $29,000,000 Tax-exempt bond, $1,000,000 Taxable Bond
MOTION TO APPROVE: Mr. Sarlo
SECOND: Ms. Diaz
AYES: 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

Mr. Mumford abstained because he is a retiree from United Parcel Service, Inc. (UPS).
ITEM: Summary of NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program projects approved by the Department of Environmental Protection.

MOTION TO APPROVE: Ms. Maloney SECOND: Mr. Dumont AYES: 10

RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

PROJECT: Moises O. Hernandez APPL.#187694
LOCATION: Irvington Township, Essex County
PROCEEDS FOR: Remediation
FINANCING: $118,841.95

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Credit Underwriting Projects Approved Under Delegated Authority

Premier Lender Program:

PROJECT: 1855 Swarthmore LLC (PROD-00187991)
LOCATION: Lakewood Township, Ocean County
PROCEEDS FOR: Purchase the project property
FINANCING: $3,000,000 Ocean First Bank loan with a $520,000 EDA participation

Small Business Fund Program:

PROJECT: Reino Real Estate LLC (PROD-00187970)
LOCATION: East Brunswick Township, Middlesex County
PROCEEDS FOR: Purchase the project property
FINANCING: $441,750 M&T Bank loan with a $93,000 EDA participation

FOR INFORMATION ONLY: NJ Boost pilot program to support early-stage New Jersey based entrepreneurs.

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 receive attorney-client advice regarding ongoing legal inquiries.

**MOTION TO APPROVE:** Mr. Dumont  
**SECOND:** Mr. Lutz  
**AYES:** 10

**RESOLUTION ATTACHED AND MARKED EXHIBIT:** 13

The Board returned to Public Session.

There being no further business, on a motion by Mr. Quinn, and seconded by Ms. Maloney, the meeting was adjourned at 10:58am.

**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.

Patience Purdy, Program Manager  
Marketing & Stakeholder Outreach  
Assistant Secretary
MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: January 16, 2020

RE: Launch of a pilot grant program to support New Jersey entities applying for funding through the Federal “i6 Challenge” Program

1 Summary

Staff seeks Board approval for the establishment of a $300,000 grant program to support New Jersey entities applying for funding under the Federal “i6 Challenge” program.

The proposed i6 Challenge Support Program will operate on a pilot basis for one (1) year and will be capitalized through the Economic Recovery Fund (ERF). Grants will be capped at $100,000 per applicant, with a maximum of three (3) awards. Applications will be vetted based on detailed selection criteria, with awards contingent on the applicant receiving a Federal i6 award.

By helping eligible NJ-based entities to increase their matched funding capacity the proposed grant program aims to improve the competitiveness of NJ-based applicants and, where applicants are successful, to increase the Federal funding those applicants are eligible to receive.

More broadly, the proposed Program aims to foster collaboration between entities and to support development of innovation clusters – accelerating the growth of NJ’s innovation economy.

2 Background on US EDA i6 Challenge program

The annual i6 Challenge, part of the US Economic Development Administration’s (US EDA’s) Regional Innovation Strategies (RIS) Program, seeks to spur innovation capacity-building across the US. More specifically, the i6 program funds proof-of-concept and commercialization programs which result in business creation, accelerated paths to export, increased foreign direct investment and new jobs. Examples of activities supported through the program include technology advisement, market evaluation, business planning, mentorship and improved access to early-stage capital. Programs can be physical, virtual, new or existing.
Since its inception in 2014, the i6 Challenge has seen $42 million in Federal funding awarded across 88 projects in 36 states, creating an estimated 7,160 jobs. In 2019, 26 entities received funding totaling $17,596,714, with awards averaging $676,797. Individual awards under the i6 program are capped at $750,000.

In 2019, the Atlantic County Economic Alliance (ACEA), in partnership with the National Institute of Aerospace (NIA), Atlantic County and Cape May County, was awarded $750,000 in i6 funding. This was based on a matched commitment of $933,673, including in-kind support from the Authority. This represented the third award for a NJ-based applicant since the i6 Program’s inception. Exhibit D provides further detail on past NJ awardees.

**US EDA eligibility requirements**

Eligible applicants for US EDA funding through the i6 Program include:

- a State;
- an Indian tribe;
- a city or other political subdivision of a State;
- an entity whose application is supported by a State or a political subdivision of a state and that is:
  - a nonprofit organization;
  - an institution of higher education;
  - a public-private partnership;
  - a science or research park;
  - a Federal laboratory;
  - an economic development organization or similar entity; or
  - a consortium of any of the immediately aforementioned entities.

Individuals are not eligible to apply.

**US EDA funding (including matching) requirements**

US EDA’s i6 Challenge program has a strict 1:1 match requirement, with applicants required to demonstrate at time of application that at least 50 percent of total project cost will be funded from non-Federal sources i.e., for every dollar of Federal funds requested, applicants must demonstrate a commitment of at least one dollar of matching share. Applicants must show, by submitting from each source organization a commitment letter or equivalent document signed by an authorized representative of that organization, stating that matching shares will at the time of award:

- Be committed to the project for the period of performance;
- Be available as needed; and
- Not be conditioned or encumbered in any way that may preclude its use consistent with the requirements of US EDA investment assistance.

In-kind contributions can be counted towards the non-Federal share of total project cost.

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1 Funding over the period from 2014 through end 2018
3 Proposed i6 Challenge Support Program

Funding
The Authority proposes to award up to three (3) individual grants of $100,000 to NJ-based entities applying to the 2020 Federal i6 Challenge program – with grants conditional on recipients being subsequently awarded an i6 Grant from the US EDA.

The proposed program will be capitalized through the Economic Recovery Fund (ERF) (see Eligibility below for further detail on how Staff will ensure ERF conformity).

Eligibility
To ensure that awardees can meet the application requirements for the i6 Challenge Support Program, the Authority’s eligibility requirements will be aligned with those set by US EDA. Applicants seeking an i6 support grant from the Authority must meet the following requirements:

i. Applicants must meet the eligibility requirements of the US EDA i6 Challenge;

ii. Applicants must fit into the parameters of the Economic Recovery Fund (ERF), to be determined at the sole discretion of the Authority:

a. The Authority has limited statutory authority to make grants. Grants may be made from the Economic Recovery Fund (ERF), initially funded with bond proceeds in 1994, that may be used for limited specific purposes. Many of those purposes overlap with potential uses of i6 funds;

b. Specifically, applicants will be eligible under ERF if the applicant’s project is one of the following, which should be identified in the application:

i. Real Estate Partnerships

ii. Venture Capital Funds for startup costs for businesses developing new concepts

iii. Local government entities, including municipalities or counties, stimulating economic development directly or through local development corporations.

If a project involves various entities, including a local government entity, the local government entity will be the recipient of the EDA grant, which can in turn be provided by the local government entity to another entity involved in the project, and the application must include relevant agreements and memorandum of understandings demonstrating the continued involvement of the local government entity, including, but not limited to, detailing resources provided by the local government entity and the obligations that project partners have to the local government entity. The agreements and memorandum may be in draft form for the application, but the executed version must be provided to the Authority prior to approval of an award.

iii. Applicants must be a NJ-based entity with a physical presence in the State;

iv. Applicants must submit documentation evidencing commitment of at least $250k in matching funds to the i6 Challenge project for which it is requesting Authority support; and

v. Applicants must submit a letter from the relevant local government’s executive leadership or governing body expressing support.
**Required documentation**

To be considered for the Program, all applicants must submit the following documentation:

1. Complete application form;
2. Legal documentation/questionnaire (e.g. debarment);
3. Project narrative, including timeline to complete the project (Exhibit B);
4. Project Budget with Budget Narrative;
5. Documentation evidencing commitment of matching funds; and
6. Letter from the relevant local government expressing support.

**Application & review process**

The Authority will accept applications from January 29 through February 26, 2020. To qualify for funding, applications must be complete and in full compliance with all requirements. Staff may request supplemental materials and such materials must be received within five days of the date of request or the application may be rejected.

Staff will review each application to confirm completeness and compliance with required documentation. All complete applications will be forwarded to a Review Committee comprised of Authority Staff to score the application against pre-set evaluation criteria that mirror those utilized by the US EDA for the i6 Challenge (outlined below). The Review Committee will potentially include non-scoring members from partner entities within State government. A summary of scored applications with recommendations from each reviewer will be tabulated. The Review Committee’s recommendations will be used to identify the three (3) highest scoring applications in excess of the minimum score, with grant recipients notified of the outcome via email immediately following the application review period. Applicants not selected to receive this grant will not be precluded from receiving a letter of support from the Authority to accompany a subsequent application to the US EDA for an i6 Challenge grant if Authority staff determine that the proposed project is in the best interests of the State.

**Evaluation & scoring criteria (see Exhibit C for further detail)**

Only complete submissions will be reviewed and scored against the following six equally-weighted criteria by awarding between 0 and 20 points under each criterion. Without bonus points, the maximum score an application can receive is 120 points, with highest overall score determining which organization(s) will be selected. However, only those applications that meet or exceed the minimum requisite score of eighty (80) points (not including any bonus points), and that have a minimum score of 5 points in each criteria area, will be eligible for consideration.

Six Criteria: (See Exhibit C for detailed scoring bands for each criteria)

1. **Project Support and Cluster Connectivity:** Is the regional innovation cluster supported by the private sector, local government, and other relevant stakeholders? (20pts)
2. **Cluster Diversity and Engagement:** How will the existing participants in the regional innovation cluster encourage and solicit participation by all types of entities that might benefit from participation, including newly formed entities, rival existing participants, and underrepresented or unconnected populations and organizations? (20pts)
3. **Project Economic, Job, and Innovation Impacts:** To what extent is the regional innovation cluster likely to stimulate innovation and positively impact on regional economic growth and
development, including but not limited to jobs creation, innovative manufacturing expansion, export growth, and increased FDI, as measured proportionally in light of the project’s regional context with respect to, e.g., economic indicators, population, and geography? (20pts)

4. **Cluster Assets and Infrastructure**: Will the participants in the regional innovation cluster have access to, or contribute to, a well-trained workforce, technology infrastructure, innovation pipelines, and sources of early-stage capital? (20pts)

5. **Project Sustainability and Adaptability**: What is the likelihood that the participants in the regional innovation cluster will be able to sustain activities once grant funds under this subsection have been expended? Are the participants in the regional innovation cluster capable of attracting additional funds from non-Federal sources? (20pts)

6. **Project Feasibility**: Do the operations and management capacities and experiences of the applicant organization(s) and its team demonstrate the ability to execute the proposed project successfully, and do the proposed project’s budget and narrative reasonably and realistically correspond to the costs and activities necessary for the successful execution of the proposed project? (20pts)

In the event two or more applications score the same on the Project Narrative evaluation, additional bonus points will be assigned to applications that meet the following:

i. Secures additional funding from a local NJ higher education institution intending to be a partner on the project (10pts)

ii. Regional cluster to be located within an Opportunity Zone (5pts)

iii. Intends to create regional clusters focused in one (or more) of nine strategic sectors (Technology, Life Sciences, Offshore Wind, Clean Energy, Advance Manufacturing, Transportation and Logistics, Food and Beverage, Finance and Professional Services, Film and Digital Media) (5pts)

**Grant requirements**

All grant awards will be conditional on the applicant being approved and awarded an i6 Challenge Support Program grant. Disbursement of the funds will be paid in one (1) tranche to selected awardees after successful US EDA award and review for/explanation of material changes. Grantees will be required to provide a report to EDA upon completion of the project; the report will summarize the project, the efforts by the applicant to complete the project, the results of the project, an evaluation of the effectiveness of the project, and proposed next steps. Grantees must complete the proposed project within any timeline imposed by the i6 Challenge Support Program, or if none is imposed, within the timeline proposed by the applicant for the project.

**Request for delegated authority**

Beginning in July 2003, Members of the Authority have been asked to delegate signing authority to Staff on certain financing and incentive transactions to create efficiencies for our customers and to provide fluidity to our business.

As set forth above and outlined in further detail in Exhibits A-C, Staff has developed detailed evaluation criteria that will guide its evaluation of i6 Challenge Support Program applications – drawing on the criteria established by the US EDA. Further, the Authority’s proposed maximum grant award of $100,000 is consistent with previous delegations. For these reasons – and conscious
of the short response period set by the US EDA for applications—Staff is requesting delegation from the Board to approve i6 support grants [Level 4: SVP of Economic Transformation and recommending officer] when all program criteria outlined herein are satisfactorily met. This request is similar to other Authority programs of similar scope and size. All Staff recommendations for grant awards will be presented to the Board for informational purposes.

**Proposed Timeline**

The US EDA has yet to release its timeframe for 2020 i6 Challenge applications. However, based on previous years’ timeframes, the Authority expects that applications will close by no later than the end of April 2020. To align with US EDA’s expected timeframe, the Authority proposes the following timeframe for the i6 Challenge Support Program:

- Program approval by Authority Board: January 14
- Notice of Funding and Application release: January 29
- Application period: January 29 to February 26 (four [4] weeks)
- Application deadline: February 26
- Application review period: February 27 to March 12 (two [2] weeks)

This timeline is illustrative in nature as the US EDA has not yet released the 2020 Notice of Funding for the i6 Challenge Program. In the event the US EDA application deadline is materially different from previous years, staff will appropriately amend the above timeline. Additionally, if the timeline for the i6 Challenge application is short, staff may proceed with the selection and award under delegated authority even if any applicant challenges or appeals the selection and awards.

**Recommendation**

Members are requested to approve the creation and implementation of the NJ i6 Challenge Support Program on a pilot basis, capitalized with $300,000 from the Economic Recovery Fund (ERF). Members are also requested to approve delegation of authority to award i6 support grants.

Tim Sullivan, Chief Executive Officer
Exhibit A: Summary of the proposed NJ i6 Challenge Support Program

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>The $300,000 program will be capitalized from the Economic Recovery Fund (ERF)</th>
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<tr>
<td>Program Expiration</td>
<td>The Program will operate on a pilot basis for one (1) year</td>
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<tr>
<td>Administering Agency</td>
<td>The program will be implemented by the Authority</td>
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<tr>
<td>Program Purpose</td>
<td>The purpose of the Program is to support NJ-based entities that apply for and are awarded an i6 Challenge grant through the US EDA’s Regional Innovation Strategies (RIS) program – specifically, improving the competitiveness of NJ-based applicants and increasing the Federal funding those applicants are eligible to receive. More broadly, the Program aims to foster collaboration between entities in developing innovation clusters – building on the success of the past NJ i6 Challenge winning projects and accelerating the growth of NJ’s innovation economy.</td>
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<tr>
<td>Application Process and Approval</td>
<td>Grants by the Authority will be conditional on the entity being awarded an i6 Challenge Grant from US EDA. The application process is as follows: 1. The Authority will issue a Notice of Funding with program requirements and application instructions. Applications will be open for a period of four (4) weeks 2. At the end of the application deadline, only complete applications in full compliance with all requirements will be eligible for evaluation 3. All complete applications will be forwarded to a Review Committee to score against pre-set evaluation criteria. Scores will be tabulated 4. Pursuant to delegated authority, staff will determine the top three applications based on the scoring sheets 5. Awardees for the i6 Challenge Support Program will receive formal notification and announcements will be made.</td>
</tr>
<tr>
<td>Eligibility</td>
<td>1. Applicants must meet eligibility requirements of the US EDA i6 Challenge 2. Applicants must fit into the parameters of the Economic Recovery Fund (ERF) as to be determined at the sole discretion of the Authority (with the advice of the Attorney General’s office) 3. Applicants must be a NJ-based entity 4. Applicants must submit proof of $250k in matching funds committed to the i6 Challenge project 5. Applicants must provide proof of local government support</td>
</tr>
<tr>
<td>Grant size and Disbursement</td>
<td>With a total annual budget of $300k, the funds will be distributed as $100k grants to up to three (3) different winners (from different i6 projects) Disbursement of the funds will be paid in one (1) tranche to selected awardees after successful US EDA award and review for/explanation of material changes</td>
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</table>
Exhibit B: Elements of the Project Narrative/Budget

All applicants must provide a Project Narrative of no more than ten (10) pages with margins no less than one-half inch (0.5”) using Arial, Calibri, Times New Roman, or a similar font of size no less than eleven (11) points in order to be considered for funding.

Applicants are strongly encouraged to provide a clear and concise narrative that includes a compelling justification for the project and articulates a clearly defined regional economic gap, how the proposed project will uniquely meet this need, and the expected outcome(s) that will result. Lengthy applications will not receive greater consideration.

A competitive application will contain the following elements in the Project Narrative:

- Description of the project’s location and region, including its primary service area, a description of the regional innovation cluster served (e.g., assets, financial and business resources, workforce, and infrastructure), and the region’s needs and opportunities
- Description of the proposed project, including a clear statement of its purpose, the roles of the applicant’s or applicants’ key personnel, the project’s essential partners, and an outreach and engagement plan
- Scope of work of no more than one page linked to the project’s purpose and key milestones and including deliverables
- Project timeline including an estimated project start date, key milestones with expected completion dates, and an estimated project completion date
- Evidence- and data-based anticipated impacts, including outputs and outcomes, metrics, and tracking mechanisms
- Sustainability plan, including anticipated challenges, potential barriers, and a forecast of post-award period operations

All applicants must submit a project budget and budget narrative of no more than four (4) pages with margins no less than one-half inch (0.5”) using Arial, Calibri, Times New Roman, or a similar font of size no less than eleven (11) points in order to be considered for funding.

- Applicants may elect to use the Federal SF-424a form and a narrative meeting the above requirements
- In lieu of the Federal SF-424a, the budget must in separate sections clearly show:
  - Amounts and sources of expected revenues (indicating level of guarantee) and totals
  - Amounts and levels of staffing by position indicating salary and level of effort. (If SF-424a is used, include detailed information in the budget narrative)
  - Amounts and levels of expenses in the following categories: Fringe, Travel, Equipment, Supplies, Contractual, Other, Indirect Charges,
  - Include totals of each section and revenues and expenses overall
- Narrative must identify, justify and provide cost basis for each expense
Exhibit C: Evaluation & Scoring criteria

i. Project Support and Cluster Connectivity

Is the regional innovation cluster supported by the private sector, local governments, and other relevant stakeholders?

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ii. Cluster Diversity and Engagement

How will the existing participants in the regional innovation cluster encourage and solicit participation by all types of entities that might benefit from participation, including newly formed entities, rival existing participants, and underrepresented or unconnected populations and organizations?

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### iii. Project Economic, Job, and Innovation Impacts

To what extent is the regional innovation cluster likely to stimulate innovation and have a positive impact on regional economic growth and development, including but not limited to the jobs creation, innovative manufacturing expansion, export growth, and increased FDI, as measured proportionally in light of the project’s regional context with respect to, e.g., economic indicators, population, and geography?

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iv. Cluster Assets and Infrastructure

Will the participants in the regional innovation cluster have access to, or contribute to, a well-trained workforce, technology infrastructure, innovation pipelines, and sources of early-stage capital?

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<td>Failed to present evidence of access to and use of resources relevant to the identified innovation cluster; presented no plans to identify, develop, or expand such resources</td>
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<td>Tied regional resources to an identified regional innovation cluster; failed to identify or plan to build connections between cluster participants and existing resources</td>
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<td>Documented a broad array of regional resources necessary for the growth of an identified regional innovation cluster; identified links between cluster participants and existing workforce</td>
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<td>Documented regional resources linked to demand from cluster participants; set forth ability to act as a conduit to create new connections between resource demand and resource supply entities; adaptable to demand for new resources as the cluster evolves</td>
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<td>Presented evidence of active coordination with regional resource pipelines and with cluster participants to connect demand and supply; demonstrated a capacity to develop existing and new resources further; engaged with diverse cluster participants to facilitate resource development aligned with forecasted demand</td>
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v. Project Sustainability and Adaptability

What is the likelihood that the participants in the regional innovation cluster will be able to sustain activities once grant funds under this subsection have been expended? Are the participants in the regional innovation cluster capable of attracting additional funds from non-Federal sources?

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<th>0</th>
<th>FLEETING</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Fails to demonstrate the availability of or likelihood of securing financial resources after the grant period to sustain the proposed project’s activities and impacts; high likelihood of project ending once grant funds have been expended</td>
</tr>
<tr>
<td>4</td>
<td>Identifies potential future sources of financial support or a plan to solicit funds or generate revenue; marginal likelihood of financial stability and of ability to continue to provide programmatic support once grant funds have been expended</td>
</tr>
<tr>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>
vi. Project Feasibility

Do the operations and management capacities and experiences of the applicant organization(s) and its team demonstrate the ability to execute the proposed project successfully, and do the proposed project’s budget and narrative reasonably and realistically correspond to the costs and activities necessary for the successful execution of the proposed project?

<table>
<thead>
<tr>
<th>UNWORKABLE</th>
<th>VERIFIABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>Failed to demonstrate the applicant’s ability to execute the project; project budget and narrative do not correspond to proposed costs and activities</td>
</tr>
<tr>
<td>4</td>
<td>Conveys the ability of the applicant and personnel to deliver some core aspects of the proposed project; project budget and narrative are aligned partially with proposed costs and activities</td>
</tr>
<tr>
<td>6</td>
<td>Illustrates the ability of the applicant and personnel to execute the proposed project with its proposed budget; project budget and narrative reasonably and realistically correspond to proposed costs and activities</td>
</tr>
<tr>
<td>8</td>
<td>Provides evidence of quantifiable results from past projects led by relevant organizations and personnel; project budget and narrative reasonably and realistically correspond to proposed costs and activities and align with evidence of the project team’s past results</td>
</tr>
<tr>
<td>10</td>
<td>Documents a consistent record of measurable, high-impact results from the relevant organizations and personnel; project budget and narrative not only reasonably and realistically correspond to proposed costs and activities but also are based on and align with previous successful execution by the project team</td>
</tr>
<tr>
<td>12</td>
<td>DURABLE</td>
</tr>
<tr>
<td>14</td>
<td></td>
</tr>
<tr>
<td>16</td>
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<td>18</td>
<td></td>
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<tr>
<td>20</td>
<td></td>
</tr>
</tbody>
</table>
Exhibit D: Summary of i6 Challenge awards to NJ entities

Since inception of the US EDA’s i6 Challenge Program in 2014, three (3) NJ-based entities have been awarded funding totalling over $1.9 million.

<table>
<thead>
<tr>
<th>Year</th>
<th>Institution</th>
<th>Federal funds ($)</th>
<th>Local Match ($)</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Atlantic County Economic Alliance (ACEA), in partnership with: National Institute of Aerospace (NIA) Atlantic County Cape May County NJII</td>
<td>750,000</td>
<td>933,673</td>
<td>Smart Airport and Aviation Partnership (SAAP)</td>
</tr>
<tr>
<td>2018</td>
<td>New Jersey Innovation Institute, Inc. (NJII) in partnership with the Innovation Accelerator Foundation (IAF)</td>
<td>750,000</td>
<td>1,500,000</td>
<td>The New Jersey Biopharmaceuticals Innovation and Enterprise Development Center (Bio-Foundry)</td>
</tr>
<tr>
<td>2016</td>
<td>Rutgers University</td>
<td>439,190</td>
<td>440,757</td>
<td>Ecolgnite: Clean Energy Proof of Concept Center and Accelerator Program</td>
</tr>
</tbody>
</table>

2016 – Clean Energy Proof of Concept Center & Accelerator Program

The Clean Energy Proof of Concept Center and Accelerator Program harnesses a network of new and existing resources to assist clean energy technology companies in successfully maneuvering the innovation pathway – transcending discovery, concept assessment, business model assessment, technology verification, scale-up and commercialization.

2018 – NJ Bio-Foundry

The NJ Bio-Foundry, supported by the New Jersey Innovation Institute (NJII) and Innovation Accelerator Foundation (IAF), brings together a network of partners to expand the State’s growing innovation biopharmaceuticals cluster, with a focus on cell and gene therapies and biologics. The network scouts and matches emerging research discoveries at top universities in the region and throughout the US, nurtures and curates new ventures with both technical and business support and connects and expands the innovation ecosystem – including funding, facilities, and mentoring. The initiative concentrates on “commercialization” while maintaining tight connections with the many “proof of concept” resources in the State to ensure a continuum of new and growing businesses in the biopharmaceutical cluster.

2019 – Smart Aviation Partnership

The Smart Airport and Aviation Partnership (SAAP) aims to transform the South Jersey region’s innovation ecosystem through the development of a regional cluster focused on aviation-related technology – leveraging the region’s aviation research facilities and airport infrastructure, including the Federal Aviation Administration’s (FAA) William J. Hughes Technical Center (WJHTC). The SAAP will focus on both incubation and acceleration. It recently advertised for its first cohort of start-ups to join its aviation accelerator from Spring 2020. The Authority has committed in-kind support to the SAAP and remains involved in its ongoing development.
MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan
Chief Executive Officer
DATE: January 16, 2020
RE: Memorandum of Understanding (MOU) – Establishment of NJ Brownfields Assistance Center @ NJIT

Request
The Members are requested to approve a Memorandum of Understanding (MOU) between the New Jersey Economic Development Authority (NJEDA) and the New Jersey Institute of Technology (NJIT) for the Authority to provide funding for the creation of the NJ Brownfields Assistance Center @ NJIT (Brownfields Center), which will enable NJIT through the Brownfields Center to provide a variety of technical assistance and resource products for brownfields communities in New Jersey.

Background
Through his comprehensive economic plan for building a stronger and fairer economy in New Jersey, Governor Murphy has identified the remediation and redevelopment of brownfield sites as an important component of smart planning that will allow New Jersey to meet its goals for economic growth while minimizing the environmental impact and sprawl that is the byproduct of new development. To facilitate brownfields redevelopment, Governor Murphy has proposed a new set of programs, including a remediation and redevelopment tax credit, as well as an enhanced brownfields loan program through NJEDA that would provide the necessary investment resources to undertake these projects. The brownfield loan program scoring criteria was approved by the Board on November 12, 2019, and applications for the program are expected to be available in February 2020.

In addition to these new resources the Governor has proposed, brownfields redevelopment requires an understanding of complex urban and environmental issues. Therefore, communities undertaking brownfields redevelopment require access to expertise that can help them navigate these issues and find innovative solutions. In recognition of this need in March of 2019, the NJEDA and the New Jersey Department of Environmental Protection entered into an MOU to expand the previously established Community Collaborative Initiative (CCI), which embeds NJDEP staff in targeted cities with multiple environmental stressors to help the cities navigate environmental and urban issues and set a pathway for successful remediation and redevelopment to occur. Under the current CCI, NJDEP staff are embedded in twelve municipalities. To provide assistance to communities beyond the twelve CCI municipalities, as well as provide
additional tools to the CCI communities, the NJEDA and NJIT are proposing an MOU that would provide $200,000 in funding from the NJEDA to NJIT to create a NJ Brownfields Assistance Center at NJIT with the focus of assisting NJ counties and local governments entities overcome challenges posed by brownfield sites, as well as educate and engage communities in an effort to build capacity and a knowledge base. NJIT will provide quarterly updates to the NJEDA on the use of funds with respect to the goals described above.

NJIT’s Brownfields Program has helped hundreds of communities throughout the US advance their brownfield sites toward redevelopment; and has extensive experience in bringing tools, strategies, resources, partnerships, subject matter experts, and education to brownfields-challenged communities, and has demonstrated that with guidance, support, and assistance, these communities can successfully transform their brownfield sites into new uses that support community goals and catalyze economic development.

NJIT is uniquely positioned, relative to other universities, to support this initiative in New Jersey. NJIT possesses nearly 20 years’ experience in brownfield studies and projects. For much of the last 5 years, under a cooperative agreement with the EPA, NJIT has provided Technical Assistance to Brownfield Communities throughout the Northeast. NJIT proposes to use this proven model to provide expanded technical assistance to brownfield communities in New Jersey through the Brownfields Center, in addition to undertaking the other discrete initiatives described in the MOU.

NJDEP’s Office of Brownfield and Community Revitalization is very supportive of this proposed initiative, commenting, “This new program will give both EDA and DEP additional resources to educate our communities on the importance of Brownfield Redevelopment and help our struggling cities see transformational change.”

**Recommendation**

The Members’ approval is requested to approve a Memorandum of Understanding, attached as Exhibit A, between the NJEDA and NJIT for the NJEDA to provide funding of $200,000 for a 12-month period during which NJIT will establish the Brownfields Center, create various technical assistance and resource products, host (4) brownfields education workshops, create a Brownfields Center website, and conduct other strategic planning efforts in partnership with the NJEDA.

Prepared by: Elizabeth Limbrick & Kevin DeSmedt

Attachment:
- Exhibit A – NJ Brownfields Assistance Center @ NJIT Proposal
MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made as of the Effective Date, by and between

THE NEW JERSEY INSTITUTE OF TECHNOLOGY, with its principal office at University Heights, Newark, New Jersey 07102 ("NJIT"),

and

THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, with its principal office at 36 West State Street, Trenton, New Jersey 08625 ("EDA").

WHEREAS, EDA is authorized to promote brownfields redevelopment, economic development and revitalization of distressed communities; and

WHEREAS, these activities are priorities for EDA, and are goals outlined in Governor Murphy’s State of Innovation Plan; and

WHEREAS, environmental uncertainties associated with brownfield sites have prevented communities from bringing these properties back to productive uses; and

WHEREAS, communities often need technical assistance to understand and navigate their way through the issues and challenges associated with brownfields; and

WHEREAS, redevelopment of brownfield properties will support job growth, tax revenues, and minimize the development pressure that drives sprawl; and

WHEREAS, EDA seeks to promote the redevelopment of brownfields; enhance community capacity to complete brownfield redevelopments though leveraging and collaboration; and increase community capacity to develop and implement the community’s redevelopment vision; and

WHEREAS, the New Jersey Institute of Technology (NJIT) is the state’s public polytechnic university, and is committed to advancing the highest quality basic and applied research and scholarship fostering creativity, interdisciplinary collaboration, community engagement and commitment to the highest level to professional ethics; and

WHEREAS, NJIT’s annual economic impact on the State of New Jersey is $2.8 billion; and

WHEREAS, NJIT’s Brownfields Program has helped hundreds of communities throughout the US advance their brownfield sites toward redevelopment; and has extensive experience in bringing tools, strategies, resources, partnerships, subject matter experts, and education to brownfields-challenged communities, and has demonstrated that with guidance, support, and assistance, these communities can successfully transform their brownfield sites into new uses that support community goals and catalyze economic development; and
WHEREAS, EDA recognizes the value of NJIT's experience and capabilities in helping communities that have limited capacity in knowledge and/or expertise to advance their sites through the cleanup and redevelopment processes; and

WHEREAS, EDA and NIT (collectively, "Parties") enter into this MOU as an inter-agency governmental agreement pursuant to N.J.S.A. 52:14-1 et seq. for EDA to provide reimbursement to NJIT in an amount of $200,000 for a period of 12 months for services as described below (Purpose/Scope of Project).

NOW, THEREFORE, the Parties acknowledge the following understanding:

1. PURPOSE/SCOPE OF PROJECT: To achieve the goals of this MOU, the Parties hereby agree as follows:

a. NJIT shall create the NJ Brownfields Assistance Center @ NJIT, and more specifically the NJ Brownfields Assistance Center @ NJIT shall conduct the following tasks (the "services"):
   i. Assist EDA in the development of a user’s guide for EDA’s existing and possible future brownfields loan program and tax incentive program.
   ii. Provide free, focused assistance to any New Jersey county, local government, or local government entity (such as an improvement authority). Brownfields focused assistance includes, but is not limited to, identifying various funding sources, explaining the regulatory process, explaining technical issues, developing methods to engage communities, and developing strategies for communities to advance their sites through assessment, cleanup, and redevelopment.
   iii. Design and conduct four (4) brownfield educational workshops whose themes and locations shall be determined by NJIT and EDA.
   iv. Create and maintain a NJ Brownfields Assistance Center @ NJIT website and populate that site with various brownfields related information, news, tools and guidance.
   v. Develop brownfields redevelopment success stories demonstrating how various brownfield sites in New Jersey have been redeveloped for economic development purposes.
   vi. Assist EDA in developing strategies to promote the redevelopment of brownfield sites in EDA priority areas such as around transit stations.

b. NJIT will perform the services on a "best efforts" basis and does not guarantee specific results. NJIT disclaims all warranties and representations, either express or implied, as to ownership, infringement, merchantability or fitness for a particular purpose as to the services or any matter arising out of the services.

c. NJIT shall provide to EDA invoices for the reimbursement of costs, including direct and indirect labor costs, on a quarterly basis. All invoices must be sent to PO Box 990, Trenton, NJ 08625-0990.
d. Each invoice submitted by NJIT will include a detailed calculation of labor costs, including fringe rates and indirect costs, and direct expenses for the preceding three (3) month period.

e. NJIT shall use reasonable efforts to coordinate tasks and activities with EDA prior to undertaking said tasks and activities.

f. Upon request, NJIT shall provide a copy of all documents or other products produced under this MOU to EDA, and, through the license granted in Term 5 below, EDA can continue making any such documents and products publicly available after the expiration of the MOU.

g. Along with the quarterly invoice, NJIT shall provide EDA quarterly reports indicating the tasks undertaken in that quarter.

h. Within 30 days of receipt of each invoice, EDA will remit reimbursement to NJIT of the costs for a not to exceed amount of $200,000 for the 12-month period.

2. TERM: This MOU shall become effective on the date it is fully executed by both Parties (the "Effective Date") and shall continue for a period of twelve (12) months with an option to extend annually by mutual written consent.

3. POINTS OF CONTACT: The Parties designate the below individuals as primary points of contact for the project:

   NJ EDA: Elizabeth Limbrick, PG, LSRP
   elimbrick@njeda.com
   862-872-3334

   NJIT: Colette Santasieri, PhD
   santasie@njit.edu
   973-642-4165

4. CONFIDENTIALITY: (a) Each Party understands that, in the course of performing this MOU, each may disclose to the other certain confidential information. All such information marked or identified as confidential shall be kept confidential by the receiving Party and not disclosed to any third party in a manner not directly related to the performance of this MOU, except with the prior written consent of the disclosing Party. The Parties agree that the understanding expressed in this Section 4 will continue for five (5) years after the termination or natural expiration of this MOU.

   (b) Notwithstanding the above, the term "confidential information" does not include information if the same: (i) was generally known to the public or properly in the public domain at the time it was disclosed; or (ii) was properly known to and available for use by the receiving Party and recorded as such in its files at the time of receipt from the disclosing Party; or (iii) is proven by the receiving Party to have been independently developed by the receiving Party; or (iv) becomes properly known to and available for use
by the receiving Party from a source other than the disclosing Party; or (v) is required by any federal or state law (including the N.J. Open Public Records Act), regulation or statute and/or court or administrative order to be disclosed. This MOU shall not be considered confidential.

In the event that a Party or its representatives are requested or required (by the N.J. Open Public Records Act, New Jersey Right to Know statutory law or case law, oral questions administered under oath in a court or investigative proceeding, interrogatories, depositions, subpoena or other judicial or investigative process) to disclose any confidential information supplied by the other Party, such Party will provide to the other Party prompt notice of such request and will consult with the other Party regarding a response. Each Party understands that certain laws and orders will require the other Party to respond within a certain time period.

5. INTELLECTUAL PROPERTY & PUBLICATIONS: Each Party to this MOU shall: (a) own the intellectual property ("IP") created by its employees or agents in furtherance of projects or activities contemplated by this MOU and (2) hereby grants the other Party a non-exclusive and royalty-free license to use all such IP created as a result of this MOU. IP created jointly by the Parties shall be jointly owned and either Party may exploit jointly developed IP. NJIT shall be permitted to publish results of the services or deliver presentations related thereto, provided, however, that EDA shall have been furnished copies of any proposed publication or presentation at least thirty (30) days in advance of the submission to permit EDA to make written comments on said publication or object in writing because there is confidential information of EDA contained in the publication or presentation. EDA shall provide NJIT with such commentary or objection within twenty (20) days of receiving a proposed publication or presentation or forever waive its rights in this regard.

6. Any Party shall have the right to terminate this MOU upon thirty (30) days advance written notice to the other Party. Upon termination, NJIT shall make reasonable efforts not to incur any additional expenses or costs and EDA will pay for costs incurred. EDA shall reimburse NJIT for the reasonable value of the services performed by NJIT up to the time of such termination and all non-cancelable obligations incurred by NJIT (not to exceed the total consideration of the MOU).

7. Any notice or communication required or permitted to be given under this MOU shall be in writing and may be delivered by hand, deposited with an overnight courier, sent by facsimile, or mailed by registered or certified mail, return receipt requested and postage prepaid to the address for the other Party.

8. The Parties acknowledge that they are public entities of the State of New Jersey. Therefore, the Parties agree each entity shall be liable for its own conduct and any claims against it without indemnification from the other.

9. This MOU is being entered into for the sole purpose of evidencing the mutual understanding and intention of the Parties and constitutes the entire understanding
between the parties relating to the project and supersedes all prior negotiations, representations, agreements and understandings. There are no third-party beneficiaries of this MOU. This MOU may be executed in any number of original, facsimile or pdf counterparts. Each such counterpart shall for all purposes be deemed an original.

10. The Parties may modify this MOU only in writing, signed by both Parties.

IN WITNESS THEREOF, the Parties have signed this MOU.

By: ___________________________________

Atam P. Dhawan, PhD
Sr. Vice Provost for Research
New Jersey Institute of Technology

By: ___________________________________

Tim Sullivan
Chief Executive Officer
New Jersey Economic Development Authority
MEMORANDUM

To: Members of the Authority

From: Tim Sullivan

Date: January 16, 2020

Subject: Venture Fund Program – Policy Updates

Request:
Approve an update to the EDA’s current venture fund investment policy that will include:

- A change in the scale of the suggested fund commitment amounts, as output by the Venture Fund Rating matrix. This update could result in a greater magnitude of participation by the EDA per fund commitment, which will seek to further expand on the success of the EDA’s venture fund investment program.
- Two minor adjustments to the model regarding category definitions for Sourcing, and History Investing in NJ.

The proposed changes, if approved, are considered in the evaluation of the concurrently proposed venture fund commitment recommendation to Activate Ventures II Annex Fund, L.P. The impacts of the proposed changes are further elaborated within the Active Ventures II Annex Fund, L.P. recommendation memo.

Background:
In August 2016 (revised as of Sept 2019), the Authority’s board approved an updated Venture Fund Policy, including, the implementation of the Venture Fund Rating Matrix as a new element in the underwriting process when considering the Authority’s potential investment as a Limited Partner in venture capital funds. The approved rating model was devised from a culmination of the EDA’s 20 year experience investing in venture funds, and substantial research from industry trade organizations, like the Institutional Limited Partners Association and the National Venture Capital Association (“NVCA”), and the best practices of respected individual and institutional investors including, for example, insurance companies, investment banks, private and public pension funds, sovereign wealth funds, etc. The rating tool serves as one element in the Authority’s investment analysis. In accordance with the Authority’s current Venture Fund Investment Policy, the venture fund rating tool uses fourteen objective criteria in examining a venture capital firm and fund for prospective commitment. This objectivity allows reviewers to clearly articulate the qualities of an offering and assign a score. The resulting output offers a suggested commitment amount, subject to the Authority’s long-term, patient capital available. Having clearly defined rating criteria is paramount in the model to ensure a consistent, efficient and
equitable process. This also creates, for both the Authority and the applicant, a productive level of transparency to communicate a distinct outcome of the decision-making process. This model is updated from time to time with consideration for current EDA Policy objectives and industry standards.

**Suggested Commitment Amount**

Building on EDA’s financial and economic development successes and engagement in the market as a fund investor, Staff is proposing an increase in the scale of the suggested commitment levels output by the Venture Fund Rating Matrix. The current scale was implemented in 2016 with the first iteration of the Venture Fund Rating Matrix. It has not been revised since that time. The proposed changes have the effect to increase the amount of capital EDA deploys to future fund commitments, within the EDA’s maximum policy commitment within 10% of aggregate fund commitments, in anticipation of increases for both the financial and economic impacts in the State of New Jersey.

The EDA has had a successful history investing in venture funds. The EDA has committed $54 million to 17 venture capital funds since 1999. This has seen a private sector capital match of $2.69B, or 65.42x EDA’s investment. This activity has generated a financial return of 2.2x EDA’s invested capital.

During this same time, the EDA’s participation in the venture market has shrunk on an absolute and relative basis. Over the last decade the average venture capital fund nationwide has increased in size from $225M in 2008 to $280M in 2018, an increase of 24%. This change is even more pronounced on a regional basis, as the average size of an East-coast based fund has risen from $195M to $288M in the same period – a size increase of nearly 48%. The EDA’s average fund commitment from 1999 through 2008 was $4.5M across 6 funds. In the period from 2008 to 2018, the EDA’s average fund commitment was $1.8M to 12 funds, a decrease of 60%.

Given the interest and policy initiatives focused on supporting the innovation economy, along with the change in fund sizes across the industry, staff believes an increase in the scale of the EDA’s recommended commitment levels is logical and one, as tested on the existing funds, that can be impactful to advancing the Governor’s economic development goal of making NJ the State of Innovation.

**Venture Fund Matrix Revisions**

In September 2019, the Authority’s Board approved an updated Venture Fund Policy. Following application in a live case study, two other minor adjustments to the model regarding category definitions for Sourcing, and History Investing in NJ will offer additional clarity and consistency in the internal fund evaluation assessment.

The criteria affected include:

4. Sourcing: The prospective manager is assessed on its ability to source and track relevant and non-traditional deal flow to maintain an advantage in effectuating the stated strategy, with particular emphasis on New Jersey.

9. History Investing in New Jersey: The amount invested to date in New Jersey by the manager on an absolute basis and relative to peers will be considered in conjunction with the investment return on New Jersey-based companies and the ability to create jobs in the State.

**Recommendation**
The above policy update and proposed changes are submitted with a recommendation that will enhance the EDA’s already robust venture fund investment review process. Implementation of these measures will refine the set of rules to direct Authority capital in venture investing and encourage additional private sector investment in targeted sectors within New Jersey’s innovation economy.

Tim Sullivan, Chief Executive Officer

Prepared by: Madhavi Bhatia
           Timothy B. Rollender
MEMORANDUM

To: Members of the Authority

From: Tim Sullivan

Date: January 16, 2020

Subject: Activate Ventures II Annex Fund LP

Request: Approval is requested to make a limited partnership investment in Activate Ventures II Annex Fund, L.P. for 8% of the total committed fund size, with a maximum commitment by the EDA of $800,000. Funding for the investment will be made from the Economic Recovery Fund (ERF).

Background:
Activate Ventures II Annex Fund, L.P. (“AV II Annex” or the “Fund”) is a newly organized Delaware limited partnership. AV II Annex is a supplemental fund to Activate Ventures II, L.P. (“AV II”). AV II Annex will invest alongside AV II in new portfolio companies invested-in after the formation of the AV II Annex Fund. Following the end of the AV II investment period, the AV II Annex will make independent investments. AV II Annex will have a ten-year life from the final closing date (expected in March 2020), with up to two one-year extensions by the General Partner. Similar to AV II, the primary objective of the AV II Annex Fund is to generate superior returns by investing in early stage, capital-efficient, technology-enhanced service businesses in the region which includes Pennsylvania, New Jersey and the New York Metro area, and to a lesser extent, the Mid-Atlantic and Northeast regions of the United States. The targeted fund size of Activate Ventures II Annex Fund, L.P. is $10 million with a cap of $15 million. The Fund is in the process of its first close. The final close is scheduled to occur no later than March 2020.

Activate Ventures II, L.P. was formed in March 2017 through the merger of New York city based Milestone Venture Partners V Digital Health LP (managed by Todd Pietri and Ed Goodman) and Bethlehem, PA based Originate Growth Fund LP (managed by Glen Bressner). AV II is both the successor to Originate Growth Fund, L.P. and the continuation of Milestone Venture Partners V Digital Health LP. Of note, EDA committed ($1.3 million) to a LP investment in Milestone IV LP in 2013 with funding partially provided through the Federal SSBCI program. Activate Ventures II Annex Fund L.P.
II, L.P. had its final close in June 2018 with a total commitment amount of $56.885 million. AV II and its predecessor funds invested in Digital Pharmacist, a company created via the merger of Austin, TX-based RxWiki, and Newark, NJ-based Telemanager, in July 2016. In December 2018 Digital Pharmacist was acquired by a PE firm, generating a significant early return for AV II. Following from this successful early exit of Digital Pharmacist, a significant representation of the existing Limited Partners, along with a few prospective new Limited Partners approached Activate to create the Annex fund to re-invest the return of capital with Activate - which demonstrates a strong statement of confidence by the investors in the Activate team. From the target fund size of $10 million, commitments of $8.25 million have already been soft circled from current LPs of AV II L.P. and the three members of the AV II Investment Committee (Glen Bressner, Todd Pietri and Ed Goodman).

AV II Annex will be managed by the Partners - Glen R. Bressner, Todd T. Pietri and Edwin A. Goodman. The team collectively has over 90 years of experience in both general investment, operations and the Fund's targeted areas of sourcing, structuring, monitoring and ultimately exiting transactions. They are also supported by an experienced team of four other professionals at Activate Ventures. The team has invested close to $400 million in 212 businesses through various funds – including 20 NJ based businesses. Activate Venture Partners has offices in Bethlehem, PA and New York, NY.

The Manager has agreed to make a best efforts commitment to invest $2 in New Jersey-based companies in addition to every $1 the Authority commits to the fund, thereby, resulting in a target of $2.4 million of capital invested in New Jersey-based companies. This arrangement of leveraging the Authority’s public investment with AV II Annex’s private investment will be documented in a side letter agreement consistent with EDA Venture Fund Investment Policy. The side letter agreement will also document the requirement for participation in future NJ Founders and Funders events by a representative of the Firm, annual reporting on NJ investments – jobs, and (on a voluntary basis) Diversity and Inclusion - and, quarterly pipeline and opportunity sharing with the EDA.

To date, the EDA has approved investments in seventeen venture capital funds for more than $54 million. Various Milestone (Activate predecessor) funds have invested a total of $19.66 million in twelve NJ businesses with strong returns. Originate Growth Venture (second Activate predecessor) funds invested $19.91 million in eight NJ based businesses also with strong returns. Staff believes the combination of these two firms creates a tremendous opportunity for New Jersey. Of note, EDA staff has worked with Glen Bressner and Todd Pietri directly on several NJ based businesses, some of which include – Tabula Rasa, IntegriChain, Fieldview and CareGain. The current portfolio (of eight companies) of AV II includes two NJ based businesses. AV II also has a healthy pipeline of priority NJ deals. New Jersey’s strategic plan includes assisting in the growth of Focus Sectors (life sciences, information and high tech, clean energy, offshore wind, advanced manufacturing, advanced transportation and logistics (including aviation), finance and professional services, food and beverage (non-retail), and film and digital media companies) in the State. The proposed EDA commitment of up to $800,000 in AV II Annex is consistent with the State’s strategic plan, as it
will assist in developing employment in the State by supporting the growth of early stage, capital-efficient, technology-enhanced service businesses located in New Jersey.

The Authority’s venture fund investment guidelines revised as of September 2019 and updated as of January 2020, prioritize funding for early stage companies with less than $3 million in revenue. The intent of the Authority’s venture capital fund investments is to support the success of emerging technology companies in New Jersey and complement EDA’s investment in Focus Sector (listed earlier) businesses. Activate Venture Partners members have participated in the Authority’s NJ Founders and Funders event, and both groups are active in other NJ-based networking events. Staff is recommending the inclusion of this early stage investor, given their track record in NJ, the strong investor returns, and community engagement.

**Recommendation:**
Approval of the commitment amount of 8% of aggregate fund commitments of the targeted $10 million, with a maximum commitment by the EDA of $800,000 is recommended based upon Activate Venture Partners’ experienced management team and strong investment track record of the team. In addition, the proposed funding will support the growth of technology companies located in the State. This approval will authorize the CEO to execute all documents required, subject to the review of the New Jersey Attorney General’s office.

Tim Sullivan

Prepared by: Madhavi Rhatia  
Tim Rollender
BOND RESOLUTIONS
MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

SUBJECT: 2019 Carryforward Request

DATE: January 16, 2020

The State Treasurer allocated $75,908,833 to the New Jersey Economic Development Authority out of the State's 2019 Private Activity Bond Cap.

The Authority may elect to carryforward any unused portion of the above noted 2019 Private Activity Bond allocation with the U.S. Department of Treasury.

Out of the $75,908,833 allocation to the Authority, $1,027,153 closed against the Cap, resulting in $74,881,680 being unused and available for carryforward subject to the State Treasurer’s approval.

The attached resolution approves the filing of the attached IRS Form 8328 by the Chief Executive Officer carrying forward unused 2019 Private Activity Bond Cap to be determined and approved by the State Treasurer for certain eligible exempt facility activities.

I recommend adoption of the attached Carryforward Resolution.

Prepared by: David A. Lawyer
RESOLUTION APPROVING CARRYFORWARD REQUEST

AUTHORIZING THE CHIEF EXECUTIVE OFFICER

TO MAKE CARRYFORWARD DETERMINATION

WHEREAS, the State Treasurer has confirmed allocating to the Authority $75,908,833 of the State's 2019 Private Activity Bond Volume Cap; and

WHEREAS, the Authority has issued $1,027,153 in private activity bonds that used the 2019 Private Activity Bond Cap and would like to carryforward out of the statewide reserve the unused portion of the Authority's 2019 allocation together with any additional allocation which the State Treasurer may determine and make available to the Authority for carryforward purposes;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Authority hereby approves and ratifies the filing of the attached 2019 IRS Form 8328 entitled "Carryforward Election of Unused Private Activity Bond Volume Cap" by the Chief Executive Officer subject to the State Treasurer's approval of unused 2019 Volume Cap for carryforward purposes.
2. This resolution shall take effect immediately, but no action authorized herein shall take force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval unless during such 10-day period the Governor of the State of New Jersey shall approve the same in which case such action shall become effective upon such approval, as provided by the Act.

DATED: January 16, 2020
Carryforward Election of Unused Private Activity Bond Volume Cap
(Under Sections 146(f) and 142(k))

Enter the calendar year for which the election is made ▶ 2019

**Part I Reporting Authority**

| State name for qualifying public educational facility bond or issuer's name for all other bonds | Reporting Authority's EIN |
| New Jersey Economic Development Authority | 222045817 |

| Number, street (or P.O. box if mail is not delivered to street address) | Room/suite | Report number |
| 36 West State Street, PO Box 990 | 4 | 9 |

| City or town, state, and ZIP code | |
| Trenton, NJ 08625-0990 | |

**Caution:** Part II is only for section 146(f) filers. Part III is only for qualifying public educational facility bond filers.

**Part II Unused Volume Cap and Carryforward under Section 146(f)**

**Computation of Unused Volume Cap**

1. Total volume cap of the issuer for the calendar year 1 75,908,833.
2. Aggregate amount of private activity bonds issued to date that are taken into account under section 146 (see instructions) 2 1,027,153.
3. Total amount of volume cap exchanged for authority to issue mortgage credit certificates (see instructions) 3 10,000,000.
4. Total amount of volume cap allocated to private activity portion of governmental bonds (see instructions) 4 10,000,000.
5. Add lines 2 through 4 5 1,027,153.
6. Unused volume cap (subtract line 5 from line 1) 6 74,881,680.

**Purpose and Amount of Each Carryforward**

7. Qualified student loan bonds 7
8. Qualified mortgage bonds or mortgage credit certificates 8
9. Qualified redevelopment bonds 9 17,440,840.
10. Exempt facility bonds:
   a. Mass commuting facilities (section 142(a)(3)) 10a 17,440,840.
   b. Water furnishing facilities (section 142(a)(4)) 10b 10,000,000.
   c. Sewage facilities (section 142(a)(5)) 10c 10,000,000.
   d. Solid waste disposal facilities (section 142(a)(6)) 10d 10,000,000.
   e. Qualified residential rental projects (section 142(a)(7)) 10e 30,000,000.
   f. Facilities for the local furnishing of electric energy or gas (section 142(a)(8)) 10f
   g. Local district heating or cooling facilities (section 142(a)(9)) 10g
   h. Qualified hazardous waste facilities (section 142(a)(10)) 10h
   i. 25% of bonds for privately owned high-speed intercity rail facilities (section 142(a)(11)) 10i
   j. Qualified enterprise zone facility bonds (section 1394(a)-(e)) 10j
11. Total carryforward amount (add lines 7 through 10j) (not to exceed line 6) 11 74,881,680.

**Part III Unused Volume Cap and Carryforward Under Section 142(k) (Qualifying Public Educational Facility Bonds)**

12. Total volume cap for the calendar year 12
13. Total amount of bonds issued under section 142(k) for the calendar year 13
14. Unused volume cap available for carryforward (subtract line 13 from line 12) 14
15. Amount elected to carryforward (not to exceed line 14) 15

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of authorized public official
Tim Sullivan
Chief Executive Officer

Date
Type or print name and title.

For Paperwork Reduction Act Notice, see instructions on back.
Cat. No. 13900J Form 8328 (Rev. 9-2011)
General Instructions
Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form
Form 8328 is filed by the issuing authority of private activity bonds to elect to carry forward its unused volume cap for one or more carryforward purposes (see section 146(f)). If the election is made, bonds issued with respect to a specified carryforward purpose are not subject to the volume cap under section 146(f) during the 3 calendar years following the calendar year in which the carryforward arose, but only to the extent that the amount of such bonds does not exceed the amount of the carryforward elected for that purpose.

Also, Form 8328 is used by a state to carry forward the unused volume cap under section 142(k). A state may elect to carry forward an unused limitation for any calendar year for 3 calendar years following the calendar year in which the unused limitation arose under rules similar to the rules of section 146(f). However, this election can only be made for the issuance of qualified public educational facility bonds. For definitions related to qualified public educational facilities, see section 142(k).

When To File
Form 8328 must be filed by the earlier of: (1) February 15 of the calendar year following the year in which the excess amount arises, or (2) the date of issue of bonds issued pursuant to the carryforward election.

Errors on this form cannot be corrected through an amended filing. The issuer may file a Voluntary Closing Agreement Program (VCAP) request to correct mathematical, typographical, and similar errors. See Notice 2008-31, 2008-11 I.R.B. 592, and IRM 7.2.3 for more information about VCAP.

Where To File
File Form 8328 with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Bonds Taken Into Account Under Section 146
All private activity tax-exempt bonds issued during a calendar year are taken into account under section 146 except:

1. Qualified section 141(a)(2) bonds.
2. Qualified section 501(c)(3) bonds.
3. Exempt facility bonds for governmental owned airports, docks and wharves, and environmental enhancements of hydroelectric generating facilities; also exempt facility bonds for qualified public educational facility, qualified green building and sustainable design projects and qualified highway or surface freight transfer facilities.
4. 75% of any exempt facility bonds for privately owned high-speed intercity rail facilities; 100% if governmental owned.
5. Exempt facility bonds for governmental owned solid waste disposal facilities. See section 146(h).
7. Certain current refundings. See section 146(f).
8. Certain bonds issued by Indian tribal governments for tribal manufacturing facilities. See section 7871(c)(3).
10. Gulf Opportunity Zone bonds, Midwestern Disaster Area bonds, Hurricane Ike Disaster Area bonds, section 1400N.
11. New York Liberty Zone bonds, section 1400L.
12. Enterprise Zone Facility bonds, section 1394(f).

Note. Enterprise Zone Facility bonds under section 1394(a)-e are subject to section 146. See Line 10 of Form 8328.

In addition, the private activity portion of governmental bonds is taken into account to the extent that the nonqualified amount exceeds $15 million. See sections 141(b)(5) and 146(m).

Bonds Eligible for Carryforward Elections
• An election under section 146(f) may be made by the issuing authority for only the following types of tax-exempt bonds:
  1. Qualified student loan bonds.
  2. Qualified mortgage bonds (or mortgage credit certificates).
  3. Qualified redevelopment bonds.
  4. Exempt facility bonds taken into account under section 142(a).

• A section 146(f) election may also be made for bonds issued under sections 6103(a) and (b)(4).

5. Enterprise zone facility bonds taken into account under Regulations section 1.1394-1(m)(3).

• An election under section 142(k) may be made by the state for qualified public education facility bonds.

Specific Instructions
Parts I and II of this form must be completed to properly elect the carryforward provisions under section 146(f).

Parts I and II must be completed to properly elect the carryforward provisions under section 142(k).

Part I. Reporting Authority
Name. Enter the name of the state filing under section 142(k). For all others, enter the name of the entity issuing the bonds.

Report number. This line is for IRS use only. Do not make an entry.

Part II. Unused Volume Cap and Carryforward Under Section 146(f)

Computation of Unused Volume Cap
Line 1. Enter the issuing authority’s volume cap under section 146 for the current calendar year. Take into account any reduction in the amount of this volume cap under section 25(f) (relating to the reduction in the aggregate amount of qualified mortgage bonds where certain requirements are not met). See section 146(f)(2).

Line 2. Enter the total amount of private activity bonds issued by the issuing authority during the current calendar year that are taken into account under section 146. See Bonds Taken Into Account Under Section 146.

Line 3. Enter the total amount of qualified mortgage bonds issued by the issuing authority during the current calendar year, plus the reduction under section 25(f) for that calendar year. See section 146(f).

Line 4. Enter the total amount of volume cap allocated by the issuer to the private activity portion of governmental bonds. See sections 141(b)(5) and 146(m).

Purpose and Amount of Each Carryforward
Enter the amount of unused volume cap the issuer elects to carry forward for each carryforward purpose and the total carryforward amount.

Part III. Unused Volume Cap and Carryforward Under Section 142(k) (Qualifying Public Educational Facility Bonds)

Complete lines 12 through 15 to compute the amount elected to carry forward under section 142(k).

Signature
Form 8328 must be signed by an authorized public official responsible for carrying forward unused volume cap.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping . . . . . . . . . . . . . . . . . . . . . . . 7 hr., 24 min.
Learning about the law or the form . . . . . . . . . . . . . 2 hr., 47 min.
Preparing and sending the form to the IRS . . . . . . . . . . 3 hr., 1 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAC:MP:T:T:SP, 1111 Constitution Ave. NW, R-6526, Washington, DC 20224. Do not send the form to this address. Instead, see Where To File.
LOANS/GRANTS/GUARANTEES
HAZARDOUS DISCHARGE SITE REMEDIATION FUND
MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: January 16, 2020

SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

The following commercial loan project has been approved by the Department of Environmental Protection to perform remedial investigation activities. The scope of work is described on the attached project summary:

**HDSRF Commercial Loan:**

Prod 187937 Bassam Abouhayla $111,300

**Total HDSRF Funding – January 2020** $111,300

Tim Sullivan

Prepared by: Kathy Junghans
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
Hazardous Discharge Site Remediation - Commercial

APPLICANT: Bassam Abouhayla
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 907 Somerset Street Franklin Township Somerset County

APPLICANT BACKGROUND:
In 2007, Mr. Bassam Abouhayla purchased the property for $300,000 which at the time was vacant and currently remains vacant. The former occupant of the site was a business that reconditioned drums used in the food industry.

The project is comprised of remedial investigation totaling $111,300. The purpose of remedial investigation is to determine the severity of contamination and what actions need to be completed to remediate the site. Activities to be conducted include direct oversight-related tasks, remedial investigation design, soil sampling, monitoring well installations and sampling, an assessment of remedial options and costs, public notification, and regulatory reporting.

NJDEP has reviewed the project and determined 100% of the total costs to be eligible. The applicant has requested a $111,300 HDSRF loan for the costs pertaining to Remedial Investigation at the project site and plans to sell the property upon completion of the remediation.

OTHER NJEDA SERVICES:
None

APPROVAL REQUEST:
Approval of a $111,300 Hazardous Discharge Site Remediation Fund Loan.

FINANCING SUMMARY:
LENDER: Hazardous Discharge Site Remediation Fund
AMOUNT OF LOAN: $111,300.00
TERMS OF LOAN: Ten-year term, principal due at maturity. Interest only payments during the term of the loan. The interest rate will be based on the Federal Discount Rate set at time of approval or closing, whichever is lower, with a floor of 5.00%.

PRODUCT COSTS:
Finance Fees $1,613.00
Remedial Investigation $111,300.00

TOTAL COSTS: $112,913.00

UNDERWRITER OFFICER: David Lawyer
PETROLEUM UNDERGROUND STORAGE TANK (PUST)
MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: January 16, 2020
SUBJECT: NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

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

**PUST Residential Grants:**

| Prod 188071 | Francine C. Cramer | $145,490.56 |
| Prod 188075 | Rutha Lucas | $134,376.45 |

**Total UST Funding – January 2020** $279,867.10

Prepared by: Kathy Junghans
APPLICANT: Francine C. Cramer

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 272 Huron Avenue Absecon City Atlantic County

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

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

OTHER NJEDA SERVICES: NONE

APPROVAL REQUEST:
The applicant is requesting grant funding in the amount of $145,490.56 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $14,549.05 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: $145,490.56

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>UST Project: Upgrade, Closure, Remediation</td>
<td>$145,490.56</td>
</tr>
<tr>
<td>EDA Administrative Cost</td>
<td>$250.00</td>
</tr>
<tr>
<td>UST Project: NJDEP Costs</td>
<td>$14,549.06</td>
</tr>
</tbody>
</table>

TOTAL COSTS: $160,289.62

DATE: 12/3/2019
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
Underground Storage Tank - Residential

APPLICANT: Rutha Lucas

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 4 Main Street Matawan Borough Monmouth County

APPLICANT BACKGROUND:
In July 2013, Rutha Lucas received a grant in the amount of $37,776 under P38246 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.

OTHER NJEDA SERVICES:

APPROVAL REQUEST:
The applicant is requesting supplemental grant funding in the amount of $134,376.54 to perform the approved scope of work at the project site. Total grant funding including this approval is $172,152.54.

The NJDEP oversight fee of $13,437.65 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: $134,376.54

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>UST Project: Remediation</th>
<th>$134,376.54</th>
<th>EDA Administrative Cost</th>
<th>$250.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>UST Project: NJDEP Costs</td>
<td>$13,437.65</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL COSTS: $148,064.19

DATE: 12/6/2019
REAL ESTATE
MEMORANDUM

To: Members of the Authority

From: Tim Sullivan
Chief Executive Officer

RE: New Jersey Bioscience Center at North Brunswick
685 South Route 1, North Brunswick, Middlesex County
Lease Agreement with Apicore LLC

Date: January 16, 2020

Request
I request the Members approve executing a 64-month (5 years and 4 months) Lease Agreement ("Lease") with Apicore LLC ("Apicore") for 11,522 rentable square feet of laboratory and office space on the first floor of 685 South Route 1, North Brunswick at the New Jersey Bioscience Center ("Center"). Apicore will also be provided with one five-year renewal option at fair market value (but not less than the last year’s rent during the initial term). Apicore’s parent company, RK Pharma Inc. ("RK Pharma"), will guarantee the Lease.

Background
Lessor’s Background
Apicore, currently a New Jersey Bioscience Center Step-Out Labs ("Step-Out Labs") tenant, was formed in 2003 by Dr. Ravishanker Kovi. Apicore specializes in manufacturing active pharmaceutical ingredients (API). Apicore is a leading process research and development and API manufacturing service provider in the pharmaceutical industry. Apicore manufactured over 100 different APIs, of which 35 have been submitted to the FDA and 16 have been approved for commercial sale in the United States by Apicore’s customers. In addition, Apicore also had multiple Abbreviated New Drug Applications ("ANDAs"). Dr. Kovi has over 20 years of experience in pharmaceutical research and development. At Apicore, Dr. Kovi was instrumental in attaining significant revenue growth year over year, mainly by the combination of commercializing the API products world-wide and achieving ANDAs development partnership project deals with multiple established medium and big pharma partners.

Apicore currently occupies 4,500 square feet of Step-Out Labs space on the second floor of 685 South Route 1. Apicore’s current gross lease extends through February 28, 2022 but will terminate upon the lease commencement date under this Lease. Apicore’s new net leasehold will consist of 11,522 rentable square feet on the first floor of 685 South Route 1 (Building 4), space formerly leased by Chromocell.

Apicore’s Lease space will be used for laboratory research, office and conference functions. Currently,
Apicore has five full-time employees working at the Step-Out Labs space and it has plans to hire 40 full-time employees by the end of 2020.

Guarantor’s Background
Apicore is a wholly owned subsidiary of RK Pharma Solutions LLC, a company established in 2016 and owned by Dr. Ravishanker Kovi. In 2018, Dr. Kovi formed RK Pharma (the guarantor of this lease) with an intent to consolidate all the related affiliate entities under RK Pharma, including RK Pharma Solutions and Apicore.

RK Pharma generated revenue of $8.36 million in 2018, $9.34 million during the first eight months of 2019 and expects to close the year 2019 with more than $17 million in revenue. The RK Parma group of companies plans to continue expanding its intellectual property and drug master file portfolio and plans to file between 12 and 15 ANDAs per year starting January 2020.

Letter of Intent
As summarized in the Lease Letter of Intent Summary attached as Exhibit A, Apicore will be provided with early access to the premises to effectuate its move from the existing second floor space to the new first floor leasehold. Apicore’s initial Net Rent will be $31 per rentable square foot, increasing 3% annually. Apicore will receive 4 months of rent abatement (Lease months 1, 2, 22, and 23), but will be required to pay common area maintenance (CAM) and utilities during the abated rent months. Apicore will provide a security deposit of 4 months Net Rent, CAM, and PILOT in the estimated amount of $172,407. Subject to the NJEDA’s review and approval, Apicore will pay for and will be solely responsible for constructing its future leasehold improvements. RK Pharma will guarantee the amounts due under the Lease.

After deducting the rent abatements and the amortized leasing commission ($163,398, amortized over 64 months at 7.5%) the weighted average of the Net Rent for the leasehold will be approximately $27.09 square foot.

Recommendation
Approval to execute (1) the Lease with Apicore for approximately 11,522 rentable square feet of laboratory and office space on the first floor of 685 South Route 1, North Brunswick at the Center, on final terms consistent with the Lease Letter of Intent Summary, attached as Exhibit A; and (2) any and all documents required to complete this transaction on final terms acceptable to the NJEDA’s Chief Executive Officer and the Attorney General’s Office.

Tim Sullivan, Chief Executive Officer

att: Exhibit A
Prepared by: Liza Nolan

New Jersey Bioscience Center at North Brunswick
Apicore LLC Lease Agreement
Page 2
EXHIBIT A
New Jersey Bioscience Center
Lease Letter of Intent Summary
12/18/2019

LANDLORD
New Jersey Economic Development Authority

TENANT
APICORE LLC

ADDRESS
685 S. Route 1, North Brunswick, NJ
Building 4, Suite TBD

LEASE TERM
Total Years: 5.33
Total Months: 64.00
Commencing: 2/1/2020 Ending: 5/31/2025

RENTABLE SQUARE FEET: 11,522

BASE RENT
$31.00 NNN, thereafter increasing 3% annually, subject to the following rent abatement:
4 months of Net Rent (Months 1, 2, 22 & 23). Tenant shall pay CAM, PILOT and Utilities during rent abatement months.

<table>
<thead>
<tr>
<th>Year</th>
<th>SSF Base Rent</th>
<th>Actual SSF Rent To Be Paid</th>
<th>Net SSF Rent (Paid - TAI &amp; Comm.)</th>
<th>Rentable Square Feet</th>
<th>Actual Annual Rent To Be Paid</th>
<th>Annual Net Rent (Paid - TAI &amp; Comm.)</th>
<th>Occup. Months</th>
<th>Occup. Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 1</td>
<td>$31.00</td>
<td>$25.83</td>
<td>$23.17</td>
<td>11,522</td>
<td>$297,651.70</td>
<td>$267,015.44</td>
<td>12</td>
<td>1.00</td>
</tr>
<tr>
<td>Year 2</td>
<td>$31.93</td>
<td>$26.61</td>
<td>$23.95</td>
<td>11,522</td>
<td>$306,581.20</td>
<td>$275,944.04</td>
<td>12</td>
<td>1.00</td>
</tr>
<tr>
<td>Year 3</td>
<td>$32.89</td>
<td>$32.89</td>
<td>$30.23</td>
<td>11,522</td>
<td>$378,958.56</td>
<td>$348,321.40</td>
<td>12</td>
<td>1.00</td>
</tr>
<tr>
<td>Year 4</td>
<td>$33.87</td>
<td>$33.87</td>
<td>$31.21</td>
<td>11,522</td>
<td>$390,250.20</td>
<td>$359,613.04</td>
<td>12</td>
<td>1.00</td>
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<tr>
<td>Year 5</td>
<td>$34.89</td>
<td>$34.89</td>
<td>$32.23</td>
<td>11,522</td>
<td>$402,002.64</td>
<td>$371,365.48</td>
<td>12</td>
<td>1.00</td>
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<tr>
<td>Year 6</td>
<td>$35.94</td>
<td>$31.98</td>
<td>$31.09</td>
<td>11,522</td>
<td>$318,033.56</td>
<td>$317,821.17</td>
<td>4</td>
<td>0.33</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Totals $1,913,477.86</td>
<td>$1,750,079.65</td>
<td>64</td>
<td>5.33</td>
</tr>
</tbody>
</table>

Lease Annual Average Rent: $33.42 $27.68 $25.31
Lease Annual Median Rent: $33.38 $29.75 $27.09
Weighted Average Rent: $33.11 $29.64 $27.09

Annual Present Rent: $291,680 $312,133 $312,162

Utilities will be billed to the Tenant.

CAM & PILOT
Tenant shall pay CAM and PILOT according to standard lease terms.

TENANT IMPROVEMENT ALLOWANCE (TIA)
Not applicable.

BROKERAGE COMMISSION
Under NJEDA’s contract with Jones Lang LaSalle, NJEDA will pay a brokerage commission of approximately $143,200

RENEWAL OPTION
Tenant shall be provided a five (5) year renewal option with a nine (9) month prior written notice. Renewal rate shall be at Fair Market as defined in the new Lease however the Net Rent shall not be less than the Net Rent in the last year of the Initial Lease Term. The Net Rent during the Renewal Option shall increase 3% per annum on each anniversary of the renewal Commencement Date.

SECURITY DEPOSIT
A minimum of 3 months of Year 1 Net Rent, together with 3 months estimated first year CAM and PILOT.

OTHER
Guarantor is RK Pharma Solutions LLC (parent company of Apicore)
Tenant shall have access to Premises between the date of full Lease execution and delivery of the Lease to Tenant and last day of the month with no rent, CAM, PILOT and utilities during this period.
Tenant’s Lease for its 2nd floor space shall terminate effective upon Rent Commencement of the 1st floor space.
Premises will be delivered as is, however, in good working condition.
Landlord shall provide janitorial in the bathroom and lobby which shall be reimbursed as a CAM expense. Tenant shall be responsible for all other janitorial within its Premises.

ESTIMATED RETURN

<table>
<thead>
<tr>
<th></th>
<th>APICORE LLC</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EDA</td>
<td>Rent Paid</td>
<td>Commission</td>
<td>Net Income</td>
<td>Discount Rate</td>
<td>Annual Present</td>
</tr>
<tr>
<td></td>
<td>Investment</td>
<td>$297,652</td>
<td>($50,637)</td>
<td>$267,015</td>
<td>0%</td>
<td>$267,015</td>
</tr>
<tr>
<td>Year 2</td>
<td>$0</td>
<td>$306,581</td>
<td>($50,637)</td>
<td>$275,944</td>
<td>0%</td>
<td>$262,804</td>
</tr>
<tr>
<td>Year 3</td>
<td>$0</td>
<td>$378,959</td>
<td>($50,637)</td>
<td>$348,321</td>
<td>0%</td>
<td>$315,938</td>
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<tr>
<td>Year 4</td>
<td>$0</td>
<td>$390,250</td>
<td>($50,637)</td>
<td>$359,613</td>
<td>0%</td>
<td>$310,647</td>
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<tr>
<td>Year 5</td>
<td>$0</td>
<td>$402,003</td>
<td>($50,637)</td>
<td>$371,365</td>
<td>0%</td>
<td>$305,523</td>
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<td>Year 6</td>
<td>$0</td>
<td>$138,034</td>
<td>($50,212)</td>
<td>$127,821</td>
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<td>TOTALS</td>
<td>$0</td>
<td>$1,513,478</td>
<td>($163,398)</td>
<td>$1,750,080</td>
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<td>$1,562,078</td>
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Present Value of Projected Cash Flow at Stated Discount Rate: $1,562,078

January 16, 2020 Board Book - REAL ESTATE
MEMORANDUM

TO: Members of the Authority  
FROM: Tim Sullivan, Chief Executive Officer  
DATE: January 16, 2020  
SUBJECT: Projects Approved Under Delegated Authority – For Informational Purposes Only

The following projects were approved under Delegated Authority in December 2019:

Direct Loan Program:

1) Hampton-Clarke, Inc. ("HC") (PROD-00188053), located in Fairfield Borough, Essex County, is an environmental laboratory providing service to clients in the Northeast and Mid-Atlantic Regions since 1986. HC is a privately held women-owned business focused on providing laboratory data and customer service, including soil and water analysis for environmental site investigation, remediation and permit compliance programs. HC operates from three leased NJ facilities. The EDA approved a $137,225 Direct loan and Lakeland Bank approved a $205,000 loan. The combined proceeds will be used to purchase equipment. The Company currently has 85 employees and plans to create three new technical and support personnel positions over the next two years.

Premier Lender Program:

1) Noel 130 L.L.C. ("Noel") (PROD-00188124), located in Carlstadt Borough, Bergen County, is a newly created real estate holding company formed to purchase the project property. The operating company, Paris Gourmet of New York, Inc. and Subsidiary ("PG") is related to Noel by common ownership and is the sole occupant of the project property. PG was established in 1981 as an importer and distributor of gourmet food products (chocolates, pastry ingredients, spices and meat delicacies). JPMorgan Chase Bank approved a $6,000,000 loan contingent upon a 20% ($1,200,000) Authority participation. Proceeds will be used to purchase the project property. The Company currently has 79 employees and plans to add 35 new employees within the next two years.
2) Snack Innovations Inc. ("SI") (PROD-00188054), located in Piscataway, Middlesex County, was formed in 2009 under the name Teva Foods, Inc. and is also known as Gourmet Basics. SI manufactures, distributes and wholesales health snack foods (chips and popcorn) under its own line as well as private labels such as Trader Joe’s, Wakefern, Weight Watchers and Amazon. In 2017 SI relocated from Brooklyn, NY to Piscataway, NJ, to an industrial building that is owned by 41 Ethel Road West LLC, which shares common ownership with SI. Provident Bank approved a $1,100,000 bank loan contingent upon a 50% ($550,000) Authority participation. Proceeds will be used to purchase new equipment. Currently, the Company has 80 employees and plans to create 50 new jobs within the next two years.

Prepared by: G. Robins
MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan
Chief Executive Officer
DATE: January 16, 2020
SUBJECT: Real Estate Division Delegated Authority for Leases and Right of Entry (ROE)/Licenses for Fourth Quarter 2019 - For Informational Purposes Only

The following approvals were made pursuant to Delegated Authority for Leases and ROE/Licenses in October, November and December 2019:

### LEASES

<table>
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<tr>
<th>TENANT</th>
<th>LOCATION</th>
<th>TYPE</th>
<th>TERM</th>
<th>S.F.</th>
<th>CCIT GRANT</th>
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</thead>
<tbody>
<tr>
<td>Bellerophon Therapeutics</td>
<td>Bioscience Center Incubator</td>
<td>Lease Holdover</td>
<td>Month to Month</td>
<td>1600 sf</td>
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<td>Aucta Pharmaceuticals</td>
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<td>Lease Holdover</td>
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<td>Lease Holdover</td>
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<td>Bioscience Center Incubator</td>
<td>Lease Extension</td>
<td>One Year</td>
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<td>API Pharma Tech</td>
<td>Bioscience Center Incubator</td>
<td>Lease Extension</td>
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<td>Health Interactive</td>
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<td>Calyptus Pharmaceuticals</td>
<td>Bioscience Center Incubator</td>
<td>New Lease</td>
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<td>900sf</td>
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### RIGHT OF ENTRY/LICENSES/EXTENSIONS

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### MISCELLANEOUS

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Tim Sullivan  
Chief Executive Officer

Prepared by: Stacy Pellegrino