MEMORANDUM

TO: Members of the Authority
FROM: Melissa Orsen
        Chief Executive Officer
DATE: March 24, 2017
SUBJECT: Agenda for Board Meeting of the Authority March 24, 2017

Notice of Public Meeting

Roll Call

Approval of Previous Month’s Minutes

Chief Executive Officer’s Monthly Report to the Board

Authority Matters

Incentive Programs

Bond Projects

Loans/Grants/Guarantees

Office of Recovery

Real Estate

Board Memorandums

Public Comment

Adjournment
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

February 14, 2017

MINUTES OF THE MEETING

Members of the Authority present: Larry Downes, acting as Chairman; Commissioner Richard Badolato of the Department of Banking and Insurance; Peter Simon representing State Treasurer Ford M. Scudder; Jeffrey Stoller representing Acting Commissioner Aaron Fichtner of the Department of Labor and Workforce Development; Colleen Kokas representing Commissioner Bob Martin of the Department of Environmental Protection. Public Members: Fred B. Dumont, Philip Alagia, Massiel Medina Ferrara, William Layton, Patrick Delle Cava, First Alternate Public Member; and Harold Imperatore, Third Alternate Public Member.

Present via conference call: Public Members: Charles Sarlo and Rodney Sadler, Non-Voting Member.

Absent: Public Members: David Huber, and William J. Albanese, Sr., Second Alternate Public Member.

Also present: Melissa Orsen, Chief Executive Officer of the Authority; Timothy Lizura, President and Chief Operating Officer; Deputy Attorney General Bette Renaud; and staff.

Also present via conference call: Mary Maples, Governor’s Authorities’ Unit.

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

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the January 10, 2017 meeting minutes. A motion was made to approve the minutes by Mr. Layton, and seconded by Commissioner Badolato and was approved by the 11 voting members present.

The next item of business was the approval of the January 10, 2017 executive session meeting minutes. A motion was made to approve the minutes by Mr. Stoller, and seconded by Mr. Imperatore and was approved by the 11 voting members present.

The next item of business was the approval of the February 1, 2017 special meeting minutes. A motion was made to approve the minutes by Mr. Layton, and seconded by Mr. Stoller and was approved by the 11 voting members present.
FOR INFORMATION ONLY: The next item was the presentation of the Chief Executive Officer’s Monthly Report to the Board.

**AUTHORITY MATTERS**

**ITEM:** Memorandum of Understanding Between the Authority and the Office of the Secretary of Higher Education.

*THIS PROJECT WAS WITHHELD FROM CONSIDERATION.*

**INCENTIVE PROGRAMS**

**ITEM:** Garden State Growth Zone Business Lease Incentive & Business Improvement Incentive Programs

**REQUEST:** To approve two proposed new pilot incentive programs - the Business Lease Incentive Program and the Business Improvement Incentive Program utilizing $3 million in eligible Authority Funds.

**MOTION TO APPROVE:** Mr. Stoller  SECOND: Mr. Alagia  AYES: 11

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 1**

**Economic Redevelopment and Growth (ERG) Program**

**ITEM:** Rutgers, the State University of New Jersey  APPL.#43052

**REQUEST:** To approve the application of Rutgers, the State University of New Jersey for a Project located at three separate sites in Piscataway, Middlesex County, for the issuance of tax credits. The recommendation is to award 18.58% of actual eligible costs, not to exceed $25,000,000 in tax credits base on the budget submitted.

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

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 2**

**Grow New Jersey Assistance Program**

**ITEM:** Builders FirstSource, Inc.  APPL.#44037

**REQUEST:** To approve the finding of jobs at risk.

**MOTION TO APPROVE:** Commissioner Badolato  SECOND: Mr. Huber  AYES: 11

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 3**

**ITEM:** Builders FirstSource, Inc.  APPL.#44037

**REQUEST:** To approve the application of Builders FirstSource, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Winslow Township, NJ. Project location of Winslow, Camden County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of Minimum, Targeted Industry (Manufacturing). The estimated annual award is $682,500 for a 10-year term.

**MOTION TO APPROVE:** Commissioner Badolato  SECOND: Mr. Stoller  AYES: 11

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 4**
ITEM: E-Retail Manager, Inc.  
REQUEST: To approve the application of E-Retail Manager, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in North Bergen, NJ. Project location of North Bergen, Hudson County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The estimated annual award is $220,000 for a 10-year term.  
MOTION TO APPROVE: Mr. Delle Cava  SECOND: Mr. Stoller  
AYES: 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

ITEM: J. & K. Ingredients Corp.  
REQUEST: To approve the finding of jobs at risk.  
MOTION TO APPROVE: Mr. Delle Cava  SECOND: Mr. Alagia  
AYES: 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: J. & K. Ingredients Corp.  
REQUEST: To approve the application of J. & K. Ingredients Corp for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Paterson City, NJ. Project location of Paterson, Passaic County qualifies as a Garden State Growth Zone under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Transit Oriented Development, Jobs with Salary in Excess of GSGZ Average, Target Industry (Manufacturing), GSGZ Ind. Project w/ Cap. Inv. In Excess of Min. The estimated annual award is $1,168,500 for a 10-year term.  
MOTION TO APPROVE: Mr. Simon  SECOND: Mr. Imperatore  
AYES: 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

Ms. Ferrara entered the meeting at this time.

ITEM: Master Metal Polishing Corp  
REQUEST: To approve the finding of jobs at risk.  
MOTION TO APPROVE: Commissioner Badolato  SECOND: Mr. Delle Cava  
AYES: 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

ITEM: Master Metal Polishing Corp  
REQUEST: To approve the application of Master Metal Polishing Corp for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Paterson City, NJ. Project location of Paterson, Passaic County qualifies as a Garden State Growth Zone Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Transit Oriented Development, Jobs with Salary in Excess of GSGZ Average, Target Industry (Manufacturing), GSGZ Ind. Project w/ Cap. Inv. In Excess of Min.. The estimated annual award is $926,250 for a 10-year term.  
MOTION TO APPROVE: Mr. Dumont  SECOND: Mr. Stoller  
AYES: 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9
ITEM: Spray-Tek, Inc.  APPL.#44011
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Delle Cava  SECOND: Mr. Imperatore  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

ITEM: Spray-Tek, Inc.  APPL.#44011
REQUEST: To approve the application of Spray-Tek, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Middlesex Borough, N.J. Project location of Middlesex Borough, Middlesex County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of Minimum. Targeted Industry (Manufacturing). The estimated annual award is $114,184 for a 10-year term.
MOTION TO APPROVE: Mr. Layton  SECOND: Mr. Alagia  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: WallachBeth Capital, LLC.  APPL.#44030
REQUEST: To approve the application of WallachBeth Capital, LLC. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Jersey City, N.J. Project location of Jersey City, Hudson County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development, Jobs with Salary in Excess of County Average, Target Industry (Finance). The estimated annual award is $481,250 for a 10-year term.
MOTION TO APPROVE: Ms. Ferrara  SECOND: Commissioner Badolato AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

Grow New Jersey Assistance Program – Modifications

ITEM: Safilo USA, Inc.  APPL.#42468
REQUEST: To approve the modification request to increase the size of the approved qualified business facility.
MOTION TO APPROVE: Mr. Simon  SECOND: Ms. Ferrara  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

Business Employment Incentive Program – Modifications

ITEM: DB Services New Jersey, Inc.  APPL.#13761 & #17514
REQUEST: To consent to a name change from DB Services New Jersey, Inc. (“DB Services”) to DB USA Core Corporation (“DB USA”).
MOTION TO APPROVE: Mr. Stoller  SECOND: Mr. Alagia  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14
NJ Angel Investor Tax Credit Program Appeals

ITEM: Angel Investor Tax Credit Program - Appeals
REQUEST: Consent to the Heading Officer’s recommendation to uphold the declination of a portion of the angel Tax Credit applied for by ETS Investors.
MOTION TO APPROVE: Commissioner Badolato SECOND: Mr. Delle Cava  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

ITEM: Angel Investor Tax Credit Program - Appeals
REQUEST: Consent to the Heading Officer’s recommendation to uphold the declination of a portion of the angel Tax Credit applied for by LP Investors.
MOTION TO APPROVE: Ms. Ferrara SECOND: Mr. Stoller  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

BOND PROJECTS

Bond Resolutions

ITEM: Edison Lithograph & Printing Corp.  APPL.#43088
REQUEST: To Authorize allocation of $2,363,959.35 from 2017 Volume Cap to the Edison Lithograph & Printing Corp. manufacturing project.
MOTION TO APPROVE: Mr. Simon SECOND: Ms. Ferrara  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

ITEM: ACMY, LLC  APPL.#43675
LOCATION: Piscataway, Middlesex County
PROCEEDS FOR: Renovation and Acquisition of existing building
FINANCING: $5,300,000 Tax exempt bond
MOTION TO APPROVE: Mr. Delle Cava SECOND: Mr. Stoller  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Amended Bond Resolutions

ITEM: Services for Children with Hidden Intelligence, Inc.  APPL.#43552
LOCATION: Lakewood Township, Ocean County
PROCEEDS FOR: Refund
FINANCING: $11,562,000 Tax-Exempt Bond; $1,988,00 Taxable Bond
MOTION TO APPROVE: Mr. Simon SECOND: Mr. Imperatore  AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Mr. Dowres recused himself because New Jersey Resources provides charitable contributions to the applicant.
ITEM: Services for Children with Hidden Intelligence, Inc.  APPL.#43551
LOCATION: Lakewood Township, Ocean County
PROCEEDS FOR: Mortgage
FINANCING: $10,638,000 Tax exempt bond
MOTION TO APPROVE: Commissioner Badolato SECOND: Ms. Ferrara AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Mr. Downes recused himself because New Jersey Resources provides charitable contributions to the applicant.

**Preliminary Resolutions**

ITEM: United Parcel Service, Inc.  APPL.#44026
LOCATION: Newark City, Essex County
PROCEEDS FOR: Construction of new building, renovation of existing and purchase of equipment and machinery
FINANCING: $66,800,000 in total project costs
MOTION TO APPROVE: Mr. Delle Cava SECOND: Mr. Stoller AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

**LOANS/GRANTS/GUARANTEES**

**Petroleum Underground Storage Tank (PUST)**

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

PROJECT: Dagastines Transfer, Inc.  APPL.#42592
LOCATION: Commercial Township, Cumberland County
PROCEEDS FOR: Remediation
FINANCING: $29,416
MOTION TO APPROVE: Ms. Ferrara SECOND: Mr. Delle Cava AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

**Hazardous Discharge Site Remediation Fund**

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

PROJECT: City of Plainfield (Redemption Power)  APPL.#42678
LOCATION: Plainfield City, Union County
PROCEEDS FOR: Remedial Investigation
FINANCING: $101,516
MOTION TO APPROVE: Mr. Stoller SECOND: Mr. Delle Cava AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23
OFFICE OF RECOVERY

Energy Resilience Bank (ERB)

ITEM: RWJ Barnabas- Livingston CHP Project
REQUEST: 1) To deem the RWJ Barnabas - Livingston CHP Project preliminarily eligible for ERB Funding, 2) Approve moving the project forward to the next phase, 3) Reserve $12,858,502 of funds for the project, 4) Authorize the execution of ERB Funding documents
MOTION TO APPROVE: Mr. Delle Cava SECOND: Mr. Dumont AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

REAL ESTATE

ITEM: Trenton State Office Buildings Project, Health Agriculture Building, Architectural/Engineering & Construction Management Services
REQUEST: To approve the selection of HDR, as Architectural/Engineering firm of record and Turner as the Construction Manager of record for the Health Agriculture Project in Trenton.
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Imperatore AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

ITEM: Trenton State Office Buildings Project, Taxation Building, Architectural/Engineering & Construction Management Services
REQUEST: Approval of the selection of Ballinger, as Architectural/Engineering firm of record and Torcon as the Construction Manager of record for the Taxation Project in Trenton.
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Delle Cava AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 26

BOARD MEMORANDUMS

FOR INFORMATION ONLY: PUST and HDSRF Program Funding Status

FOR INFORMATION ONLY: Projects approved under Delegated Authority

Premier Lender Program: MCM Acquisitions, LLC and Swedesboro Animal Hospital, LLC (P43880)

FOR INFORMATION ONLY: Technology and Life Sciences Delegated Authority Approvals for 4th Quarter 2016

PUBLIC COMMENT

Jeffrey Laurenti, Member, Stakeholders Allied for Core of Trenton, asked the Board to please reconsider the Trenton Health Agriculture Building, and the Trenton Taxation Building projects which were presented and approved at today’s meeting. He asked the
board to remand the projects back to Treasury, as they do not comply with the City’s Master Plan, and to reconsider the potential impact on the residents and business owners in the City of Trenton.

Ms. Iana Dikidjieva, Member, Stakeholders Allied for Core of Trenton stated that although she was happy to see development in Trenton, she wanted the board to “hit pause” on the two Trenton State Office Building projects that were presented at the meeting today and consider alternative sites that the State has access to.

Ms. Shakira Abdul–Ali, President, Alchemy Consulting, Trenton resident, and Member, Stakeholders Allied for Core of Trenton stated that she was pleased with the downtown program and encouraged the board to consider public/private partnerships, and asked the board to reconsider the location of the two projects presented today.

Mr. Jim Gordon, Member, Stakeholders Allied for Core of Trenton, asked the board to reconsider the location of the two Trenton State Office building projects as they do not conform with the City’s Master Plan.

Mr. Roland Pott, President, Trenton Makes, Inc., and Trenton resident; stated that the two Trenton State Office Building projects were a once in lifetime projects and wondered if the EDA had considered how best to leverage them for economic development. He asked if the lowest rate possible had been obtained for the financing. He stated that he does not feel that the site on Warren Street is best to lead development of the Trenton 250 plan and asked if the EDA had studied the plan? He also pointed out that moving a building even one block farther away from the downtown will have a significant impact on downtown businesses.

Mr. John Vadnais, Sales Manager, Cherry Street Kitchen, Inc. stated that although his business is located on Pennsylvania Avenue, not downtown, he invested in the area because he wants what’s best for Trenton and asked the Board to reconsider the location of the two Trenton State Office Building projects.

Ms. Francis, Chief of Staff, City of Trenton, Office of the Mayor, advised attendees on Mayor’s position regarding the Trenton State Office Building projects. She stated that the Mayor acknowledges the impact that the projects may have on residents and business owners. She stated that many values and different views have been expressed, there’s been healthy dialogue, there is one goal to improve the city and that this is a work in progress and hopefully all can meet on middle ground, and that the city is not the ultimate decision maker.

Mr. Downes added that the EDA was committed to the process and that staff would meet with several attendees at a meeting scheduled for later in the afternoon.

Mr. Fred Dumont, EDA Boardmember stated that Trenton State Office Building projects would create many jobs, including in the construction industry and that Torcon and Turner have committed to hiring local workers. He added that the last State Office Building constructed in Trenton was the R. J. Hughes Justice complex which was completed in 1981.
Ms. Jane Rosenbaum, 40 year Trenton resident stated that she was appreciative that the board was hearing members of the public regarding the State Office Building projects and that these were potential game changers that she wanted to see happen.

Ms. Diana Rogers, Director, Housing and Development, City of Trenton, reiterated that the Mayor’s office was very much in support of moving these projects forward. She added that the State is a building block and the City sees the projects as a catalyst for investment in Trenton that supports their vision for the downtown. The City recognizes that the State workforce is the city’s major day market. The State has committed to not including cafeterias in the new buildings in order to create more reasons for employees to walk streets and visit restaurants. The City believes that the transit location being spoken of for alternative sites are best preserved for private investment.

Mr. Dan Fatton, Executive Director, New Jersey Work Environmental Council, Trenton resident and member of the Planning board also asked the board to reconsider the location the two projects.

There being no further business, on a motion by Mr. Delle Cava, and seconded by Mr. Imperatore, the meeting was adjourned at 11:15 am.

Certification:

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

Maureen Hassett
Maureen Hassett, Sr. Vice President
Governance, Communications and Strategic Initiatives
Assistant Secretary
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
March 16, 2017

MINUTES OF THE MEETING

Members of the Authority present: David Huber, acting as Chairman; Commissioner Richard Badolato of the Department of Banking and Insurance; Peter Simon representing State Treasurer Ford M. Scudder; Jeffrey Stoller representing Acting Commissioner Aaron Fichtner of the Department of Labor and Workforce Development; Colleen Kokas representing Commissioner Bob Martin of the Department of Environmental Protection; and Public Members: Charles Sarlo, Fred B. Dumont, and Philip Alagia.

Present via conference call: Public Members: Massiel Medina Ferrara, Patrick Delle Cava, First Alternate Public Member; William J. Albanese, Sr., Second Alternate Public Member; Harold Imperatore, Third Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Absent: Public Members: Larry Downes, and William Layton.

Also present: Melissa Orsen, Chief Executive Officer of the Authority; Timothy Lizura, President and Chief Operating Officer; Deputy Attorney General Bette Renaud; Thomas Huth, Governor’s Authorities’ Unit, and staff.

Mr. Huber called the meeting to order at 10:00 a.m.

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

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

MINUTES OF AUTHORITY MEETING

AUTHORITY MATTERS:

ITEM: Appointment of Temporary Chairman
The next item of business was the approval of David Huber as acting Chairman for the March 16, 2017 board meeting.

MOTION TO APPROVE: Mr. Simon  SECOND: Mr. Alagia  AYES: 11  
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

The next item of business was the approval of the February 14, 2017 meeting minutes. A motion was made to approve the minutes by Commissioner Badolato, and seconded by Mr. Stoller and was approved by the 11 voting members present.
Chief Executive Officer Melissa Orsen read a proclamation to DAG Bette Renaud commemorating her upcoming retirement and many years of service as EDA’s counsel.

Mr. Sarlo entered the meeting at this time.

FOR INFORMATION ONLY: The next item was the presentation of the Chief Executive Officer’s Monthly Report to the Board.

ITEM: Investment/ Cash Management Consulting Services- Accounting & Financial Reporting Division
REQUEST: To approve entering into a contract with PFM Asset Management of Princeton, NJ to provide investment/cash management consulting services to the NJEDA.
MOTION TO APPROVE: Commissioner Badolato SECOND: Ms. Kokas AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

ITEM: Real Estate Advisory Consulting Services
REQUEST: To approve entering a contract with Jones Lang LaSalle Americas, Inc. to provide real estate advisory services to the Authority for three years.
MOTION TO APPROVE: Mr. Stoller SECOND: Mr. Alagia AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

INCENTIVE PROGRAMS

Economic Redevelopment and Growth (ERG) Program

ITEM: Raymour & Flanigan Properties, LLC APPL.#43966
REQUEST: To approve the application of Raymour & Flanigan Properties, LLC for a Project located in Vineland, Cumberland County, for the issuance of tax credits. The recommendation is to award 30% of actual eligible costs, not to exceed $3,911,700 based on the budget submitted.
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Stoller AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

Grow New Jersey Assistance Program

ITEM: Conner Strong & Buckelew Companies, LLC APPL.#43583
REQUEST: To approve the finding of a material factor in the decision to make a capital investment and locate in municipality for GROW New Jersey Assistance program project.
MOTION TO APPROVE: Mr. Dumont SECOND: Commissioner Badolato AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

Mr. Alagia recused himself because he has a relationship with the applicant.
ITEM: Conner Strong & Buckelew Companies, LLC  APPL.#43583
REQUEST: To approve the application of Conner Strong & Buckelew Companies, LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Camden City, NJ. Project location of Camden City, Camden County qualifies as a Garden State Growth Zone under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The estimated total award is $86,239,720 for a 10-year term.
MOTION TO APPROVE: Mr. Stoller  SECOND: Ms. Kokas  AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

Mr. Alagia recused himself because he has a relationship with the applicant.

ITEM: The Michaels Organization, LLC  APPL.#43584
REQUEST: To approve the finding of a material factor in the decision to make a capital investment and locate in municipality for GROW New Jersey Assistance program project.
MOTION TO APPROVE: Ms. Kokas  SECOND: Mr. Simon AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

Mr. Alagia recused himself because he has a relationship with the applicant.

ITEM: The Michaels Organization, LLC  APPL.#43584
REQUEST: To approve the application of The Michaels Organization, LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Camden City, NJ. Project location of Camden City, Camden County qualifies as a Garden State Growth Zone under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The estimated total award is $79,378,750 for a 10-year term.
MOTION TO APPROVE: Commissioner Badolato  SECOND: Mr. Stoller AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

Mr. Alagia recused himself because he has a relationship with the applicant.

ITEM: NFI, L.P.  APPL.#43582
REQUEST: To approve the finding of a material factor in the decision to make a capital investment and locate in municipality for GROW New Jersey Assistance program project.
MOTION TO APPROVE: Ms. Kokas  SECOND: Mr. Stoller AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

Mr. Alagia recused himself because he has a relationship with the applicant.
ITEM: NFI, L.P. APPL.#43582
REQUEST: To approve the application of NFI, L.P. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Camden City, NJ. Project location of Camden City, Camden County qualifies as a Garden State Growth Zone under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The estimated total award is $79,377,980 for a 10-year term.
MOTION TO APPROVE: Mr. Simon SECOND: Mr. Dumont AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

Mr. Alagia recused himself because he has a relationship with the applicant.

ITEM: DeWalt Brewing Company APPL.#44081
REQUEST: To approve the application of DeWalt Brewing Company for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Atlantic City, NJ. Project location of Atlantic City, Atlantic County qualifies as a Garden State Growth Zone Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Transit Oriented Development, Target Industry (Manufacturing), GSGZ Ind. Project w/ Cap. Inv. In Excess of Min., 2007 Revit. Index greater than 465 in Atlantic County. The estimated annual award is $108,795 for a 10-year term.
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Alagia AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: Maestro Technologies APPL.#44035
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Ms. Kokas SECOND: Commissioner Badolato AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

ITEM: Maestro Technologies APPL.#44035
REQUEST: To approve the application of Maestro Technologies for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Trenton City, NJ. Project location of Trenton, Mercer County qualifies as a Garden State Growth Zone under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Transit Oriented Development, GSGZ- Salary in Excess of GSGZ Average, Targeted Industry (Technology). The estimated annual award is $1,735,500 for a 10-year term.
MOTION TO APPROVE: Mr. Stoller SECOND: Mr. Simon AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

ITEM: Wakefern Food Corp. APPL.#43394
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Alagia SECOND: Ms. Kokas AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14
ITEM: Wakefern Food Corp.  APPL.#43394
REQUEST: To approve the application of Wakefern Food Corp. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Perth Amboy City, NJ. Project location of Perth Amboy, Middlesex County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Transit Oriented Development, Large Number of New/Retained F/T Jobs. The estimated annual award is $3,927,000 for a 10-year term.
MOTION TO APPROVE: Mr. Alagia  SECOND: Mr. Simon  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

Grow New Jersey Assistance Program – Modifications

ITEM: Seldat, Inc.  APPL.#40628
REQUEST: To consent to the change of location for the qualified business facility.
MOTION TO APPROVE: Mr. Kokas  SECOND: Mr. Stoller  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

ITEM: Vitaseq International, LLC  APPL.#43651
REQUEST: 1) To consent to the change of location for the qualified business facility 2) To approve the addition of Vitaseq’s Affiliate, Vitapak, LLC to the grant agreement.
MOTION TO APPROVE: Commissioner Badolato  SECOND: Mr. Alagia  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

BOND PROJECTS

Combination Preliminary and Bond Resolutions

ITEM: Congregation Nachlas Yisroel, Inc.  APPL.#44084
LOCATION: Lakewood, Ocean County
PROCEEDS FOR: Refinancing and Land
FINANCING: $4,300,000 Tax exempt bond
MOTION TO APPROVE: Mr. Simon  SECOND: Ms. Kokas  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

ITEM: Dakota Properties, Inc.  APPL.#44038
LOCATION: Various
PROCEEDS FOR: Refinancing
FINANCING: $4,400,000 Tax exempt bond
MOTION TO APPROVE: Mr. Stoller  SECOND: Ms. Kokas  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19
PUBLIC HEARING: Yes
PUBLIC COMMENT: None
ITEM: Oaks Integrated Care, Inc.  APPL.#44027
LOCATION: Various
PROCEEDS FOR: Refinancing
FINANCING: $1,400,000 Tax exempt bond
MOTION TO APPROVE: Mr. Alagia SECOND: Mr. Stoller AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

Petroleum Underground Storage Tank (PUSt)

ITEM: Summary of NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Simon AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

PROJECT: BNF New Jersey LLC  APPL.#43478
LOCATION: Neptune Township, Monmouth County
PROCEEDS FOR: Remediation
FINANCING: $364,066

PROJECT: American Vegan Society  APPL.#43331
LOCATION: Franklin Township, Gloucester County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $142,298

PROJECT: Angelina Ciallella  APPL.#43652
LOCATION: Freehold Township, Monmouth County
PROCEEDS FOR: Remediation
FINANCING: $45,791

PROJECT: Corlyn Nelson  APPL.#43539
LOCATION: Bloomfield Township, Essex County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $179,158

PROJECT: Harry Srolovitz  APPL.#43489
LOCATION: Tabernacle Township, Burlington County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $102,802

PROJECT: Joseph M. DeUrso, Sr.  APPL.#43278
LOCATION: West New York Town, Hudson County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $161,613
PROJECT: Joseph Chiaravallo
LOCATION: Old Bridge Township, Middlesex County
PROCEEDS FOR: Remediation
FINANCING: $139,867

PROJECT: Noelle Picerno
LOCATION: Freehold Borough, Monmouth County
PROCEEDS FOR: Remediation
FINANCING: $129,330

PROJECT: Orlando Corzez
LOCATION: Hillside Township, Union County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $123,722

Hazardous Discharge Site Remediation Fund

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

MOTION TO APPROVE: Ms. Kokas     SECOND: Mr. Stoller     AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

PROJECT: Michael Tramontana (Former Eton Cleaners)
LOCATION: Trenton City, Mercer County
PROCEEDS FOR: Remedial Investigation
FINANCING: $86,185

PROJECT: Michael Tramontana (Former Eton Cleaners)
LOCATION: Trenton City, Mercer County
PROCEEDS FOR: Remedial Action
FINANCING: $99,375 (IPG)

PROJECT: Borough of South River (Firehouse Redevel. Site)
LOCATION: South River Borough, Middlesex County
PROCEEDS FOR: Remedial Investigation
FINANCING: $251,174

PROJECT: City of Rahway (BDA Slokker Dev. Site)
LOCATION: Rahway City, Union County
PROCEEDS FOR: Remedial Investigation
FINANCING: $255,424
OFFICE OF RECOVERY

Energy Resilience Bank (ERB)

ITEM: Hunterdon Medical Center
REQUEST: 1) To deem the Hunterdon Medical Center CHP project preliminarily eligible for ERB Funding, 2) Approve moving the project forward to the next phase, 3) Reserve $10,930,000 of funds for the project, 4) Authorize the execution of ERB Funding documents.
MOTION TO APPROVE: Mr. Stoller  SECOND: Ms. Kokas  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

ITEM: RWJ- Newark Beth Israel Medical Center
REQUEST: 1) To deem the RWJ- Newark Beth Israel Medical Center CHP project preliminarily eligible for ERB Funding, 2) Approve moving the project forward to the next phase, 3) Reserve $15,176,079 of funds for the project, 4) Authorize the execution of ERB Funding documents.
MOTION TO APPROVE: Mr. Stoller  SECOND: Commissioner Badolato  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

ITEM: Trinitas Regional Medical Center- Williamson Campus
REQUEST: 1) To deem the Trinitas Regional Medical Center- Williamson Campus CHP project preliminarily eligible for ERB Funding, 2) Approve moving the project forward to the next phase, 3) Reserve $9,601,056 of funds for the project, 4) Authorize the execution of ERB Funding documents.
MOTION TO APPROVE: Mr. Alagia  SECOND: Mr. Stoller  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

STRONGER NJ BUSINESS LOAN PROGRAM (MODIFICATIONS)

ITEM: Mel’s Furniture LLC  APPL.#438864
REQUEST: Consent to second 6-month principal moratorium, with principal payments to resume on August 1, 2017.
MOTION TO APPROVE: Mr. Simon  SECOND: Commissioner Badolato  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 26

REAL ESTATE

ITEM: The Technology Centre of New Jersey Lease Agreement with Ascendia Pharmaceuticals, Inc.
REQUEST: To approve 1) entering into an 8 year, 7 month Lease Agreement between the EDA and Ascendia Pharmaceuticals 2) Provide $367,393.74 as a tenant improvement allowance under the lease.
MOTION TO APPROVE: Mr. Stoller  SECOND: Mr. Simon  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 27
BOARD MEMORANDUMS

FOR INFORMATION ONLY: Projects approved under Delegated Authority

Direct Loan Program: Flame Cut Steel Inc. (P44091)
Small Business Fund Program: Nolyn Real Estate, LLC and Route 38 Hainesport, LLC (P43679)
Stronger NJ Business Loan Program: Bonnie D Putterman, DBA The Law Offices of
Bonnie Putterman (P43360), Donna Lee Riegel, DBA Evermore Herb Farm (P43062 &
P43115)
Small Business Fund Program - Modification: Mahi Aashirwad, LLC (P43525)

PUBLIC COMMENT

There was no public comment.

There being no further business, on a motion by Commissioner Badolato, and seconded by
Mr. Stoller, the meeting was adjourned at 11:10 am.

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

Erin Gold, Director, Marketing & Public Affairs
Assistant Secretary
MEMORANDUM

TO: Members of the Authority
FROM: Melissa J. Orsen
Chief Executive Officer
DATE: March 24, 2017
RE: Monthly Report to the Board

EDA PROJECTS HIGHLIGHTED AT INDUSTRY EVENTS IN FEBRUARY

Projects that were able to advance as a result of the Economic Opportunity Act (EOA) were showcased at events throughout the State in February. Early in the month, the focus was on the future of the Capital City at the Trenton Economic Development Forum, hosted by the Princeton Regional Chamber of Commerce. EDA joined Greater Trenton and HHG Development Associates for a panel on economic development in the City. One featured project, advanced by Central Jersey CML, will bring a regional bakery for Dunkin Donuts franchises to the former Trentonian site due to tax credits approved through the Grow New Jersey Program (Grow NJ). The transformation of the old wire rope factory into residential lofts by HHG was also front and center at the Forum for the attractive housing options and modern amenities it offers. Supported under the Economic Redevelopment and Growth Program (ERG), The Roebling Lofts’ first tenants will move in this month.

Later in February, EDA’s support of companies in the food sector was a focal point at the New Jersey Food Processors Annual Conference. Food industry projects supported by a range of EDA programs including traditional lending and incentives were featured. From Adagio Teas, an Elmwood Park-based manufacturer of specialty teas and tea accessories, to Allied Specialty Foods, a provider of steak and chicken products expanding in Vineland, food companies are finding the ingredients they need to thrive in New Jersey. An ideal location for distribution, a highly-skilled workforce, and programs offered by the State to help companies grow are just a few of the reasons savvy food industry leaders said they are choosing New Jersey.

Also at the end of February, the EDA joined with State and local leaders and executives from Liberty Property Trust and American Water to break ground on the site of the public utility company’s new headquarters on the Camden Waterfront. Encouraged by Grow NJ tax credits, American Water will consolidate five offices at a newly constructed 250,000-square-foot facility, representing the first step in The Camden Waterfront master plan.

AWARD-WINNING PROJECTS AND PEOPLE

EDA-supported projects and staff members were recognized in February for their contributions to economic activity in the State. EDA’s support of the Stockton University “Island Campus” project in Atlantic City was acknowledged as a “Leading Infrastructure Project” by the New Jersey Alliance for Action at its annual award recognition ceremony.
NJBIZ recently lauded two of our Board members, including Larry Downes, who was named to the publication’s “Power 100” list, which recognizes the “state’s most influential people in business.” Tim Lizura and I were honored to also be included. Just last week, Charles Sarlo was named a finalist for the 2017 NJBIZ General Counsel of the Year awards in the private company category. This award recognizes “New Jersey’s most dynamic general counsels and chief legal officers” that “each play a crucial role in making their companies successful.” NJBIZ also honored EDA Senior Vice President Maureen Hassett as one of its “50 Best Women in Business,” which celebrates New Jersey’s “most dynamic business women who are making headlines in their field.” Finally, I was humbled in February as South Jersey Biz Magazine added me to its list of “2017 Women to Watch.”

OFFICE OF RECOVERY SHIFTS FOCUS TO RESILIENCE

The EDA’s Office of Recovery celebrated a major milestone in February, as it closed on $7.5 million in financing for the first approval under the Energy Resilience Bank (ERB). St. Peter’s University Hospital (SPUH) can now move forward on installation of a new, energy efficient combined heat and power system, which will allow the 478-bed teaching hospital, which treats more than 30,000 inpatients and 200,000 outpatients annually, to remain operational during major power outages. In addition to SPUH, four projects have been preliminarily approved by the EDA’s Board for reservation of funds totalling $70.5 million.

The closing of the SPUH project serves as a symbol of the State’s shift from recovery to resilience, as the Office of Recovery wraps up the Stronger New Jersey Business Grant, Loan and Neighborhood and Community Revitalization programs it has administered since 2013. In total, more than $203 million in funding has been approved for nearly 1,300 storm-impacted small businesses, not-for-profits, and municipalities across the State.

CLOSED PROJECTS

Through February 2017, EDA closed on more than $89.5 million in traditional lending assistance to support 32 projects, leveraging $98.3 million in public/private investment and the creation of an estimated 104 new permanent jobs and 412 construction jobs.

In addition to the assistance provided through traditional lending programs, EDA also executed agreements pending certification with nine projects for $303.3 million, leveraging $304 million in private assistance, the creation of 1,131 new jobs, 2,312 construction jobs and the retention of 965 jobs at risk of leaving New Jersey.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees, or exhibitors at 27 events in February. These included the MidJersey Economic Insights Breakfast: Burlington County, the Annual Meeting of Cooper’s Ferry Partnership in Camden, and Bisnow’s New Jersey State of the Market in Jersey City.
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President & Chief Operating Officer

DATE: March 24, 2017

RE: Investment/Cash Management Consulting Services – Accounting & Financial Reporting Division

Request

The Members are requested to approve entering into a contract with PFM Asset Management of Princeton, N.J. to provide investment/cash management consulting services to the New Jersey Economic Development Authority (“Authority”).

The contract award is based on an estimated annual management and advisory fee of two hundred thousand ($200,000) dollars to provide discretionary investment advisory advice and cash management services for two separate investment portfolios.

The contract provides for an initial one (1) year term, and allows for two (2) two (2) year extension options, to be exercised at the sole discretion of the Authority at the same prices, terms and conditions based on the Board-approved contract award for the respective extension year.

Background

In addition to idle, short-term cash that the Authority invests in the State of New Jersey Cash Management Fund (“NJCMF”), the Authority also maintains two, separate portfolios, which contain cash and marketable securities. One is a fixed income managed portfolio which contains both unrestricted cash as well as funds specifically earmarked for the Authority’s various financing programs. The second, is a retiree benefit trust, which provides funding for post-employment healthcare insurance premiums for eligible participants of the Authority’s postemployment healthcare plan, which is part of the New Jersey State Health Benefits Program. The objective of these portfolios is to preserve capital and minimize risk of principal loss, while maximizing investment return by taking advantage of longer terms than exist in typical money market accounts or the NJCMF. The current RFP/Q was issued to implement the Authority’s investment objectives for these portfolios, as outlined in the specific investment policy guidelines that exist for each portfolio.
RFP/Q for Investment/Cash Management Consulting Services

The Authority issued a Request for Qualifications/Proposals (RFP/Q) on February 1, 2017 for Investment/Cash Management Consulting Services.

This RFP/Q was advertised in three (3) newspapers, posted to the Authority’s website and the State Business Portal and distributed to potentially interested Bidders, via broadcast email. In response to this solicitation, four (4) proposals were received by the stated deadline, February 14, 2017. Two (2) of the four (4) proposals received were determined to be responsive.

An evaluation committee (“the Committee”) comprised of the Senior Vice President – Operations; Controller; Senior Risk & Valuation Officer – Finance; and Senior Accountant then reviewed and preliminarily scored the two (2) responsive proposals. (The non-responsive proposals were not released to the Evaluation Committee for review.) Both of the two (2) responsive proposers achieved the requisite preliminary score of “3” representing a rating of “Good”, as indicated in the RFQ/P language.

As part of its review and evaluation of the proposals, the Evaluation Committee considered a group of pre-established evaluation criteria, published in the RFQ/P, including documented experience in successfully completing contracts of similar scope, size and complexity; demonstrated understanding of investment policies and philosophies; evidence of average annual returns on investment for clients similar to the Authority; depth and experience of the management and staff, among other factors.

Based on a thorough review of the proposals, the Committee recommends the selection of PFM Asset Management. Price and other factors considered, PFM Asset Management demonstrated the necessary experience and understanding of the Authority’s investment portfolios to undertake the Investment/Cash Management Consulting Services contract with stringent quality controls to ensure requisite services are provided effectively. Based on a scoring of “1” through “5” with “1” representing “Poor” and “5” representing “Excellent”; PFM Asset Management received an overall score of 4.48. The Evaluation Committee Summary matrix form is attached.

Process, Budget and Payment

The contract award will be billed on a monthly basis and the amount will vary based on the amount of cash and investments under management. Based on the proposal submitted by the vendor, the current year management and advisory services are estimated to be approximately $200,000, (.005% per monthly balance in the fixed income portfolio, and .006% per monthly balance in the retiree benefit trust), based on anticipated cash balances in the respective portfolios. Significant capital infusions or use of funds by the Authority for projects and initiatives will impact this amount.
**Recommendation**

The Members’ approval is requested to enter into a one (1) year contract with two (2) two (2) year extension options, to be exercised at the sole discretion of the Authority, at the same prices, terms and conditions, with PFM Asset Management, to provide these investment/cash management services. The contract award is based on an estimated annual fee of $200,000. Pricing, as indicated in PFM Asset Management’s “Fee Schedule” shall remain firm throughout the term of the contract, and any extensions, thereto. The contract also allows for the scope of work and budget allocation to be reduced at any time at the sole discretion of the Authority. The final contract will be subject to the approval of the Chief Executive Officer and the Attorney General’s Office.

Prepared by: Rich LoCascio, CPA, Controller
## New Jersey Economic Development Authority
### Evaluation Score Summary

<table>
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<th>Item #</th>
<th>Evaluation Criteria</th>
<th>% Weight</th>
<th>Insight Investment Score</th>
<th>Weighted Score</th>
<th>PFM Asset Mgmt Score</th>
<th>Weighted Score</th>
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<td>The demonstrated Qualifications and Experience of the Proposer’s management, supervisory and other key personnel assigned to perform the work against the resulting contract in providing the requisite services, as evidenced by: a. All required Narratives, outlined herein; b. All regulatory licenses, registrations and/or certifications for the Firm/Individuals; c. All submitted Resumes and Staffing/Organization charts.</td>
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<td>The extent of the Proposer’s demonstrated experience and ability to implement and provide similar successful Investment/Cash Management Consulting Portfolio programs, of comparable size and scope and complexity for private/governmental entities, as required herein, as evidenced by: a. Detailed client narratives, client references, asset summaries and performance on performing the requisite services of a similar size and scope; b. Detailed timeline narrative on the Proposer’s plan on implementing and transitioning the funds from the current contract vendor.</td>
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<td>The Proposer's Detailed Approach, Ability and Plans to perform and complete the requisite services outlined herein and in 'Attachment A - Scope of Services / Deliverables' and 'Attachments C &amp; D Investment Policies' section of the RFQ/P, as evidenced by: a. Proposer's detailed narrative describing the strategies, steps and processes the Firm will apply to manage and enhance the Authority's portfolio; b. Narrative of the Firm's security control systems and audits that will be performed to prevent the loss of funds; c. Depth of staff, to ensure uninterrupted services during the term of the contract and any extensions therefor, including a “Black Out Staffing Plan”; d. Show all report types and samples that will be provided to the Authority for the requisite services.</td>
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### Proposers Total Score:

- **4.29**
- **4.48**

**ON A SCALE OF 1-5, EVALUATE AND SCORE THE ABOVE PROPOSAL AS FOLLOWS:**

1. Poor
2. Fair
3. Good
4. Very Good
5. Excellent

**Date:** March 24, 2017

**Board Book - Authority Matters**
TO: Members of the Authority  
FROM: Tim Lizura, President and Chief Operating Officer  
DATE: March 24, 2017  
SUBJECT: Recommendation for Award - #2017-RFQ/P-070  
Real Estate Advisory Consulting Services

Summary

The Members’ approval is being requested to enter into a contract with Jones Lang LaSalle Americas, Inc. (“JLL”) for an annual maximum of $100,000 per year for three years, with two one-year extension options to provide real estate advisory services to the Authority. These services will assist the Authority to evaluate real estate projects and investments in connection with a range of development-related activities. The approval of this award to JLL will represent the third contract for real estate advisory services provided since 2008.

Background

On January 17, 2017, the Authority issued a Request for Qualifications/Proposals (RFQ/P), #2017-RFQ/P070, to provide Real Estate Advisory Consulting Services to the Authority’s, Credit & Real Estate Underwriting department and to assist the Authority’s staff in analyzing project investments to be made by the Authority.

The Credit & Real Estate Underwriting department will issue a Task Order Request (“TOR”), each time a project is required by the Authority, detailing the specific project requirements. The Authority does not guarantee a minimum number of TORs, during the term of the contract or any extensions, thereafter. Rather, the Authority will utilize the Real Estate Advisory Consulting Services of the successful Vendor on an “as needed” basis, to assist and support its staff. A TOR will be issued for each project detailing that project’s requirements. The successful vendor will then provide the department with a cost based on the hourly rates submitted on the Proposer’s Fee Schedule. Prior to any work being performed, the Authority will provide written authorization.

The RFQ/P language provided for the award of two, three year contracts, each with two, one-year extension options to be exercised at the sole discretion of the Authority, at the same terms and conditions. The purpose of awarding two contracts is to have available a secondary vendor to be utilized only in the event the primary vendor has a conflict of interest or cannot perform the requirements on the TOR form in the timeframe requested. The estimated annual amount of each contract is $100,000, which if fully extended is estimated to be a total of $500,000, based on the Authority’s projected needs for these services.
The RFQ/P was duly advertised in three newspapers and posted on the Authority’s website, as well as the State’s Business Portal. A pre-bid conference was not held for this solicitation.

The questions and answers period closed on Monday, January 9, 2017, at 4:00 PM (EST). No questions were received.

Prior to the receipt of proposals, a cross-functional Evaluation Committee was assembled to review, evaluate, and score proposals received in response to the solicitation. The Evaluation Committee was comprised of the following individuals:

1. David A. Lawyer, Director - Credit & Real Estate Underwriting
2. Michael Conte, Sr. Credit & Real Estate Underwriter - Credit & Real Estate Underwriting
3. Teresa Wells, Sr. Finance Officer - Bonds & Incentives
4. John Rosenfield, Director - Bonds & Incentives
5. Mathew Abraham, Program Manager - Business Banking & Community Development
6. Paul Ceppi, Director - Business Banking & Community Development

The following individuals were represented in an advisory capacity:

1. Diane Wong, Director - Internal Process Management
2. Ann Marie Wiedemann, Sr. Procurement Officer - Internal Process Management Procurement

Proposals were due at or before 3:00 PM (EST) on Tuesday, January 17, 2017. One proposal was received and publicly opened at the Authority’s offices, at 36 West State Street. No members of the public or proposers attended the opening.

A proposal was received from:

1. JLL - Incumbent Vendor

The Sr. Procurement Officer reviewed the proposal for responsiveness and determined JLL’s proposal to be responsive. Note that due to JLL being the sole respondent, a secondary vendor will not be obtained.

The proposal was released to the Evaluation Committee on Tuesday, January 24, 2017, for technical evaluation and scoring. The Evaluation Committee members, completed the technical scoring. IPM Procurement assigned a Pricing Score of five, due to only receiving one proposal. JLL’s overall total score was 4.2. The RFQ/P required a bidder to receive a score of three or higher to be considered for Award. See Attachment A for the scoring results.

JLL is a publicly-traded Fortune 500 professional services company specializing in commercial real estate, finance and Public-Private-Partnership (“P3”) advisory. With over $5 billion in annual revenues, JLL operates in 80 countries from more than 1,000 locations worldwide and over 230 corporate offices, including 84 in the U.S. JLL has approximately 58,000 employees worldwide, including 14,000 professionals in the U.S.
On June 26, 2008, the Authority entered into a three-year contract with JLL after following an identical RFQ/P process as detailed earlier in this memo. JLL completed to the Authority’s satisfaction such tasks as creating and analyzing pro formas, conducting financial and market analyses, evaluating investment proposals, and developing econometric models to assist the Authority with evaluating applications requesting assistance under the Urban Transit Hub Tax Credit and Economic Redevelopment & Growth (“ERG”) programs.

On August 24, 2011, the Authority entered into a second three-year contract having two, one year extensions (all of which were exercised) with JLL after following an identical RFQ/P process as detailed earlier in this memo. During the course of the existing contract JLL satisfactorily provided assistance on numerous projects and tasks including but not limited to:

- Providing analytical assessment and guidance on specific projects under the Authority’s ERG Program, namely: American Dream in East Rutherford, Harrah’s Casino in Atlantic City, and PolerCoaster in Atlantic City;
- The development, maintenance, updating, and revising the Authority’s hurdle rate model which assists EDA staff in determining if there is a shortfall in a project development economics pertaining to the return on the investment for the developer and their ability to attract the required investment for a project;
- The development, maintenance, updating, and revising the Authority’s net benefit model which assists EDA staff in completing a fiscal impact analysis which determines whether public assistance provided to a proposed development project will result in net positive economic benefits to the State.

Recommendation

Based on the results of the 2017 RFQ/P and satisfactory experience with the incumbent provider, it is recommended that the Members of the EDA Board approve the Real Estate Advisory Consulting Services contract award to JLL.

Timothy Lizá
President and Chief Operating Officer

Prepared by: David A. Lawyer
## Attachment A

### PROPOSER
Jones Lang LaSalle

<table>
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<tr>
<th>Item #</th>
<th>EVALUATION CRITERIA</th>
<th>Weight (percentage of total score)</th>
<th>TOTAL Score (sum of all Evaluation Committee members)</th>
<th>TOTAL Score (weighted with percentages indicated)</th>
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</table>
| 1      | Personnel: The demonstrated Qualifications and Experience of the Proposer's management, supervisory and other key personnel assigned to perform the work against the resulting contract in providing the requisite services, as evidenced by:  
  a. All required Narratives, outlined herein;  
  b. All submitted Resumes and Staffing/Organization charts; | 30.0% | 25 | 7.5 |
| 2      | Experience: The extent of the Proposer's demonstrated Experience and ability to implement and provide similar, successful Real Estate Advisory Consulting Services, of comparable size and scope and complexity for private/governmental entities, within NJ as required herein and evidenced by:  
  a. Detailed client narratives, existing client relationships, client references, asset summaries and performance on performing the requisite services of a similar size and scope. | 10.0% | 25 | 2.5 |
| 3      | Technical Proposal: The Proposer's Detailed Approach, Ability and Plans to perform and complete the requisite services outlined herein and specifically in “Section 6 of the RFQP – Scope of Services, including all Deliverables/Reporting/Performance Timeline-Project Schedule”, as evidenced by:  
  a. Proposer's ability to manage the various types of Real Estate Advisory Services provided;  
  b. How the proposer will address the Reporting requirements for each project TOR. | 30.0% | 22 | 6.6 |
| 4      | Pricing: The Proposer’s “Hourly Rates”, per the submitted “Exhibit R – Fee Schedule”, for the potential five (5) year term of the contract, should the Authority exercise both one (1) year extension options. Consideration will be given regarding the Annual Percentage Price Escalator that was Optional Pricing in Section 2 of the Fee Schedule. | 30.0% | 30 | 9 |

**Percentage Total** | 100% | 102 | 25.6 |

**TOTAL PROPOSER SCORE** | 4.27 |

**On a scale of 1 - 5, evaluate and score the above proposal as follows:**

1 - Poor  
2 - Fair  
3 - Good  
4 - Very Good  
5 - Excellent
ECONOMIC REDEVELOPMENT AND GROWTH (ERG) GRANT PROGRAM
MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: March 24, 2017

RE: Raymour & Flanigan Properties, LLC or Nominee
Economic Redevelopment and Growth Grant Program
P #43966

Request

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

The Members are asked to approve the application of Raymour & Flanigan Properties, LLC or Nominee (the “Applicant” or “RF”) for a site located at 3850 South Delsea Drive, Vineland, Cumberland County, NJ (block 230, lot 2 and block 7007, lot 10), (the “Project”), for the reimbursement of eligible taxes generated by the project per the ERG program of the Authority as set forth in the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161 (“Act”).

The total costs of the Project are estimated to be $13,090,000, 100% of which are eligible costs under the ERG program. Standard commercial ERG reimbursement is 20% of eligible cost. This Project qualifies for a bonus of 10% (to 30%) as it is a substantial rehabilitation (as 69% of the Project’s square footage is being renovated and 57% of the project costs are related to the existing building).
The Applicant is eligible for an ERG award of 30% of actual eligible costs which equates to $3,911,700. The recommendation is to award 30% of actual eligible costs, not to exceed $3,911,700.

**Project Description**

The project site is located on South Delsea Drive in Vineland encompassing 15 acres. There are two parcels to be acquired from two unrelated owners. One parcel contains a former Kmart store of approximately 85,000 square feet which has been vacant since October of 2015 (cost to acquire is $2.85 million and is under contract). This building will be renovated and demised into 35,000 square feet to be occupied by a Raymour & Flanigan Furniture|Mattresses showroom and the remaining 50,000 square feet to be occupied by Gabe’s (a sixty-year old, privately held discount clothing chain. Gabe’s is headquartered in West Virginia, has a portfolio of 110 stores and has executed a letter of intent for this space). There is an existing TD Bank (the site of which is to be subdivided and retained by the existing owner) and Arby’s (3,000 square feet which will pay rent) on the other parcel which will remain in place (cost to acquire is $1.35 million and contract is under negotiations). There will be three newly constructed buildings of 8,000, 8,000 and 19,000 square feet respectively which will be rented by an auto parts retailer, Olive Garden (letter of intent in place) and a grocer. Total development is 123,000 square feet (excludes TD Bank).

The timing of the stores to open/generate rent varies from immediate (Arby’s) to 12 months from acquisition (Raymour), 18 months from acquisition (Olive Garden and Gabe’s) to 24 months from acquisition (auto parts and grocer).

Anticipated timing for the project includes; acquisition May 2017, site plan approval July 2017, construction permits October 2017 and completion of construction by October 2019.

The project is estimated to create 59 construction jobs. Upon completion of the project approximately 133 new full-time positions (which excludes both the TD Bank and Arby tenants) with an annual blended average wage of approximately $23,000, for a total annual payroll greater than $3 million. The Applicant intends to comply with the green building requirements via the NJBPU Pay for Performance standards.

**Project Ownership**

Raymour & Flanigan Properties, LLC, or Nominee (the “Applicant”) is a limited liability company under common ownership and control with Raymours Furniture Company, Inc. d/b/a Raymour & Flanigan Furniture|Mattresses (“Raymour”). The Applicant was formed to acquire real property for RF.

Founded in 1947, Raymour is a privately-owned retail furniture and mattress company that currently operates 99 full-line showrooms, 9 clearance centers, and 13 outlets in seven Northeastern states, as well as a robust e-commerce portal. Raymour’s corporate headquarters are in Liverpool, NY and aggregate employment is over 5,300 with approximately 55% of the staff work in the showroom locations. Per the industry publication *Furniture Today*, Raymour is the nation’s fourth largest conventional furniture and mattress retailer, and ninth largest retailer of furniture and mattresses overall. For each of the past three calendar years. Raymour’s gross sales have exceeded $1.1 Billion.
The Company, now in its second generation of ownership and management by the Goldberg family, continues to prove itself as the premier furniture and mattress retailer in the Northeast United States, serving a wide range of customers by offering an unparalleled shopping experience with competitive prices and dependable home delivery. Raymour opened ten new stores in 2016 and it is anticipating that another eleven stores will be opened in 2017. Additional details on the financial and operating performance of Raymour and RF can be found in the attached confidential memorandum.

Project Uses

<table>
<thead>
<tr>
<th>Uses (thousands)</th>
<th>Total Amount</th>
<th>ERG Eligible Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$4,200,000</td>
<td>$4,200,000</td>
</tr>
<tr>
<td>Construction, FFE &amp; Site</td>
<td>$7,842,322</td>
<td>$7,842,322</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$158,000</td>
<td>$158,000</td>
</tr>
<tr>
<td>Financing &amp; Soft Costs</td>
<td>$357,000</td>
<td>$357,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>$481,678</td>
<td>$481,678</td>
</tr>
<tr>
<td>Developer Fee</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>TOTAL USES</td>
<td><strong>$13,039,000</strong></td>
<td><strong>$13,039,000</strong></td>
</tr>
</tbody>
</table>

Project Sources

The Applicant will be utilizing the following sources to complete the project:

<table>
<thead>
<tr>
<th>Sources</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant Equity</td>
<td>$4,563,650</td>
</tr>
<tr>
<td>Permanent Financing</td>
<td>$8,475,350</td>
</tr>
<tr>
<td>TOTAL SOURCES</td>
<td><strong>$13,039,000</strong></td>
</tr>
</tbody>
</table>

The Applicant submitted a term sheet from TD Bank (January 2017) and Peapack Gladstone (October 2016) for mortgage financing related to two other Raymour projects that are currently being developed. The proposed project is expected to obtain permanent financing 24 months from the closing on the acquisition of the land and building. The fixed rate used in the pro-forma is 4.5% with a twenty-year amortization. Prior to the permanent financing, the project will be funded with a combination of RF equity and borrowings under the $60 million revolving credit. The equity of $4.6 million listed in the sources of funds represents approximately 35% of project costs which is well in excess of the 20% program requirement.

The sources and uses above reflect the project with the ERG subsidy excluded. The project gap is calculated based on the Equity Internal Rate of Return identified in the gap analysis, as discussed below. These returns are calculated with and without the ERG cash flow to compare the returns.

Gap Analysis

EDA staff has reviewed the application to determine if there is a shortfall in the project development economics pertaining to the return on the investment for the developer and their ability to attract the required investment for this project. Staff analyzed the pro forma and projections of the project and
compared the returns with and without the ERG over 12 years (two years to build and 10 years of
 cash flow). The IRR calculation was based on a capital structure of 30% equity and 70% debt as
 that ratio is more conservative than the 35/65 mix provided by the Applicant and more representa-
tive of the capital structure of existing RF projects that have been developed over the past few years.
The IRR calculation is based on the elimination of the UEZ program benefits such that taxes on
 goods and services that are subject to sales taxes are assumed to be 6.625% in each year.

<table>
<thead>
<tr>
<th>Without ERG</th>
<th>With ERG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity IRR 5.53%</td>
<td>Equity IRR 12.17%</td>
</tr>
</tbody>
</table>

As indicated in the chart above, the project would not otherwise be completed without the benefit of
the ERG. With the benefit of the ERG, the Equity IRR is 12.17% which is below the Hurdle
Rate Model provided by EDA’s contracted consultant Jones Lang LaSalle which indicates a
maximum IRR of 15.20% for a retail project located in Vineland.

**Net Positive Benefit Analysis**

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

1] 66% of the incremental annual corporate business tax;
2] 66% of the incremental gross income tax;
3] 100% of the incremental one-time tax generated from the Project’s construction;
4] 100% of the incremental indirect tax revenues from spending and earnings;

The net positive benefit analysis includes 133 new full time positions with an annual blended wage
of approximately $23,000, for a total annual payroll of $3 million. The Net Benefit analysis supports
the information noted.

The project is not deemed a destination facility. As such, none of the sales taxes collected by the
State can be deemed net new based on Authority policy. The site currently pays $208,000 in
property taxes to the municipality and the net benefit analysis excludes any new incremental property
taxes. The net benefits analysis for this project assumes no new CBT is generated, no urban grocery
bonus and the site is treated as UEZ for tax generation basis. The net benefit analysis excludes
employees from TD Bank and Arby’s.

The ERG award to Raymour and Flanigan Properties, LLC is equal to the lesser of (1) 30% the
eligible projects costs or (2) an amount that results in the project’s present value of the net benefit to
the State to be a minimum 110% of the award. The Project’s present value of the net benefit to the
State totals $4.91 million and represents 126% of the proposed $3.91 million award. As such, the
award complied with the net benefit test.
The application by RF for the ERG was received by the Authority on 12/13/16, which is prior to the 2/16/17 date on which all applications will be subject to the revised net benefit model approved by the Members of the Authority on 12/13/16. As such, the net benefit of this application was evaluated using the model in place prior to 2/16/17.

Other Statutory Criteria

In order to be eligible for the program, the project must exhibit the following:

The economic feasibility and the need of the redevelopment incentive agreement to the viability of the project. The likelihood that the project shall upon completion is capable of generating new tax revenue in an amount in excess of the amount necessary to reimburse the developer for the project costs as provided in the redevelopment agreement.

Since the proposed project has 73% of the space under letters of intent (which includes the 35,000-square foot Raymour store accounting for 28% of the total leasable space) a market or feasibility study is not required.

The site is proximate to an established mall (known as Cumberland Mall), Cumberland Community College and Inspira Medical Center and is expected to be convenient for a wide variety of shoppers. The site’s location is proximate to bus and highway access and the retailers targeted for occupancy will add supply in categories of unmet need in the immediate surrounding area. The Project will generate additional activity on the Delsea Drive commercial corridor. It may attract new shoppers who can conveniently access the center via route 55 (which has on and off ramps within approximately .25 miles of the site), and may also keep shoppers in Vineland who have otherwise been forced to expend additional time and cost traveling to other areas for particular goods and services. The result is likely to be additional money spent in Vineland, enhancing economic opportunity for the area.

Based on the information provided, the Project is economically feasible reflecting the financial strength and prior experience and track record of the Applicant in similar real estate development projects.

Based on the expected generation of approximately $750,000 in sales taxes in the first stabilized year of operations of the project (with gradual 2% increases each year over the 20-year eligibility period of the ERG) and a 75% rebate of eligible taxes, there are adequate funds to support the reimbursement of taxes to the Applicant as outlined in the analysis. It is noted that 50% of the anticipated annual sales of this Project are expected to be exempt from sales tax related to grocery, clothing and footwear items. As mentioned earlier, per the project’s financial returns and to obtain the funding necessary to develop this project, there is a demonstrated need for the redevelopment incentive grant agreement. EDA has received a letter of support for this project from the Mayor of Vineland and the Director of Economic Development for the City of Vineland.

This project is anticipated to be successful for the participating retailers because of location relative to market demand. The retailers sought for this site do not currently serve the Vineland market, and are thus unlikely to cannibalize existing sales by opening in this location. In addition, Nielsen Raymour & Flanigan Properties, LLC
March 24, 2017
estimates that there is a lack of supply in the local area when compared with demand in several retail categories. These opportunities coincide with several of the retailers being considered for the project, helping to ensure viability by attracting products that are currently not represented in the area. Nevertheless, the financial projections accompanying this application show that there is a below-market rate of return on the project given the risk involved. The building was originally constructed in the 1970's, and after years of deferred attention, requires a significant investment. Unfortunately, the area's economic conditions dampen retailers' sales projections, and lead to low market rents. This combination of required investment and sub-optimal income necessitates ERG benefits to ensure feasibility from the developer's perspective.

The Project currently has an anticipated IRR of 5.53% without ERG and 12.17% with the ERG. The Applicant represents that the ERG incentive grant is needed for the viability of the project. The IRR with the ERG does fall under the hurdle rate model provided by Jones Lang La Salle which indicates a maximum IRR of 15.20%.

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

The Project is in Vineland, Cumberland County, New Jersey. Unemployment in Vineland-Bridgeton Metropolitan Statistical Area ("MSA") as of December 2016, was 6.8% which is dramatically above the state and national averages of 4.7%. Vineland’s median household income is $50,690 (ranked #447 out of 566 municipalities in NJ) versus the New Jersey’s median household income of $71,637 and national median income of $53,482, per the most recently available figures. Additionally, Vineland is ranked # 474 in the Municipal Revitalization Index, is one of 64 towns designated as a Distressed Municipality and is one of 60 towns designated as an Urban Aid Municipality by New Jersey Department of Community Affairs.

The Vineland-Bridgeton MSA has experienced economic distress, and exhibits social problems which may be alleviated by additional economic opportunity. This area has experienced a growing poverty problem. In 2014, 16.6% of the MSA population fell below the poverty line, up sharply from 12.8% in 2010. This represents a 30% increase in percentage of impoverished citizens in just five years. At the same time, the statewide poverty rate grew by 18%, and the national growth rate was 13%. While poverty is a widespread problem, this social and economic issue is more acute in the local area. Crime is another social problem that is often discussed along with lack of economic opportunity. According to the Federal Bureau of Investigation’s crime statistics, both violent and property crimes trended downward in Vineland, the state, and the country from 1985 to 2012. Nevertheless, Vineland consistently showed higher rates of crime than state or national averages. In fact, during this 28-year span, Vineland performed better than either the state or the country in crime rates per 1,000 residents only three times for violent crimes and just once for property crimes. On average during this time frame, crime rates were approximately 1.6 times as high in Vineland as in all of New Jersey.
The targeted end user is the average shopper in Vineland and the surrounding communities of Cumberland County. While each retailer is expected to have a slightly different target, this location proximate to an established mall, Cumberland Community College, and Inspira Medical Center. Stores anticipated to occupy space at the project are not in the local market. The nearest Raymour & Flanigan Furniture Mattresses showroom, for example, is located approximately 25 miles away in Egg Harbor. Furthermore, many of the retailers interested in the Project will add supply in categories with unmet demand. For example, Nielsen estimates that within a five-mile radius of the site, there is unmet demand of $8 million for full service restaurants, $6.2 million for clothing stores, $2.3 million for shoe stores, and $1.6 million for furniture and home furnishings stores.

New Jersey’s State Development and Redevelopment Plan designates Vineland as a regional center. According to the plan, these regional centers should be developed as a compact mix of residential, commercial and public uses, serving a large surrounding area and developed at an intensity that makes public transportation feasible. The redevelopment of an existing building within a regional center makes sense as a means of furthering the goal of dense development. It should also be noted that the plan to include multiple retailers on the site will necessitate a retrofit of the existing plaza to add more density and visual appeal in an underutilized parking area. Finally, the site’s location proximate to bus and highway access, as well as its inclusion of retailers not found in the immediate surroundings, make it an ideal fit for a regional center.

The Cumberland County transportation plan advocates for public transit, but notes that there must be a reasonable concentration of riders to be feasible. This location is immediately proximate to other points of interest including Cumberland County College (less than 1.5 miles away), Inspira Medical Center (approximately 2 miles away), the Cumberland Mall (directly across Delsea Drive), and other shopping centers including a variety of regional and national retailers (less than 1 mile away). Consequently, this project will likely enhance the viability of the bus routes serving the area by adding attractions within an existing service area. This plan also suggests the use of complete streets which encourage pedestrian and bicycle use in addition to the use of motor vehicles. By adding activity to an existing parking lot, this project is likely to enhance the attractiveness of the streetscape and encourage pedestrian interaction between this shopping center and the neighboring attractions.

This project is in congruence with the City of Vineland’s comprehensive plan in both location and form. First, the comprehensive plan suggests promoting the improvement of the Delsea Drive corridor to establish a positive visual image for the City, improve mobility for all modes of transportation, and capture opportunities for the enhancement and development of the City’s economic base. As an integral part of the Delsea Drive corridor, redevelopment of the former K-Mart site is an essential step in establishing a positive visual image for the City. In addition to being part of an existing retail corridor, the proposed project conserves resources and promotes smart growth by renovating an existing complex, allowing for reuse of building materials and infrastructure. Vineland’s plan espouses directing development into the City’s urban center and suburbs which supports the vitality of the City’s urban and suburban areas that have in place the appropriate infrastructure, regional highway access, and community facilities to support and serve the City population and provide for new job creation and housing. Furthermore, the local plan discusses development as a means of creating economic opportunity for residents. Retail jobs are an important part of the local economy, as they occupy a larger share of the employment picture in the Vineland-Bridgeton MSA than in the State of New Jersey or nationwide. Additionally, three of the
county’s top ten employers are well-known retailers. Several job opportunities for local residents are expected to be created as a result of this Project.

**Recommendation**

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

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

1. Financing commitments for all Project funding sources are consistent with the information provided by the Applicant in its application to the Authority for the ERG; and
2. Evidence of site control and site plan approval for all properties within the Project;
3. Copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project.

Reimbursement shall commence upon:

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

The NJ Treasury annually tracks taxes received from job sites and remits reimbursement equal to a percentage of funds collected during the year.

It is recommended that the members authorize the CEO of the EDA to execute any assignment agreements necessary to effectuate this transaction.

**Total Eligible Project Costs: $13,039,000**

**Eligible Tax Credits and Recommended Award:** Not to exceed $3,911,700 which equates to 30% of eligible costs over 20 years.

Prepared by: Michael A. Conte

Raymour & Flanigan Properties, LLC
March 24, 2017
GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)
IN NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: Conner Strong & Buckelew Companies, LLC

PROJECT LOCATION: Caruso Place
Unit C-1, Block 80.02 Lot: 1
Camden City, Camden County

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

APPLICANT BACKGROUND:
Conner Strong & Buckelew Companies, LLC, (“Conner Strong”) founded in 1959, is a risk management, employee benefits and insurance consulting firm. Conner Strong has offices in New York, New Jersey, Pennsylvania, Delaware and Florida. The firm provides high-risk businesses with comprehensive solutions to prevent losses, manage claims, and drive bottom line growth. Its employee benefits practice focuses on providing benefits administration, health and wellness programs and strategic advisory services. The company provides risk and insurance services to a wide-range of industries. Additionally, Conner Strong and its affiliates offer a number of specialty solutions which include captive strategies, construction wrap-ups, executive risk, safety and risk control, and private client services. The applicant has demonstrated the financial ability to undertake the project.

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

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

Staff reviewed the project and finds support for management’s assertion that the award of tax credits is a material factor in the company’s decision to locate in Camden. If Conner Strong chooses the Camden option, the company
would establish a 132,246-square foot operation at Caruso Place on the waterfront in Camden. Conner Strong would move into a new building to be constructed at this location. The alternative is to move the same operations to a 95,378-square foot facility in Philadelphia, PA.

This project represents a significant positive step forward for Camden’s redevelopment efforts, bringing Conner Strong to the city. The proposed Grow NJ Award for Conner Strong is based on a total of 268 new and retained employees. In the recent amendment to the Regulations regarding employees providing professional services, the professional services employees and their direct administrative support staff already working in NJ will not be included in the Net Benefit Test. Conner Strong included 157 retained employees for the Grow NJ Award, 88 of which are either licensed professionals or their direct administrative support staff. Those positions have been eliminated from the net benefit calculation, thereby bringing the number of retained employees in the Net Benefit Test to 69. The related salaries for those positions were also removed to calculate the mean salary to use for the Net Benefit Test. When combined with the number of new employees for this project, 111, the total number of employees used in the Net Benefit Test is 180. With these 180 employees, it is estimated that the project would have a net benefit to the State of $40.6 million over the 35-year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 157 New Jersey jobs listed in the application are at risk of being located outside the State. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the award of the Grow New Jersey tax credits is a material factor in the applicant’s decision to make a capital investment and locate in Camden.

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

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

<table>
<thead>
<tr>
<th>Minimum Capital Investment Requirements</th>
<th>($/Square Foot of Gross Leasable Area)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial/Warehouse/Logistics/R&amp;D - Rehabilitation Projects</td>
<td>$ 20</td>
</tr>
<tr>
<td>Industrial/Warehouse/Logistics/R&amp;D - New Construction Projects</td>
<td>$ 60</td>
</tr>
<tr>
<td>Non-Industrial/Warehouse/Logistics/R&amp;D – Rehabilitation Projects</td>
<td>$ 40</td>
</tr>
<tr>
<td><strong>Non-Industrial/Warehouse/Logistics/R&amp;D – New Construction Projects</strong></td>
<td>$120</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Minimum Full-Time Employment Requirements (New / Retained Full-time Jobs)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tech start ups and manufacturing businesses</td>
<td>10 / 25</td>
</tr>
<tr>
<td><strong>Other targeted Industries</strong></td>
<td><strong>25 / 35</strong></td>
</tr>
<tr>
<td>All other businesses/industries</td>
<td>35 / 50</td>
</tr>
</tbody>
</table>

Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, **Camden**, Cape May, Cumberland, Gloucester, Ocean and Salem
As a Non-Industrial/Warehouse/Logistics/R&D — New Construction Project for another targeted industry business in Camden County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$10,579,680</td>
<td>$86,240,000</td>
</tr>
<tr>
<td>New Jobs</td>
<td>19</td>
<td>111</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>27</td>
<td>157</td>
</tr>
</tbody>
</table>

The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation. Projects located in Camden are eligible to receive per employee as a tax credit the total amount of capital investment for the project divided by the number of eligible employees, subject to the following limits, provided that the project represents a net positive benefit to the State:

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<th>New Jobs or Retained Jobs New to Camden</th>
<th>Capital Investment</th>
<th>Maximum Annual Tax Credit</th>
<th>Limit on Total Tax Credit</th>
</tr>
</thead>
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<td>≥35</td>
<td>$5,000,000</td>
<td>$2,000,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>≥70</td>
<td>$10,000,000</td>
<td>$3,000,000</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>≥100</td>
<td>$15,000,000</td>
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<td>$40,000,000</td>
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<tr>
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<td>$50,000,000</td>
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<tr>
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<td>$35,000,000</td>
<td>$350,000,000</td>
</tr>
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Provided the company complies with all other program requirements, a reduction in the number of new or retained full-time jobs indicated in the company’s annual report below the number certified in the initial CPA certification shall proportionately reduce the amount of tax credits the company may apply against liability in the relevant tax period. Also, if the number of new and retained full-time jobs, as indicated by the company’s annual report, is reduced below the required number in the table above, the tax credits that the business may take shall be subject to the annual limit corresponding to the new jobs and retained full-time jobs new to Camden.

### GRANT CALCULATION

**CAPITAL INVESTMENT:** $86,240,000

**JOBS BASED TAX CREDIT LIMIT:** $350,000,000

**GROSS BENEFIT TO THE STATE OVER 35 YEARS:** $126,791,263

**THE APPLICANT IS ELIGIBLE FOR A TAX CREDIT EQUAL TO THE LOWEST OF THE THREE NUMBERS ABOVE (CONVERTED TO AN EVEN DOLLAR AMOUNT PER EMPLOYEE PER YEAR):** $86,239,720

**PROJECT IS:** (X) Expansion (X) Relocation

**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** $86,240,000

**EXPECTED PROJECT COMPLETION:** May 31, 2019

**SIZE OF PROJECT LOCATION:** 132,246 sq. ft.
NEW BUILDING OR EXISTING LOCATION? New
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
CONSTRUCTION: (X) Yes ( ) No

NEW FULL-TIME JOBS: 111
RETAINED FULL-TIME JOBS: 157
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016): 238
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: Marlton
MEDIAN WAGES: $72,050

NET BENEFIT MODEL: 2012
GROSS BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD): $126,791,263
TOTAL AMOUNT OF AWARD: $86,239,720
NET BENEFIT TO THE STATE (OVER 35 YEARS, NET OF AWARD): $40,551,543
MAXIMUM AWARD PER NEW/RETAINED JOB: $321,790

ELIGIBILITY PERIOD: 10 years

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

NOTE: If the number of employees, salaries, capital investment or employees eligible to be counted in the Net Benefit Test (180) falls by more than 25% from the amounts contained herein, the net benefit to the state will need to be recalculated under the then current NBT model, which may reduce the amount of the Grow NJ Award.

APPROVAL REQUEST:
The Members of the Authority are asked to: 1) concur with the finding by staff that the award of the Grow New Jersey tax credits is a material factor in the applicant’s decision to make a capital investment and locate in Camden; 2) approve the proposed Grow New Jersey grant to encourage Conner Strong & Buckelew Companies, LLC to locate in Camden. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: Christina Fuentes
APPROVAL OFFICER: Mark Chierici
Camden Office Project – Caruso Place – Block 80.02 Lot 1

This construction project has three Grow NJ Applicants: 1 - Conner Strong & Buckelew, LLC, 2 - NFI, L.P., and 3 - The Michaels Organization LLC. Each company plans to move to the qualified business facility in Camden, NJ. A total of 884 employees are part of this Project.

The Property is identified as Unit C-1 on the Condominium Plan recorded by Liberty Property Trust (“LPT”) on December 5, 2016 upon its acquisition of the Property. The project site is located in North Camden near the Benjamin Franklin Bridge. The entirety of the site is currently utilized as surface level parking lots.

The condominium unit encompassing Unit C-1 will be sold to Camden Partners Tower Equities, LLC (“Landlord”). Landlord will enter into a build-to-suit contract with Joseph Jingoli and Son Inc. for construction of the multi-tenant office building and parking garage upon the condominium unit site. Upon delivery of the office building and parking garage, Landlord will lease the building to Camden Partners Operating Company, LLC (“Operating Company”). Operating Company will sublease the office building and parking garage to the 3 tenants listed above.

The proposed office building will consist of a seven-floor garage and 11 floors of office and amenity space with 375,970 rentable square feet. The total estimated costs of the project are approximately $245,000,000, to be financed by a combination of debt from a syndicate of banks to be arranged by M&T Bank as agent, and owners’ equity contributions from the tenants.

The Tenants will solely occupy a total of 313,183 sf in the office building. NFI will solely occupy 101,511 sf, or 32.4 percent, Michaels will solely occupy 101,511 sf or 32.4 percent, and Conner Strong will solely occupy 110,161 sf or 35.2 percent. The remaining 62,787 sf of space is the lobby, mechanical, amenity and other common space within the building, the cost of which is shared pro rata. The proposed parking garage will be restricted to the exclusive use of the C-1 Tenants. (See attached schedule for greater detail of this square footage.)

Each Tenant’s share of the Landlord’s total estimated capital investment is: NFI - $79,380,000, Michaels - $79,380,000, and Conner Strong - $86,240,000.

Landlord and each Tenant have entered into a Letter of Intent (“LOI”) for the construction and lease of the building. The total cost of construction of the core and shell including the garage will be approximately $151,000,000. The total cost of the Landlord's allowance for fit out and other costs included in the capital expense are estimated at approximately $45,000,000. Other Landlord costs eligible toward the Tenant’s capital expense amount to approximately $49,000,000, for a total of approximately $245,000,000.
# CAMDEN PARTNERS EQUITIES FLOOR PLAN

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<th>Description</th>
<th>Area</th>
</tr>
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<td>Conner Strong &amp; Buckelew Office</td>
<td>33,837</td>
</tr>
<tr>
<td>15</td>
<td>Conner Strong &amp; Buckelew Office</td>
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</tr>
<tr>
<td>14</td>
<td>The Michaels Organization Office</td>
<td>33,837</td>
</tr>
<tr>
<td>13</td>
<td>The Michaels Organization Office</td>
<td>33,837</td>
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<tr>
<td>12</td>
<td>The Michaels Organization Office</td>
<td>33,837</td>
</tr>
<tr>
<td>11</td>
<td>NFI Office</td>
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</tr>
<tr>
<td>10</td>
<td>NFI Office</td>
<td>33,837</td>
</tr>
<tr>
<td>9</td>
<td>NFI Office</td>
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</tr>
<tr>
<td>8</td>
<td>Fitness Center</td>
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</tr>
<tr>
<td></td>
<td>Dining Room</td>
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<tr>
<td></td>
<td>Kitchen/Serving Area</td>
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</tr>
<tr>
<td></td>
<td>Core</td>
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<tr>
<td></td>
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</tr>
<tr>
<td>7</td>
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<tr>
<td></td>
<td>Garage</td>
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<tr>
<td>5</td>
<td>Garage</td>
<td>47,000</td>
</tr>
<tr>
<td>4</td>
<td>Garage</td>
<td>47,000</td>
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<tr>
<td>3</td>
<td>Garage</td>
<td>47,000</td>
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<td>2</td>
<td>Lobby</td>
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<td>Mechanical</td>
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<td>Garage</td>
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<td>Lobby</td>
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<tr>
<td></td>
<td>Amenity (Conf Room or Retail)</td>
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<tr>
<td></td>
<td>Core/Support/Stairs/loading/dumpster</td>
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<td>Mechanical</td>
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<tr>
<td></td>
<td>Garage</td>
<td>26,400</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Conner Strong</th>
<th>Common Space Mechanical/Core</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Michaels Organization</td>
<td>Common Space Garage</td>
</tr>
<tr>
<td>NFI</td>
<td>Common Space Amenity</td>
</tr>
</tbody>
</table>

March 24, 2017 Board Book - Incentives
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: The Michaels Organization, LLC
P43584

PROJECT LOCATION: Caruso Place
Unit C-1, Block 80.02 Lot: 1
Camden City   Camden County

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

APPLICANT BACKGROUND:
The Michaels Organization, LLC (“TMO”) is a privately-held family of independent but integrated companies dedicated to affordable, mixed-income, military and student housing. Serving more than 115,000 residents in 380 communities across 35 states, the District of Columbia, and the U.S. Virgin Islands and with a development portfolio valued in excess of $4 billion, TMO is a leader in the residential real estate industry, with full service capabilities in development, property and asset management, construction and mortgage finance and tax credit syndication. The applicant has demonstrated the financial ability to undertake the project.

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

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

Staff reviewed the project and finds support for management’s assertion that the award of tax credits is a material factor in the company’s decision to locate in Camden. If Michaels chooses the Camden option, the company would establish a 121,862-square foot operation at Caruso Place on the waterfront in Camden. TMO would move
The Michaels Organization, LLC Grow New Jersey

into a new building to be constructed at this location. The alternative is to move the same operations to a 95,928-square foot facility in Philadelphia, PA.

This project represents a significant positive step forward for Camden’s redevelopment efforts, bringing The Michaels Organization to the city. It is estimated that the project would have a net benefit to the State of $54.1 million over the 35-year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 188 New Jersey jobs listed in the application are at risk of being located outside the State. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the award of the Grow New Jersey tax credits is a material factor in the applicant’s decision to make a capital investment and locate in Camden.

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

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

<table>
<thead>
<tr>
<th>Minimum Capital Investment Requirements</th>
<th>($/Square Foot of Gross Leasable Area)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial/Warehouse/Logistics/R&amp;D - Rehabilitation Projects</td>
<td>$20</td>
</tr>
<tr>
<td>Industrial/Warehouse/Logistics/R&amp;D - New Construction Projects</td>
<td>$60</td>
</tr>
<tr>
<td>Non-Industrial/Warehouse/Logistics/R&amp;D – Rehabilitation Projects</td>
<td>$40</td>
</tr>
<tr>
<td>Non-Industrial/Warehouse/Logistics/R&amp;D – New Construction Projects</td>
<td>$120</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Minimum Full-Time Employment Requirements (New / Retained Full-time Jobs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tech start ups and manufacturing businesses</td>
</tr>
<tr>
<td>Other targeted Industries</td>
</tr>
<tr>
<td><strong>All other businesses/industries</strong></td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
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<tr>
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<td>87</td>
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Provided the company complies with all other program requirements, a reduction in the number of new or retained full-time jobs indicated in the company’s annual report below the number certified in the initial CPA certification shall proportionately reduce the amount of tax credits the company may apply against liability in the relevant tax period. Also, if the number of new and retained full-time jobs, as indicated by the company’s annual report, is reduced below the required number in the table above, the tax credits that the business may take shall be subject to the annual limit corresponding to the new jobs and retained full-time jobs new to Camden.

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<th>GRANT CALCULATION</th>
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<tr>
<td>JOBS BASED TAX CREDIT LIMIT:</td>
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<td>GROSS BENEFIT TO THE STATE OVER 35 YEARS:</td>
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EXPECTED PROJECT COMPLETION: May 31, 2019
SIZE OF PROJECT LOCATION: 121,862 sq. ft. New
NEW BUILDING OR EXISTING LOCATION? Non-Industrial
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? ( ) No
CONSTRUCTION: (X) Yes
NEW FULL-TIME JOBS: 87
RETAINED FULL-TIME JOBS: 188
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016): 404
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: Marlton
MEDIAN WAGES: $73,202
NET BENEFIT MODEL: 2012
GROSS BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD): $133,489,028
TOTAL AMOUNT OF AWARD: $79,378,750
NET BENEFIT TO THE STATE (OVER 35 YEARS, NET OF AWARD): $54,110,278
MAXIMUM AWARD PER NEW/RETAINED JOB: $288,650
ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:
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APPROVAL OFFICER: Mark Chierici
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<tr>
<td>13</td>
<td>The Michaels Organization Office</td>
<td>33,837</td>
</tr>
<tr>
<td>12</td>
<td>The Michaels Organization Office</td>
<td>33,837</td>
</tr>
<tr>
<td>11</td>
<td>NFI Office</td>
<td>33,837</td>
</tr>
<tr>
<td>10</td>
<td>NFI Office</td>
<td>33,837</td>
</tr>
<tr>
<td>9</td>
<td>NFI Office</td>
<td>33,837</td>
</tr>
<tr>
<td>8</td>
<td>Fitness Center</td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td>Dining Room</td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td>Kitchen/Serving Area</td>
<td>5,000</td>
</tr>
<tr>
<td></td>
<td>Core</td>
<td>3,600</td>
</tr>
<tr>
<td></td>
<td>Mechanical</td>
<td>5,237</td>
</tr>
<tr>
<td>7</td>
<td>Mechanical</td>
<td>5,200</td>
</tr>
<tr>
<td></td>
<td>Garage</td>
<td>41,800</td>
</tr>
<tr>
<td>6</td>
<td>Garage</td>
<td>47,000</td>
</tr>
<tr>
<td>5</td>
<td>Garage</td>
<td>47,000</td>
</tr>
<tr>
<td>4</td>
<td>Garage</td>
<td>47,000</td>
</tr>
<tr>
<td>3</td>
<td>Garage</td>
<td>47,000</td>
</tr>
<tr>
<td>2</td>
<td>Lobby</td>
<td>1,200</td>
</tr>
<tr>
<td></td>
<td>Mechanical</td>
<td>1,950</td>
</tr>
<tr>
<td></td>
<td>Garage</td>
<td>43,850</td>
</tr>
<tr>
<td>1</td>
<td>Lobby</td>
<td>6,300</td>
</tr>
<tr>
<td></td>
<td>Amenity (Conf Room or Retail)</td>
<td>4,000</td>
</tr>
<tr>
<td></td>
<td>Core/Support/Stairs/loading/dumpster</td>
<td>3,285</td>
</tr>
<tr>
<td></td>
<td>Mechanical</td>
<td>7,015</td>
</tr>
<tr>
<td></td>
<td>Garage</td>
<td>26,400</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Conner Strong</th>
<th>Common Space Mechanical/Core</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Michaels Organization</td>
<td>Common Space Garage</td>
</tr>
<tr>
<td>NFI</td>
<td>Common Space Amenity</td>
</tr>
</tbody>
</table>
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: NFI, L.P. P43582

PROJECT LOCATION: Caruso Place
Unit C-1, Block 80.02 Lot: 1
Camden City Camden County

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

APPLICANT BACKGROUND:
NFI, L.P. (“NFI”) is a fully integrated supply chain solutions provider. Privately held by the Brown family since its inception in 1932, NFI generates more than $1 billion in annual revenue and employs approximately 8,100 employees throughout the United State and Canada. NFI operates approximately 25 million square feet of warehouse and distribution space. Its company-owned fleet consists of over 2,000 tractors and 7,000 trailers, operated by more than 2,300 company drivers and 250 Owner Operators. Its business lines include transportation, warehousing, intermodal, brokerage, global, and real estate solutions. The applicant has demonstrated the financial ability to undertake the project.

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

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

Staff reviewed the project and finds support for management’s assertion that the award of tax credits is a material factor in the company’s decision to locate in Camden. If NFI chooses the Camden option, the company would establish a 121,862-square foot operation at Caruso Place on the waterfront in Camden. NFI would move into a
new building to be constructed at this location. The alternative is to move the same operations to a 93,308-square foot facility in Philadelphia, PA.

This project represents a significant positive step forward for Camden’s redevelopment efforts, bringing a significant portion of the NFl business to the city. It is estimated that the project would have a net benefit to the State of $53.2 million over the 35-year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 341 New Jersey jobs listed in the application are at risk of being located outside the State. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the award of the Grow New Jersey tax credits is a material factor in the applicant’s decision to make a capital investment and locate in Camden.

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

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

<table>
<thead>
<tr>
<th>Minimum Capital Investment Requirements</th>
<th>($/Square Foot of Gross Leasable Area)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial/Warehouse/Logistics/R&amp;D - Rehabilitation Projects</td>
<td>$20</td>
</tr>
<tr>
<td>Industrial/Warehouse/Logistics/R&amp;D - New Construction Projects</td>
<td>$60</td>
</tr>
<tr>
<td>Non-Industrial/Warehouse/Logistics/R&amp;D – Rehabilitation Projects</td>
<td>$40</td>
</tr>
<tr>
<td>Non-Industrial/Warehouse/Logistics/R&amp;D – New Construction Projects</td>
<td><strong>$120</strong></td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Minimum Full-Time Employment Requirements</th>
<th>(New / Retained Full-time Jobs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tech start ups and manufacturing businesses</td>
<td>10 / 25</td>
</tr>
<tr>
<td><strong>Other targeted Industries</strong></td>
<td><strong>25 / 35</strong></td>
</tr>
<tr>
<td>All other businesses/industries</td>
<td>35 / 50</td>
</tr>
</tbody>
</table>

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

As a Non-Industrial/Warehouse/Logistics/R&D – New Construction Project for an other targeted industry in Camden County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$9,748,960</td>
<td>$79,380,000</td>
</tr>
<tr>
<td>New Jobs</td>
<td>19</td>
<td>0</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>27</td>
<td>341</td>
</tr>
</tbody>
</table>
The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation. Projects located in Camden are eligible to receive per employee as a tax credit the total amount of capital investment for the project divided by the number of employees, subject to the following limits, provided that the project represents a net positive benefit to the State:

<table>
<thead>
<tr>
<th>New Jobs or Retained Jobs New to Camden</th>
<th>Capital Investment</th>
<th>Maximum Annual Tax Credit</th>
<th>Limit on Total Tax Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥35</td>
<td>$5,000,000</td>
<td>$2,000,000</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>≥70</td>
<td>$10,000,000</td>
<td>$3,000,000</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>≥100</td>
<td>$15,000,000</td>
<td>$4,000,000</td>
<td>$40,000,000</td>
</tr>
<tr>
<td>≥150</td>
<td>$20,000,000</td>
<td>$5,000,000</td>
<td>$50,000,000</td>
</tr>
<tr>
<td>≥250</td>
<td>$30,000,000</td>
<td>$35,000,000</td>
<td>$350,000,000</td>
</tr>
</tbody>
</table>

Provided the company complies with all other program requirements, a reduction in the number of new or retained full-time jobs indicated in the company’s annual report below the number certified in the initial CPA certification shall proportionately reduce the amount of tax credits the company may apply against liability in the relevant tax period. Also, if the number of new and retained full-time jobs, as indicated by the company’s annual report, is reduced below the required number in the table above, the tax credits that the business may take shall be subject to the annual limit corresponding to the new jobs and retained full-time jobs new to Camden.

**GRANT CALCULATION**

**CAPITAL INVESTMENT:** $79,380,000

**JOBS BASED TAX CREDIT LIMIT:** $350,000,000

**GROSS BENEFIT TO THE STATE OVER 35 YEARS:** $132,611,189

**THE APPLICANT IS ELIGIBLE FOR A TAX CREDIT EQUAL TO THE LOWEST OF THE THREE NUMBERS ABOVE (CONVERTED TO AN EVEN DOLLAR AMOUNT PER EMPLOYEE PER YEAR):** $79,377,980

**PROJECT IS:** (X) Expansion (X) Relocation

**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** $79,380,000

**EXPECTED PROJECT COMPLETION:** May 31, 2019

**SIZE OF PROJECT LOCATION:** 121,862 sq. ft.

**NEW BUILDING OR EXISTING LOCATION?** New

**INDUSTRIAL OR NON-INDUSTRIAL FACILITY?** Non-Industrial

**CONSTRUCTION:** (X) Yes ( ) No
**CONDITIONS OF APPROVAL:**

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

**APPROVAL REQUEST:**

The Members of the Authority are asked to: 1) concur with the finding by staff that the award of the Grow New Jersey tax credits is a material factor in the applicant’s decision to make a capital investment and locate in Camden; 2) approve the proposed Grow New Jersey grant to encourage NFI, L.P. to locate in Camden. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

**DEVELOPMENT OFFICER:** Christina Fuentes  
**APPROVAL OFFICER:** Mark Chierici
Camden Office Project – Caruso Place – Block 80.02 Lot 1

This construction project has three Grow NJ Applicants: 1 - Conner Strong & Buckelew, LLC, 2 - NFI, L.P., and 3 - The Michaels Organization LLC. Each company plans to move to the qualified business facility in Camden, NJ. A total of 884 employees are part of this Project.

The Property is identified as Unit C-I on the Condominium Plan recorded by Liberty Property Trust (“LPT”) on December 5, 2016 upon its acquisition of the Property. The project site is located in North Camden near the Benjamin Franklin Bridge. The entirety of the site is currently utilized as surface level parking lots.

The condominium unit encompassing Unit C-I will be sold to Camden Partners Tower Equities, LLC (“Landlord”). Landlord will enter into a build-to-suit contract with Joseph Jingoli and Son Inc. for construction of the multi-tenant office building and parking garage upon the condominium unit site. Upon delivery of the office building and parking garage, Landlord will lease the building to Camden Partners Operating Company, LLC (“Operating Company”). Operating Company will sublease the office building and parking garage to the 3 tenants listed above.

The proposed office building will consist of a seven-floor garage and 11 floors of office and amenity space with 375,970 rentable square feet. The total estimated costs of the project are approximately $245,000,000, to be financed by a combination of debt from a syndicate of banks to be arranged by M&T Bank as agent, and owners’ equity contributions from the tenants.

The Tenants will solely occupy a total of 313,183 sf in the office building. NFI will solely occupy 101,511 sf, or 32.4 percent, Michaels will solely occupy 101,511 sf or 32.4 percent, and Conner Strong will solely occupy 110,161 sf or 35.2 percent. The remaining 62,787 sf of space is the lobby, mechanical, amenity and other common space within the building, the cost of which is shared pro rata. The proposed parking garage will be restricted to the exclusive use of the C-I Tenants. (See attached schedule for greater detail of this square footage.)

Each Tenant’s share of the Landlord’s total estimated capital investment is: NFI - $79,380,000, Michaels - $79,380,000, and Conner Strong - $86,240,000.

Landlord and each Tenant have entered into a Letter of Intent (“LOI”) for the construction and lease of the building. The total cost of construction of the core and shell including the garage will be approximately $151,000,000. The total cost of the Landlord’s allowance for fit out and other costs included in the capital expense are estimated at approximately $45,000,000. Other Landlord costs eligible toward the Tenant’s capital expense amount to approximately $49,000,000, for a total of approximately $245,000,000.
| Floor 18 | Conner Strong & Buckelew Conference | 8,650 |
| Floor 17 | Conner Strong & Buckelew Office | 33,837 |
| Floor 16 | Conner Strong & Buckelew Office | 33,837 |
| Floor 15 | Conner Strong & Buckelew Office | 33,837 |
| Floor 14 | The Michaels Organization Office | 33,837 |
| Floor 13 | The Michaels Organization Office | 33,837 |
| Floor 12 | The Michaels Organization Office | 33,837 |
| Floor 11 | NFI Office | 33,837 |
| Floor 10 | NFI Office | 33,837 |
| Floor 9 | NFI Office | 33,837 |
| Floor 8 | Fitness Center | 10,000 |
| | Dining Room | 10,000 |
| | Kitchen/Serving Area | 5,000 |
| | Core | 3,600 |
| | Mechanical | 5,237 |
| Floor 7 | Mechanical | 5,200 |
| | Garage | 41,800 |
| Floor 6 | Garage | 47,000 |
| Floor 5 | Garage | 47,000 |
| Floor 4 | Garage | 47,000 |
| Floor 3 | Garage | 47,000 |
| Floor 2 | Lobby | 1,200 |
| | Mechanical | 1,950 |
| | Garage | 43,850 |
| Floor 1 | Lobby | 6,300 |
| | Amenity (Conf Room or Retail) | 4,000 |
| | Core/Support/Stairs/loading/dumpster | 3,285 |
| | Mechanical | 7,015 |
| | Garage | 26,400 |

Conner Strong
The Michaels Organization
NFI
Common Space Amenity

Common Space Mechanical/Core
Common Space Garage
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: DeWalt Brewing Company P44081
PROJECT LOCATION: 807 Baltic Avenue Atlantic City Atlantic County

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

APPLICANT BACKGROUND:
DeWalt Brewing Company (“DeWalt”) is a manufacturer of beer, which is handcrafted under the attention of its brewers. DeWalt’s products are packaged in either bottles or draft kegs. Its core products are Noisy Lever Ale, Ruby Diamond IPA, and Mixed Berry Apple Cider. DeWalt was officially started in the city of Reading, PA in 2015 as a hobby of its owner, and grew into DeWalt Brewing Company. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
The proposed project is located in Atlantic City, NJ, a city that ranked 559 out of 566 municipalities in the 2007 New Jersey Municipal Revitalization Index. In recognition of Atlantic City's inability to attract investment, in the New Jersey Economic Opportunity Act, the Legislature declared that Atlantic City and the other Garden State Growth Zones presented significant challenges to development and created incentives unique to Atlantic City and other similarly situated Garden State Growth Zones to overcome these barriers.

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

Staff reviewed the project and finds support for management’s assertion that the award of tax credits is a material factor in the company’s decision to locate in Atlantic City. If DeWalt Brewing Company chooses to expand into Atlantic City, the company would lease a 5,940-sq. ft. facility that will accommodate 15 new jobs in Atlantic City. The alternative is to lease a 6,128-sq. ft. facility in Reading, PA. While the location will also have a tasting room/retail use, the Qualified Business Facility excludes the retail portion of the related square footage.
DeWalt Brewing Company  Grow New Jersey  Page 2

This project represents a significant positive step forward for Atlantic City’s redevelopment efforts, bringing a manufacturing company to the city. It is estimated that the project would have a net benefit to the State of $109,915 over the 30-year period required by the Statute.

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

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

<table>
<thead>
<tr>
<th>Minimum Capital Investment Requirements</th>
<th>($/Square Foot of Gross Leasable Area)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial/Warehouse/Logistics/R&amp;D - Rehabilitation Projects</td>
<td>$20</td>
</tr>
<tr>
<td>Industrial/Warehouse/Logistics/R&amp;D - New Construction Projects</td>
<td>$60</td>
</tr>
<tr>
<td>Non-Industrial/Warehouse/Logistics/R&amp;D – Rehabilitation Projects</td>
<td>$40</td>
</tr>
<tr>
<td>Non-Industrial/Warehouse/Logistics/R&amp;D – New Construction Projects</td>
<td>$120</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Minimum Full-Time Employment Requirements</th>
<th>(New / Retained Full-time Jobs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tech start ups and manufacturing businesses</td>
<td>10 / 25</td>
</tr>
<tr>
<td>Other targeted industries</td>
<td>25 / 35</td>
</tr>
<tr>
<td>All other businesses/industries</td>
<td>35 / 50</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$79,200</td>
<td>$286,884</td>
</tr>
<tr>
<td>New Jobs</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>19</td>
<td>0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Base Grant</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden State Growth Zone</td>
<td>Base award of $5,000 per year for projects located in a Garden State Growth Zone</td>
<td>Atlantic City is a Garden State Growth Zone</td>
</tr>
</tbody>
</table>

Increase(s) Criteria
<table>
<thead>
<tr>
<th>DeWalt Brewing Company</th>
<th>Grow New Jersey</th>
<th>Page 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deep Poverty Pocket or Choice Neighborhood</strong></td>
<td>An increase of $1,500 per job for a project located in a Deep Poverty Pocket or Choice Neighborhood</td>
<td>807 Baltic Avenue is located in a Deep Poverty Pocket.</td>
</tr>
<tr>
<td><strong>Transit Oriented Development</strong></td>
<td>An increase of $2,000 per job for a project located in a Transit Oriented Development</td>
<td>807 Baltic Avenue is located in a Transit Oriented Development by virtue of being 1 mile (GSGZ project) of the midpoint of a New Jersey Transit Corporation rail station.</td>
</tr>
<tr>
<td><strong>Targeted Industry</strong></td>
<td>An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business</td>
<td>The applicant is a Manufacturing business.</td>
</tr>
<tr>
<td><strong>Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min</strong></td>
<td>An increase of $1,000 per job for a Mega Project or a project located in a Garden State Growth Zone for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $5,000</td>
<td>The proposed project is in a Garden State Growth Zone. The proposed capital investment of $286,884 is 262.2% above the minimum capital investment resulting in an increase of $5,000 per year.</td>
</tr>
<tr>
<td><strong>2007 Revit. Index&gt;465 in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem</strong></td>
<td>An increase of $1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465</td>
<td>Atlantic City has a 2007 Revitalization Index of 559.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>DeWalt Brewing Company</td>
<td>Grow New Jersey</td>
</tr>
<tr>
<td>-----------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>or substantially damaged as a result of a federally declared disaster</td>
<td>The Retained Full-Time Jobs will receive the lesser of:</td>
</tr>
<tr>
<td>All other projects</td>
<td>- $\frac{1}{2}$ of the Grant Calculation for New Full-Time Jobs (1/2 * $15,000 = $7,500) or</td>
</tr>
<tr>
<td></td>
<td>- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($286,884 / (15 + 0) = $1,912)</td>
</tr>
</tbody>
</table>

In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.
**Grant Calculation**

<table>
<thead>
<tr>
<th>BASE GRANT PER EMPLOYEE:</th>
<th>Garden State Growth Zone</th>
<th>$5,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCREASES PER EMPLOYEE:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deep Poverty Pocket:</td>
<td>$1,500</td>
<td></td>
</tr>
<tr>
<td>Transit Oriented Development:</td>
<td>$2,000</td>
<td></td>
</tr>
<tr>
<td>Targeted Industry (Manufacturing):</td>
<td>$500</td>
<td></td>
</tr>
<tr>
<td>GSGZ Ind. Project w/ Cap. Inv. In Excess of Min:</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>2007 Revit. Index&gt;465 in Atlantic County</td>
<td>$1,000</td>
<td></td>
</tr>
<tr>
<td><strong>INCREMENT PER EMPLOYEE:</strong></td>
<td></td>
<td>$10,000</td>
</tr>
<tr>
<td><strong>PER EMPLOYEE LIMIT:</strong></td>
<td>Garden State Growth Zone</td>
<td>$15,000</td>
</tr>
<tr>
<td><strong>LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:</strong></td>
<td></td>
<td>$15,000</td>
</tr>
<tr>
<td><strong>AWARD:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Jobs:</td>
<td>15 Jobs X $15,000 X 100% =</td>
<td>$225,000</td>
</tr>
<tr>
<td>Retained Jobs:</td>
<td>0 Jobs X $15,000 X 100% =</td>
<td>$0,000</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td>$225,000</td>
</tr>
</tbody>
</table>

**ANNUAL LIMITS:**

| Garden State Growth Zone | $30,000,000 |

**TOTAL ANNUAL AWARD**

| $225,000 |

**TOTAL ANNUAL AWARD BASED ON THE BENEFIT TO THE STATE (OVER 30 YEARS, PRIOR TO AWARD) BEING 110% OF THE AWARD:**

| New Jobs: | 15 Jobs X $7,253 X 100% = | $108,795 |
| Retained Jobs: | 0 Jobs X $7,253 X 50% = | $0,000 |
| **Total:** | | $108,795 |

**TOTAL ANNUAL AWARD (APPROVED)**

| $108,795 |

---

**PROJECT IS:** (X) Expansion ( ) Relocation

**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** $286,884

**EXPECTED PROJECT COMPLETION:** June 30, 2017

**SIZE OF PROJECT LOCATION:** 5,940 sq. ft.

**NEW BUILDING OR EXISTING LOCATION?** Existing

**INDUSTRIAL OR NON-INDUSTRIAL FACILITY?** Industrial

**CONSTRUCTION:** (X) Yes ( ) No
NEW FULL-TIME JOBS: 15
RETAINED FULL-TIME JOBS: 0
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016): 0
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
MEDIAN WAGES: $28,213

NET BENEFIT MODEL: 2012
GROSS BENEFIT TO THE STATE (OVER 30 YEARS, PRIOR TO AWARD): $1,197,865
TOTAL AMOUNT OF AWARD: $1,087,950
NET BENEFIT TO THE STATE (OVER 30 YEARS, NET OF AWARD): $109,915

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:
1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. If the number of employees, salaries or capital investment to be counted in the Net Benefit Test (NBT) falls by more than 10% from the amounts contained herein, the net benefit to the state will need to be recalculated under the then current NBT model, which may reduce the amount of the Grow NJ Award.

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

DEVELOPMENT OFFICER: Christina Fuentes
APPROVAL OFFICER: Mark Chierici
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: Maestro Technologies, Inc. P44035

PROJECT LOCATION: 1 West State Street Trenton City Mercer County

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

APPLICANT BACKGROUND:
Maestro Technologies, Inc. (Maestro), founded in 2010, is a technology consulting and data management systems design firm. With key customers in the banking and pharmaceutical sectors, it provides a variety of technology solutions and services focused in cloud computing and big data with growth expected on the sale and implementation of proprietary products to be sold and modified for client use. Additionally, Maestro provides strategic staffing services to assist customers in running data management systems related to consulting engagements. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Currently with headquarters in Edison, NJ, a small office in Watchung, NJ, and numerous employees working remotely and at client sites across the Country, Maestro is contemplating centrally locating all staff into a new headquarters to better facilitate training, efficiency, and product development. Maestro is evaluating locating in a 40,000 sq. ft. space in Trenton, NJ or a comparable space in Wilmington, DE, were it has an existing customer base in addition to staff. The New Jersey project would represent a capital investment of $1.7 million dollars, the retention of 35 existing positions, and the addition of 143 jobs new to the State over the next 18 months. 

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Maestro Technologies, Inc. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Kamal S. Bathla, the CEO of Maestro Technologies, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $48.5 million over the 30-year period required by the Statute.
FINDING OF JOBS AT RISK:
The applicant has certified that the 35 New Jersey jobs listed in the application are at risk of being located outside the State on or before April 15, 2017 as this is the date upon which the alternate non-New Jersey facility will be operational. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

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

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

<table>
<thead>
<tr>
<th>Minimum Capital Investment Requirements</th>
<th>($/Square Foot of Gross Leasable Area)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial/Warehouse/Logistics/R&amp;D - Rehabilitation Projects</td>
<td>$ 20</td>
</tr>
<tr>
<td>Industrial/Warehouse/Logistics/R&amp;D - New Construction Projects</td>
<td>$ 60</td>
</tr>
<tr>
<td>Non-Industrial/Warehouse/Logistics/R&amp;D – Rehabilitation Projects</td>
<td>$ 40</td>
</tr>
<tr>
<td>Non-Industrial/Warehouse/Logistics/R&amp;D – New Construction Projects</td>
<td>$120</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Minimum Full-Time Employment Requirements</th>
<th>(New / Retained Full-time Jobs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tech start ups and manufacturing businesses</td>
<td>10 / 25</td>
</tr>
<tr>
<td>Other targeted industries</td>
<td>25 / 35</td>
</tr>
<tr>
<td>All other businesses/industries</td>
<td>35 / 50</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$1,066,667</td>
<td>$1,655,160</td>
</tr>
<tr>
<td>New Jobs</td>
<td>19</td>
<td>143</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>27</td>
<td>35</td>
</tr>
</tbody>
</table>
The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for **New Full-Time Jobs**. This project has been deemed eligible for a Base Award and Increases based on the following:

<table>
<thead>
<tr>
<th>Base Grant</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden State Growth Zone</td>
<td>Base award of $5,000 per year for projects located in a Garden State Growth Zone</td>
<td>Trenton is a Garden State Growth Zone</td>
</tr>
</tbody>
</table>

**Increase(s) Criteria**

| Deep Poverty Pocket or Choice Neighborhood | An increase of $1,500 per job for a project located in a Deep Poverty Pocket or Choice Neighborhood | 1 West State Street is located in a Deep Poverty Pocket. |
| Transit Oriented Development              | An increase of $2,000 per job for a project located in a Transit Oriented Development            | 1 West State Street is located in a Transit Oriented Development by virtue of being within 1 mile of the midpoint of a New Jersey Transit Corporation rail station. |
| Jobs with Salary in Excess of County/GSGZ Average | An increase of $250 per job for each 35% the applicant’s median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500 | The proposed median salary of $77,500 exceeds the Trenton median salary by 133.8% resulting in an increase of $750 per year. |
| Targeted Industry                        | An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business | The applicant is a Technology business. |

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

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
</tbody>
</table>
Maestro Technologies, Inc. | Grow New Jersey | Page 4
--- | --- | ---
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster

All other projects

<table>
<thead>
<tr>
<th>Grant Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BASE GRANT PER EMPLOYEE:</strong></td>
</tr>
<tr>
<td>Garden State Growth Zone</td>
</tr>
<tr>
<td><strong>INCREASES PER EMPLOYEE:</strong></td>
</tr>
<tr>
<td>Deep Poverty Pocket:</td>
</tr>
<tr>
<td>Transit Oriented Development:</td>
</tr>
<tr>
<td>GSGZ – Salary in Excess of GSGZ Average</td>
</tr>
<tr>
<td>Targeted Industry (Technology):</td>
</tr>
<tr>
<td><strong>INCREASE PER EMPLOYEE:</strong></td>
</tr>
<tr>
<td><strong>PER EMPLOYEE LIMIT:</strong></td>
</tr>
<tr>
<td>Garden State Growth Zone</td>
</tr>
<tr>
<td><strong>LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:</strong></td>
</tr>
<tr>
<td><strong>AWARD:</strong></td>
</tr>
<tr>
<td>New Jobs:</td>
</tr>
<tr>
<td>Retained Jobs:</td>
</tr>
<tr>
<td>Total:</td>
</tr>
<tr>
<td><strong>ANNUAL LIMITS:</strong></td>
</tr>
<tr>
<td>Garden State Growth Zone</td>
</tr>
<tr>
<td><strong>TOTAL ANNUAL AWARD</strong></td>
</tr>
</tbody>
</table>
Maestro Technologies, Inc.  Grow New Jersey  Page 5

PROJECT IS:  (X) Expansion  (X) Relocation

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:  $1,655,160
EXPECTED PROJECT COMPLETION:  September 1, 2018
SIZE OF PROJECT LOCATION:  40,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION?  Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?  Non-Industrial
CONSTRUCTION:  (X) Yes  ( ) No

NEW FULL-TIME JOBS:  143
RETAINED FULL-TIME JOBS:  35
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER, 2016):  24
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:  Edison Township
Watchung Township

MEDIAN WAGES:  $77,500
NET BENEFIT MODEL:  2012
GROSS BENEFIT TO THE STATE (OVER 30 YEARS, PRIOR TO AWARD):  $65,866,539
TOTAL AMOUNT OF AWARD:  $17,355,000
NET BENEFIT TO THE STATE (OVER 30 YEARS, NET OF AWARD):  $48,511,539

ELIGIBILITY PERIOD:  10 years

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

APPROVAL REQUEST:
The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before April 15, 2017; 2) approve the proposed Grow New Jersey grant to encourage Maestro Technologies, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: Christina Fuentes  APPROVAL OFFICER: Kevin DeSmedt
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: Wakefern Food Corp. P43394

PROJECT LOCATION: 225 Elm Street Perth Amboy City Middlesex County

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

APPLICANT BACKGROUND:
Wakefern Food Corp., founded in 1946, is a retailer owned cooperative that operates 2.5 million square feet of grocery and non-food warehousing. The cooperative consists of 50 member companies who own and operate retail supermarkets under the Shop Rite, Price Rite, and Fresh Grocer brands. Wakefern Food Corp. provides members of the cooperative with increased purchasing power, and centralized retail support services such as label and brand development, category management, marketing management, store layout and design, financial and payroll, marketing, loss prevention, insurance, and public relations. The applicant has demonstrated the financial ability to undertake the project.

In August, 2010, Wakefern Food Corp. was approved for a HUB award in the amount of $29,250,000 (certified at $26,550,000) for its facility in Newark.

In December, 2010, Wakefern Food Corp. was approved for a HUB award in the amount of $58,000,000 for its facility in Elizabeth.

MATERIAL FACTOR/NET BENEFIT:
The members of the cooperative are experiencing growth and, as such, Wakefern Food Corp. is considering the lease of a build to suit warehouse facility in either Perth Amboy, NJ or Bethlehem, PA. The facility will be used to distribute to retail supermarkets owned and operated by members of the cooperative. The completed facility will operate 24 hours per day to maintain inventory levels at the retail locations. In NJ, the applicant would lease a 930,750 SF warehouse facility, while in PA it would lease a similar 1,074,640 SF facility. The applicant would locate 172 current NJ full-time employees at the facility, and hire or relocate from out of State, an additional 390 full-time employees.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Wakefern Food Corp. has indicated that the grant of tax credits is a material factor in
the company’s location decision. The Authority is in receipt of an executed CEO certification by Joseph S. Colalillo, the CEO and Chairman of Wakefern Food Corp., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $52.5 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 172 New Jersey jobs listed in the application are at risk of being located outside the State on or before March 1, 2019 as this is the expected date that the facility at the alternate location would be operational. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

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

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

  Minimum Capital Investment Requirements
  Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects \( \$20 \)
  Industrial/Warehouse/Logistics/R&D - New Construction Projects \( \$60 \)
  Non-Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects \( \$40 \)
  Non-Industrial/Warehouse/Logistics/R&D - New Construction Projects \( \$120 \)

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

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

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

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$55,845,000</td>
<td>$116,111,263</td>
</tr>
<tr>
<td>New Jobs</td>
<td>35</td>
<td>390</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>50</td>
<td>172</td>
</tr>
</tbody>
</table>
Wakefern Food Corp. Grow New Jersey Page 3

March 24, 2017 Board Book - Incentives

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

<table>
<thead>
<tr>
<th>Base Grant</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distressed Municipality</td>
<td>Base award of $4,000 per year for projects located in a designated Distressed Municipality</td>
<td>Perth Amboy is a designated Distressed Municipality</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase(s) Criteria</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deep Poverty Pocket or Choice Neighborhood</td>
<td>An increase of $1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood</td>
<td>225 Elm Street is located in a Deep Poverty Pocket.</td>
</tr>
<tr>
<td>Transit Oriented Development</td>
<td>An increase of $2,000 per job for a project locating in a Transit Oriented Development</td>
<td>225 Elm Street is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a New Jersey Transit Corporation rail station.</td>
</tr>
<tr>
<td>Large Number of New/Retained Full-Time Jobs</td>
<td>An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs</td>
<td>The applicant is proposing to create/retain 562 Full-Time Jobs at the project location resulting in an increase of $750.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
</tbody>
</table>
| All other projects | The Retained Full-Time Jobs will receive the lesser of:  
  - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $8,250 = $4,125) or  
  - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($116,111,263 / 10 / (390 + 172) = $20,660) |
In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

### Grant Calculation

**BASE GRANT PER EMPLOYEE:**

| Distressed Municipality | $4,000 |

**INCREASES PER EMPLOYEE:**

| Deep Poverty Pocket: | $1,500 |
| Transit Oriented Development: | $2,000 |
| Large Number of New/Retained F/T Jobs: | $750 |

**INCREASE PER EMPLOYEE:**

$4,250

**PER EMPLOYEE LIMIT:**

| Distressed Municipality | $11,000 |

**LESSEER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:**

$8,250

**AWARD:**

- New Jobs: 390 Jobs X $8,250 X 100% = $3,217,500
- Retained Jobs: 172 Jobs X $8,250 X 50% = $709,500

**Total:** $3,927,000

**ANNUAL LIMITS:**

| Distressed Municipality | $8,000,000 |

**TOTAL ANNUAL AWARD**

$3,927,000
Wakefern Food Corp.  Grow New Jersey  Page 5

PROJECT IS:  (X) Expansion  (X) Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:  $116,111,263
EXPECTED PROJECT COMPLETION:  May 1, 2019
SIZE OF PROJECT LOCATION:  950,750 sq. ft.
NEW BUILDING OR EXISTING LOCATION?  New
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?  Non-Industrial
CONSTRUCTION:  (X) Yes  ( ) No

NEW FULL-TIME JOBS:  390
RETAINED FULL-TIME JOBS:  172
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):  3,190
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:  Various
MEDIAN WAGES:  $29,120

NET BENEFIT MODEL:  2012
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):  $91,780,103
TOTAL AMOUNT OF AWARD:  $39,270,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):  $52,510,103

ELIGIBILITY PERIOD:  10 years

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

APPROVAL REQUEST:
The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before March 1, 2019; 2) approve the proposed Grow New Jersey grant to encourage Wakefern Food Corp. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: D. Ubinger  APPROVAL OFFICER: D. Poane
GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)
MODIFICATIONS
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: March 24, 2017

SUBJECT: Seldat, Inc. ("Seldat") – Modification
Grow New Jersey Assistance Program ("Grow NJ") – P40628
$35,843,460 Grow NJ

Request:
Consent to change the location of the qualified business facility ("QBF") for the approved Grow NJ from 2 Turner Place, Piscataway Township, Middlesex County to 200 South Pemberton Road, Pemberton Township, Burlington County.

The change in location will result in a reduction in the overall 10-year tax credit from $51,536,000 to $35,843,460. As this project is moving to a municipality treated differently under the Grow NJ Act and the award is over $25,000,000, it does not meet staff delegations approved by the Members in July 2016.

Background:
Seldat, Inc. is a distribution and logistics company that services businesses and consumers throughout North and South America.

In April, 2015, the Members approved a $51,536,000, 10 year Grow NJ to incent the creation of 1,050 new jobs in Piscataway Township. The approved QBF consisted of a 451,800 sf new construction distribution facility.

Subsequent to the Grow NJ approval, the company could not come to terms with the property owner to purchase the site in Piscataway Township. A replacement site in Sayreville was identified, but could not be secured. Seldat is now requesting EDA consent to change the location of the QBF to an alternate site located at 200 South Pemberton Road, Pemberton Township.

Due to the delays in purchasing a site to construct the QBF, the company was unable to establish site control or obtain site plan approval by the original April 14, 2016 deadline to meet the conditions of approval. Because the company demonstrated continuing progress toward locating an alternative site, staff provided extensions to meet the approval conditions under the December 2013 delegation through October 14, 2017.

On July 14, 2016, the Board delegated approval to staff to address changes to QBF locations for applicants under narrowly defined guidelines when an applicant loses its site before executing an incentive agreement, including changes to the size of the QBF if the change (greater or smaller) represented a charge of less than 25% from the original approval. The proposed change is not within the scope of the delegated authority because the QBF is moving from a Priority Area to a Distressed
Municipality, resulting in different treatment under the Grow NJ Act, and because the award is over $25,000,000. Additionally, the proposed location does not qualify as a Mega Project. The original project was deemed a Mega Project, as it included the creation of over 1,000 jobs in a municipality designated as a Port District. Although there is no change to the originally proposed 1,050 new jobs, Pemberton Township is not designated a Port District.

The change in location also affects the minimum eligibility capital investment per square foot. Although the project continues to be a new construction of industrial premises, the new location is in a southern New Jersey county in which the minimum capital investment per square foot is reduced by one third, from $60/sf to $40/sf. Thus, taking that reduction into account as well as the change in size from the 451,800 sf for the original site to the new 500,000 sf site, the total minimum capital investment required is $20,000,000.

The Cost Benefit Analysis comparing the approved New Jersey project and proposed New Jersey project identified two significant changes in the project. The land acquisition purchase price decreased from $12,350,000 at the original site to $700,000 at the new site, and construction costs rose from $17,540,000 to $26,689,000. These shifts are attributed to an increase in the size of the QBF, as well as a location change from a developed site with water, sewer, and utilities to undeveloped farmland that will require installation of a well, electric, sewer, and gas utilities at the site.

Total upfront costs associated with the proposed project are reduced by $4,834,000 (or 9.7%) lower than the approved project, with a $456,927 (or 2.1%) annual decrease in annual ongoing costs. In total, the new site is $11,687,905 (or 3%) less expensive than the original approved project over the 15 year grant commitment duration. As is EDA’s policy for QBF location changes, the Authority did not undertake a new material factor determination because the project costs at the new location are within 10% of the project costs at the original location.

Because the project no longer qualifies as a Mega Project, the base credit award is reduced from $5,000 to $4,000, as Pemberton Township is designated as a Distressed Municipality. All other bonuses remain the same. Thus, the per-employee calculated award is reduced from $6,750 to $5,750 which results in a reduction of the calculated annual award from $7,087,500 to $6,037,500.

As the calculated award is over $4,000,000 annually, staff has reviewed the project at the new site, including re-evaluating the net benefit analysis and the Cost Benefit Analysis gap, and has determined that the amount necessary to complete the project is $35,843,460.

**Summary of Project Changes:**

<table>
<thead>
<tr>
<th>At Original Approval</th>
<th>As Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Grant:</strong></td>
<td></td>
</tr>
<tr>
<td>$5,000</td>
<td>$4,000</td>
</tr>
<tr>
<td><strong>Increases:</strong></td>
<td></td>
</tr>
<tr>
<td>Large Number of New/Retained Full-Time Jobs:</td>
<td>$1,500</td>
</tr>
</tbody>
</table>

March 24, 2017 Board Book - Incentives
On Site Solar Generation of at least ½ of the Project’s Electrical Needs: $250

Base + Increases: $6,750 $5,750

Annual Award:
New Jobs: 1,050 Jobs x $6,750 x 100% = $7,087,500

Annual Limit: $30,000,000 (Mega Project) $8,000,000 (Distressed Municipality)

Total Annual Award (OVER $4,000,000): $7,087,500 $6,037,500

ANNUAL AMOUNT DETERMINED AS NECESSARY TO COMPLETE THE PROJECT: $5,153,600 $3,584,346
($4,908 per new job) ($3,413 per new job)

Project Location: 2 Turner Place, Piscataway Township 200 South Pemberton Road, Pemberton Township

Size of Project Location: 451,800 sf 500,000 sf

Minimum Capital Investment Eligibility Requirement: $20,000,000 $20,000,000

Estimated Eligible Capital Investment: $33,599,000 $40,415,000

Jobs: 1,050 New 1,050 New

Gross Benefit to the State (Prior to Award): $261,986,403 over 30 years $201,396,580 over 20 years

Net Benefit Test: $210,450,403 over 30 years $165,553,120 over 20 years

Recommendation:
Consent to the applicant’s request to change the location of the QBF for the approved Grow NJ from 2 Turner Place, Piscataway Township, Middlesex County to 200 South Pemberton Road, Pemberton Township, Burlington County.
The change in location will result in the overall 10-year tax credit being reduced from $51,536,000 to $35,843,460.

Prepared by: John Shanley
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: March 24, 2017

SUBJECT: Vitaquest International, LLC (“Vitaquest”) – Modification
Grow New Jersey Assistance Program (“Grow NJ”) – P43651
$29,400,000 Grow NJ

Request:
Consent to the following actions:

1. Change the location of the qualified business facility (“QBF”) for the approved Grow NJ from 99 5th Avenue, Paterson City, Passaic County to 75 Wood Street, Paterson City, Passaic County; and

2. Approve the addition of Vitaquest’s Affiliate, Vitapak, LLC (“Vitapak”), to the grant agreement.

The Members are asked to approve these actions because the total award of this project is greater than $25,000,000 and therefore exceeds the staff delegations for location changes and affiliate additions approved by the Members in July 2016.

These actions, if approved by the members, will not increase the $29,400,000 Grow NJ approved by the Board in December 2016.

Background:
Established in 1977, Vitaquest is a manufacturer of nutritional supplements. The company is currently headquartered in West Caldwell, New Jersey.

In December, 2016, the Members approved a $29,400,000, 10 year Grow NJ to incent the creation of 100 new jobs and 110 at-risk jobs in Paterson City. The approved project consisted of 79,650 sf of industrial premises which would house the company’s assembly and packaging operation.

Upon conducting further due diligence following board approval, the company decided that the original QBF was no longer a viable option to house their manufacturing operations due to insufficient on-site parking and reoccurring water issues.

The company is now requesting EDA’s consent to change the location of the QBF to an alternate site, located less than a half mile away at 75 Wood Street in Paterson.

On July 14, 2016, the Board delegated approval to staff to address changes to QBF locations for applicants under narrowly defined guidelines when an applicant loses its site before executing an
incentive agreement, including changes to the size of the QBF if the change (greater or smaller) represented a change of less than 25% from the original approval. At the same time, the Board also delegated to staff the authority to add qualifying affiliates. Although both requests fall into the scope of the corresponding delegations, the delegation explicitly excluded all projects with a total award greater than $25 million. QBF changes and affiliate additions for such projects must be approved by the Members.

The Cost Benefit Analysis comparing the approved New Jersey project and proposed New Jersey project identified a decrease in building renovation costs from $1,200,000 to $900,000, as well as an annual increase in rental costs from $358,425 to $540,000. The shift in renovation costs is attributed to the proposed QBF being newer and requiring limited renovations, compared to the approved QBF which would require new roofing, updated lighting, and structural improvements. As lease negotiations are not finalized, the proposed estimated rent and square footage may slightly change.

Total upfront costs associated with the proposed project are reduced by $300,000 (or 7.3%) lower than the approved project, with a $163,860 (or 1.9%) annual increase in annual ongoing costs. In total, the new site is $2,157,908 (or 1.6%) more expensive than the original approved project over the 15 year grant commitment duration. As is EDA’s policy for QBF location changes, the Authority did not undertake a new material factor determination because the project costs at the new location are within 10% of the projects costs at the original location.

As part of this request, Vitaquest is requesting the addition of their newly formed Affiliate, Vitapak, to their grant agreement. Vitapak will be holding the lease at the proposed QBF, as well as contributing capital investment and jobs to the project. Vitaquest has provided an opinion letter from a CPA confirming Vitapak meets the definition of “Affiliate” under the Grow NJ Act.

As there are no changes to the proposed jobs or wages, and the location of the QBF qualifies for all the same bonuses, there is no change to the $29,400,000 overall award.

**Summary of Project Changes:**

<table>
<thead>
<tr>
<th>At Original Approval</th>
<th>As Proposed</th>
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<tbody>
<tr>
<td><strong>Base Grant:</strong></td>
<td>$5,000</td>
</tr>
<tr>
<td><strong>Increases:</strong></td>
<td></td>
</tr>
<tr>
<td>Deep Poverty Pocket:</td>
<td>$1,500</td>
</tr>
<tr>
<td>Transit Oriented</td>
<td>$2,000</td>
</tr>
<tr>
<td>Development:</td>
<td></td>
</tr>
<tr>
<td>Targeted Industry:</td>
<td>$500</td>
</tr>
<tr>
<td>GSGZ – Industrial, Capital Investment in Excess of the Minimum:</td>
<td>$5,000</td>
</tr>
</tbody>
</table>
Total Increases: $9,000

Base + Increases: $14,000

Annual Award:
New Jobs: 100 Jobs x $14,000 x 100% = $1,400,000
Retained Jobs: 110 Jobs x $14,000 x 100% = $1,540,000

Annual Limit: $30,000,000 (GSGZ)

Project Location: 99 5th Avenue, Paterson

Size of Project Location: 79,650 sf

Minimum Capital Investment Eligibility Requirement: $1,062,000

Estimated Eligible Capital Investment: $4,100,000

Recommendation:
Consent to the applicant’s request to change the location of the QBF for the approved Grow NJ from 99 5th Avenue, Paterson City, Passaic County to 75 Wood Street, Paterson City, Passaic County; and

Approve the addition of Vitaquest’s Affiliate, Vitapak, to the grant agreement.

These changes will not impact the size of the Grow NJ award approved by the Members in December 2016.

Prepared by: John Shanley
BOND PROJECTS
COMBINATION PRELIMINARY AND BOND RESOLUTIONS
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM - (PREMIER LENDER)

APPLICANT: Congregation Nachlas Yisroel, Inc.  P44084
PROJECT USER(S): Same as applicant  *
PROJECT LOCATION: 1459, 1467, 1483 E. Spruce St. Lakewood Township (T/UA) Ocean
GOVERNOR’S INITIATIVES: (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Congregation Nachlas Yisroel, Inc. (the "School") is a 501(c)(3) not-for-profit corporation established in 2004. The School is an all boys high school and has a present enrollment of 137 students in grades nine to twelve, in addition to post graduate classes. The School’s founder Rabbi Ungarischer serves as the Principal.

The School currently operates a facility constructed in 2015 at 1483 East Spruce Street totalling 31,000 sq. ft. including six classrooms, a study hall, dormitory for post high school students, library, break room, and a recreation room. The School intends to purchase adjacent lots at 1459 and 1467 East Spruce Street, each of which is 44,866 sq. ft. and contains an existing residential dwelling to be used to house staff. The lots would be further developed for recreational purposes including football, baseball and soccer fields.

The project has been reviewed and approved by the Attorney General's Office relating to the First Amendment’s Establishment Clause.

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

APPROVAL REQUEST:
Authority assistance will enable the applicant to refinance an existing mortgage with Fulton Bank totaling $3 million, fund the purchase of adjacent lots, and pay closing costs, with the applicant paying any difference in project costs and bond proceeds via internal funds.

FINANCING SUMMARY:
BOND PURCHASER: Fulton Bank of New Jersey (Direct Purchase)
AMOUNT OF BOND: $4,300,000 Tax-Exempt Bond
TERMS OF BOND: 25 years; fixed rate equal to the Tax Exempt Equivalent of 4.75% for a period of five (5) years, with rates resetting every 5th anniversary at the Tax Exempt Equivalent of the five (5) year LIBOR Swap Index rate plus 275 bps with a taxable rate floor of 4.75%. Indicative rate as of March 1, 2017 is 3.12%.
ENHANCEMENT: N/A

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refinancing</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Land</td>
<td>$1,335,000</td>
</tr>
<tr>
<td>Finance fees</td>
<td>$38,875</td>
</tr>
<tr>
<td>Legal fees</td>
<td>$35,000</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$4,408,875</strong></td>
</tr>
</tbody>
</table>
JOBS: At Application 10 Within 2 years 8 Maintained 0 Construction 0

PUBLIC HEARING: 03/16/17 (Published 02/28/17) BOND COUNSEL: Chiesa, Shahinian & Giantomasi,
DEVELOPMENT OFFICER: M. Athwal APPROVAL OFFICER: K. DeSmedt
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Dakota Properties, Inc.  
PROJECT USER(S): Oaks Integrated Care, Inc.  
PROJECT LOCATION: Various Statewide ( ) Multi Count  
GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:  
Dakota Properties, Inc. ("Dakota") was established to support Oaks Integrated Care, Inc., formerly Twin Oaks Community Services. Its main function is to acquire, lease, maintain and manage properties. Dakota is also responsible for soliciting and receiving gifts of money, securities and other property, as well as maintaining the property donation program whereby properties are sold to generate funds for the benefit of Oaks Integrated Care, Inc.

The Authority has provided prior financing for Dakota through P37676 which closed 2/26/13 in the amount of $3,020,000 for 20 years via a direct purchase by TD Bank, as well as, P39293 closed 3/19/15 in the amount of $2,224,800 for 20 years, also via a direct purchase from TD Bank.

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

APPROVAL REQUEST:  
Authority assistance will enable the applicant to refinance existing conventional debt and pay for the costs of issuance.

This bond will provide long term financing for 6 Department of Developmental Disabilities and Department of Children & Family homes, 15 supportive housing units and two office buildings to house multiple programs for individuals with mental illness or developmental disabilities.

FINANCING SUMMARY:  
BOND PURCHASER: Branch Banking & Trust Company (Direct Purchase)  
AMOUNT OF BOND: $4,400,000 Tax-Exempt Bond  
TERMS OF BOND: 20 years; Option A - Fixed rate for 10 years at the BB&T cost of funds plus 1.61%. The indicative rate as of March 7, 2017 is 3.58%. Option B - Variable interest rate equal to tax-exempt equivalent of 1 month LIBOR plus 1.57%. The estimated indicative rate as of March 7, 2017, is 3.32%. Bank will have a call option at the end of year 10.

ENHANCEMENT: N/A  

PROJECT COSTS:  

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refinancing</td>
<td>$4,396,640</td>
</tr>
<tr>
<td>Other Costs</td>
<td>$3,360</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$4,400,000</strong></td>
</tr>
</tbody>
</table>
March 24, 2017 Board Book - Bonds

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

PUBLIC HEARING: 03/16/17 (Published 02/28/17)  BOND COUNSEL: Chiesa, Shahinian & Giantomasi,
DEVELOPMENT OFFICER: K. Durand  APPROVAL OFFICER: M. Chierici
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Oaks Integrated Care, Inc.  P44027
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: Various Statewide ( ) Multi Count
GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Oaks Integrated Care, Inc. ("Oaks") previously called Twin Oaks Community Services, a private, nonprofit community agency, provides behavioral health and wellness services to adults, children and families in nine counties throughout southern and central New Jersey.

Prior assistance from the EDA has been issued in the following amounts and years: P07368 for $1,600,000 in 1994, P25363 for $2,871,232 and P25802 for $411,768 both in 2009, P31723 for $4,391,732.50 and P28860 for $125,122 both in 2010, P37675 in 2013 for $2,285,000 and P39344 most recently in 2015 for $2,416,000.

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

APPROVAL REQUEST:
Authority assistance will enable the applicant to refinance existing conventional debt and pay for costs of issuance, thereby reducing monthly debt service.

The current request is to refinance the cost of the acquisition and improvement of 5 additional parcels and improvements on such parcels that are used to provide integrated case management services and group homes for individuals with mental illness or developmental disabilities.

FINANCING SUMMARY:
BOND PURCHASER: Branch Banking & Trust Company (Direct Purchase)
AMOUNT OF BOND: $1,400,000 Tax-Exempt Bond
TERMS OF BOND: 20 years; Option A - Fixed rate for 10 years at the BB&T cost of funds plus 1.61%. The indicative rate as of March 7, 2017 is 3.58%. Option B - Variable interest rate equal to tax-exempt equivalent of 1 month LIBOR plus 1.57%. The estimated indicative rate as of March 7, 2017, is 3.32%. Bank will have a call option at the end of year 10.
ENHANCEMENT: N/A

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Refinancing</td>
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<tr>
<td>Other - Fees</td>
<td>$423,200</td>
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<tr>
<td>TOTAL COSTS</td>
<td>$1,400,000</td>
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JOBS: At Application 1,850 Within 2 years 15 Maintained 0 Construction 0

PUBLIC HEARING: 03/16/17 (Published 02/28/17) BOND COUNSEL: Chiesa, Shahinian & Giantomasi
DEVELOPMENT OFFICER: K. Durand APPROVAL OFFICER: M. Chierici
MEMORANDUM

TO: Members of the Authority

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

DATE: March 24, 2017

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

The following commercial, not-for-profit and residential grant projects have been approved by the Department of Environmental Protection to perform upgrade, closure and site remediation activities. The scope of work is described on the attached project summaries:

**UST Commercial Grants:**
P43478  BNF New Jersey LLC  $364,066

**UST Not-For-Profit Grants:**
P43331  American Vegan Society  $142,298

**UST Residential Grants:**
P43652  Angelina Ciallella  $45,791
P43539  Corlyn Nelson  $179,158
P43489  Harry Srolovitz  $102,802
P43278  Joseph M. DeUrso, Sr.  $161,613
P43806  Joseph Chiaravallo  $139,867
P43029  Noelle Picerno  $129,330
P43543  Orlando Cortez  $123,722

Total UST Funding – March 2017  $1,388,647

Prepared by: Reneé M. Krug

Timothy Lizura
APPLICANT: BNF New Jersey LLC
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 1423 Corlies Avenue Neptune Township (T/UA) Monmouth

APPLICANT BACKGROUND:
Between December 2007 and September 2010, BNF NJ LLC (“BNF”) received an initial grant in the amount of $102,915 under P19594 and supplemental grants totaling $166,052 under P24276 and P31989 to close 5 underground storage tanks, perform site remediation and soil and groundwater investigation at the project site. BNF is owned equally by Ubaldo Figliola, Nicholas Figliola, and Fulvo Figliola and is the holding company for Ultimate Car Care and the owner of the project site, which is an auto repair facility located in Neptune. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional site remediation. Financial statements provided by the applicant demonstrate that the applicant’s financial condition conforms to the financial hardship test for a conditional hardship grant.

APPROVAL REQUEST:
The applicant is requesting aggregate supplemental grant funding in the amount of $364,066 to perform the approved scope of work at the project site. Total grant funding including this approval is $633,033. The project site is located in a Metropolitan Planning Area and is eligible for grant funding up to $1 million. The NJDEP oversight fee of $36,407 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: $364,066
TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remediation</td>
<td>$364,066</td>
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<tr>
<td>NJDEP oversight cost</td>
<td>$36,407</td>
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<td>EDA administrative cost</td>
<td>$500</td>
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<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$400,973</strong></td>
</tr>
</tbody>
</table>

APPROVAL OFFICER: K. Junghans
APPLICANT: American Vegan Society

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 72 Dinshah Lane Franklin Township (T) Gloucester

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

APPLICANT BACKGROUND:
American Vegan Society is a 501(c)(3) not-for-profit organization seeking to remove a leaking underground storage tank (UST) and perform the required remediation outside the building. The tank will be decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible.

Certifications provided by the 501(c)(3) not-for-profit applicant meet the requirements for a conditional hardship grant.

APPROVAL REQUEST:
The applicant is requesting grant funding in the amount of $142,298 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $14,230 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement.

FINANCING SUMMARY:
GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: $142,298

TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act

PROJECT COSTS:

- Upgrade, Closure, Remediation: $142,298
- NJDEP oversight cost: $14,230
- EDA administrative cost: $500

_______________________
TOTAL COSTS: $157,028

APPROVAL OFFICER: W. Wisniewski
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT: Angelina Ciallella
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 837 Route 33 Freehold Township (N) Monmouth
GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Between May 1999 and September 2008, Angelina Ciallella received an initial grant in the amount of $72,990 under P10776 and supplemental grants totaling $137,564 under P14697 and P22704 for the removal and remediation of groundwater contamination, contaminated soil, waste classification, soil removal and analysis for areas of concern (AOCs) at the project site. The NJDEP has approved supplemental costs to perform additional remedial activities.

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

APPROVAL REQUEST:
The applicant is requesting aggregate supplemental grant funding in the amount of $45,791 to perform the approved scope of work at the project site. Because the aggregate supplemental funding including this request is $183,355, it exceeds the maximum aggregate staff delegation approval of $100,000 and therefore requires EDA's board approval. Total grant funding to date including this approval is $256,345.

The NJDEP oversight fee of $4,579 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: $45,791
TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act.

PROJECT COSTS:

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<tr>
<th>Item</th>
<th>Cost</th>
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<tr>
<td>Remediation</td>
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<td><strong>TOTAL COSTS</strong></td>
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</table>

APPROVAL OFFICER: K. Junghans
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT: Corlyn Nelson

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 40 La France Avenue Bloomfield Township (T/UA) Essex

APPLICANT BACKGROUND:
Corlyn Nelson 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 that the applicant's financial condition conforms to the financial hardship test for a conditional hardship grant.

APPROVAL REQUEST:
The applicant is requesting grant funding in the amount of $179,158 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $17,916 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: $179,158

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

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<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
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</table>

TOTAL COSTS $197,324

APPROVAL OFFICER: W. Wisniewski
APPLICANT: Harry Srolovitz

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 7 Plymouth Court Tabernacle Township (N) Burlington

APPLICANT BACKGROUND:
Harry Srolovitz 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 that the applicant's financial condition conforms to the financial hardship test for a conditional hardship grant.

APPROVAL REQUEST:
The applicant is requesting grant funding in the amount of $102,802 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $10,280 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: $102,802

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

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<tr>
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<td><strong>TOTAL COSTS</strong></td>
<td><strong>$113,332</strong></td>
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APPROVAL OFFICER: W. Wisniewski
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT:  Joseph M. DeUrso, Sr.

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

PROJECT LOCATION: 419 55th Street West New York Town (T/UA) Hudson

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

APPLICANT BACKGROUND:
Joseph M. DeUrso, Sr. 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 that the applicant's financial condition conforms to the financial hardship test for a conditional hardship grant.

APPROVAL REQUEST:
The applicant is requesting grant funding in the amount of $161,613 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $16,161 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: $161,613
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

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<tr>
<td><strong>TOTAL COSTS</strong></td>
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</table>

APPROVAL OFFICER: W. Wisniewski
APPLICANT: Joseph Chiaravallo

PROJECT USER(S): Same as applicant

PROJECT LOCATION: Rt 35 S & Lawrence Pkwy Old Bridge Township (T/UA) Middlesex

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

APPLICANT BACKGROUND:
Between May 1999 and July 2001, Joseph Chiaravallo, owner of the project site which was formally a service station, received an initial grant in the amount of $90,000 under P10431 and supplemental grants totaling $119,500 under P10431s and P13444 to perform soil remediation for the closure of the former underground storage tanks (USTs) at the project site. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional extensive remedial activities.

Financial statements have been provided which demonstrate that the applicant's financial condition conforms to the financial tests for a conditional hardship grant.

APPROVAL REQUEST:
The applicant is requesting aggregate supplemental grant funding in the amount of $139,867 to perform the approved scope of work at the project site. Total grant funding including this approval is $349,367.

The NJDEP oversight fee of $13,987 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: $139,867

TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act.

PROJECT COSTS:

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<tr>
<th>Project Costs</th>
<th>Amount</th>
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<td>Remediation</td>
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<td><strong>TOTAL COSTS</strong></td>
<td><strong>$154,354</strong></td>
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</table>

APPROVAL OFFICER: K. Junghans
APPLICANT: Noelle Picerno P43029

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

PROJECT LOCATION: 7 Sunset Court Freehold Borough (T) Monmouth

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

APPLICANT BACKGROUND:
In October 2015, Noelle Picerno received a grant in the amount of $1,834 under P40823 to remove a 550-gallon residential #2 heating underground storage tank (UST). The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

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

APPROVAL REQUEST:
The applicant is requesting grant funding in the amount of $129,330 to perform the approved scope of work at the project site. Total grant funding including this approval is $131,164.

The NJDEP oversight fee of $12,933 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: $129,330

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

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<td><strong>TOTAL COSTS</strong></td>
<td><strong>$142,513</strong></td>
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</table>

APPROVAL OFFICER: K. Junghans
APPLICANT: Orlando Cortez              P43543
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 204 Boston Avenue Hillside Township (T/UA) Union
GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Orlando Cortez 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 that the applicant’s financial condition conforms to the financial hardship test for a conditional hardship grant.

APPROVAL REQUEST:
The applicant is requesting grant funding in the amount of $123,722 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $12,372 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: $123,722
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

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<tr>
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<td><strong>TOTAL COSTS</strong></td>
<td><strong>$136,344</strong></td>
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</tbody>
</table>

APPROVAL OFFICER: W. Wisniewski
HAZARDOUS DISCHARGE SITE REMEDIATION FUND
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: March 24, 2017

SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

The following loan and grant projects have been approved by the Department of Environmental Protection to perform Remedial Action, Site Investigation, Remedial Investigation and Preliminary Assessment activities. The scope of work is described on the attached project summaries:

**HDSRF Term Loan:**
P43556  Michael Tramontana (Former Eton Cleaners)  $ 86,185

**HDSRF Commercial Grants:**
P43157  Michael Tramontana (Former Eton Cleaners)  $ 99,375

**HDSRF Municipal Grants:**
P43714  Borough of South River (Firehouse Redev. Site)  $ 251,174
P43390  City of Rahway (BDA Slokker Dev. Site)  $ 255,424

$ 506,598

**Total HDSRF Funding – March 2017**  $ 692,158

Prepared by: Renée M. Krug
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS DISCHARGE SITE REMEDIATION PROGRAM

APPLICANT: Michael Tramontana ( Former Eton Cleaners)

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 701 Brunswick Ave Trenton City (T/UA) Mercer

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

APPLICANT BACKGROUND:
Michael Tramontana is a real estate investor and landlord for over 30 properties in Trenton, NJ. The subject property is a 5,000 s.f., two story, mixed use commercial/residential building with 4 first floor retail spaces and one first floor apartment, and two, second floor apartments. The applicant has requested an $86,185 HDSRF loan to fund remediation work yet to be completed. It should be noted that the remediation to be performed surrounds the outer parts of the property and thus allows all tenants to be fully operational.

APPROVAL REQUEST:
Approval of a $86,185 HSDRF term loan is recommended.

FINANCING SUMMARY:
LENDE: Hazardous Discharge Site Remediation Fund

AMOUNT OF LOAN: $86,185

TERMS OF LOAN: 5 year term and amortization. The rate will be the Federal Discount Rate set at time of approval of closing (whichever is lower, with a floor of 5.00%. Indicative rate of 5.00%

PROJECT COSTS:

Remedial investigation $86,185
EDA administrative cost $1,000

TOTAL COSTS $87,185

APPROVAL OFFICER: A. Lipton
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS DISCHARGE SITE REMEDIAT'N PROG GRANT

APPLICANT: Michael Tramontana (Former Eton Cleaners) P43157
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 701 Brunswick Ave. Trenton City (T/UA) Mercer
GOVERNOR'S INITIATIVES: (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Between August 1997 and August 2015, Michael Tramontana, owner of the project site, received an initial grant in the amount of $5,547 under P09345 and supplemental grants totaling $50,615 under P09345s and P39600 to perform the closure of five underground storage tanks (USTs). The NJDEP Bureau of Case Management has found the applicant's supplemental proposal for financial assistance to be administratively and technically complete and has approved funding to be provided in the form of a Hazardous Discharge Site Remediation Grant under N.J.S.A. 58:10B-Subsection 4, Series A. This Innocent Party Grant has been calculated off 50% of the approved remedial action (RA) project costs ($198,749).

The NJDEP has approved this request for RA activities for the above project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

APPROVAL REQUEST:
The applicant is requesting aggregate supplemental grant funding in the amount of $99,375 to perform the approved scope of work at the project site. Because the aggregate supplemental funding including this request is $149,990, it exceeds the maximum aggregate staff delegation approval of $100,000 and therefore requires EDA's board approval. Total grant funding including this approval is $155,537.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: $99,375 (IPG)
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

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<td>$199,249</td>
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APPROVAL OFFICER: K. Junghans
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT

APPLICANT: Borough of South River (Firehouse Redevel. Site) P43714

PROJECT USER(S): Same as applicant *

PROJECT LOCATION: Firehouse Redevelopment Site South River Borough (T) Middlesex

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

APPLICANT BACKGROUND:
Borough of South River, identified as Block 264.01, Lots 1,6.01 and 12 is a former firehouse which has potential environmental areas of concern (AOCs). The Borough of South River owns the project site and has satisfied proof of site control. It is the Borough's intent, upon completion of the environmental investigation activities to redevelop the project site for a firehouse.

NJDEP has approved this request for Preliminary Assessment (PA), Site Investigation (SI) and Remedial Investigation (RI) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

APPROVAL REQUEST:
Borough of South River is requesting grant funding to perform PA, SI and RI in the amount of $251,174 at the Firehouse Redevelopment project site.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $251,174

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

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</table>

APPROVAL OFFICER: K. Junghans
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT

APPLICANT: City of Rahway (BDA Slokker Dev. Site)  P43390
PROJECT USER(S): Same as applicant  * - indicates relation to applicant
PROJECT LOCATION: Main Street and Monroe Street Rahway City (T/UA) Union
GOVERNOR'S INITIATIVES: (X) Urban  ( ) Edison  ( ) Core  ( ) Clean Energy

APPLICANT BACKGROUND:
City of Rahway, identified as Blocks 318 & 500, Lots 1-10, 23 and 13 is a former auto repair facility which is located in a Brownfields Development Area (BDA) and has potential environmental areas of concern (AOCs). The City of Rahway owns the Slokker Development project site and has satisfied proof of site control. It is the City's intent, upon completion of the environmental investigation activities to redevelop the project site for commercial and residential use.

NJDEP has approved this request for Preliminary Assessment (PA), Site Investigation (SI) and Remedial Investigation (RI) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

APPROVAL REQUEST:
City of Rahway is requesting grant funding to perform PA, SI and RI in the amount of $255,424 at the Slokker Development Site project site.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: $255,424
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

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<td><strong>TOTAL COSTS</strong></td>
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APPROVAL OFFICER: K. Junghans
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: March 24, 2017

RE: Energy Resilience Bank Hunterdon Medical Center (HMC) Project Funding Recommendation

Request:

The Members are requested to: (1) deem the Hunterdon Medical Center (HMC) CHP Project preliminarily eligible for Energy Resilience Bank (ERB) funding; (2) approve moving the project forward to the next phase of the ERB program review and approval process; (3) reserve $10,930,000 of ERB funds for the project; and, (4) authorize the execution of ERB program funding documents with Hunterdon Medical Center consistent with the terms set forth herein, with the understanding that any material changes to project scope or budget will be brought back to the board for reconsideration.

ERB Program:

In July, 2014, the Members approved the creation of the Energy Resilience Bank, initially capitalized with $200 million of Community Development Block Grant Disaster Recovery ("CDBGDR") funds, to address statewide energy resilience needs. In October 2014, the Members approved the ERB Financing Program Guide and launched ERB’s Funding Round 1 for Water and Wastewater Treatment Facilities and in October 2015, the Members approved ERB’s Funding Round for Hospitals and Related Healthcare Facilities.

The intent of the ERB is to finance the installation or upgrading of commercially available and cost effective resilient energy technologies at critical facilities. ERB is focused on effective distributed energy resource (DER) technologies, including combined heat and power and fuel cells, which are designed to start up and function in "island" mode, disconnected and isolated from the grid during a power outage or other event.

Applicants must be eligible entities and must demonstrate that the critical facility was either directly or indirectly impacted by Superstorm Sandy or directly impacted by another qualifying
disaster. Priority, as established through the ERB scoring system, is placed on projects which serve low and moderate income communities. ERB projects must be permanently installed at a critical facility, must be constructed or elevated above FEMA’s best available data for base flood elevations, and be operational within two years of the ERB closing.

In conformance with HUD’s CDBG-DR funded infrastructure program requirements, all projects undergo a comprehensive risk analysis which incorporates a detailed technical feasibility, criticality and resiliency, and cost benefit/project economics review to determine program and funding eligibility. Each project is assessed on the technical specifications of the project including the technology used, size and scale, criticality, resiliency, environment review, applicant credit, cost and revenue estimates, and overall feasibility. Scoring criteria reflect the comprehensive risk analysis framework as shown in the attached Scoring Chart. Projects are scored on a 100 point system and must meet a minimum eligibility threshold score of 50 points to be considered eligible for ERB project financing.

ERB funding is determined and provided on a per project basis as a combination of grant/forgivable loan and amortizing loan based on the project’s unmet need and ownership structure. For public and not-for-profit applicants, ERB will provide 100% of the project’s unmet need as:

1) a grant/forgivable loan (not to exceed $25 million) for all eligible resilient costs, as described in the Program Guide;

2) a grant/forgivable loan equal to 40% of the remaining eligible project costs; and,

3) an amortizing, 2% interest rate loan with a term up to 20 years, for the balance of ERB project funding.

**Hunterdon Medical Center CHP Project**

*Applicant:* Hunterdon Medical Center is a New Jersey not-for-profit, acute care hospital located in Flemington. Opened in 1953, Hunterdon Medical Center (HMC) is a community hospital with 178 beds that provides inpatient and outpatient hospital care with a full range of community health preventive, diagnostic and therapeutic services conducted by the medical staff. Additionally, the hospital serves the community as a physician’s teaching hospital. HMC is the only hospital located in Hunterdon County, with the closest hospital 17 miles away, thus it represents an integral part of the surrounding community.

Hunterdon Medical Center primarily serves Hunterdon County and the peripheral counties of Somerset, Warren, Mercer and Bucks County, PA. Robert P. Wise serves as the President and Chief Executive Officer of Hunterdon Medical Center.

*Project Location:* Hunterdon Medical Center, 2100 Wescott Drive, Flemington, NJ

*Project Summary:* Consistent with ERB and HUD CDBG-DR program requirements, Hunterdon Medical Center will install a new combined heat and power system on their campus in Flemington, NJ. The project will be constructed above minimum base flood elevations and will include a nominal 1.98 MW internal combustion cogeneration unit with heat recovery steam generator and jacket water utilization. The system will be interconnected within the facility with the necessary blackstart and islanding system controls to be able to operate independently from the grid in case of a power outage or other emergency. The hospital will be capable of remaining fully operational
with all onsite utilities, including electricity, heat and cooling, domestic hot water, and sanitation, supported during periods of grid outages. This CHP generator is poised to increase overall site efficiency, reduce boiler load, and reduce or eliminate hospital demand on the grid.

**National Objective:** Urgent Need - Tie to the Storm - Located in Flemington in Hunterdon County, HMC suffered direct physical damage from Superstorm Sandy as demonstrated by the Business Loss Run Report from their insurance carrier (Chubb). Extreme winds damaged multiple sections of the facility's roof, including the roof of the 6th floor mechanical room which was completely blown away during the storm. The exposed roof allowed rain to pour into the building, causing water damage all the way to the 4th floor. The Cardiac Rehab and Same Day Surgery buildings also experienced water damage due to penetrations from flying debris on the roof of 2nd floor.

**Project Review:** Hunterdon Medical Center CHP Project is an eligible project at a critical facility which is to be developed within a two-year period by an eligible non-profit applicant, and which meets all ERB program eligibility requirements. EDA reviewed documentation from the applicant to determine there would be no Duplication of Benefits. The New Jersey Board of Public Utilities (BPU) has evaluated the project to determine it meets technical and feasibility requirements as defined in the MOU between the EDA and BPU. Per the Rutgers CEEEP comprehensive cost benefit analysis, the project and reliability benefits yield a result of 2.0, when taking into account the full project costs, which factored in the economic and emission costs of the project. When complete, the project will allow the hospital to start-up and isolate from the electrical grid and continue operating and providing needed community services and benefits in the event of future storms, disasters, or emergency situations.

**Project Scoring:** The project received a project score of 70 as outlined below and exceeds the minimum score of 50 required for program eligibility.

**Project Funding and ERB Funds:** The estimated Total Project Cost is $10,930,000. It is estimated that $1,275,023 are cost reasonable resilient related costs per ERB program guidelines. Consistent with the ERB’s Financing and Program Guide, the HMC project will be provided with the following, subject to cost reasonableness analysis and review of final project costs:

- ERB Grant: $5,137,014
- ERB Loan Funding: $5,792,986 (2% interest rate, 20-year term)

**Loan Repayment:** The financing will be a general obligation to the hospital with the projected annual cost of $351,669. Through the established feasibility and technical review the annual net energy cost savings combined with estimated annual operating and maintenance costs/savings projected from development of the CHP project is approximately $885,600, which is sufficient to repay the project loan within the loan terms. Hunterdon Medical Center, through improved profitability in fiscal years 2014 and 2015, was upgraded in November, 2016. Fitch Ratings has upgraded its investment grade rating on approximately $42.7 million of New Jersey Health Care Facilities Financing Authority revenue bonds, series 2014A, issued on behalf of Hunterdon Medical Center, NJ (HMC) to 'A+' from 'A'. The Rating Outlook is Stable.

**ERB Program Fund Balance:** After program administrative costs, the Energy Resilience Bank has a $170 million CDBG-DR allocation from HUD to reserve for ERB projects. After today’s Board
actions on the three ERB Projects being presented, there will be $56,295,305 remaining to reserve for additional projects.

**Recommendation:**

The Members are requested to: (1) deem the Hunterdon Medical Center CHP Project preliminarily eligible for Energy Resilience Bank (ERB) funding; (2) approve moving the project forward to the next phase of the ERB program review and approval process; (3) reserve $10,930,000 of ERB funds for the project; and, (4) authorize the execution of ERB program funding documents with Hunterdon Medical Center CHP Project consistent with the terms set forth herein, with the understanding that any material changes to project scope or budget will be brought back to the board for reconsideration.

Attached:
- Project Funding and ERB Financing and Scoring Sheet

Prepared by: Matthew Fields
Hunterdon Medical Center CHP Project

March 2017

Project Funding and ERB Financing
(Public Applicant)

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Total Project Costs:</td>
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<td>Project Funding Sources:</td>
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<td>Resilient Costs</td>
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<tr>
<td>40% Grant on Remaining Costs</td>
<td>$ 3,861,991</td>
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<td>Total ERB Grant Funding:</td>
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Hunterdon Medical Center CHP Project

<table>
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<tr>
<th>ERB Scoring Criteria</th>
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<th>PROJECT SCORE</th>
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<tbody>
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<td>1. Technology Efficiency/Economic Cost Effectiveness</td>
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<td>5</td>
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<tr>
<td>performance requirements of reducing energy consumption or increasing efficiency by 15%</td>
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</table>

Minimum Score of 50 Needed

TOTAL PROJECT SCORE: 100

70
MEMORANDUM

TO:       Members of the Authority
FROM:     Timothy Lizura
          President and Chief Operating Officer
DATE:     March 24, 2017
RE:       Energy Resilience Bank – RWJBarnabas - Newark Beth Israel Medical Center
          CHP Project Funding Recommendation

Request:

The Members are requested to: (1) deem the RWJBarnabas - Newark Beth Israel Medical Center
CHP Project preliminarily eligible for Energy Resilience Bank (ERB) funding; (2) approve moving
the project forward to the next phase of the ERB program review and approval process; (3) reserve
$ 15,176,079 of ERB funds for the project; and, (4) authorize the execution of ERB program
funding documents with RWJBarnabas Health consistent with the terms set forth herein, with the
understanding that any material changes to project scope or budget will be brought back to the
board for reconsideration.

ERB Program:

In July, 2014, the Members approved the creation of the Energy Resilience Bank, initially
capitalized with $200 million of Community Development Block Grant Disaster Recovery
(“CDBGDR”) funds, to address statewide energy resilience needs. In October 2014, the Members
approved the ERB Financing Program Guide and launched ERB’s Funding Round 1 for Water and
Wastewater Treatment Facilities and in October 2015, the Members approved ERB’s Funding
Round for Hospitals and Related Healthcare Facilities.

The intent of the ERB is to finance the installation or upgrading of commercially available and cost
effective resilient energy technologies at critical facilities. ERB is focused on effective distributed
energy resource (DER) technologies, including combined heat and power and fuel cells, which are
designed to start up and function in “island” mode, disconnected and isolated from the grid during
a power outage or other event.

Applicants must be eligible entities and must demonstrate that the critical facility was either
directly or indirectly impacted by Superstorm Sandy or directly impacted by another qualifying
disaster. Priority, as established through the ERB scoring system, is placed on projects which serve low and moderate income communities. ERB projects must be permanently installed at a critical facility, must be constructed or elevated above FEMA’s best available data for base flood elevations, and be operational within two years of the ERB closing.

In conformance with HUD’s CDBG-DR funded infrastructure program requirements, all projects undergo a comprehensive risk analysis which incorporates a detailed technical feasibility, criticality and resiliency, and cost benefit/project economics review to determine program and funding eligibility. Each project is assessed on the technical specifications of the project including the technology used, size and scale, criticality, resiliency, environment review, applicant credit, cost and revenue estimates, and overall feasibility. Scoring criteria reflect the comprehensive risk analysis framework as shown in the attached Scoring Chart. Projects are scored on a 100 point system and must meet a minimum eligibility threshold score of 50 points to be considered eligible for ERB project financing.

ERB funding is determined and provided on a per project basis as a combination of grant/forgivable loan and amortizing loan based on the project’s unmet need and ownership structure. For public and not-for-profit applicants, ERB will provide 100% of the project’s unmet need as:

1. a grant/forgivable loan (not to exceed $25 million) for all eligible resilient costs, as described in the Program Guide;
2. a grant/forgivable loan equal to 40% of the remaining eligible project costs; and,
3. an amortizing, 2% interest rate loan with a term up to 20 years, for the balance of ERB project funding.

**RWJBarnabas Health Newark Beth Israel Medical Center CHP Project**

*Applicant:* RWJBarnabas Health is a not-for-profit organization located in West Orange, NJ. It was formed in November 2015 upon the merging of Barnabas Health, Inc. and Robert Wood Johnson University Hospital. RWJBarnabas Health is the most comprehensive health care delivery system in New Jersey, treating over 3 million patients a year. The system includes eleven acute care hospitals, three acute care children’s hospitals and a pediatric rehabilitation hospital, a freestanding 100-bed behavioral health center, ambulatory care centers, geriatric centers, the state’s largest behavioral health network, comprehensive home care and hospice programs, fitness and wellness centers, retail pharmacy services, a medical group, multi-site imaging centers and four accountable care organizations. RWJBarnabas Health has more than 32,000 employees, 9,000 physicians, and 1,000 residents and interns. The health systems contributed a combined total of over $550 million in community benefit services annually.

RWJBarnabas Health owns Newark Beth Israel Medical Center (NBI) in Newark, NJ (Essex County) where the proposed cogeneration project is to be located. NBI is a regional care teaching hospital that provides comprehensive health care to its local communities. With more than 800 physicians, 3,200 employees and 150 volunteers, NBI has over 300,000 outpatient visits and 25,000 admissions annually. It is one of only two hospitals in New Jersey where heart transplants are performed and the only hospital in New Jersey certified to perform lung transplants. Its service area based on inpatient discharge data includes the primary areas of: Newark, East Orange and Irvington in Essex county, and; Hillside in Union County. NBI is non-sectarian and has no religious affiliation. Barry H. Ostrowsky serves as the President and Chief Executive Officer of RWJBarnabas Health.
**Project Location:** Newark Beth Israel Medical Center, 201 Lyons Avenue at Osborne Terrace, Newark, NJ

**Project Summary:** Consistent with ERB and HUD CDBG-DR program requirements, RWJBarnabas Health will develop a new combined heat and power system on their Newark Beth Israel Medical Center campus in Newark. The project will be constructed above minimum base flood elevations and will include a 2 MW natural gas reciprocating engine-based CHP system that will be interconnected within the facility with the necessary blackstart and islanding system controls to be able to operate independently from the grid in case of a power outage or other emergency.

**National Objective:**

- Benefit to Low Moderate Income Persons or Households – Low Mod Area Benefit: NBI’s primary service area consists of the cities of Newark, East Orange and Irvington, and the town of Hillside, which combined encompass 275 census tracts. The LMI analysis of these census tracts calculated the Low/Moderate income residents compared to the entire population within the primary service area to determine that 56.89% of the population served is Low/Moderate. Thus, the service area does qualify as meeting the LMI national objective because more than 51% of the service area is Low/Moderate income, the area is primarily residential, and the project would benefit all residents.
- Tie to the Storm - Located in Newark in Essex County – one of the 9 most impacted counties. Super Storm Sandy’s high winds and rain resulted in fallen trees, roof damage, power outages and suspension of services. The hospital was on emergency power for one and one half days and hospital staffing required significant overtime due to short staffing issues caused by public transportation suspensions and gasoline shortages in the area. All outpatient services were suspended.

**Project Review:** RWJBarnabas – Newark Beth Israel Medical Center CHP Project is an eligible project at a critical facility which is to be developed within a two-year period by an eligible non-profit applicant, and which meets all ERB program eligibility requirements. EDA reviewed documentation from the applicant to determine there would be no Duplication of Benefits. The New Jersey Board of Public Utilities (BPU) has evaluated the project to determine it meets technical and feasibility requirements as defined in the MOU between the EDA and BPU. Per the Rutgers CEEEP comprehensive cost benefit analysis, the project and reliability benefits yield a result of 1.4, when taking into account the full project costs, which factored in the economic, emission and resilience costs and benefits of the project. When complete, the project will allow the hospital to start-up and isolate from the electrical grid and continue operating and providing needed community services and benefits in the event of future storms, disasters, or emergency situations.

**Project Scoring:** The project received a project score of 90 as outlined below and exceeds the minimum score of 50 required for program eligibility.

**Project Funding and ERB Funds:** The estimated Total Project Cost is $15,755,294. It is estimated that $8,134,900 are resilient related costs per ERB program guidelines. All preliminary costs and technologies have been reviewed by BPU identifying them as cost reasonable and necessary. There is expected $579,215 of funding from PSEG’s Hospital Efficiency Program, a program authorized by BPU, which will be provided as a loan (0%, 10-year term). Consistent with the ERB’s Financing
and Program Guide, the NBI CHP project will be provided with the following, subject to cost reasonableness analysis and review of final project costs:

ERB Grant: $11,183,058
ERB Loan Funding: $3,993,021 (2% interest rate, 20-year term)

Loan Repayment: The financing will be a general obligation to the hospital with the projected annual cost of $242,400. Through the established feasibility and technical review, the annual net energy cost savings combined with estimated annual operating and maintenance costs/savings projected from development of the CHP project is approximately $515,312, which is sufficient to repay the project loan within the loan terms. RWJBarnabas Health, through its recent mergers and positive operations, has steadily improved its operating and financial profiles resulting in upgraded bond ratings in October 2016. RWJBarnabas issued new debt and consolidated other bonds through the New Jersey Health Care Facilities Financing Authority. S&P raised their long-term rating to A+/Stable (from A-) and assigned a AA+/A-1 rating to two new bond issuances. Moody’s assigned an A1 rating to the October 2016 bond issuance.

Other Applicant/Affiliated Funding: RWJBarnabas Health’s Livingston CHP project for the St. Barnabas Medical Center was reviewed by the EDA Board in February 2017 and the Board reserved $12,858,502 of ERB funds for the project. This project is now moving forward to the next phase of the ERB program review and approval process.

ERB Program Fund Balance: After program administrative costs, the Energy Resilience Bank has a $170 million CDBG-DR allocation from HUD to reserve for ERB projects. After today’s actions on the three ERB projects being presented, there will be $56,295,305 remaining to reserve for additional projects.

Recommendation:

The Members are requested to: (1) deem the RWJBarnabas – Newark Beth Israel Medical Center CHP Project preliminarily eligible for Energy Resilience Bank (ERB) funding; (2) approve moving the project forward to the next phase of the ERB program review and approval process; (3) reserve $15,176,079 of ERB funds for the project; and, (4) authorize the execution of ERB program funding documents with RWJBarnabas – Newark Beth Israel Medical Center consistent with the terms set forth herein, with the understanding that any material changes to project scope or budget will be brought back to the board for reconsideration.

Attached:
- Project Funding and ERB Financing and Scoring Sheet

Prepared by: Russel Like
## RWJBarnabas – Newark Beth Israel CHP Project

### Project Funding and ERB Financing

<table>
<thead>
<tr>
<th>(Public Applicant)</th>
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<tr>
<td><strong>Total Project Costs:</strong></td>
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<td><strong>Other Project Funding:</strong></td>
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<td><em>PSEG Hospital Efficiency Program</em></td>
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### RWJBarnabas Newark Beth Israel CHP PROJECT

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<td><strong>5. Criticality</strong></td>
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<td>(using Office of Homeland Security &amp; Preparedness State Asset database)</td>
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<td>a. 20 points if facility type is listed</td>
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*Minimum Score of 50 Needed*

**TOTAL PROJECT SCORE:** 100 90
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
       President and Chief Operating Officer

DATE: March 24, 2017

RE: Energy Resilience Bank – Trinitas Regional Medical Center - Williamson Campus Cogeneration Recommendation

Request:

The Members are requested to: (1) deem the Trinitas Regional Medical Center - Williamson Campus Cogeneration Project preliminarily eligible for Energy Resilience Bank (ERB) funding; (2) approve moving the project forward to the next phase of the ERB program review and approval process; (3) reserve $9,601,056 of ERB funds for the project; and, (4) authorize the execution of ERB program funding documents with Trinitas Regional Medical Center consistent with the terms set forth herein, with the understanding that any material changes to project scope or budget will be brought back to the board for reconsideration.

ERB Program:

In July, 2014, the Members approved the creation of the Energy Resilience Bank, initially capitalized with $200 million of Community Development Block Grant Disaster Recovery (“CDBGDR”) funds, to address statewide energy resilience needs. In October 2014, the Members approved the ERB Financing Program Guide and launched ERB’s Funding Round 1 for Water and Wastewater Treatment Facilities and in October 2015, the Members approved ERB’s Funding Round for Hospitals and Related Healthcare Facilities.

The intent of the ERB is to finance the installation or upgrading of commercially available and cost effective resilient energy technologies at critical facilities. ERB is focused on effective distributed energy resource (DER) technologies, including combined heat and power and fuel cells, which are designed to start up and function in “island” mode, disconnected and isolated from the grid during a power outage or other event.

Applicants must be eligible entities and must demonstrate that the critical facility was either directly or indirectly impacted by Superstorm Sandy or directly impacted by another qualifying disaster. Priority, as established through the ERB scoring system, is placed on projects which serve low and moderate income communities. ERB projects must be permanently installed at a critical facility, must be constructed or
elevated above FEMA’s best available data for base flood elevations, and be operational within two years of the ERB closing.

In conformance with HUD’s CDBG-DR funded infrastructure program requirements, all projects undergo a comprehensive risk analysis which incorporates a detailed technical feasibility, criticality and resiliency, and cost benefit/project economics review to determine program and funding eligibility. Each project is assessed on the technical specifications of the project including the technology used, size and scale, criticality, resiliency, environment review, applicant credit, cost and revenue estimates, and overall feasibility. Scoring criteria reflect the comprehensive risk analysis framework as shown in the attached Scoring Chart. Projects are scored on a 100-point system and must meet a minimum eligibility threshold score of 50 points to be considered eligible for ERB project financing.

ERB funding is determined and provided on a per project basis as a combination of grant/forgivable loan and amortizing loan based on the project’s unmet need and ownership structure. For public and not-for-profit applicants, ERB will provide 100% of the project’s unmet need as:

1) a grant/forgivable loan (not to exceed $25 million) for all eligible resilient costs, as described in the Program Guide;

2) a grant/forgivable loan equal to 40% of the remaining eligible project costs; and,

3) an amortizing, 2% interest rate loan with a term up to 20 years, for the balance of ERB project funding.

Trinitas Regional Medical Center - Williamson Campus Cogeneration Project

Applicant: Located in Elizabeth, New Jersey, Trinitas Regional Medical Center (Trinitas) was established in January 2000, following the consolidation of St. Elizabeth Hospital and Elizabeth General Medical Center. Trinitas Regional Medical Center is a full-service healthcare facility serving those in the community in need of healthcare. In 2014, Trinitas served nearly 15,500 inpatients, 72,400 Emergency patients, 2,203 newborns and 391,000 outpatients. Trinitas includes more than 2,700 employees, 502 physicians, and over 200 volunteers. Trinitas has 553 beds including a 124-bed long-term care center. Trinitas Regional Medical Center’s main service area consists primarily of the City of Elizabeth - the fourth-largest city in New Jersey – and additional communities served by Trinitas include Linden, Hillside, Union, Roselle, Roselle Park, Rahway, Cranford, Clark and Colonia. Trinitas’ Williamson campus consists of 4 buildings: the Main hospital which consists of the North Wing, South Wing, and Cancer Center; a Medical Office Building which is connected to a parking garage; Administrative Services Building; and the Central Utility Plant (CUP). Currently Trinitas is completing an $18 million emergency department renovation which is in month 17 out of a 24-month projected timeline. Gary S. Horan is the President and Chief Executive Officer of Trinitas.

Project Location: Trinitas Regional Medical Center, 255 Williamson St., Elizabeth, NJ

Project Summary: Consistent with ERB and HUD CDBG-DR program requirements, Trinitas will develop a new combined heat and power system on their Williamson Street campus in Elizabeth. The project will be constructed above minimum base flood elevations and will include a 2 MW natural gas reciprocating engine-based CHP system that will be interconnected within the facility with the necessary blackstart and islanding system controls to be able to operate independently from the grid in case of a power outage or other emergency.

The current CUP is located on the eastern border of the hospital campus. It currently produces steam, chilled water, and domestic hot water for distribution throughout the campus. The new CHP system to be funded by ERB will be located on the first floor in the southeast corner of the CUP. The CHP will supply electricity to the campus as well as add to the steam and chilled water capacity of the CUP.
National Objective: Urgent Need – Tie to the Storm - Located in Elizabeth in Union County – one of the 9 most impacted counties. Superstorm Sandy resulted in downed trees and limbs, downed power poles and lines and major power outages throughout the City of Elizabeth, NJ. During the storm, high winds and rain damaged various Trinitas roof areas, causing leaks and internal damage to a roof top PTZ Camera System, 2 door metal safety cabinet, and a rooftop DIOX SRE 1000 5gr/hr generator. Twenty suspended ceiling tiles were damaged due to roof leaks. Flying debris broke Solar Cool Gray Tempered Spandrel Glass windows in a stairwell and broke glass in the ER’s revolving door. High winds damaged roofs over the Cancer Center stairwell and the Generator Building and the ER’s Main Entrance Door.

Project Review: Trinitas Regional Medical Center - Williamson Campus Cogeneration Project is an eligible project at a critical facility which is to be developed within a two-year period by an eligible non-profit applicant, and which meets all ERB program eligibility requirements. EDA reviewed documentation from the applicant to determine there would be no Duplication of Benefits. The New Jersey Board of Public Utilities (BPU) has evaluated the project to determine it meets technical and feasibility requirements as defined in the MOU between the EDA and BPU. Per the Rutgers CEEEP comprehensive cost benefit analysis, the project and reliability benefits yield a result of 1.9, when taking into account the full project costs, which factored in the economic and emission costs of the project. When complete, the project will allow the hospital to start-up and isolate from the electrical grid and continue operating and providing needed community services and benefits in the event of future storms, disasters, or emergency situations. The project has been reviewed and approved by the Attorney General’s Office relating to the First Amendment’s Establishment Clause, with the understanding that PSE&G funds will be used in the project.

Project Scoring: The project received a project score of 85 as outlined below and exceeds the minimum score of 50 required for program eligibility.

Project Funding and ERB Funds: The estimated Total Project Cost is $10,121,056. It is estimated that $4,229,003 are resilient related costs per ERB program guidelines. All preliminary costs and technologies have been reviewed by BPU identifying them as cost reasonable and necessary. There is expected $520,000 of funding from PSEG’s Hospital Efficiency Program, a program authorized by BPU, which will be provided as a loan (0%, 10-year term). Consistent with the ERB’s Financing and Program Guide, the Trinitas Regional Medical Center - Williamson Campus Cogeneration project will be provided with the following, subject to cost reasonableness analysis and review of final project costs:

ERB Grant: $6,585,824
ERB Loan Funding: $3,015,232 (2% interest rate, 20-year term)

Loan Repayment: The financing will be a general obligation to the hospital with the projected annual cost of $183,043. Through the established feasibility and technical review, the annual net energy cost savings combined with estimated annual operating and maintenance costs/savings projected from development of the CHP project is approximately $675,767, which is sufficient to repay the project loan within the loan terms. In 2015 Moody’s Investors Service upgraded Trinitas Regional Medical Center’s bond rating to Baa2 from Baa3. The upgrade affects $124.6 million of outstanding debt issued through New Jersey Health Care Facilities Financing Authority. The outlook is revised to stable from positive at the higher rating. The upgrade to Baa2 from Baa3 reflects Trinitas’ steady, profitable operating performance over the prior three years due mainly to consistent expense control, improved managed care rates and stable FTE count.
**ERB Program Fund Balance:** After program administrative costs, the Energy Resilience Bank has a $170 million CDBG-DR allocation from HUD to reserve for ERB projects. After today's actions on the three ERB projects being presented, there will be $56,295,305 remaining to reserve for additional projects.

**Recommendation:**

The Members are requested to: (1) deem the Trinitas Regional Medical Center - Williamson Campus Cogeneration Project preliminarily eligible for Energy Resilience Bank (ERB) funding; (2) approve moving the project forward to the next phase of the ERB program review and approval process; (3) reserve $9,601,056 of ERB funds for the project; and, (4) authorize the execution of ERB program funding documents with Trinitas Regional Medical Center consistent with the terms set forth herein, with the understanding that any material changes to project scope or budget will be brought back to the board for reconsideration.

Attached:
- Project Funding and ERB Financing and Scoring Sheet

Prepared by: Russel Like
### Project Funding and ERB Financing

**(Public Applicant)**

<table>
<thead>
<tr>
<th>Total Project Costs:</th>
<th>$10,121,056</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Funding Sources:</strong></td>
<td></td>
</tr>
<tr>
<td>Resilient Costs</td>
<td>$4,229,003</td>
</tr>
<tr>
<td>40% Grant on Remaining Costs</td>
<td>$2,356,821</td>
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<tr>
<td><strong>Total ERB Grant Funding:</strong></td>
<td>$6,585,824</td>
</tr>
<tr>
<td><strong>ERB Loan Funding:</strong></td>
<td></td>
</tr>
<tr>
<td>(2%, 20-year term)</td>
<td>$3,015,232</td>
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<tr>
<td><strong>Other Project Funding:</strong></td>
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<tr>
<td>PSEG Hospital Efficiency Program</td>
<td>$520,000</td>
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</table>

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### Trinitas Regional Medical Center – Williamson Campus Cogeneration Project

**March 2017**

<table>
<thead>
<tr>
<th>ERB Scoring Criteria</th>
<th>Weight in Points</th>
<th>PROJECT SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Technology Efficiency/Economic Cost Effectiveness</strong></td>
<td></td>
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</tr>
<tr>
<td>a. 20 points for a cost-benefit ratio greater than 1.25</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>b. 10 points for a cost-benefit ratio between 1.0 and 1.25 (including 1.25)</td>
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<td></td>
</tr>
<tr>
<td><strong>Cost-Benefit Ratio less than 1.0 - INELIGIBLE</strong></td>
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<td></td>
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<tr>
<td><strong>2. LMI Area Benefit</strong></td>
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</tr>
<tr>
<td>a. 25 points if HUD LMI Area Benefit is greater than 51%</td>
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<td>20</td>
</tr>
<tr>
<td>b. 20 points if HUD LMI Area Benefit is between 35% - 50.99%</td>
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<td></td>
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<tr>
<td>c. 15 points if HUD LMI Area Benefit is between 20% - 34.99%</td>
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<tr>
<td><strong>3. Most Impacted Communities</strong></td>
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<tr>
<td>a. 15 points if facility serves 3 or more municipalities listed</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>b. 10 points if facility serves 1 or 2 municipalities listed</td>
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<tr>
<td>c. 0 points if facility serves no municipalities listed</td>
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<td></td>
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<tr>
<td><strong>4. Readiness To Proceed</strong></td>
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<tr>
<td>a. 10 points if project completion reasonably expected within 15 months</td>
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<td>5</td>
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<tr>
<td>b. 5 points if project completion reasonably expected 15 - 20 months</td>
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<td></td>
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<tr>
<td>c. 0 points if project completion reasonably expected in 20 – 24 months</td>
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<tr>
<td>a. 20 points if facility type is listed</td>
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<td>20</td>
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<tr>
<td>b. 0 points if facility type is NOT listed</td>
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<tr>
<td><strong>6. Microgrid</strong></td>
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<tr>
<td>a. 5 points if more than one free-standing facility interconnection</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>b. 0 points if only a single free-standing facility interconnection</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>7. Facility Energy Efficiency</strong></td>
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<td></td>
</tr>
<tr>
<td>a. 5 points if project meets or exceeds the general state program performance requirements of reducing energy consumption or increasing efficiency by 15%</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

*Minimum Score of 50 Needed*

**TOTAL PROJECT SCORE:** 100 85
MEMORANDUM

TO: Members of the Authority

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

DATE: March 24, 2017

SUBJECT: Mel’s Furniture LLC - MODIFICATION
$165,871 Stronger NJ Business Loan (“SBL”)
P38864

Request:
Consent to second 6-month principal moratorium, with principal payments to resume on August 1, 2017.

Background:
Mel’s Furniture LLC (“MFL” or “the Company”) is a furniture store in Atlantic City that was established in 1954 as a sole proprietorship by owner Philip Weinberg’s father. In 2013, MFL was formed when ownership of the Company was transferred to Philip Weinberg, who has operated the business since 1980.

In March 2014, EDA approved a $164,409 SBL loan to finance working capital, primarily inventory of approximately $190,000. The Company also received a $41,241 grant and a $8,759 forgivable loan under the Stronger NJ Business program to cover a portion of the damages.

MFL has experienced low sales due to the economic downturn in Atlantic City resulting from recent casino closures and was unable to begin making principal repayments as required.

In November 2016, pursuant to delegated authority staff consented to a 6-month principal and interest moratorium to allow debt service relief to the borrower. An additional 6-month principal moratorium is being requested, to provide continued debt service relief and allow time for the receipt and review of fiscal year end 2016 financials, needed for a longer term restructure.

Recommendation:
Approval of the extension of the principal moratorium of the $165,871 SBL loan for an additional 6 months is recommended.

Prepared by: Heather M. O’Connell
REAL ESTATE
MEMORANDUM

TO: Members of the Authority

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

RE: The Technology Centre of New Jersey
661 South Route 1, North Brunswick, NJ (Tech II)
Lease Agreement with Ascendia Pharmaceuticals, Inc.

DATE: March 24, 2017

Summary
I request the Members approve:

- Entering into an 8 year, 7 month Lease Agreement between the New Jersey Economic Development Authority (“NJEDA”) and Ascendia Pharmaceuticals, Inc. (“Ascendia”) commencing on or before August 1, 2017 for approximately 15,290 square feet of laboratory and office space in the Tech II building. Ascendia will also be provided with one five year renewal option.

- Providing $367,393.74, as a tenant improvement allowance (“TIA”) under the lease

Background
Formed in 2012, Ascendia is a currently a CCIT tenant specializing in the invention and development of specialty pharmaceuticals and novel drug delivery technologies. Ascendia provides formulation and analytical services to pharmaceutical companies, working collaboratively to provide innovative solutions to challenging drug delivery problems and to create advanced medicines.

Ascendia is a privately held company formed by Jingjun Huang, Ph.D. Prior to forming Ascendia, Mr. Huang previously worked in pharmaceutical research and development and management at Pfizer, Baxter, AstraZeneca, and Roche. Ascendia has represented that its total 2016 revenues were approximately $3 million.

Ascendia’s proposed leased premises, 15,290 square feet, was previously occupied by Cambrex Corporation (“Cambrex”), which included a total of ±27,775 square feet of which ±20,000 square feet included finished laboratories and offices.

For Ascendia’s proposed lease, initially, EDA will delineate Ascendia’s leased premises and

The Technology Centre of New Jersey
Ascendia Pharmaceuticals, Inc. Lease Agreement
Page 1
make the balance of the existing space inaccessible to Ascendia by changing locks and other measures. At a later time, and at NJEDA’s expense, the existing space may be demised for use by another tenant.

Subject to Allegran’s right of first refusal and Chromocell’s right of first offer for Tech II, Ascendia will occupy the proposed leased premises in two phases:

- Years 1 and 2: the lease will include 10,541 square feet
- Years 3 through end of term: the lease will include 15,290 square feet.

Ascendia and NJEDA will delineate the leased space for Years 1 and 2.

NJEDA will make the $367,393.84 of TIA available to Ascendia as follows: $197,085 in Years 1 and 2, and $170,308.74 in Year 3. NJEDA will retain any unused balance.

In addition, NJEDA will provide certain base building improvements such as a new building management system and HVAC improvements, which are currently estimated at approximately $150,000. These improvements will be proportionately allocated to Ascendia’s lease as an amortized cost along with the TIA.

After deducting: (1) the amortized leasing commission (i.e., 5% of paid rent amortized over 103 months), (2) TIA amortized at 5% annually for 103 months, and (3) the proportionate share of building improvements amortized at 5% annually for 103 months, the average annual net rent NJEDA will receive is approximately $21.82 square foot.

Ascendia will perform the tenant improvements. The TIA will be paid upon presentation of invoices by vendors and, if applicable, a certification from Ascendia’s architect until the TIA is expended.

**Recommendation**

I recommend the Members approve: (1) executing the Lease Agreement between NJEDA and Ascendia for approximately 15,290 square feet of laboratory and office space in the Tech II building, on final terms consistent with the Lease Letter of Intent Summary, attached as Exhibit A; (2) providing $367,393.84, as the TIA under the Lease Agreement; and (3) executing 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.

Timothy J. Liwara  
President & Chief Operating Officer

att: Exhibit A  
Prepared by: Juan Burgos
EXHIBIT A
Technology Centre of New Jersey
Lease Letter of Intent Summary

**LANDLORD**
New Jersey Economic Development Authority

**TENANT**
Ascendia Pharmaceuticals, Inc.

**ADDRESS**
Ascendia Pharmaceuticals, Inc.
Tech II, Suite TBD

**LEASE TERM**
8 Years 7 Months
$.58 Total Years
103 Months

**LEASED SQUARE FEET**

<table>
<thead>
<tr>
<th>Year</th>
<th>±10541 SF</th>
<th>±15290 SF</th>
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<tbody>
<tr>
<td>Year 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 2</td>
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<td>Year 3</td>
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<td>Year 7</td>
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<td>Year 8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**BASE RENT**
Year 1, $26.00 SF NNN, thereafter increasing 3% annually, subject to the following rent abatement:
The initial 14 months rent will be 50% of Years 1 and 2 base net rent

<table>
<thead>
<tr>
<th>Year</th>
<th>SF Base Rent</th>
<th>Actual SF To Be Paid</th>
<th>Net SF Rent (Paid - TAI &amp; Comm.)</th>
<th>Rentable Square Feet</th>
<th>Actual Annual Rent To Be Paid</th>
<th>Net Rent (Paid - TAI &amp; Comm.)</th>
<th>Occup. Months</th>
<th>Occup. Year</th>
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</thead>
<tbody>
<tr>
<td>* Year 1</td>
<td>$26.00</td>
<td>$13.00</td>
<td>$7.59</td>
<td>10,541</td>
<td>$17,033.04</td>
<td>$80,009.94</td>
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<tr>
<td>** Year 2</td>
<td>$26.78</td>
<td>$24.55</td>
<td>$19.14</td>
<td>10,541</td>
<td>$228,764.00</td>
<td>$201,740.90</td>
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<tr>
<td>Year 3</td>
<td>$27.58</td>
<td>$27.58</td>
<td>$23.33</td>
<td>15,290</td>
<td>$421,098.24</td>
<td>$336,782.38</td>
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<tr>
<td>Year 4</td>
<td>$28.41</td>
<td>$28.41</td>
<td>$24.16</td>
<td>15,290</td>
<td>$434,888.96</td>
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<td>Year 5</td>
<td>$29.26</td>
<td>$29.26</td>
<td>$25.01</td>
<td>15,290</td>
<td>$447,385.44</td>
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<td>$30.14</td>
<td>$26.79</td>
<td>15,290</td>
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<td>Year 7</td>
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<td>$31.05</td>
<td>$28.49</td>
<td>15,290</td>
<td>$474,601.56</td>
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<td>Year 8</td>
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<td>$31.98</td>
<td>$29.19</td>
<td>15,290</td>
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<td>Year 9</td>
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<td>$32.94</td>
<td>$30.89</td>
<td>15,290</td>
<td>$503,041.08</td>
<td>$457,125.80</td>
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</table>

Totals $3,417,241.29 $2,875,832.34 103 8.58

Lease Annual Average Rent $39.35 $26.13 $21.82 $379,693 $319,537
Lease Annual Median Rent $39.36 $28.41 $24.16 $410,626 $349,178

* Year 1: 50% of $26.00 SF
** Year 2: 2 months at 50% of $26.78 SF & 10 months at $26.78 SF
*** Includes proportionate share of ±$150,000 of HVAC and other improvements to Tech II

**UTILITIES**
Years 1-2: Tenant pays 52.71% of Utility Base Year plus excess over Base Year
Years 3-End: Tenant pays 76.45% of Utility Base Year plus excess over Base Year

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

**RENT TENANT IMPROVEMENT ALLOWANCE (TIA)**
$367,393.74 or $24.03 SF provided, which can be drawn as follows:

| Years 1-2 | Tenant may draw up to $197,085.00 |
| Year 3 | Tenant may draw up to $70,308.74 |

Unused TIA is recaptured by Landlord

**BROKERAGE COMMISSION**
Under NJEDA’s contract with Jones Lang LaSalle, NJEDA will pay a brokerage commission of approximately $71,900

**RENEWAL OPTION**
One five year renewal option at 95% of fair market rent, but in no event less than the last year

**SECURITY DEPOSIT**
At least three months Year 1 base rent (unabated)

**OTHER**
EDA agrees to improve tenant existing bathroom if Tech II vacant space is rented to another party
EDA agrees to attempt to negotiate removal of Right of First Refusal for Tech II from Allegran lease
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

DATE: March 24, 2017

SUBJECT: Projects Approved Under Delegated Authority – For Informational Purposes Only

The following projects were approved under Delegated Authority in February 2017:

Direct Loan Program:

1) Flame Cut Steel Inc. (P44091), located in Irvington Township, Essex County, was established in 2005 as a steel fabrication business specializing in CNC flame cutting of steel plate, sheet and round bar. The Company was approved for a $180,641 direct loan to purchase equipment and machinery. Credit Union of NJ will provide a $227,374 loan to supplement this loan. Flame Cut Steel and related holding company, RLK Realty, LLC were co-recipients of a $465,000 small business fund direct loan (P40236) which closed on 3/24/15. The Company currently has two employees and plans to create six new positions over the next two years.

Small Business Fund Program:

1) Nolyn Real Estate, LLC and Route 38 Hainesport, LLC (P43679) (Co-Borrowers) are a real estate holding company and operating company, respectively, of a Sonic Drive-In restaurant in Hainesport Township, Burlington County. The Applicants were approved for a $200,000 direct loan to supplement Fulton Bank’s $350,000 Capital Lease to acquire and install solar panels. Currently, the Company has 25 employees and plans to create ten new positions within the next two years. SSBCI funds will be utilized for this project.
Stronger NJ Business Loan Program:

1) Bonnie D Putterman, DBA The Law Offices of Bonnie Putterman (P43360), is located in Hamilton Township, Atlantic County. The Company, which is located in Mays Landing, was established in 1991 as a sole proprietor who owns a law office specializing in the representation for serious traffic violations. The Company was approved for a $50,000 working capital loan to reimburse expenses the Company incurred in its 2015 fiscal year.

2) Donna Lee Riegel, DBA Evermore Herb Farm (P43062 & P43115), is located in Galloway Township, Atlantic County. The Company was established in 2008 as a country victorian herb shoppe located in the historic town of Smithville. The Company offers unique products such as: aromatherapy, botanicals, medicinals, teas and scones, herbal remedies and spices. The Company was approved for a $14,293 forgivable working capital loan and a 20 year, $85,707 working capital loan to reimburse expenses incurred in its 2014 fiscal year.

Small Business Fund Program - Modification:

1) Mahi Aashirwad, LLC (P43525), located in Elizabeth City, Union County, is a real estate holding company for the project property occupied by a Valero retail gas station and convenience store. In December 2016, the NJEDA approved a $100,000 direct loan in conjunction with a $300,000 loan from 1st Constitution Bank to purchase the commercial property. Due to a change in the collateral valuation, the NJEDA direct loan amount was reduced from $100,000 to $75,000, 1st Constitution Bank reduced their loan from $300,000 to $225,000, and LTV increased from 80% to 100%. All other terms and conditions of the original approval remain in effect.

Prepared by: G. Robins
/gvr