MEMORANDUM

TO: Members of the Authority
FROM: Melissa Orsen
Chief Executive Officer
DATE: April 13, 2017
SUBJECT: Agenda for Board Meeting of the Authority April 13, 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
Edison Innovation Fund
Office of Recovery
Real Estate
Board Memorandums
Public Comment
Adjournment
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
March 24, 2017

MINUTES OF THE MEETING

Members of the Authority present: Peter Simon representing State Treasurer Ford M. Scudder; and Jeffrey Stoller representing Acting Commissioner Aaron Fichtner of the Department of Labor and Workforce Development;

Present via conference call: David Huber, acting as Chairman; Commissioner Richard Badolato of the Department of Banking and Insurance; Colleen Kokas representing Commissioner Bob Martin of the Department of Environmental Protection; Public Members: Charles Sarlo, Massiel Medina Ferrara, William Layton, 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, Fred B. Dumont, and Philip Alagia.

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. She announced that any public comment will supplement the testimony previously recorded at the March 16, 2017 meeting.

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

AUTHORITY MATTERS:

ITEM: Appointment of Temporary Chairman
The next item of business was the approval of David Huber as acting Chairman for the March 24, 2017 board meeting.

MOTION TO APPROVE: Mr. Simon SECOND: Mr. Layton 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 Mr. Simon, and seconded by Mr. Stoller and was approved by the 11 voting members present.

The next item of business was the approval of the March 16, 2017 meeting minutes. A motion was made to approve the minutes by Mr. Simon, 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.

**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:** Mr. Simon  **SECOND:** Mr. Stoller  **AYE:** 11

**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. Simon  **AYE:** 11

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 3**

**INCENTIVE PROGRAMS**

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

**ITEM:** Raymour & Flanigan Properties, LLC

**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. Simon  **SECOND:** Mr. Stoller  **AYE:** 11

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 4**

**Grow New Jersey Assistance Program**

**ITEM:** Conner Strong & Bucklew Companies, LLC

**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. Stoller  **SECOND:** Mr. Simon  **AYE:** 11

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 5**
ITEM: Conner Strong & Buckelew Companies, LLC
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. Simon SECONd: Mr. Stoller AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: The Michaels Organization, LLC
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. Albanese SECONd: Ms. Ferrara AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

ITEM: The Michaels Organization, LLC
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: Mr. Simon SECONd: Mr. Stoller AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

ITEM: NFI, L.P.
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. Layton SECONd: Commissioner Badolato AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

ITEM: NFI, L.P.
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. Stoller SECONd: Mr. Albanese AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10
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: Mr. Simon  SECOND: Mr. Stoller  AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: Maestro Technologies  APPL.#44035
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Commissioner Badolato  SECOND: Mr. Stoller  AYES: 11
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: 11
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. Simon  SECOND: Mr. Stoller  AYES: 11
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. Delle Cava  SECOND: Ms. Ferrara  AYES: 11
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: Commissioner Badolato  SECOND: Ms. Kokas  AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

ITEM: Vитаquest International, LLC  APPL.#43651
REQUEST: 1) To consent to the change of location for the qualified business facility 2) To approve the addition of Vитаquest’s Affiliate, Vитapak, LLC to the grant agreement.
MOTION TO APPROVE: Mr. Stoller  SECOND: Mr. Delle Cava AYES: 11
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: 11
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. Simon  SECOND: Ms. Ferrara  AYES: 11
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. Delle Cava  SECOND: Mr. Simon  AYES: 11
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:** Mr. Layton  
**SECOND:** Commissioner Badolato  
**AYES:** 11

**RESOLUTION ATTACHED AND MARKED EXHIBIT:** 21

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<tr>
<th>PROJECT</th>
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<th>PROCEEDS FOR</th>
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PROJECT: Orlando Cortez
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: 11
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. Ferrara AYES: 11
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. Simon  SECOND: Ms. Kokas  AYES: 11
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. Delle Cava  SECOND: Mr. Stoller  AYES: 11
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. Stoller  SECOND: Mr. Simon  AYES: 11
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: Commissioner Badolato  SECOND: Mr. Albanese  AYES: 11
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: Nolyne Real Estate. LLC and Route 38 Hainesport, LLC (P43679)
Stronger NJ Business Loan Program: Bonnie D Puterman. DBA The Law Offices of Bonnie Puterman (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 10:25 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: April 13, 2017
RE: Monthly Report to the Board

STATE’S ECONOMIC MOMENTUM HIGHLIGHTED IN MARCH

Good news about New Jersey’s economy was abundant in March, as the State’s unemployment rate declined to 4.4 percent, below the national rate of 4.7 percent. The State’s labor participation rate rose to outpace the national average, according to preliminary data provided by the U.S. Bureau of Labor Statistics (BLS). Through February, BLS reported that 4.32 million New Jerseyans are employed, 13,300 more than in January 2017, and 32,000 more than in February 2016.

Small business owners are optimistic, according to a Wells Fargo/Gallup Small Business study cited by New Jersey 101.5, with revenues increasing, and owners building income and cash on their balance sheets. Business owners attribute the trend to alternative channels for reaching customers, such as social media, as well as increased access to credit and improved cash flow.

The excitement seen throughout the State is beginning to spread to Atlantic City. A report released in March by the William J. Hughes Center for Public Policy at Stockton University indicates that redevelopment in Atlantic City may be gaining momentum. The semi-annual report indicates that there have been a number of positive developments, including new residential opportunities, the potential to diversify jobs to be less reliant on the casino industry, and the settling of a tax dispute between the city and Borgata.

DEVELOPMENT MILESTONE CELEBRATED IN JERSEY CITY

The opening of Journal Square’s first high-rise building, located adjacent to the Journal Square Transportation Center, was celebrated in March. Construction of the tower, the first of three in the “Journal Squared” project, was approved for tax credits under the Urban Transit Hub tax credit program. The inaugural tenants of the 53-story, 644,000-square-foot residential tower moved in mid-month.

The State’s role in the revitalization of Jersey City was recognized later in the month at the Fifth Annual New Jersey Gold Coast & Spring Multifamily Summit, where an award was presented by the event’s host, CAPRE, and the City of Jersey City to the EDA for its support of development in the city via effective private-public partnerships. The Business Employment Incentive program and programs administered under the Economic Opportunity Act have been instrumental in driving investment in targeted areas throughout the State, including Jersey City.
EDA CONTINUES TO MONITOR PULSE OF TECH SECTOR

Throughout March, the EDA continued to participate in this sector’s lively roster of events designed to encourage innovation and investment in start-up companies. The team attended networking and educational events such as the Princeton Regional Chamber’s Inaugural Technology Summit, the Global Intellectual Property and Business Symposium, and TechLaunch Bullpen, while continually assessing the market to identify ways to meet the needs of entrepreneurs and early-stage companies.

Among its myriad resources designed to support the technology and life sciences sector, the EDA has a long history of helping to increase available capital for emerging companies by investing as a limited partner in venture capital firms that invest in New Jersey-based enterprises. The EDA has committed over $40 million to more than a dozen venture capital funds since 1999. Cumulatively, these partner funds invested approximately 6x the EDA’s investment into more than 60 New Jersey early-stage technology and life science companies. Including other third-party investors, companies in the EDA venture fund portfolio have received approximately $2 billion of funding and employed almost 2,000 full-time employees as of December 31, 2015.

CLOSED PROJECTS

Through March 2017, the EDA closed on more than $105 million in traditional lending assistance to support 43 projects, leveraging $123 million in public/private investment and the creation of an estimated 258 new, permanent jobs and 412 construction jobs.

In addition to the assistance provided through traditional lending programs, the EDA also executed agreements pending certification with 11 projects for $320.3 million, leveraging $316 million in public/private assistance, the creation of 1,073 new jobs, 1,565 construction jobs and the retention of 1,412 jobs at risk of leaving New Jersey.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees, or exhibitors at 28 events in March. These included the NJ NAIOP Public Policy Symposium in New Brunswick, the NJ Future Redevelopment Forum in New Brunswick, and the NRBP Real Estate Market Forecast in Newark.
TO: Members of the Authority

FROM: Tim Lizura
President and Chief Operating Officer

DATE: April 13, 2017

RE: Extension of Memorandum of Understanding
Capital City Redevelopment Corporation

Request:

The Members are asked to approve the extension of a Memorandum of Understanding ("MOU") between the New Jersey Economic Development Authority ("Authority" or "EDA") and Capital City Redevelopment Corporation ("CCRC") as an inter-department governmental agreement confirming the mutual understanding and intention between the agencies with respect to the provision of the Authority’s support services to CCRC.

Background:

CCRC was created in 1987 as an instrumentality of the State pursuant to N.J.S.A. 52:9Q-9 et seq to plan, coordinate, and promote the public and private development within a Capital District defined in the CCRC Act, consisting of those portions of the city of Trenton that serve as the commercial center of the community and in which public buildings and historic sites are located. CCRC is governed by a Board of Directors consisting of the Commissioner of Community Affairs, the Commissioner of Transportation, the State Treasurer, and the Mayor of the city of Trenton, all ex officio, and seven public members, four of whom are appointed by the Mayor of the city of Trenton and three of whom are appointed by the Governor. CCRC has redevelopment powers, including the authority to manage redevelopment projects and act as a municipal redevelopment entity or redeveloper for the City of Trenton, as well as limited bonding authority in support of economic development.

CCRC has and will continue an existing Memorandum of Understanding with the State Department of the Treasury under which Treasury provides accounting and financial reporting support to CCRC, primarily related to the Capital City Redevelopment Loan and Grant Fund that has a minimal balance.
Per the original MOU (approved June 10, 2014 for one year with one year renewal) the CCRC has requested that the Authority provide key support services. In particular, the Authority will provide staff and administrative services in support of CCRC including but not limited to corporate governance, public information, and Board support; legal services through the Attorney General’s office; and policy and development assistance. The Authority will continue to work with CCRC and the City of Trenton to implement the City’s redevelopment plans and to support specific project development. In these efforts, the Authority will partner with additional state and county agencies and other stakeholders in support of the overall revitalization of the Capital District. Future transactional real estate activity may result in fee for service work, as agreed to by the parties and consistent with how the Authority’s Real Estate Division customarily charges for its assistance.

**Recommendation:**

The Board Members are asked to approve the extension of the current Memorandum of Understanding between the Authority and CCRC through April 2018.

[Signature]

Tim Lanza

Prepared by: Patience Purdy
MEMORANDUM

To: Members of the Authority

From: Timothy J. Lizura
       President, COO

Date: April 13, 2017

Subject: Memorandum of Understanding between the Authority and the Office of the Secretary of Higher Education

Request:

The Members are asked to approve a Memorandum of Understanding between the Authority and the Office of the Secretary of Higher Education (OSHE) to support the successful development, implementation and ongoing maintenance of a Statewide Research Asset Database.

Background:

The Appropriations Act of Fiscal Year 2017, P.L. 2016, c. 10 appropriated an amount not to exceed $1,500,000 for the purpose of supporting the creation and maintenance by the Authority, in collaboration with OSHE, of a searchable database of research being conducted across the State by higher education institutions, for use as an economic tool in attracting and retaining businesses in New Jersey.

To ensure successful development, implementation and ongoing maintenance of the database, the agencies have determined that the initiative requires a project director that is familiar with both higher education, research and economic development. As the State entity charged with the oversight and coordination of higher education, OSHE has offered to fund and supervise a full-time, temporary position at OSHE to serve as State Project Director for this initiative, and has requested Authority assistance in recruiting and hiring a candidate for the position.

In addition to overseeing the work of a technology consultant that will design and develop the database platform, the State Project Director would be dedicated to the development of a governance structure that will oversee guiding principles and protocols in support of a long term sustainable strategy and business plan related to the database. The State Project Director will facilitate collaboration between all stakeholders in the higher education and business communities, oversee the budget and fiscal costs associated with the project, and, seek ways to promote the database in the marketplace. The Authority and OSHE also intend to create a
corresponding council of higher education and industry representatives, an initiative the State Project Director would manage.

The Authority released a Request for Information (RFI) in December 2016 seeking information from qualified firms related to the creation and maintenance of the database. As envisioned, the database will be launched as a pilot initiative and will be limited to the following research universities: Rutgers, Rowan, the New Jersey Institute of Technology, Princeton, and Stevens Institute of Technology. The database would enable users to search through topics of research, expertise and other assets, with a focus on STEM fields, at the participating research universities, as well as economic development partners.

Based on the information received in the RFI, the Authority intends to release a formal Request for Proposals to identify a technology vendor that will design and develop the database. It is the intent of the Authority and OSHE to have initial development of the database completed by August 2017, with a beta analysis/testing period between September and October 2017 and September 2017, and, the formal launch of the database by November 2017.

The attached memorandum of understanding between the Authority and OSHE memorializes the creation of the State Project Director position, which the Authority will fund utilizing the $1.5 million appropriation.

**Recommendation:**

Staff recommends the Board authorize the execution of the aforementioned Memorandum of Understanding between the Authority and OSHE, attached in substantially final form, by the Chief Executive Officer, subject to review by the office of the Attorney General.

Tim Lizura

Attachment
WHEREAS, the of Research Project Manager will facilitate collaboration among all stakeholders in the higher education and business communities to promote New Jersey research assets, manage the budget and fiscal costs associated with the project, and seek ways to promote the Research Asset Database as a valuable information resource; and

WHEREAS, a portion of the supplemental appropriation identified in FY 2017 will be used to fund this position. The position may be extended dependent upon the availability of funding available through the New Jersey Department of Treasury; and

WHEREAS, OSHE has agreed to pay a portion of the supplemental FY17 appropriation to EDA to fund the Research Project Manager position; and

WHEREAS, EDA will hire the Research Project Manager in coordination with the OSHE staff. This person will be employed full-time and will be directly supervised by OSHE staff in consultation with the EDA, as described herein; and

WHEREAS, it is in the best interest of the parties to enter into this MOU to support the successful execution of the directive put forth in the FY 2017 Appropriation; and

WHEREAS, N.J.S.A.52:14-1 et seq. authorizes state agencies to enter into agreements to provide assistance to each other and to agree as to the proper charge to be made for such services or material.

NOW, THEREFORE, the OSHE and the EDA do agree to the following:
A. EDA RESPONSIBILITIES:

1. Upon execution of this agreement, EDA shall coordinate the hiring of an employee or contractor, who will serve full-time as the Research Project Manager of the Research Asset Management Database.

2. Upon the hiring of the Research Project Manager, the EDA agrees to allow the Research Project Manager to serve as a member of staff at the OSHE to oversee the Research Asset Database. EDA will consult with OSHE during the tenure of the Research Project Manager on his/her performance from time to time.

3. Upon the hiring of the Research Project Manager, the EDA agrees that it is responsible for the payment of salary, benefits and reimbursables for the Research Project Manager and will pay for salary, benefits and reimbursables for the Research Project Manager to OSHE or contractor fees. This will include any additional permitted benefits, business related travel and any other ordinary and necessary business expenses (provided such expenses are in accordance with the State’s policies and practices). Payments shall be remitted appropriately through timesheet approvals or invoicing in consultation with the OSHE.

4. EDA will ensure that the Research Project Manager adheres to the State of New Jersey Code of Ethics and Financial Disclosure requirements and, furthermore, the Research Project Manager’s service with EDA will be subject to the applicable provisions of the New Jersey Conflicts of Interest Law, N.J.S.A. 52:13D-12 et seq.

B. OSHE RESPONSIBILITIES:
MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING ("MOU") made this ______ day of __________ between the Office of the Secretary of Higher Education ("OSHE") and the New Jersey Economic Development Authority ("EDA") will confirm the mutual understanding and intention of the parties hereto as to the following:

WHEREAS, the Appropriations Act of Fiscal Year 2017, P.L. 2016, c. 10 provided a supplemental appropriation up to $1,500,000, subject to the approval of the Director of the Division of Budget and Accounting ("FY 2017 Appropriation"), for the purpose of supporting the creation and maintenance by the EDA, in collaboration with OSHE, of a searchable database of research being conducted across the State by higher education institutions, for use as an economic tool in attracting and retaining businesses in New Jersey (herein referred to as the "Research Asset Database"); and

WHEREAS, to ensure successful development, implementation and ongoing maintenance of the Research Asset Database, the parties have determined that the project requires a project director that is familiar with both higher education and economic development ("Research Project Manager"); and

WHEREAS, upon execution of this agreement, EDA has agreed to coordinate the hiring of an employee or contractor to a full-time, temporary position, who will serve as the Research Project Manager under the supervision of OSHE for this initiative, whose role will be to develop a governance structure that will oversee guiding principles and protocols in support of a long term sustainable strategy and business plan related to the Research Asset Database; and
1. The OSHE agrees to pay a portion of the FY 2017 Supplemental Appropriation to the NJEDA in order to fund EDA’s payment of salary, benefits and reimbursables for the Research Project Manager (provided such expenses are in accordance with the State’s policies and practices). The OSHE shall provide an initial payment to the EDA upon the hiring of the Research Project Manager that will be commensurate with the projection of one year’s salary, benefits and reimbursables for the Research Project Manager. Payments for additional salary costs occurring after the first year are dependent upon the funding availability and project needs. Payments are contingent upon funding made available by the New Jersey Department of Treasury from FY17 or any fiscal years hereafter.

2. OSHE will supervise the work, performance and attendance of the Research Project Manager. An OSHE supervisor will sign the time sheets or invoices that the Research Project Manager is required to submit to EDA. As part of this supervision, OSHE will ensure that the Research Project Manager submits the aforementioned time sheets or invoices no later than noon on the last Friday of the pay period and OSHE shall report back to the EDA on activities and training during the term of the position, no less frequently than every ninety (90) days.

3. From time to time, OSHE will provide the EDA an update regarding the performance evaluation of the Research Project Manager during the term of the position.

4. OSHE will ensure that the Research Project Manager adheres to the State of New Jersey Code of Ethics and Financial Disclosure requirements and, furthermore, the Research Project Manager’s service with OSHE will be subject to the applicable provisions of the New Jersey Conflicts of Interest Law, N.J.S.A. 52:13D-12 et seq.
C. GENERAL PROVISIONS

1. Termination and amendments. The MOU may be modified or extended only by prior written agreement by the OSHE or the EDA. This MOU may be terminated by either OSHE or EDA upon thirty (30) days prior written notice of either party.

2. This MOU is being entered into for the sole purpose of evidencing the mutual understanding and intention of the parties.

3. Neither the OSHE nor EDA will require the employee to provide any confidential information relating to the other party.

4. OSHE and EDA reserve the right to amend/revise the job description associated with this position as necessary to meet current and changing needs.

5. There are no third-party beneficiaries of this MOU.

6. This MOU shall be administered consistent with the N.J.S.A. 52:14-1 et seq.

The parties duly authorize and execute this MOU.

By: ____________________________    By: ____________________________

Melissa Orsen                     Rochelle R. Hendricks
Chief Executive Officer           Secretary of Higher Education
New Jersey Economic Development Authority Office of the Secretary of Higher Education
I attest that sufficient funds have been appropriated by the State legislature to cover the current state fiscal year grant.

________________________________________

Marie Virella

Director of Finance

The New Jersey Office of the Secretary of Higher Education

________________________________________

Date
INCENTIVE PROGRAMS
ECONOMIC REDEVELOPMENT AND GROWTH (ERG) PROGRAM
MEMORANDUM

To: Members of the Authority
From: Timothy Lizura
President and Chief Operating Officer
Date: April 13, 2017
RE: ACB Ownership, LLC
Economic Redevelopment and Growth Grant Program
P #42120

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 regards to a qualified residential project, mixed-use parking project, or a university infrastructure project yield a net positive benefit to the state. With the exception of residential ERG projects, mixed-use parking projects, and university infrastructure projects 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 ACB Ownership, LLC (the “Applicant”) for a Project located South of the boardwalk and West of Martin Luther King Boulevard (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 Project costs are estimated to be $138,000,000 and of this amount $137,900,000 are the estimated eligible costs under the ERG program. The Applicant is eligible for an ERG award of up to 40% of actual eligible costs, since the project is located in a Garden State Growth Zone. However, the Project’s estimated collection of taxes over a twenty-year period are not adequate to justify a 40% award. As a result, the ERG award was limited to $38.4 million, which represents 27.8% of actual eligible costs.
Background of US Thrill Rides and the PolerCoaster Concept

PolerCoaster was originally developed by US Thrill Rides, a company with an extensive background in developing and installing proprietary attractions. In the company’s 20-year history, they have installed over 300 different attractions in tourism destinations such as Universal, Six Flags, Paramount, and Mall of America. See below for US Thrill Rides products:

- **SkyCoaster** - A safe alternative to bungee jumping; installed in over 120 theme parks and venues around the world;
- **I-fly** - Indoor skydiving attraction; over 35 have been installed at theme parks, shopping centers, and tourist destinations around the world;
- **UniCoaster** - Circular roller coaster, installed at Mall of America as Nickelodeon’s “Brain Surge” and Belmont Park in San Diego;
- **Skyview** - Observation Wheel;
- **SkySpire** - Observation tower with gondolas following the path of spiral helix.

PolerCoaster is US Thrill Rides’ most recent innovation. In 2012, the company announced the new attraction, a vertical rollercoaster that twists around a tower and ends with a drop from approximately 350 feet to the bottom of the attraction. The ride’s designer observed that theme parks require large tracts of land, and therefore he sought to lower the footprint of a typical rollercoaster ride by developing it vertically.

Currently, there are three other PolerCoaster projects within the United States, in addition to the Project, that are located in Orlando, Florida & Las Vegas Nevada that are in various stages of planning. While there are a few PolerCoaster projects under development and under planning, there are currently no operational PolerCoaster projects in the United States to serve as benchmarks for the subject project.

**Project Description**

The subject site is approximately 1.32 acres of vacant land, comprised of Block 48, Lots 13, 18, and 19. The location of the Project will be south of the boardwalk and west of Martin Luther King Boulevard.

The Applicant intends to build an entertainment complex of approximately 110,000 gross square feet comprised of the following components:

- The main attraction being the PolerCoaster; a 350-foot-high vertical roller coaster, one of only four presently slated to operate in the US, with a “Giant Drop” thrill ride incorporated within the PolerCoaster Tower. The PolerCoaster will be the only rollercoaster of its kind within the Northeast region of the United States.
- Flight/skydive stimulator
- Extreme ropes course
- Extreme Climbing
- Extreme ninja course
- Tornado ride and/or other similar unicoaster
- Jump shot
- XD theater
- Amusement and arcade games with redemption areas
• Event space
• Retail space
• Food and beverage areas including a restaurant and bar

ACB, Ownership, LLC entered into a preliminary Project License Agreement with Hasbro Inc. on December 23, 2016. The term of the agreement is for 12 months with a yearly renewal. According to ACB, the exact attractions to be included in the complex, other than the PolerCoaster, are expected to change and may or may not include all of the above listed attractions.

Hasbro is a global play and entertainment company founded in 1923 whose vision is committed to “Creating the World's Best Play Experiences”. From toys and games to television, movies, digital gaming and consumer products, Hasbro offers a variety of ways for audiences to experience its iconic brands, including Nerf, My Little Pony, Transformers, Play-Doh, Monopoly, Littlest Pet Shop and Magic: The Gathering, as well as premier partner brands. Hasbro’s 90+ years of rich and deep history can be told in a variety of ways – from key milestones, new brand innovations and immersive entertainment experience to storytelling and the insights and memories of millions of consumers worldwide.

The owners and operators of PolerCoaster intend to charge on a “pay-as-you-go” per ride” model. There will be no flat admission; however, there will be multiple packages offered for multiple rides. The Project is anticipated to open prior to Memorial Day of 2019 and will be open on the weekends from March through May. The park will be open full time during peak season which will be Memorial Day through Labor Day. The Project will be closed for the months of December through February and is projected to operate 154 days per year, respectively.

As per the required green requirement, the construction of the retail component and any other applicable structures will comply with the Green Building Standards set forth in the Green Building Manual. The Applicant intends to select an MEP consultant from the Pay for Performance approved partner list.

John Fotiadis Architect, PLLC based out of New York City will be the designated architect for this Project. Founded in 2009 by John Fotiadis, a licensed architect with decades of international experience, JFA is presently designing projects both in its native New York and abroad. Since the firm’s founding, JFA has designed several notable and iconic projects, two being “Trump Tower in Batumi” in Republic of Georgia in Batumi and “Ankara Castle” in Ankara Turkey.

Tishman Construction Corporation will act as the General Contractor. Tishman is a vertically integrated real estate owner, developer, operator and advisor with roots dating back to 1898. Over the last 30 years, Tishman, has owned and developed roughly 10 million sq. ft. for its own account and has sourced and structured nearly $8.0 billion of debt and equity for its projects. Further, Tishman has developed, managed and advised on more than 35 million sq. ft. of all types of real estate – including hospitality, retail, residential and office.

As per the market study dated January 11, 2017, JLL estimates that this Project has the potential to create over 400 full time jobs during the construction phase. JLL also confirms this Project will create 150 seasonal onsite, jobs in the local economy.
Note:

(1) The 150-year-round jobs estimate is derived from taking a discount to per park year-round employment industry averages of given both the climate of New Jersey as well as the smaller size of this installation. This figure represents a more than 25% discount to the client provided figures but is more in keeping with published employment per park stats provided by the IAAPA. The Average Salary figures are derived by taking an average of the staff salary estimates provided by the client. So, we have assumed the client employment mix statistics while taking a discount to the overall number of year employees. Part time seasonal employment is not factored in as most of these jobs will have salaries at or below levels that are required to pay NJ state tax.

Third Party Analysis

On July 22, 2016 NJEDA appointed Jones Lang Lasalle ("JLL") an independent third-party firm to provide a thorough investment market analysis that would capture different dynamics and benchmarks related to a Theme Park/Entertainment Park and Retail component. Several conference calls took place with the Applicant’s team to better understand the project outside of the documents that were provided. The analysis provided several assumptions based on:

- **Overview of the PolerCoaster**: A high-level overview of the subject that provided background information necessary to appropriately benchmark and apply investment indicators.
- **Theme Park/Entertainment Park Overview**: Information was provided detailing the national theme park market and Southern New Jersey amusement park market in order to provide benchmarks for the subject project.
- **Retail Market Overview**: This section provided detail regarding the national retail market and the Atlantic City retail to provide benchmarks for the subject property.
- **Economic Impact Assessment**: The study calculated direct and indirect jobs and the economic benefit to confirm/adjust the Applicants estimates of these factors so that they are in line with EDA’s standards.
- **Recommendations**: Based on all the due diligence provided, JLL analyzed the developer’s key assumptions based on the Project and retail market dynamics. The investment recommendations provided to the EDA determined the amount of the award, the net benefit to the State, the number of jobs created, IRR & Unlevered IRR, tax assumptions for a period of 20 years and Capitalization Rates.

The Applicant initially submitted an application requesting an ERG incentive of $39 million, in addition to requesting that this project be viewed as a “destination,” however due to the lack of third party-documentation and inability of generating sufficient taxable income to support the request, JLL reduced the award to $26 million. JLL conducted research over a period of five months when they made the determination that the award should be reduced. The two components critical to the success of the Project are related to having (1) a specialized management team to market the Project and (2) Utilizing a Brand that would solicit traffic within the region and outside of the primary market.
Based upon the program regulations and the “Economic Redevelopment and Growth Program Policy Issues” approved at the NJEDA Board meeting on December 14, 2010, the following clarifies the definition of a destination entertainment and retail facility:

- "When a Project is a destination entertainment and retail facility (projects which contains unique retail establishments, entertainment and or/sports venues) and the project can demonstrate substantial increased incremental tax revenue (as demonstrated by a market analysis provided by the developer) to the State of New Jersey from other jurisdiction we can allow 100% of the projected incremental ongoing sales tax revenue in the analysis."

On December 9, 2016 after several months of negotiating, the Applicant provided the EDA with a proposal from the selected management company: (Icon Attractions) and a fully executed agreement from a Franchised Brand: (Hasbro). The Applicant requested that the project be reviewed again to determine if the necessary benchmarks were achieved by providing updated information and third-party documentation that would re-consider this project to be viewed as a destination. JLL received the request and provided an updated market study on January 6, 2017. The updated due diligence and third party documentation supported the initial request and therefore the award was increased from $26 million to $38.4 million. As reported, the JLL states-

“Given the proposed Hasbro branded children’s character based, marketing and customer attraction strategy, along with the retention of experienced amusement management, this project should credibly meet the definition of “destination.” As such, the increase in the award is granted based on the management team and brand.

The following documents were reviewed by JLL to determine all of the concluded information within the body of this memo:

- Market and Proforma Analysis prepared by Global Gaming and Hospitality, LLC and Morrowitz Gaming Advisors (December 11, 2015).
- Supplement to the Market and Pro Forma Analysis prepared by Global Gaming and Hospitality, LLC and Morrowitz Gaming Advisors (March 30, 2016).
- CAFRA Permit issued on April 14, 2016 by the State of New Jersey-Department of Environmental Protection
- Ownership structure of ACB, Ownership, LLC
- A Destination Complex-Update (June 30, 2016) by Global Gaming and Hospitality, LLC Morrowitz Gaming Advisors, LLC
- “Supplement to Report Dates December 11, 2015 to incorporate Hasbro License Agreement” (October 21, 2016) by Global Gaming and Hospitality, LLC and Morrowitz Gaming Advisors, LLC
- “Financial Model V4 with tax abatement Hasbro Supplement” by Global Gaming and Hospitality, LLC and Morrowitz Gaming Advisors, LLC
- “Atlantic City PolerCoaster- Proposal of services “November 4, 2016) by Icon Attractions
- Ground Lease Agreement dated July 14, 2015 between Boardwalk Piers 2, LLC and ACB Ownership Limited Liability, LLC
The Applicant plans to develop approximately 400 offsite parking spaces at no additional cost. The Landlord owns a garage behind the proposed project that can accommodate over 1,000 vehicles. The landlord also owns approximately 18 acres of land across the street from the project that is available for parking lot use.

The Project is estimated to start construction in May of 2017 with an anticipated opening by Memorial Day of 2019, resulting in a two-year time frame from start to finish. The complex will be open on weekends from March through May, full time during the peak season, beginning Memorial Day weekend through the middle of September (approximately 154 days annually).

**Project Ownership and Developer Capacity**

Understanding the structure of ACB’s ownership and the background of each person that makes up this entity is important due to the high degree of specialization required to operate a theme park. JLL confirmed that each of the owner’s core competencies is important as it assesses the company’s risk profile along with its capabilities.

ACB ("Lessee") and Boardwalk Piers 3, LLC, a related party of the Applicant ("Lessor") entered into a lease agreement on July 14, 2015 for a term of 20 years at a fixed rate. The lease is contingent on the assistance of the ERG Incentive and if the EDA is not able to assist, the lease becomes null and void.

The ownership of the Applicant entity is comprised of The Robert G. Friedman 2014 Grantor Trust 33.33%, The Bernard Friedman 2014 Grantor Trust 33.33% Primos Polercoaster, LLC 23.34% (current landowners, made up of Mitchell Meckles (50%) Brian Popper (45%) and Erin Kane (5%) and JTW Atlantic City, LLC 10%.

Mitchell Meckles and Brian Popper have a jointly owned company, Boardwalk Piers, which acquired the former Sands Casino Hotel, from Pinnacle Entertainment Inc. for just under $30 million. Pinnacle bought the Sands Casino Hotel for $270 million in 2006. Erin Kane, is the director of acquisitions as Popper’s properties and is Brian Poppers daughter.

JTW Atlantic City, LLC holds 10% interest in ACB with Joshua Wallack having 100% interest in JTW Atlantic City, LLC. Joshua Wallack will be acting as the managing director of the PolerCoaster. Mr. Wallack has 16 years of operating experience in real estate and the hospitality industry. Mr. Wallack is responsible for the success of and growth of Mangos Tropical Café, the tenth highest grossing restaurant and night club located in Miami, Florida. Mr. Wallack manages all daily operational aspects of Mango’s business and anticipates further developing the enterprise into a $35 million, 64,000 square foot facility, located on International Drive, directly across the street from the proposed Skyplex Development.

Bernard Friedman 2014 Grantor Trust holds 33 1/3% interest in ACB, Ownership, LLC Robert G. Friedman 2014 Grantor Trust, also holds 33 1/3% in ACB, Ownership LLC. The equity being injected towards the Project will be provided by Bernard and Robert Friedman (brothers), who have actively been engaged in the real estate business since 1960, and represent the third generation of real estate entrepreneurs. Robert and Bernard Friedman have a vast background in the real estate industry. The Freidman’s have constructed many multiple dwelling properties in Manhattan NY; they also successfully converted eight buildings to cooperatives ("co-op") or condominium ("condo") ownership. Most recently, the Freidman’s completed a project containing 30,000 square feet of commercial space in the financial district of Manhattan. Additionally, the Freidman’s acquired multiple parcels of land on International Drive

ACB Ownership, LLC
April 13, 2017
in Orlando where the skyplex project is being built with an expected opening in 2018. Robert and Bernard Friedman were amongst the first to receive an EB-5 loan in New York City for an amount of $75 million.

**Ride Consultant**

Francis Stokkel will be overseeing the PolerCoaster from the initial concept to execution. Mr. Stokkel is experienced in overseeing diverse high-end themed entertainment projects throughout the world. Mr. Stokkel will serve as an expert ride consultant for this project and will bring his expertise in management skills, quality assurance timely completion, full-cycle project management, and budgetary planning. Mr. Stokkel plays a critical role to the safety and success of this Project.

**Management Services**

Icon Attractions (“ICON”) will act as the management company for the Applicant. Icon was founded in 2012 to develop and manage giant wheel attractions, observation attractions and retail experiences to select domestic and international markets. ICON principals Eli Stovall and Curtis Parks are both career hospitality industry professionals that have acquired and operated some of the most recognizable brands in the attraction industry.

Mr. Eli Stovall, is an IAAPA Certified Attractions Executive (“ICAE”) who has more than 16 years’ experience leading multiple attractions in the entertainment and hospitality industry. Mr. Stovall has a portfolio asset management of more than $500 million of theme parks, water parks, and family entertainment centers. Mr. Stovall has worked with Industry brands such as:

- Schlitterbahn Water Parks and Resorts
- Wet N Wild Waterpark
- Raging Water Parks
- Palace Entertainment
- Elich Gardens Theme Park
- Darien Lake Theme Park & Resort
- Hawaiian Falls Waterparks
- NASCAR Speedparks

Curtis Parks serves as Chief Operating Officer of ICON. Mr. Parks is an active member of IAAPA (International Association of Amusement Parks and Attractions) and WWA (World Waterpark Association). Mr. Parks previously served as COO and Vice President with PARC Management. Mr. Parks was a part of the founding management team whose efforts enabled the company to launch seven to 25 properties within an 18-month period. Mr. Parks has also worked Industry brands such as:

- Schlitterbahn Water Parks and Resorts
- Wannando City (America’s first play theme park for children)
- Wet N Wild (LasVegas)
- Alfa Smart Parks
- Wild Waters Water Park, Silver Springs Florida
- Florida Resort of Weeki Wachee Springs

Management Services will continue after the Pre-Operational timeframe for a period of five years, as per the agreement.
### Project Uses and Sources

The Applicant proposes the following uses for the Project:

<table>
<thead>
<tr>
<th>Uses (thousands)</th>
<th>Total Amount</th>
<th>ERG Eligible Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Land</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>Construction &amp; Site</td>
<td>$62,800,100</td>
<td>$62,800,100</td>
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<tr>
<td>Professional Services</td>
<td>$2,845,000</td>
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<tr>
<td>*Financing &amp; Soft Costs</td>
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<td>$21,245,000</td>
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<tr>
<td>Contingency</td>
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<tr>
<td>Developer Fee</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Rides</td>
<td>$48,197,000</td>
<td>$48,197,000</td>
</tr>
<tr>
<td><strong>TOTAL USES</strong></td>
<td><strong>$138,000,000</strong></td>
<td><strong>$137,900,000</strong></td>
</tr>
</tbody>
</table>

All of the above costs are eligible but for the Developer fee of $100,000.

The Applicant is currently negotiating the financing component with several lenders/investors. ACB anticipates debt financing equal to 70% of project costs for a term not to exceed ten years; the remaining 30% will be injected into the project by way of Applicant equity.

* Boardwalk Piers 3 LLC, an entity related to the Applicant comprised of: Mitchell Meckles (50%), Brian Popper (45%) and Erin Kane (5%), acquired the land from Pinnace Atlantic City in 2013. Because the Applicant is securing a ground lease to secure site control for the Project, land is being excluded from Project costs.

*Soft costs remain under 20% of the project costs and consist primarily of: Interest during construction, license fees of $2 million, engineering fees of just over $4 million, in addition to fees such as accounting, architect, appraisal, permits and fees, legal fees, branding, rent, advertising, title fees, blue prints and other miscellaneous fees that the Applicant will be responsible for paying.

#### Sources of Financing

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Name of Lender/Investor: TBD</td>
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<tr>
<td>Equity:</td>
</tr>
<tr>
<td>Applicant’s Capital:</td>
</tr>
<tr>
<td>Total:</td>
</tr>
</tbody>
</table>

#### 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 20 years. The Applicant will utilize an 18-24-month timeframe to build the project and assumes a 20-year cash flow.

<table>
<thead>
<tr>
<th>Without ERG</th>
<th>With ERG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity IRR 16.2%</td>
<td>Equity IRR 18.33%</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 18.33% which is below the Hurdle Rate Model provided by EDA’s contracted consultant Jones Lang LaSalle which indicates a maximum IRR of 20% for a Theme Park/Entertainment Venue for a project located in Atlantic County.

Net Positive Benefit Analysis:

NJSA 19:31-4.5 requires that in order 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 85% 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;
5] 100% of the projected incremental ongoing sales tax revenue due to the project meeting EDA policy of a destination entertainment/retail facility and demonstrating substantial increased incremental tax revenue to the State from other jurisdictions.

The net positive benefit analysis includes 150 new full time positions with an annual blended wage of approximately (1) $28,000 before benefits, for a total annual payroll of $28,000. The Net Benefit analysis supports the information noted.

The ERG award to ACB is equal to the lesser of (1) 27.8% the eligible projects costs or (2) an amount that results in the projects present value of the net benefit to the State to be a minimum 110% of the award. The Project’s gross present value of the benefit to the State totals $57.5 million and represents 150% of the proposed $38.4 million award. As such, the award amount complies with the program.

Staff employed the model that the Authority uses to determine the net benefit of a project to the State of New Jersey. The application for the project was submitted to the EDA on 1/14/16, and the 2012 version of the economic impact model was utilized to calculate the net benefit to the State. Using the salary level of the employees and the estimated capital investment provided by the applicant, the model determined that the net benefit to the State is $52.3 million over the 20-year period required by the Statute.

Other Statutory Criteria

The economic feasibility and the need of the redevelopment incentive agreement to the viability of the project.

The Project is located in Atlantic City, Atlantic County. Atlantic City was the first jurisdiction after Nevada to implement casino style gaming and for several years enjoyed a monopoly in the northeast (and annual growth gains up until 2006). Atlantic City and its gaming market has been in decline since its gaming peak in 2006. Gross casino revenues in the city declined 41% between the fiscal years 2006 and 2012; in addition, revenues were also down an additional 6.1% in 2013. Property values in Atlantic City have declined from more than $20 billion in 2010, to $14 billion in 2013. Fortunes of Atlantic City have been declining due to increased competition from neighboring states Pennsylvania and Delaware.

ACB Ownership, LLC
April 13, 2017
Atlantic City's struggling gaming market has worsened the City's unemployment rate and median household income. Atlantic City's median household income in 2012 was $28,041 versus New Jersey's median household income of $69,667. The City's 11 gambling houses account for almost half of its jobs. The Atlantic Club closed in January taking away 1,600 casino jobs. The closing of Caesars’ Showboat on Aug. 31 resulted in the loss of approximately 2,100 jobs. Trump Plaza Hotel & Casino also impacted another 1,000 jobs. Atlantic City’s unemployment rate as of May of 2014 was 11% versus New Jersey's unemployment rate of 6.8%.

About one-fifth of the people registered as casino workers with the state Division of Gaming Enforcement live in Atlantic City, the most in a single zip code. Thousands more live in the suburbs such as Egg Harbor Township, Galloway and Pleasantville.

This Project will further the goals of State, regional, and local development and planning strategies. The Project also furthers State Plan policy objectives for ensuring efficient land use by providing an amusement enterprise, in addition to a bar and a restaurant that will in return, promote economic development through infill development and public/private partnerships and promoting design to enhance public safety and encourage and promote well-planned and revitalized communities that aim to sustain the economy in Atlantic City.

Based on the market study prepared by Morrowitz Gaming Advisors, LLC, the Project is economically feasible reflecting the financial strength and prior experience and track record of the Applicant’s previous endeavors.

The Project has an anticipated IRR of 16.2% without the ERG and 18.33% with the ERG. As explained previously, the Applicant represents that the ERG incentive grant is needed for the viability of the Project, and without the assistance of the ERG incentive, it is likely that the Project will not move forward.

The degree to which the redevelopment project within a municipality which 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 proposed project will sit in the heart of the Boardwalk, near a critical mass of attractions inclusive of: two casinos, Playground Pier Boardwalk Hall, Tanger shopping outlets, Bass Pro Shop and the Center boardwalk. Improving its existing assets including differentiated amenities has been the key focus as the City aims to transform from a gaming industry to an area providing full service entertainment. The market study prepared by Morrowitz Gaming Advisors, LLC mentions that “As Atlantic City shifts from a gaming destination to an entertainment, meeting and shopping destination, continued investment will be required to ensure that this transition is successful.

As per the Market study prepared by Morrowitz Gaming Advisors, LLC (Dated December 11, 2015), Atlantic City has been at a crossroads for the last several years. Fundamental changes in the competitive and economic environments have changed the market forever. The gaming industry, the key driver of employment and economic growth in the region for several is in decline. The gaming industry and the city of Atlantic City must diversify and that diversification has started, with the success of the Tanger Outlets (formerly The Walk), an outlet center at the gateway to the city, and the addition of other non-gaming focused assets.
Income levels in the local area are below the State average. The median 2015 household income is estimated at $28,434 in Atlantic City, $51,450 in Atlantic County and $70,538 in the State of New Jersey. In recent years, Atlantic City’s unemployment rate has remained well above the State average. In 2014, the annual unemployment rate stood at 14.8% in Atlantic City and 10.4% in Atlantic County, compared to 6.6% in the State of New Jersey. The Bureau of labor statistics also tracks unemployment on a monthly basis. Preliminary figures for March of 2015 indicate an unemployment rate of 16.5% in Atlantic City, 11.8% in Atlantic County, and 6.8% for the State of New Jersey. Additionally, Atlantic City is ranked #559 in the MRI index, is a Distressed Community and is designated as an Urban Aid Municipality.

The development of this site into an entertainment enterprise will support the transformation of Atlantic City into a family oriented destination rather than solely a gaming destination. The site is ideally located in an area that will attract a favorable amount of traffic.

The Applicant received a letter of support for the Project from Mayor Donald A. Guardian. The letter of support acknowledges that the proposed project is consistent with the goals of the Tourism District Master Plan and the State’s efforts to revitalize Atlantic City.

Recommendation

Authority staff has reviewed ACB Ownership, LLC 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;
4. Documentation that the Project is not using other State or local incentives;

Project to reach completion within three years from the date of approval.

Reimbursement shall commence upon:

1. Completion of construction and issuance of a permanent Certificate of Occupancy;
2. Submission of a detailed list of all actual 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 Actual Eligible Project Costs:** $137,900,000.

**Eligible Tax Credits and Recommended Award:** 27.8% of actual eligible costs, not to exceed $38,400,000 to be paid over 20 years.

Prepared by: Jenell Johnson
PUBLIC INFRASTRUCTURE PROJECT TAX CREDIT PROGRAM (PIP)
MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: April 13, 2017

RE: PH Urban Renewal, LLC
Public Infrastructure Project Tax Credit Program (“PIP Tax Credit”)
P # 43333

Request
The Members are asked to approve the application of PH Urban Renewal, LLC (the “Applicant” or “PH”) for a PIP Tax Credit of a public infrastructure project located in Jersey City, Hudson County (the “Public Infrastructure Project”). The issuance of tax credits will be pursuant to the PIP Tax Credit program of the Authority as set forth in the New Jersey Economic Opportunity Act of 2014, N.J.S.A. 34:1B-251 (“Act”), and as amended by L. 2015, c. 217.

The cost of the Public Infrastructure Project is estimated to be $26,000,000. The recommendation is to provide an award, not to exceed $5,000,000. PH Urban Renewal, LLC is the designated redeveloper of the site and has common ownership with L & M Development Partners, Inc. (“L & M”). The Act caps awards at $5,000,000, except for certain projects that are also brownfields redevelopment project, which is not the case here.

Project Description
The Enterprise Project (“Enterprise”) is the construction of approximately 1 million square feet mixed use development on 1.975 acres of land located in Jersey City, Hudson County. Total development cost of the Enterprise is $372.6 million. Components of the Enterprise will include: 750 rental apartments in a fifty-two-story tower, a two-story, 35,000 square foot educational facility for the Jersey City Board of Education, 18,464 square feet of ground floor retail/commercial space on Christopher Columbus Drive and Montgomery Street, five-story, 416 space parking garage and public, open-space on the corner of Christopher Columbus Drive and Warren Street.

The Public Infrastructure Project (“PIP”) consists of the public-school facility costing $26 million (hard costs alone amount to $14.2 million). Additionally, to meet the requirements of the program the Applicant must spend at least $10 million which will be achieved via the retail and parking podium budgeted at $37.47 million (hard costs of this component are $28 million).
The Municipal Council of the City of Jersey City has established a portion of the City as an area in need of redevelopment, known as the Paulis Hook Redevelopment Area, as supplemented by the Block 13102 Redevelopment Plan, which includes the premises (aka 25 Christopher Columbus Drive Block 13102, lot 1.02) of the Enterprise. The Enterprise qualifies for a long-term tax exemption under N.J.S.A. 40A:20-I et. seq. The Enterprise received approval from Local Finance Board on February 8, 2017 for the tax abatement along with issuance for up to $1 million in Redevelopment Area Bonds.

PH is the contract purchaser of the premises and the Jersey City Redevelopment Agency ("JCRA") selected the Applicant as the designated redeveloper of the premises in September of 2016 (and entered a redevelopment agreement with JCRA in December of 2016). The Enterprise is a transit oriented development (located within walking distance from both Grove Street and Exchange Place PATH stations) serving as a model for the State’s Smart growth priorities. The planning strategies at the local, regional and state level encourage smart, resilient, multifamily design in urban centers. The proposed project will fit into the context of the neighborhood, provide valuable services and benefits to the growing community, and the Enterprise will generate a pipeline of employment opportunities for residents. Quality housing options for the expanding population and the public plaza and school facility will help to alleviate the strain put on public infrastructure created by all the ongoing residential development. JCRA mandated the PIP component of the project in order to approve PH as the redeveloper as well as the entire scope of the Enterprise development.

The ownership of the public school will be transferred to Jersey City Board of Education for a nominal fee upon completion. Staff estimates the fair market value of the PIP to exceed $5 million, based on the budgeted cost of the school. The Applicant has stated no construction costs have been incurred yet for the public improvements, thus meeting the requirement under the Act that the construction commences after January 1, 2013. Final site plan approval is anticipated by 9/1/17 with closing by 10/30/17 and completion of the PIP by 10/1/19. The Applicant has represented at least $10 million of new capital investment (specifically the retail and parking podium costing $37 million) will be developed at the site by December 31, 2019.

The Applicant is related to L & M who is the developer of the $170 million mixed-use project known as 609 HoldCo LLC in Newark (which was approved by NJEDA for a $40 million RES ERG incentive under P 38767 on 12/9/14) which is nearing completion and cost certification. Since its inception in 1984, L & M has been an innovator in developing quality affordable, mixed-income and market rate housing, while improving the neighborhoods in which it works. As a full-service firm, L & M works from conception to completion, handling development, investment, construction and management with creativity that leads the industry. L & M is responsible for more than $6 billion in development, construction and investment, and has created or preserved more than 17,000 high-quality residential units in New York’s tristate area, the West Coast and Gulf Coast regions. L & M reported assets in excess of $200 million, nominal leverage and sound cash flow per recent financial statements.
**Recommendation**

Authority staff has reviewed the application for PH Urban Renewal, LLC and finds that it is consistent with eligibility requirements of the Act. It is recommended that the Members approve and authorize the Authority to issue an approval letter to the Applicant.

Issuance of the Public Infrastructure Approval Letter is contingent upon the Applicant meeting the following condition within 3 months of this approval:

1. Submission of a Jersey City resolution consenting to the award of PIP Tax Credits.

Issuance of the PIP Tax Credits are contingent upon the Applicant completing construction of the public school as well as the retail and parking podium components of this project by December 31, 2019 and providing the following documentation by March 1, 2020:

1. Evidence of completion of the Public Infrastructure Project, including a submission of a detailed list of all eligible costs, verified by a CPA and satisfactory to the NJEDA; and
2. Evidence of transfer of the Public-School portion of the Infrastructure Project to the Jersey City Board of Education; and
3. Assessment of fair market value, based on verified costs of the PIP project of no lower than $5,000,000; and
4. Evidence of the expenditure of at least $10 million in new capital investment at the site over and above PIP component.
5. Certificate of Occupancy for PIP and the retail/parking components.

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:** $26,000,000.

**Eligible Tax Credits and Recommended Award:** Not to exceed $5,000,000.

**Total Remaining Public Infrastructure Tax Credits:** $0

Timothy Lizura

Prepared by: Michael A. Conte
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: Biogenesis, Inc. P44089

PROJECT LOCATION: 444 Marshall Street Paterson City Passaic County
(Block 5412, Lot 1 and Block 5401, Lot 6)

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

APPLICANT BACKGROUND:
Founded in 1997 with 2 employees, Biogenesis, Inc. (Biogenesis) is a full-service FDA registered contract manufacturer of Skin Care, Over-The-Counter (OTC) preparations and color cosmetic products. Biogenesis offers complete procurement of raw materials, manufacturing, and filling services for customers that range from large multi-national to smaller firms with niche markets with products sold in national and international department stores, national drug store chains, the internet, QVC, and national catalogs. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Currently headquartered in Hackensack, NJ, with accompanying laboratory, production, and warehouse operations; continued growth has required Biogenesis to expand various warehousing and production functions into additional smaller buildings in both Hackensack and Teterboro. In the interest of gaining efficiencies and to facilitate future growth, Biogenesis is intending to consolidate all of its operations into a single facility and has identified a site to be purchased and renovated in Paterson, NJ. The proposed New Jersey project would represent a total capital investment of $6.7 million including site acquisition, renovation, and the purchase of machinery and equipment, as well as the retention of 62 existing positions and the creation of 16 new positions related to the expansion. In the event that Biogenesis does not relocate to Paterson, it would move all of its operations out of the State to a leased facility in Orangeburg, NY and make a comparable investment in machinery and equipment.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Biogenesis, 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 Ann Rabanni, the CEO of Biogenesis, 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 $9.0 million over the 30-year period required by the Statute.
FINDING OF JOBS AT RISK:
The applicant has certified that the 62 New Jersey jobs listed in the application are at risk of being located outside the State on or before June 30, 2017 as this is the date upon which its current New Jersey lease is set to expire. 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>($/Square Foot of Gross Leasable Area)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industrial/warehouse/logistics/R&amp;D - Rehabilitation Projects</strong></td>
<td>$ 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 <strong>manufacturing businesses</strong></td>
</tr>
<tr>
<td>Other targeted industries</td>
</tr>
<tr>
<td>All other businesses/industries</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 Passaic 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>$827,814</td>
<td>$6,710,000</td>
</tr>
<tr>
<td>New Jobs</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>19</td>
<td>62</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>Paterson is a Garden State Growth Zone</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase(s) Criteria</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deep Poverty Pocket or Choice Neighborhood</td>
<td>An increase of $1,500 per job for a project located in a Deep Poverty Pocket or Choice Neighborhood</td>
<td>444 Marshall Street is located in a Deep Poverty Pocket.</td>
</tr>
<tr>
<td>Targeted Industry</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>Mega/GSGZ Ltd. Project w/ Cap. Inv. In Excess of Min</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 $6,710,000 is 710.6% above the minimum capital investment resulting in an increase of $5,000 per year.</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>
</tbody>
</table>
The Retained Full-Time Jobs will receive the lesser of:
- ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $12,000 = $6,000) or
- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($6,710,000 / 10 / (16+62) = $8,602)

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:**
- Garden State Growth Zone: $5,000

**INCREASES PER EMPLOYEE:**
- Deep Poverty Pocket: $1,500
- Targeted Industry (Manufacturing): $500
- GSGZ Ind. Project w/ Cap. Inv. In Excess of Min: $5,000

**INCREASE PER EMPLOYEE:**
- $7,000

**PER EMPLOYEE LIMIT:**
- Garden State Growth Zone: $15,000

**LESHER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:**
- $12,000

**AWARD:**
- New Jobs: 16 Jobs X $12,000 X 100% = $192,000
- Retained Jobs: 62 Jobs X $12,000 X 100% = $744,000
- Total: $936,000

**ANNUAL LIMITS:**
- Garden State Growth Zone: $30,000,000

**TOTAL ANNUAL AWARD:**
- $936,000

**PROJECT IS:** (X) Expansion (X) Relocation
**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** $6,710,000
**EXPECTED PROJECT COMPLETION:** January 1, 2018
**SIZE OF PROJECT LOCATION:** 62,086 sq. ft.
**NEW BUILDING OR EXISTING LOCATION?** Existing
<table>
<thead>
<tr>
<th>Biogenesis, Inc.</th>
<th>Grow New Jersey</th>
<th>Page 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDUSTRIAL OR NON-INDUSTRIAL FACILITY?</td>
<td>Industrial</td>
<td></td>
</tr>
<tr>
<td>CONSTRUCTION: (X) Yes ( ) No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NEW FULL-TIME JOBS:</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>RETAINED FULL-TIME JOBS:</td>
<td>62</td>
<td></td>
</tr>
<tr>
<td>STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER, 2016):</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:</td>
<td>Hackensack City Teterboro Borough</td>
<td></td>
</tr>
<tr>
<td>MEDIAN WAGES:</td>
<td>$ 25,000</td>
<td></td>
</tr>
<tr>
<td>NET BENEFIT MODEL:</td>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>GROSS BENEFIT TO THE STATE (OVER 30 YEARS, PRIOR TO AWARD):</td>
<td>$ 18,355,394</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT OF AWARD:</td>
<td>$ 9,360,000</td>
<td></td>
</tr>
<tr>
<td>NET BENEFIT TO THE STATE (OVER 30 YEARS, NET OF AWARD):</td>
<td>$ 8,995,394</td>
<td></td>
</tr>
<tr>
<td>ELIGIBILITY PERIOD:</td>
<td>10 years</td>
<td></td>
</tr>
</tbody>
</table>

**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 June 30, 2017; 2) approve the proposed Grow New Jersey grant to encourage Biogenesis, 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: Turtle & Hughes, Inc. P44128

PROJECT LOCATION: 330 Randolphville Road Piscataway Township Middlesex County

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

APPLICANT BACKGROUND:
Turtle & Hughes, Inc., established in 1923, is a distributor of electrical and industrial and data communication supplies as well as photovoltaic equipment. The company also provides integrated supply management services. The business activity is primarily with electrical and general contractors, industrial manufacturers, original pharmaceutical equipment manufacturers and power utilities located in the U.S. In addition to operations across 28 states, its primary stocking locations are in New Jersey, Texas, Connecticut, Pennsylvania and New York. Turtle & Hughes currently operates at five locations in NJ: the main headquarters located in Linden, a central distribution center in Bridgewater (“Bridgewater CDC”); and three other warehouses in Pleasantville, Plainfield and Whippany. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Turtle & Hughes is currently evaluating its real estate needs as the Bridgewater CDC is operating in overcapacity in terms of employees and inventory. The company is considering relocating the Linden headquarters and the Bridgewater CDC, both owned by the company into one central location to optimize efficiency. Under consideration is the purchase of a 145,000 sq. ft. facility in Piscataway, NJ. To accommodate future growth, the company will also construct an 80,000 sq. ft. addition onto the facility for a total footprint of the Piscataway building to 225,000 sq. ft. The alternative is a build-to-suit project of a 240,000 sq. ft. facility in Duryea Borough, PA.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Turtle & Hughes, 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 Jayne Millard, the CEO of Turtle & Hughes, 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 $43 million over the 20 year period required by the Statute.
FINDING OF JOBS AT RISK:
The applicant has certified that the 251 New Jersey jobs listed in the application are at risk of being located outside the State on or before January 1, 2018, when the alternate site in Pennsylvania would be completed. 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 ($/Square Foot of Gross Leasable Area)
  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 (New / Retained Full-time Jobs)
  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 a Warehouse - Rehabilitation 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>$4,500,000</td>
<td>$12,665,000</td>
</tr>
<tr>
<td>New Jobs</td>
<td>35</td>
<td>47</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>50</td>
<td>251</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>Priority Area</td>
<td>Base award of $3,000 per year for projects located in a designated Priority Area</td>
<td>Piscataway Township is a designated Priority Area</td>
</tr>
</tbody>
</table>

**Increase(s) Criteria**

| Large Number of New/Retained Full-Time Jobs | 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 | The applicant is proposing to create/retain 298 Full-Time Jobs at the project location resulting in an increase of $500. |
| On Site Solar Generation of $\frac{1}{2}$ of Project’s Elec. Needs | An increase of $250 per job for a project that generates $\frac{1}{2}$ of its electricity via on-site solar power generation | The applicant has existing solar panels that generate in excess of $\frac{1}{2}$ of the applicant’s electricity needs |

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:  
  - $\frac{1}{2}$ of the Grant Calculation for New Full-Time Jobs ($\frac{1}{2} \times 3,750 = 1,875$) or  
  - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($12,665,000 / 10 / (47 + 251) = 4,250$)  
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:**
- Priority Area: $3,000

**INCREASES PER EMPLOYEE:**
- Large Number of New/Retained F/T Jobs: $500

**INCREASE PER EMPLOYEE:**

$750

**PER EMPLOYEE LIMIT:**
- Priority Area: $10,500

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

$3,750

**AWARD:**
- New Jobs: 47 Jobs X $3,750 X 100% = $176,250
- Retained Jobs: 251 Jobs X $3,750 X 50% = $470,625

**Total:** $646,875

**ANNUAL LIMITS:**
- Priority Area (Est. 90% Withholding Limit): $4,000,000/($589,571)

**TOTAL ANNUAL AWARD:**

$646,875

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

**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:**

$12,665,000

**EXPECTED PROJECT COMPLETION:**

April 13, 2020

**SIZE OF PROJECT LOCATION:**

225,000 sq. ft.

**NEW BUILDING OR EXISTING LOCATION?**

Existing

**INDUSTRIAL OR NON-INDUSTRIAL FACILITY?**

Non-Industrial

**CONSTRUCTION:** (X) Yes  ( ) No

**NEW FULL-TIME JOBS:**

47

**RETAINED FULL-TIME JOBS:**

251

**STATEWIDE BASE EMPLOYMENT (AS OF SEPTEMBER 30, 2016):**

306

**CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:**

Linden/Bridgewater

**MEDIAN WAGES:**

$46,967
NET BENEFIT MODEL: 2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): $49,169,446
TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT
90% OF WITHHOLDINGS) $6,468,750
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): $42,700,696

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 January 1, 2018; 2) approve the proposed Grow New Jersey grant to encourage Turtle & Hughes, 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: D. Ubinger
APPROVAL OFFICER: T. Wells
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: United States Cold Storage, Inc. P44092

PROJECT LOCATION: 2 Aquarium Drive Camden City Camden

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

APPLICANT BACKGROUND:
United States Cold Storage, Inc. (USCS), headquartered in Voorhees, N.J., is a provider of public refrigerated warehousing and related logistics services throughout the USA. With roots dating back to 1899, USCS has long served a diverse customer base with requirements ranging from primary storage to fully integrated third-party logistics. The company offers more than 273 million cubic feet of temperature controlled warehouse and distribution space in 35 facilities located in 13 states including California, Delaware, Florida, Georgia, Illinois, Indiana, Nebraska, North Carolina, Pennsylvania, Tennessee, Texas, Utah and Virginia. Facilities are equipped with specially racked storage rooms and enclosed refrigeration shipping/receiving docks to protect against thermal contamination of products during handling and storage. USCS’s computerized refrigeration control system controls the functions and variables of an industrial refrigeration system to monitor, optimize and record historical control data. The company is a subsidiary of the U.K.’s John Swire & Sons Ltd., a diverse global business group holding controlling stakes in a range of businesses trading in the UK, North America, Australia, Papua New Guinea, East and West Africa, and across Southeast Asia. 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 United States Cold Storage, Inc. 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 David Harlan, the CEO of United States Cold Storage, Inc., which states that the Grow New Jersey award is a material factor in the company's decision to make the capital investment and locate
United States Cold Storage, Inc.                 Grow New Jersey

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 United States Cold Storage, Inc. chooses the Camden option, the company would establish its headquarters by leasing a 28,915 sq. ft. facility in Camden. The alternative is to lease a 23,000 sq. ft. facility in Philadelphia, PA.

This project represents a significant positive step forward for Camden’s redevelopment efforts, bringing the company’s management and staff of 89 employees to the city. It is estimated that the project would have a net benefit to the State of $26.8 million over the 35 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 89 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</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>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
United States Cold Storage, Inc.  |  Grow New Jersey  | Page 3
---|---|---

As a Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Project for an other 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>$771,067</td>
<td>$2,334,750</td>
</tr>
<tr>
<td>New Jobs</td>
<td>18</td>
<td>0</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>27</td>
<td>89</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>Camden is a Garden State Growth Zone</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>2 Aquarium Drive 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>2 Aquarium Drive is located in a Transit Oriented Development by virtue of being within 1 mile GSGZ project of the midpoint of a New Jersey Transit Corporation rail station.</td>
</tr>
<tr>
<td>Jobs with Salary in Excess of County/GSGZ Average</td>
<td>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</td>
<td>The proposed median salary of $73,250 exceeds the Garden State Growth Zone median salary by 149% resulting in an increase of $1,000 per year.</td>
</tr>
<tr>
<td>Targeted Industry</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,</td>
<td>The applicant is a Logistics business.</td>
</tr>
<tr>
<td>United States Cold Storage, Inc.</td>
<td>Grow New Jersey</td>
<td>Page 4</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-----------------</td>
<td>--------</td>
</tr>
<tr>
<td></td>
<td>distribution or fulfillment center business</td>
<td></td>
</tr>
<tr>
<td>2007 Revit. Index&gt;465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem</td>
<td>An increase of $1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465</td>
<td>Camden City has a 2007 Revitalization Index of 566</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 * $11,000 = $5,500) or  
- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($2,334,750 / 10 / (0 + 89) = $2,623)  

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:**

| Garden State Growth Zone | $5,000 |

**INCREASES:**

- Deep Poverty Pocket: $1,500
- Transit Oriented Development: $2,000
- Jobs with Salary in Excess of County/GSGZ Average: $1,000
- Targeted Industry (Logistics): $500
- 2007 Revit. Index>465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem: $1,000

**INCREMENTAL PER EMPLOYEE:**

$6,000

**PER EMPLOYEE LIMIT:**

| Garden State Growth Zone | $15,000 |

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

$11,000

**AWARD:**

- New Jobs: 0 Jobs $11,000 X 100% = $0,000
- Retained Jobs: 89 Jobs $11,000 X 100% = $979,000

**Total:** $979,000

**ANNUAL LIMITS:**

| Garden State Growth Zone and MRERA | $35,000,000 |

**TOTAL ANNUAL AWARD:**

$979,000

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

**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** $2,334,750

**EXPECTED PROJECT COMPLETION:** February 28, 2018

**SIZE OF PROJECT LOCATION:** 28,915 sq. ft.

**NEW BUILDING OR EXISTING LOCATION?** Existing

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

**CONSTRUCTION:** (X) Yes ( ) No
NEW FULL-TIME JOBS: 0
RETAINED FULL-TIME JOBS: 89
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016): 89
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: Voorhees
MEDIAN WAGES: $73,250

NET BENEFIT MODEL: 2012
GROSS BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD): $36,608,507
TOTAL AMOUNT OF AWARD: $9,790,000
NET BENEFIT TO THE STATE (OVER 35 YEARS, NET OF AWARD): $26,818,507

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 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 United States Cold Storage, Inc. 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: C. Fuentes
APPROVAL OFFICER: T. Wells
BOND PROJECTS
AMENDED BOND RESOLUTIONS
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: April 13, 2017

SUBJECT: Partial Redemption & Payment of NJEDA/State Lease Revenue Refunding Bonds, 2004 Series A (State Office Buildings Projects) Application # P15682

APPROVAL REQUEST
The Members of the Authority are asked to authorize an Authorized Authority Representative to direct the Trustee to redeem a portion of the Authority’s 2004 Series A Bonds, to take any and all actions necessary to sell the Camden State Office Building to the State, and to approve the use of professionals and authorize Authority staff to take all necessary actions incidental to the transactions.

BACKGROUND
On February 2, 2000, the Authority issued its $60,700,000 of State Lease Revenue Bonds, 2000 Series A (State Office Building Projects) for the purpose of acquiring, renovating and constructing and/or refinancing four office buildings located in the City of Asbury Park, the Township of Cherry Hill, the City of Camden, and the City of Trenton. The buildings were then each leased to the State of New Jersey (the “State”), Department of the Treasury (“Treasury”), Division of Property Management and Construction for use as offices by various State agencies.

On November 16, 2004, the Authority issued its $37,495,000 State Lease Revenue Refunding Bonds, 2004 Series A (State Office Building Projects) for the purpose of advance refunding certain outstanding maturities of the 2000 Series A Bonds. The 2004 Series A Bonds were issued as fixed rate, tax-exempt bonds with a lower fixed interest rate range of 2.50% - 5.25% and retain the same final maturity of June 15, 2020. There are no longer any 2000 Series A Bonds outstanding, as the remainder of the 2000 Series A Bonds which were not advance refunded by the 2004 Series A Bonds were paid in full on June 15, 2010.

The Authority leases the Camden State Office Building (the “Project”) to the State pursuant to an Agreement and Lease dated as of January 1, 2000 (the “Lease”). The Lease provides for the sale of the Project to the State, prior to the final maturity of the 2004 Series A Bonds allocable to the Project upon the State exercising its right to purchase the Project pursuant to Section 8.2 of the Lease and payment of the purchase price as set forth in Section 8.3 of the Lease. Section 8.3 of the Lease sets the purchase price as $1.00 plus an amount sufficient to pay in full the amount of 2004 Series A Bonds allocable to the Project. Upon payment of the purchase price and the sale of the Project back to the
State, the Lease will terminate. The State Treasurer’s Office has informed the Authority that it plans
to exercise its right to purchase the Project.

Currently, the Members of the Authority are asked to authorize an Authorized Authority Representative
(as such term is defined in the Lease) to direct the Trustee to redeem a portion of the Authority’s 2004
Series A Bonds in the approximate amount of $5,015,505 which were used to refinance the Project and
to redeem an additional portion of the Authority’s 2004 Series A Bonds in an amount to be
determined by the State from proceeds of the sale of the building, conditioned upon payment of the
purchase price by the State to the Authority under Section 8.3 of the Lease. Proceeds from the sale of
the building will be used to make the redemption payment, as well as pay professional fees incurred in
connection with the sale of the Project and the redemption of a portion of the 2004 Series A Bonds. The
remaining purchase price proceeds will be used to pay future debt service on the 2004 Series A Bonds
which remain outstanding.

The Members of the Authority also are asked to authorize an Authorized Authority Representative to
take any and all actions necessary to sell the Project to the State, upon payment by the State of the
purchase price set forth in Section 8.3 of the Lease. In order to pay the Authority the purchase price for
the Project, the State will need to obtain certain necessary approvals, including State House Commission
approval and specific legislation authorizing the State to subsequently sell the Project (once title is
conveyed to the State by the Authority upon payment of the purchase price as set forth in the Lease).

Professionals for this transaction were selected in compliance with Executive Order No. 26 (Whitman
1994). Through a competitive RFQ/RFP process performed by the Attorney General’s Office on
behalf of Treasury for State appropriation-backed bonds, McCarter & English, LLP was selected as
Bond Counsel. PFM Financial Advisors LLC was selected as Financial Advisor and PFM Asset
Management LLC was selected as Bidding Agent by Treasury through a competitive RFP process. The
Members are asked to approve the use of the aforementioned professionals and authorize Authority
staff to take all necessary actions incidental to the sale of the Project and the partial redemption of the
2004 Series A Bonds, subject to review by the Attorney General’s Office and Bond Counsel.

RECOMMENDATION

Based upon the above description, the Members are requested to approve the adoption of the Third
Supplemental State Lease Revenue Bond Resolution authorizing, among other things, the Authority to
redeem a portion of the 2004 Series A Bonds and the payment of future debt service on the 2004 Series
A Bonds from the proceeds of the purchase price not being utilized to redeem 2004 Series A Bonds.
The Members are also asked to authorize the use of above-mentioned professionals and authorize the
Authorized Authority Representative to take any and all necessary actions incidental to the partial
redemption of the 2004 Series A Bonds, the payment of future debt service on the 2004 Series A Bonds
and the sale of the Project to the State, subject to final review and approval of all terms and
documentation by Bond Counsel and the Attorney General’s Office.

Prepared By: Lori Zagarella
COMBINATION PRELIMINARY AND BOND RESOLUTIONS
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: NSA 18th Avenue, LLC

PROJECT USER(S): North Star Academy Charter School of Newark, * - indicates relation to applicant

PROJECT LOCATION: 571 18th Avenue Newark City (T/UA) Essex

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

APPLICANT BACKGROUND:
NSA 18th Avenue, LLC is a limited liability company recently formed to hold title to real estate. Its sole member is North Star Academy Foundation, Inc. (NSAF), a 501(c)(3) not-for-profit corporation and an affiliate of Uncommon Schools, Inc. NSAF’s purpose is to support education in the city of Newark by making grants and, through its affiliates, developing and managing real estate that is leased to North Star Academy Charter School of Newark, Inc. for use as public charter school facilities. Uncommon Schools, Inc. ("USI") is a 501(c)(3) not-for-profit corporation that starts and manages public charter schools, including North Star Academy. Brett Peiser is the President of NSAF and Norman Atkins is the Board Chair of USI.

North Star Academy is currently a network of 13 schools serving over 4,500 students in Newark. North Star plans to serve over 6,000 students across 14 schools by 2024. Founded in 1997, NSA Charter School's mission is to prepare each student to enter, succeed in, and graduate from college.

USI and its affiliates closed on several Qualified School Construction Bonds (QSCB) totalling $93.48 million with the Authority. In 2009, the Authority issued a $16.48 million QSCB to build a new high school at 13-25 Central Ave., Newark (Appl. P29061). Proceeds of a $35.7 million QSCB (Appl. P38413 & P38415) which closed in 2013, are being used to acquire NSA Valisburg Elementary & Middle School located on Hazelwood Ave. and for renovations at NSA Downtown Middle School and High School, located at 2 Washington Place, all in Newark. In April 2016, Uncommon Schools closed on a $41.3 million QSCB (Appl. P42143) for the construction of a new North Star Academy for grades K-12 on Washington Street, Newark.

In addition, Qualified Zone Academy Bonds totalling $37,104,000 were issued in the principal amounts of $7,806,000 in 2012 (Appl. P37823), $7,132,000 in 2013 (Appl. P38814), $7,145,000 in 2014 (Appl. P40207), $7,145,000 in 2015 (Appl. P41792) and $7,876,000 in 2016 (Appl. P43822), the proceeds of which were utilized for various renovation projects at several NSA Charter Schools in Newark.

In the Fall of 2014, Uncommon Schools launched its first charter school in Camden, Camden Prep, Inc. and closed on an additional bond financing: Uncommon CP Properties I, LLC closed on a $47.5 million QSCB (Appl. P40716) on November 30, 2016, to acquire several existing buildings in Camden located at 1675-1677 Haddon Avenue, 1683 Haddon Avenue, 1687-1689 Haddon Avenue and 370 W. Haddon Avenue - SL Copewood, demolish the buildings and construct a new 80,000 sq. ft. school for up to 700 students in grades K-8.

The applicant, through its sole member, North Star Academy Foundation, Inc., 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 (i) renovate an existing school building of approximately 30,800 sq. ft. to be leased to and used by North Star Academy Charter School of Newark, Inc. ("the School"), (ii) construct an addition to the school building of approximately 47,160 sq. ft., (iii) fund a debt service reserve fund and interest during construction, and (iv) pay costs of issuance of the 2017 Bonds. The School was acquired in November 2016 and when completed is expected to serve approximately 800 students in grades K-8. The 2017 Bonds are expected to be rated investment grade by Standard & Poor's.

Other sources of funds include proceeds from the QZAB Series 2012 and QZAB Series 2015 listed above and conventional financing.

FINANCING SUMMARY:
BOND PURCHASER: George K. Baum & Company (Underwriter)
AMOUNT OF BOND: $26,500,000 Tax-exempt bond
TERMS OF BOND: 30 years, 9 months (Max.); Serial and term bonds with fixed interest rates not to exceed 6.5%. (Estimated rates as of 4/4/17 are expected to range between 5% to 5.75%)
ENHANCEMENT: N/A

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of new building or addition</td>
<td>$19,103,700</td>
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<tr>
<td>Renovation of existing building</td>
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<td>Interest during construction</td>
<td>$2,285,000</td>
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<td>Debt service reserve fund</td>
<td>$2,000,000</td>
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<td>Finance fees</td>
<td>$1,026,200</td>
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<td>Envirn Investigation &amp; Remediation Costs</td>
<td>$692,600</td>
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<tr>
<td>Legal fees</td>
<td>$655,000</td>
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<td>Original Issue Discount</td>
<td>$615,000</td>
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<tr>
<td>Purchase of equipment &amp; machinery</td>
<td>$516,500</td>
</tr>
</tbody>
</table>

TOTAL COSTS: $37,394,000

JOBS:  At Application 80 Within 2 years 4 Maintained 0 Construction 225

PUBLIC HEARING: 04/13/17 (Published 03/28/17) BOND COUNSEL: Chiesa, Shahinian & Giantomasi,
DEVELOPMENT OFFICER: M. Athwal APPROVAL OFFICER: T. Wells
PRELIMINARY BOND RESOLUTIONS
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Friends of Teaneck Community Charter School

PROJECT USER(S): Teaneck Community Charter School *

PROJECT LOCATION: 563 Chestnut Avenue Teaneck Township (N) Bergen

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

APPLICANT BACKGROUND:
Friends of Teaneck Community Charter School, founded in 1996, is a not-for-profit entity which owns facilities which it leases to the related operating company, Teaneck Community Charter School. Teaneck Community Charter School, established in 1998, is a not-for-profit kindergarten through 8th grade charter school with current enrollment of the maximum authorized 306 students. Per the New Jersey Department of Education, the school's maximum enrollment has increased to 320 students for the 2016-17 school year, 322 students for the 2017-18 school year, and 324 students for the 2018-19 school year. Classes are multi-grade, with four classes at each grade level. The school is located in a two story building, which was renovated in 2009 and encompasses approximately 35,500 SF including a 4,200 SF multi-purpose room and kitchen. The property also includes a parking lot and fenced-in playground and basketball courts. The school's lead person is Mr. Ralph Gallo.

The applicant is a 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 the outstanding balance a 2007 bond issuance by the Bergen County Improvement Authority, fund the construction of a gymnasium and vacant space for a Creative Arts Suite, fund a debt service reserve and pay closing costs.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

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<tr>
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<td>Refinancing</td>
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<tr>
<td>Construction of new building or addition</td>
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<td>Finance fees</td>
<td>$300,000</td>
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<td>Construction Contingency</td>
<td>$250,000</td>
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<td>Purchase of equipment &amp; machinery</td>
<td>$232,500</td>
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<td>Soft Costs</td>
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<td>Furniture &amp; Fixtures</td>
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<td>Interest during construction</td>
<td>$160,000</td>
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<td>Engineering &amp; architectural fees</td>
<td>$140,685</td>
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<td>Legal fees</td>
<td>$10,000</td>
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<td>Accounting fees</td>
<td>$5,000</td>
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</table>
APPLICANT: Friends of Teaneck Community Charter School

TOTAL COSTS

$13,537,685

JOBS: At Application 43 Within 2 years 2 Maintained 43 Construction 17

PUBLIC HEARING: 04/13/17 (Published 03/28/17)  BOND COUNSEL: Chiesa, Shahinian & Giantomasi

DEVELOPMENT OFFICER: K. Durand  APPROVAL OFFICER: D. Poane
PETROLEUM UNDERGROUND STORAGE TANK (PUST)
MEMORANDUM

TO: Members of the Authority

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

DATE: April 13, 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:**

<table>
<thead>
<tr>
<th>Grant No.</th>
<th>Project Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>P43753</td>
<td>MBDF, LLC</td>
<td>$ 748,184</td>
</tr>
</tbody>
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**UST Not-For-Profit Grants:**

<table>
<thead>
<tr>
<th>Grant No.</th>
<th>Project Name</th>
<th>Amount</th>
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<tbody>
<tr>
<td>P42991</td>
<td>Saint Michael the Archangel</td>
<td>$ 259,225</td>
</tr>
<tr>
<td>P43047</td>
<td>St. Thomas of Aquin Parish</td>
<td>$ 100,802</td>
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<td></td>
<td></td>
<td>$ 360,027</td>
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**UST Residential Grants:**

<table>
<thead>
<tr>
<th>Grant No.</th>
<th>Project Name</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>P43235</td>
<td>Eliot Zigmund</td>
<td>$ 135,545</td>
</tr>
<tr>
<td>P43715</td>
<td>Hipolito &amp; Leonor Beato</td>
<td>$ 111,864</td>
</tr>
<tr>
<td>P43515</td>
<td>Katheryn Septak</td>
<td>$ 113,243</td>
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<tr>
<td>P43266</td>
<td>Nakida Williams</td>
<td>$ 105,515</td>
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<tr>
<td>P42658</td>
<td>Vincent R. &amp; Rose Martino</td>
<td>$ 140,452</td>
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<tr>
<td></td>
<td></td>
<td>$ 606,619</td>
</tr>
</tbody>
</table>

Total UST Funding – April 2017 $ 1,714,830

Prepared by: Reneé M. Krug

E-Mail: rjeda@njeda.com www.njeda.com
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT: MBDF, LLC  P43753
PROJECT USER(S): Same as applicant  * - indicates relation to applicant
PROJECT LOCATION: 142-146 Hawthorne Avenue  Newark City (T/UA)  Essex
GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
MBDF, LLC, a gasoline station owned by Michael Baker who is seeking to remove and perform soil remediation for (2) 3,000 gallon, (1) 2,000 gallon and (1) 1,000 gallon leaking regulated underground storage tanks (USTs) that were newly discovered within eighteen months from the date of discovery at the project site. The tanks will be decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible. The property is located in a metropolitan planning area and is eligible to receive up to $1,000,000 in grant funding.

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 $748,184 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $74,818 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: $748,184
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>Amount</th>
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</thead>
<tbody>
<tr>
<td>Upgrade, Closure, Remediation</td>
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<tr>
<td>NJDEP oversight cost</td>
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<td>EDA administrative cost</td>
<td>$500</td>
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<td><strong>TOTAL COSTS</strong></td>
<td><strong>$823,502</strong></td>
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</table>

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

APPLICANT: Saint Michael the Archangel

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 510 Ridge Road, Lyndhurst Township (N), Bergen

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

APPLICANT BACKGROUND:
Saint Michael the Archangel is a 501(c)(3) not-for-profit entity 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 meets the requirements for a conditional hardship grant.

The applicant is requesting grant funding in the amount of $259,225 to perform the approved scope of work at the project site.

APPROVAL REQUEST:
The NJDEP oversight fee of $25,923 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: $259,225

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>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrade, Closure, Remediation</td>
<td>$259,225</td>
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<tr>
<td>NJDEP oversight cost</td>
<td>$25,923</td>
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<tr>
<td>EDA administrative cost</td>
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<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$285,648</strong></td>
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</tbody>
</table>

APPROVAL OFFICER: W. Wisniewski

April 13, 2017 Board Book - Loans/Grants/Guarantees
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT: St. Thomas of Aquin Parish

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 53 Kennedy Ave. Ogdensburg Borough (N) Sussex

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

APPLICANT BACKGROUND:
St. Thomas of Aquin Parish is a 501(c)(3) not-for-profit entity seeking to remove a leaking underground storage tank (UST) and perform the required remediation which was not conducted inside 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 meets the requirements for a conditional hardship grant.

The applicant is requesting grant funding in the amount of $100,802 to perform the approved scope of work at the project site.

APPROVAL REQUEST:
The NJDEP oversight fee of $10,080 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: $100,802
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>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrade, Closure, Remediation</td>
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<td>NJDEP oversight cost</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>$111,382</strong></td>
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</tbody>
</table>

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

APPLICANT: Eliot Zigmund  
PROJECT USER(S): Same as applicant  
PROJECT LOCATION: 173 Larch Avenue  
Teanock Township (N)  
Bergen  
GOVERNOR'S INITIATIVES: ( ) Urban  
( ) Edison  
( ) Core  
( ) Clean Energy

APPLICANT BACKGROUND:  
Eliot Zigmund 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 $135,545 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $13,555 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: $135,545  
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>NJDEP oversight cost</td>
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<tr>
<td><strong>TOTAL COSTS</strong></td>
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</tbody>
</table>

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

APPLICANT: Hipolito Beato and Leonor Beato
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 443 Lawrie Street, Perth Amboy City (T/UA), Middlesex
GOVERNOR’S INITIATIVES: ( ) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Hipolito Beato and Leonor Beato are homeowners 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 applicants demonstrate that the applicants' financial condition conforms to the financial hardship test for a conditional hardship grant.

APPROVAL REQUEST:
The applicants are requesting grant funding in the amount of $111,864 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $11,186 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: $111,864
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:
- Upgrade, Closure, Remediation: $111,864
- NJDEP oversight cost: $11,186
- EDA administrative cost: $250

TOTAL COSTS: $123,300

APPROVAL OFFICER: W. Wisniewski
APPLICANT:  Katheryn Septak  P43515
PROJECT USER(S):  Same as applicant  *
PROJECT LOCATION:  22 West Railroad Avenue  Jamesburg Borough (N)  Middlesex
GOVERNOR'S INITIATIVES:  ( ) Urban  ( ) Edison  ( ) Core  ( ) Clean Energy

APPLICANT BACKGROUND:
Katheryn Septak 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 $113,243 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $11,324 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:  $113,243
TERMS OF GRANT:  No Interest; No Repayment

PROJECT COSTS:

<table>
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<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Upgrade, Closure, Remediation</td>
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<td>TOTAL COSTS</td>
<td>$124,817</td>
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</table>

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

APPLICANT: Nakida Williams
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 12 Desmond Run Winslow Township (T/UA) Camden
GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Nakida Williams 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 $105,515 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $10,552 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: $105,515
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

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<th>Amount</th>
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<tbody>
<tr>
<td>Upgrade, Closure, Remediation</td>
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<td><strong>TOTAL COSTS</strong></td>
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</tbody>
</table>

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

APPLICANT: Vincent R. Martino and Rose Martino

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 447 Port Reading Avenue, Woodbridge Township (T/UA Middlesex)

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

APPLICANT BACKGROUND:
In July 2008, Vincent R. Martino and Rose Martino received a grant in the amount of $2,743 under P22259 to remove a non-leaking underground storage tank (UST Tank A). The applicant is seeking to remove a leaking 550-gallon residential #2 heating underground storage tank (UST Tank B) 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 applicants demonstrate that the applicants’ financial condition conforms to the financial hardship test for a conditional hardship grant.

APPROVAL REQUEST:
The applicants are requesting grant funding in the amount of $140,452 to perform the approved scope of work at the project site. Total grant funding including this approval is $143,195.

The NJDEP oversight fee of $14,045 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: $140,452

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
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</thead>
<tbody>
<tr>
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<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$154,747</strong></td>
</tr>
</tbody>
</table>

APPROVAL OFFICER: W. Wisniewski
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: April 13, 2017

RE: NJ CoVest Fund – Early Stage Technology Company Investment Program

Summary
The members of the Board are requested to approve a $3 million investment program – NJ CoVest Fund - for early stage technology and life sciences companies. The program is designed to provide seed funding to early stage New Jersey technology companies in the form of convertible notes.

Background
A technology business has different financing needs at different stages in its life. At the start of the business growth cycle, a technology business typically funds product development internally through capital contributions from the founder as well as their close family and friends’ funds. Once the Company starts generating a significant amount ($1 million or more) of commercial revenue, it has access to multiple sources (such as venture capital, EDA’s Edison Innovation Fund loans, working capital line of credit, etc.) for growth capital. In between these two stages of product development and commercial operation expansion, there are limited funds available and a funding gap exists. A company that has already exhausted funds from family and friends is at risk given that Venture Capital/Institutional funding is typically not targeted towards seed stage companies. Collateral based funding is also out of reach for technology companies at this stage. The current EDA portfolio of financing and incentive products for technology and life sciences companies mostly cater to the commercial expansion stage. The NJ CoVest Fund is designed to address this funding gap by providing capital to support the business from the product development stage towards its first $1 million in sales revenue.

The timing for this fund is imperative given the influx of new co-working facilities, incubators, and accelerator programs throughout New Jersey. There are more than 22 NJ based coworking space facilities (3 of which are funded by EDA), 11 incubators and 6 accelerators – improving the viability of start-up and early stage tech companies in the state. Newark Venture Partners’ inaugural accelerator class (consisting of nine tech start-ups) graduated in December 2016, and they just accepted their Spring 2017 Cohort. EntreprenYOURS is another recent arrival to the accelerator scene that offers a virtual accelerator that provides access to information, networking, and
financial/professional services. In Camden, the Sixers Innovation Lab is the creation of a joint effort between the Philadelphia 76ers and Kimball Office, and it shares a site on the new 76ers Training Complex. Tigerlabs, a Princeton-based accelerator, offers a six-month program for startups across a variety of sectors. Accelerator programs provide a small amount of seed funding, typically in the range of $25,000- $80,000. Graduates are expected to raise follow-on funding from Angels and/or VC’s to finance their growth. However, in many cases these companies fall into the seed stage funding gap as detailed above.

Similarly, the State has recently seen a significant increase in local educational and networking group activities. These events bring together early stage entrepreneurs to learn from featured speakers, build a community, and collaborate. Many are facilitated by websites like Meetup and Eventbrite. The NJ Tech Meetup has over 6000 members and holds monthly events at Stevens Institute of Technology in Hoboken. Meeting at the Princeton Public Library on a regular basis, the Princeton Tech Meetup has close to 5000 members. The last example is the newly established Waterfront Ventures. This group has hosted two programs in Camden in the last year with more than 150 attendees at each event.

Another source driving entrepreneurism is NJ’s higher education institutions. In southern New Jersey, Rowan University established an incubator facility and a small fund to foster university related ventures. In Newark, the New Jersey Institute of Technology provides resources via the New Jersey Innovation Institute and Enterprise Development Center. Also in Newark, Newark Venture Partners has a 25,000-square foot office in Rutgers Business School. Additionally, Rutgers Office of Research Commercialization New Ventures group is creating an internal technology development fund. The fund, named TechAdvance, will assist faculty, researchers, and Rutgers startup companies with early-stage product development. A final example is the Stevens Venture Center located on the Hoboken waterfront. Created by Stevens Institute of Technology, the facility features co-working space, workshops, and access to entrepreneurs in residence.

These Accelerator programs, local entrepreneurial events, and higher education institutions continue to produce promising early stage ventures. To remain competitive with neighboring states, the NJ CoVest Fund will address shortcomings in available seed capital and strengthen the NJ entrepreneurial ecosystem.

To address this seed funding gap for technology and life sciences companies, EDA Staff is proposing the creation of a $3 million fund to make convertible debt investments into these early stage businesses. EDA investments will be matched (1:2) to external funding received by the company from sophisticated, experienced investors. Examples include JumpStart NJ Angel Network, Delaware Crossing Investor Group, KEC Capital, Newark Venture Partners, and ff Venture Capital. EDA investment size will be between $100,000 and $250,000 per company, determined by external match funding and subject to EDA’s underwriting analysis. Investments will be based on Company performance in comparison to program guidelines as evaluated by EDA Staff. An EDA underwriting analysis will be undertaken with focus on risk and mitigant assessment around company financing and operations, management team and experience, the product and target market, as well as investor type and involvement. Investments will also be subject to available program funds. EDA Staff estimates a $3 million fund can support investments in 12 to 20 companies over an anticipated 36-month deployment period.
NJ CoVest Fund Program
The proposed NJ CoVest Fund Program will provide funding to New Jersey technology and life sciences companies (under the requirements herein) to further commercialize their technology and scale commercial revenues. Investments made through the Fund will align with the EDA’s ongoing strategy of supporting New Jersey’s entrepreneurial ecosystem in the industries of technology and life sciences. The provided seed capital will encourage business growth, stimulate additional capital investment, and create high-skilled jobs. EDA’s investment in Venture Funds resulted in Private / Public (EDA) leverage of 54:1 (as of end of 2015) and created close to 3,700 jobs over fifteen years. Similar performance is expected from the NJ CoVest program given the private matching requirements. The program would be created on a pilot basis and capitalized in total with $3 million. The Fund will be budgeted and administered over an estimated 36-month distribution period. Beginning at the closing date of the note, each investment would require EDA Staff monitoring for a maximum of 15 years, derived from Note and Warrant maximum maturity plus commitment to NJ requirements. At minimum, $9 million of new capital investment will result from the deployment of the NJ CoVest Fund.

Proposed NJ CoVest Fund guidelines:
- EDA investments will be in the form of Convertible Notes with warrants, requiring a negative pledge (to prevent future encumbrance) and a springing lien on protected intellectual property, only in the event of a default (in line with other EDA Edison Innovation fund lending program policies).
- Each individual investment (Convertible Note) will be between $100,000 - $250,000 based on match funding amount and EDA underwriting analysis with a risk and mitigant review of company financing and operations, management team and experience, the product and target market, as well as investor type and involvement. Convertible Note will have a 3% interest rate accrued and compounded annually.
- EDA funds matched to outside investments by a minimum ratio $1 (EDA) to $2 (Qualified Investment).
- Minimum financing round size of $300,000 (including $100,000 NJ CoVest investment).
- Must have received some funding prior to this proposed matching round which can include founders’ contributions, friends and family, crowd sourcing, grants, or accelerator awards.
- Target investment period during first 3 years; Target exit period during next 7 years.
- Maximum EDA debt exposure per company of $1.75 million (NJ CoVest Fund and Edison Innovation Fund). No restriction on participation in EDA incentive programs.
- Presentation for review by EDA’s Technology Advisory Board (TAB). Positive TAB review required for EDA investment.

Company requirements:
- Product-based companies that are capital efficient, in the technology and life sciences industries which meet the fund requirements described herein.
- Company must be a developer/owner of protected, proprietary technology. This intellectual property will be protected by either copyright/s with the US Library of Congress or nonprovisional patent/s in process or approved and recognized by the United States Patent and Trademark Office.
- Revenue must be derived from product sales to a minimum of 3 verifiable commercial
customers. Revenue generated from research, grants, consulting, or other any other method that could be considered service based is not considered for this requirement.

- Company must have a scalable business model in that revenue growth will significantly outpace the expense growth.
- Product must target a large, identified market.
- A product is defined as including but not limited to working prototype or platform currently in pilot/beta testing or in the market that has gained traction in the form of generating revenue/sales.
- Company must occupy physical commercial office space in New Jersey: co-working or incubator space acceptable.
- Company must remain headquartered in NJ for 5 years after conversion or repayment of the note except in the event of a merger or acquisition.
- Company will be required to maintain 75% of full time employees, working an average of 80% of their time, in a New Jersey office location.
- Failure to maintain employment and location commitments to NJ will result in a claw back penalty on the investment per the attached exhibit.
- Company must have a minimum of 2 full-time founders in the management team at application submission. These founders/management team must have made some financial investment in the company.
- Company must be registered to do business in New Jersey and in good standing.

Additional guidelines and requirements are listed in attached Exhibit A.
The launch of the new program is anticipated to be in the third quarter of 2017.

Recommendation
The Members are requested to approve the creation and implementation of the NJ CoVest Fund Program utilizing $3 million in EDA funding resources as substantially described above.

Timothy J. Lizura
President/Chief Operating Officer

Prepared by: Clark W. Smith

Attachments:
- Exhibit A – NJ CoVest Fund Program Specifications
### Funding Source

Total funding for NJ CoVest Fund (the “Fund”) will be $3 million using eligible Authority funds.

### Program Expiration

Program to operate on a pilot basis. Funds will be committed within three years. Each Convertible Note will have a ten-year maturity requiring monitoring for a maximum of fifteen years after closing date.

### Administrating Agency

New Jersey Economic Development Authority (the “EDA”).

### Program Purpose

The purpose of the Fund is to address the funding gap in the seed stage of the business cycle for early stage technology and life sciences companies (the “Company” or “Companies”). This seed capital will provide critical resources to early stage companies to successfully achieve scalable commercialization.

### Eligible Applicants

Companies must be capital efficient based upon a review of the projected revenues in the first three years (post application), as compared to expenditures and funding requirements. Companies must also be technology or life sciences companies which meet the requirements herein.

- Company must have legal corporate structure consisting of equity units, (and not percentage, of ownership). Examples of acceptable business structure are those organized as a C Corp or an LLC with a unit structure, as these structures will allow the issuances of warrants.

- Company maintains a Board of Directors containing at least 1 investor from matched funds pool formed prior to EDA Note closing.

- Company must have received some previous funding from outside sources (prior to the current matching funds). These funds could come from sources like founders’ contributions, friends and family, crowd sourcing, grants, or accelerator awards.

- Product based and generating some revenues from this product.

- A minimum of 3 paying commercial customers that can be referenced.
**Investment Type**

Convertible Promissory Note (the “Note”) with 3% interest and 10-year maturity. No payments for first seven-years. Interest during this period will accrue and be capitalized annually. Beginning month 85, principal plus interest payments will begin for the remaining three-year term to fully amortize the note and capitalized interest.

The Authority will receive equity Warrants with 10-year maturity worth 50% of the Convertible Note Principal utilizing the EDA’s standard warrant form.

<table>
<thead>
<tr>
<th><strong>Investment Amount</strong></th>
<th>$100,000 up to $250,000.</th>
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<tbody>
<tr>
<td></td>
<td>The Note cannot represent more than 1/3 or 33% of the total financing raised within 90 days prior to application submission to the Fund.</td>
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</table>

<table>
<thead>
<tr>
<th><strong>Warrant</strong></th>
<th>Warrant coverage for 50% of Note Principal, using EDA’s standard 10-year warrant agreement.</th>
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<tbody>
<tr>
<td></td>
<td>Strike price to determine number of shares equal to share price set at financing round matched by Note.</td>
</tr>
<tr>
<td></td>
<td>Warrant will be penny warrants if no strike price is set at matched financing event.</td>
</tr>
<tr>
<td></td>
<td>A sample for the EDA’s warrant calculation is as follows: A $100K Note would grant the EDA a $50K warrant value. If the strike price is $5 per share. The EDA would be granted 10K warrants in the same class of stock as the matching funds.</td>
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</table>

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<thead>
<tr>
<th><strong>Intellectual Property</strong></th>
<th>Company must have either copyrights with the US Library of Congress or nonprovisional patents in process or approved and recognized by the United States Patent and Trademark Office.</th>
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<tr>
<td></td>
<td>The Intellectual Property must be in the name of the applicant Company.</td>
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<tr>
<td></td>
<td>The EDA investment will require a negative pledge on Company’s technology and Intellectual Property. EDA will spring lien on IP in event of default.</td>
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| **Funding Disbursement** | Full amount of the Note will be disbursed upon execution of closing documents. |
| Conversion/Repayment | **Note may convert to equity**, without a discount, upon the closing of an equity financing greater than $1,000,000 from any investor within the Note’s 10-year maturity at the sole discretion of the EDA, in accordance with the EDA’s current Edison Innovation Fund conversion guidelines, which will include, but not be limited to a review of company performance, transaction terms and funding round. All outstanding principal and accrued interest will convert at the same pricing terms and into the identical equity security issued at such as the concurrent financing round.  

**Note requires repayment** of all outstanding principal and accrued interest at the beginning of year 8 / month 85 and repaying on 36-month amortization until end of 10-year / 120-month term if the EDA has not elected to convert prior to the start of year 8 / month 85.  

**Note can be repaid** in its entirety at any time without penalty but the warrant will not be refunded and will remain in place until end of warrant term.  

**Note requires repayment** of all outstanding principal and accrued interest upon an event of default prior to Note conversion, all unpaid principal and accrued interest thereon will be immediately due and payable.  

Failure to make schedule payment will be treated as an event of default. |
| --- | --- |
| Required Investment | Company must close private debt or equity “matching” financing within 90 days prior to date of submission of application to NJ CoVest Fund.  

If matching funds are in the form of debt, it must be convertible debt. In the event this debt does not convert and/or matures prior to EDA Note maturity, this will also shorten the EDA Note maturity to the same date. EDA note will be cross defaulted with all other debt obligations.  

Required investment must come from private, outside investors. Funds raised from company employees or family members will not be considered eligible as matching investment.  

Investor must be an investment entity (Venture Capital Fund, Angel Fund, Family Office, Investment Partnership, or LLC) or an individual investing on their own behalf that is a member of an organized investment group.  

A minimum of two investors must participate in the financing round. |
| Additional Requirements | Company must have a minimum of 2 founders/employees devoting 100% of their professional time to the Company at Note closing date, with an average of 80% of that time in New Jersey. These founders must have made some financial investment in the company.

Company will not redeem any Units of the Company or make any dividend payment or other distribution of assets while an outstanding liability to the EDA exists, except in the ordinary course of addressing member tax liability.

Company must use all Note proceeds as provided in its application.

Company must present to and be reviewed by EDA’s Technology Advisory Board (TAB). Positive TAB review required for investment. |
| Information Rights | EDA will receive quarterly financial statements within 45 days after quarter end.

EDA will receive annual financial statements within 120 days after year end.

EDA will receive annual financial budgets within 90 days of the start of the new year.

EDA will receive annual tax filings/returns within 120 days of the start of the new year.

EDA will be entitled to receive any additional reporting provided to another investor.

These reporting requirements are to remain in effect for as long as the EDA warrant position is outstanding. |
| Application and Approval Process | Applications will be reviewed on a rolling basis until all funds are committed or program expires.

EDA staff will be responsible for reviewing applications and completing due diligence/underwriting then presenting findings with an approval or declination recommendation for the investment transaction to EDA Board of Directors. |
<p>| Fees | $500 Application Fee |</p>
<table>
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<tr>
<th>Default</th>
<th>Failure to comply with any requirement will result in an event of default in which the Note becomes immediately due and payable at either a multiple of one and a half times the principal and accrued interest or a multiple of one and a half times equity value at the election of the EDA.</th>
</tr>
</thead>
</table>
| Commitment to NJ | Company must maintain a corporate headquarters office space within the boundaries of the State of New Jersey.  
Company must maintain a minimum of 75% of the management/executive team space within the boundaries of the State of New Jersey.  
Company must maintain at least 75% of employees, working on average 80% of their time, within the boundaries of the State of New Jersey.  
Commitments must be met at application submission date and maintained until five years after repayment in full or five years after note maturity date. A change to these Commitments may be considered by the EDA in event of merger or acquisition. |
STRONGER NJ BUSINESS GRANTS
MEMORANDUM

TO: Members of the Authority

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

DATE: April 13, 2017

SUBJECT: Surf City Marina - Suspension

Purpose:

This memorandum addresses the legal matters of Surf City Marina related to the applicant’s pending Stronger New Jersey Business Grant application, SG#55079. Based on a review of workplace deaths and resulting final judgments and pending legal proceedings related to two affiliates of the applicant, staff is recommending that the Board approve the suspension of the applicant during the OSHA legal proceeding and Richmond County (NY) District Attorney criminal investigation of which applicant’s counsel informed the Authority. A request for suspension will be sent to the Attorney General, and the suspension will be effective only upon concurrence by the Attorney General.

Background:

Surf City Marina is a full-service marina, family owned and operated for twenty-nine years, and dealer of SeaDoo and Yamaha watercraft and boats. The Marina offers 35 slips and 56 slips for personal watercrafts and also has a gas dock and a full service mechanic department.

The applicant submitted an application for four locations on October 17, 2013 to the Stronger NJ Business Grant Program. After an initial review, EDA staff determined that 4 locations, up to $200,000, may be eligible for a grant from the Program. A full eligibility review has not been completed on the file pending the outcome of Board action regarding this suspension memo.

Executive Order #34 (Byrne):

Pursuant to Governor Brendan Byrne’s Executive Order #34 (the Order), the Authority may suspend, upon approval of the Attorney General, a person or affiliate, as therein defined, for various causes based upon a reasonable suspicion related to “…offence(s) indicating a lack of business integrity or honesty” and “Violations of any laws governing the conduct of occupations or professions or regulated industries.”
If legal proceedings are pending, the suspension may continue until the legal proceedings are completed. Additionally, within ten days after the effective date of the suspension, the agency must provide the party suspended with a written notice that the suspension has been imposed, the effective date of the suspension, and the reasons for the suspensions (if they can be disclosed).

**Affiliated Entities:**

Under Paragraph 9(c) of the Order, the Authority may act as follows respecting affiliated entities:

“A suspension may include all known affiliates of a person, provided that each decision to include an affiliate is made on a case by case basis after giving due regard to all relevant facts and circumstances. The offense, failure or inadequacy of performance of an individual may be imputed to a person with whom he is affiliated, where such conduct was accomplished within the course of his official duty or was effectuated by him with the knowledge or approval of such person.”

As demonstrated below, Surf City Marina is an affiliate of Formica Construction Company and Flag Container Services, based on the common control and ownership of Surf City Marina and each of the other two entities.

**Ownership Interests and Current Corporate Officers:**

1. **Surf City Marina** is owned 33 1/3% by Kenneth L. Formica, 33 1/3% by William J. Formica and 33 1/3% by Rosemarie Formica, the widow of William Formica, Sr.

Current corporate officers are:

- William J. Formica as Principal Vice President and Secretary; also a principal and officer of Flag Container Services and Surf City Marina.
- No new President took office after the death in 2005 of William Formica Sr.

2. **Formica Construction Company**, at the time Kenneth L. Formica entered his guilty plea in 2007 related to the 2003 trench collapse, discussed below, was owned 33 1/3% by Kenneth L. Formica, 33 1/3% by William J. Formica, and 33 1/3% by Rosemarie Formica.

*This represents 100% common ownership and control with Surf City.*

At the time of the 2003 offense, Formica Construction Company was owned 33 1/3% by Kenneth L. Formica, 33 1/3% by William J. Formica and 33 1/3% by William Formica, Sr.

*This represents 67% common ownership and control with Surf City.*

The ownership at the time of the November 28, 2014 incident related to the mezzanine collapse, discussed below, was 33 1/3% by the July 12, 2007 Trust for the Benefit of Andrea Formica
(Trustee and wife of Kenneth L. Formica), 33 1/3% by William J. Formica, and 33 1/3% by Rosemarie Formica.

This represents 67% common ownership and control with Surf City.

Current corporate officers:

- Peter Franchini as Principal Vice President,
- William J. Formica as Secretary; also a principal and officer of Formica Construction and Surf City Marina,
- No new President took office after the death in 2005 of William Formica Sr.,
- Kenneth P. Formica as Manager.

3. Flag Container Services’ current ownership, which also reflects ownership at the time of the November 12, 2014 incident, discussed below, consists of 25% held by The July 12, 2007 Trust for the Benefit of Andrea Formica, 25% by William J. Formica, 25% by Rosemarie Formica (inherited from William Formica, Sr.), and 25% by Peter Franchini.

Current corporate officers:

- William J. Formica as Vice President,
- Kenneth L. Formica as Secretary-Treasurer
- No new President took office after the death in 2005 of William Formica Sr.
- Kenneth P. Formica as Manager.

This represents at least 50% common ownership and control with Surf City. In addition, Kenneth P. Formica, son of Kenneth L. Formica, manages all day to day operations of both Flag and Surf City.

It should be noted that the aforementioned Trust for the Benefit of Andrea Formica received its share of ownership of Flag Container Services and of Formica Construction Company by way of a gift from Kenneth L. Formica on July 12, 2007.

Litigation as Grounds for Suspension:

Pursuant to Paragraph 9(c) of the Order, the Authority may suspend an applicant for any cause described in Paragraph 4 of the Order based upon “...adequate evidence that cause exists or upon evidence adequate to create a reasonable suspicion that cause exists.”

Furthermore, according to Paragraph 9(e) of the Order, “Reasonable suspicion…may be established by the rendering of a final judgement or conviction by a court or administrative agency of competent jurisdiction, by grand jury indictment, or by evidence that such violations of civil or criminal law did in fact occur.”

Listed below are the relevant actions relating to the applicant and the penalties imposed and fines assessed as reviewed by staff with guidance from the Attorney General’s Office:
Formica Construction: 12/15/2003 Incident - Plea by Kenneth L. Formica to Criminally Negligent Homicide, NY State and OSHA Findings of Violations:

In 2007, Kenneth L. Formica pleaded guilty to criminally negligent homicide after a trench excavated by him collapsed upon and killed a worker who was in the trench at his direction. This incident occurred on December 15, 2003.

Mr. Formica admitted that he did not shore the trench, as required by regulations promulgated pursuant to the federal Occupational Safety and Health Act (29 USC § 651 et seq.), to prevent it from collapsing. Mr. Formica paid criminal fines and served sixteen weekends in jail as part of his sentence.

Furthermore, the Occupational Safety and Health Administration (“OSHA”) issued Formica Construction a citation for 13 violations of the Occupational Safety and Health Act of 1970 (“OSH Act”) in 2003. Formica Construction settled the citation with OSHA, resulting in reduced fines and findings of one willful violation, 10 serious violations, and 2 other-than-serious violations.

OSHA defines a “willful” violation as “a violation in which the employer either knowingly failed to comply with a legal requirement (purposeful disregard) or acted with plain indifference to employee safety” and a “serious” violation one in which “the workplace hazard could cause an accident or illness that would most likely result in death or serious physical harm, unless the employer did not know or could not have known of the violation.”

Flag Container Services: 11/12/2014 Incident – OSHA Findings of Violations

OSHA cited Flag Container Services for violations after one of its employees was killed on Nov. 12, 2014 when a 10-foot dumpster he was loading onto a garbage truck fell on him.

The investigation found that the company's truck was not equipped with the necessary latching devices needed to secure the dumpster, which left it susceptible to becoming dislodged from the back sill of the truck. A review of Flag's logbook of injuries and illnesses also found that the company never made any record of Meehan's on-the-job death, OSHA records show.

Other safety hazards discovered during the course of the investigation that were not directly related to the fatal accident included the lack of an audible back-up alarm on the garbage truck and the failure to establish a chemical hazard communication program to properly train and educate workers about the compressed gases and flammable chemicals they handled as part of their job.

The citations resulted in a total of $12,400 in fines and a finding of four violations, three of which were deemed "serious," because they "could cause an accident or illness that would most likely result in death or serious physical harm to employees." The $7,000 fine for the dumpster latching violation is the maximum fine OSHA can levy for a "serious" violation.
Formica Construction: 11/28/2014 Incident – OSHA Violations

On November 28, 2014 another Formica Construction worker died when the worker became trapped by a large section of a mezzanine level that collapsed inside a Dana Ford Lincoln dealership on Staten Island, which was being demolished by Formica Construction.

The New York City Department of Buildings issued a complaint against the company for “unpermitted interior demolition...” In addition, on May 21, 2015 OSHA issued a citation against Formica Construction for fines in the amount of $121,000 for seven violations, 3 of which were deemed “willful”.

Formica Construction has contested this citation. Per OSHA law, the citations are not final if contested until the dispute is decided by the Occupational Safety and Health Review Commission (“OSHRC”). The OSHRC had scheduled a hearing for November 7, 2016 but OSHA and Formica Construction have agreed to request an indefinite adjournment of the hearing. The applicant’s attorneys have informed us that the adjournment was requested by the Richmond County (NY) Assistant District Attorney.

Applicant’s Particulars – December 15, 2003 Incident

Counsel for the applicant requested EDA take into account information provided regarding the December 2003 incident, which is summarized below:

- The charge that was brought against Kenneth L. Formica was a first time offense,
- The charge against Mr. Formica was not related to any incident that took place at or pertaining to Surf City Marina. The incident solely involved Formica Construction, Inc.,
- Mr. Formica acknowledged the incident’s occurrence and was cooperative in all investigations. The applicant represents that this incident was an accident and for which Mr. Formica received a State of New York Certificate of Release from Disabilities, which relieves the holder of all forfeitures and of all disabilities or bars to employment, excluding the right to remain or be eligible for public office,
- On March 23, 2010, Mr. Formica gifted to his wife, as a Trustee, his 1/3 interest in Formica Construction,
- Other companies owned by Mr. Formica have applied and received grants from various New York entities, such as New York City, and the NYC Department of Small Business Services. The applications for these grants required all legal matters to be disclosed and the legal matters disclosed herein did not preclude the receipt of the grants,
- The applicant also received a $100,000 Sales Tax Exemption from the New York City Economic Development Corporation for all purchases after Sandy. Again, legal issues were disclosed and did not preclude the receipt of the grant,
- The applicant represents that despite the fact that the marina was not involved in the
incident disclosed, the marina has taken and continues to take efforts to assure that no incident occurs at the facility. The applicant further represents that all Federal, State and local laws, as well as the suggested directives of SeaDoo and Yamaha are followed,

- Employees of all the businesses of applicant are required to undergo the most up to date training in their craft and also undergo safety and emergency management training. The Marina’s locations are fully equipped with all first aid and related devices, including fire extinguishers and protective gear,
- All employees are drug and alcohol tested and their licenses to operate machinery kept current.

**Applicant’s Particulars – November 12, 2014 Incident**

The following is the summary of the information provided by counsel for the applicant regarding the November 12, 2014 incident:

- None of the OSHA violations issued for this incident were characterized as “Willful”,
- Flag Container Services contested the Citations and amicably and speedily resolved them with OSHA,
- All alleged violations were quickly abated,
- Flag is licensed by and complies with all the requirements of the following agencies: NYSBIC License #119, NYC Department of Sanitation License #128, NYS department of Environmental Conservation and the NJ Department of Environmental Conservation [sic],
- The truck was pre-owned when purchased by Flag Container Service, Inc. and did not have the latching devices when purchased,
- There was no government requirement that this truck have latching devices.

Counsel for the applicant concluded by stating:

“As evidenced above, this incident was a one-time accident which may well have resulted from the conduct of the deceased employee. Flag Container Service, Inc. cooperated fully with OSHA, abated any and all issues and amicably resolved this matter.”

**Applicant’s Particulars – November 28, 2014 Incident**

The following is the summary of the information provided by counsel for the applicant regarding the November 28, 2014 incident:

- Formica Construction, Inc. has contested the OSHA Citations and maintains that it was not doing any demolition work and did not remove any load-bearing walls,
- Neither Formica Construction, Inc. nor any employee or company owner has been charged with any crime. Moreover, in the aftermath of the accident the NYC Department
of Building did not pursue a single charge or violation. Finally, since the accident
Formica Construction, Inc.’s business license was renewed by the NYC Department of
Community Affairs,

- Although it was designed to be supported by heavy bar joists, the mezzanine concrete
deck/metal decking was actually resting on light steel “C” joists,
- The NYC Building Department’s Report notes that the concrete mezzanine deck was
actually 5 inches thick, twice as thick as the original building plans showed that it was to
be, thus vastly increasing the weight of the mezzanine on whatever was actually
supporting it,
- At least one other contractor was in the building and removed 2 large air compressors,
large tire changing machines, various tanks and piping, and the HVAC system. Heavy
machinery was apparently used to do this work. Notably, much of this work was done in
the area directly below where the mezzanine collapsed,
- Formica Construction, Inc. retained an architect to submit a demolition plan to the DOB,
which plans were approved on November 18, 2014,
- Formica Construction, Inc. had also retained an engineer to do inspections during the
demolition process. However, at the time of the accident in question, that engineer was
not yet needed because Formica Construction, Inc. never started demolition at the site,
- The employees were supervised at all times and no load bearing walls beneath the
mezzanine were removed.
- The mezzanine was not built pursuant to the original plans and was structurally deficient
in a material sense. Neither Formica Construction, Inc. nor its architect had reason to
know that the as-built building differed in material ways from the building plans or that it
was not structurally secure.

Counsel for the applicant concluded by stating:

“As evidenced above, there is no factual basis for OSHA’s citation. Formica
Construction, Inc. did not improperly begin to demolish the building and it did not
remove any load-bearing walls. Mr. Velazquez’s death, while tragic, was an
accident: having nothing at all to do with any impropriety of Formica
Construction, Inc. Pre-trial discovery is ongoing with OSHA. Formica
Construction continues to maintain that the OSHA Citations issued are completely
without foundation in law or fact.”

**Analysis:**

Staff has performed a review of these actions with guidance from the Attorney General’s Office
and weighed the seriousness of the offenses. Because EDA is involved in financing small
businesses through their Sandy Programs, and thus financing the conditions of a company’s
workplace, these incidents are of particular concern.
Staff finds that the criminally negligent homicide plea, the OSHA findings, and the pending OSHA citation for the incidents above demonstrate reasonable suspicion of a lack of responsibility and business integrity. Each incident either resulted in a final judgment or finding of a violation of the law or an administrative citation claiming a violation of law and involved the death of an employee at the workplace at closely held and related companies with one incident having led to a conviction of criminally negligent homicide.

Two of the three incidents are demonstrated with final judgments, as the 2003 incident resulted in the criminally negligent homicide guilty plea and OSHA’s final administrative finding of 13 violations and the November 12, 2014 incident resulted in OSHA’s final administrative finding of four violations.

The third incident is pending a hearing before the OSHRC based on Formica Construction’s dispute of OSHA’s citation, and the applicant’s attorneys have informed us that the adjournment was requested by the Richmond County (NY) Assistant District Attorney.

Staff does not consider the information provided by the applicant and its counsel as mitigating the incidents. First, there is no indication that either Formica Construction or Flag Container Services has taken any steps to avoid similar incidents in the future.

Second, although the applicant claims that no government regulation required the truck at issue in the November 12 incident to have a latching device, OSHA’s records show that Flag Container Services accepted OSHA’s finding of a “serious” violation due to the hazardous workplace conditions due to the use of the truck. OSHA lists various means to correct the hazards, including the use of latching arms.

Third, Kenneth L. Formica received the New York Certificate of Release from Disabilities on March 12, 2007, prior to the two November 2014 incidents, and the New York grants and Sales Tax Exemption received by Formica Construction also predated the November 2014 incidents.

Staff also finds that, taken together and if the OSHRC upholds the 2014 citation against Formica Construction, the incidents demonstrate a consistent pattern of workplace violations at closely held and related companies without any indication that the owners and management of the related companies have taken any meaningful steps to improve the workplaces and avoid such incidents in the future.

**Recommendation:**

The information provided to the EDA by applicant’s counsel regarding the ownership, management, and officers of the three companies establish that they are under common control and constitute affiliates for purposes of suspension review. In light of the foregoing, Staff is recommending that the Board approve the suspension of the applicant during the OSHA legal proceeding and Richmond County (NY) District Attorney’s of which applicant’s counsel informed the Authority. A request for suspension will be sent to the Attorney General, and the suspension will be effective only upon concurrence by the Attorney General.
Once the suspension expires, and if the application is still pending and if funds remain available in the Stronger New Jersey Business Grant program, staff may complete a disqualification and debarment review and its review of the Sandy Grant Program application.

Timothy J. Lizura, President and COO

Prepared by: Marcus Saldutti
OFFICE OF RECOVERY MODIFICATIONS
TO: Members of the Authority

FROM: Timothy Lizura  
President and Chief Operating Officer

DATE: April 13, 2017

SUBJECT: Yank Marine Services, LLC  
Maurice River Township, Cumberland County  
P39754

Modification Request:

Approval is requested to increase the $2,072,250 construction loan under the Stronger NJ Business Loan program approved on February 26, 2015 to $2,572,250.

Background:

On February 26, 2015, Yank Marine Services, LLC (“Yank LLC” or “Company”) was approved for a $2,072,250 30-year Construction Loan and a $50,000 Forgivable Loan under the Stronger NJ Business Loan program (the “Loans”). Yank LLC is a commercial boat building & repair company on the Maurice River in the unincorporated community of Dorchester which is located within Maurice River Township in Cumberland County. The Company’s location provides unobstructed deep water access to the Delaware Bay, the Atlantic Ocean, and the Chesapeake Bay via the Chesapeake & Delaware Canal. The size of boats Yank LLC can service, however, is limited by its 20-metric ton hoist.

Yank LLC’s sister company, Yank Marine Services, Inc. (“Yank Inc.”), is in the same business but located in the unincorporated community of Tuckahoe which is within Upper Township in Cape May County. This location employs larger marine lifts of 75-metric tons, 200-metric tons, and 300-metric tons. Access, however, to this site is limited by both the vertical height restrictions of the bridges of the Great Egg Harbor Bay and the water depths of the Tuckahoe River.

Yank Inc. was founded in 1969 and incorporated on January 23, 1986. Yank LLC was registered on 7/08/2005. The property occupied by Yank LLC is owned by Penny Hill Marine, LLC (“Penny Hill”), a real estate holding company related through common ownership.

The Project approved in February 2015 entailed the removal and replacement of the damaged stationary dock, the installation of new piles and the installation of two new piers for the boat lift travelway (a narrow waterway between two launching piers on which the boat lift rides). Although the initial plan was to move the 200-metric ton hoist from Tuckahoe to the Dorchester facility, the
lift travelway was designed to accommodate larger lifts in the future. To allow the 200-ton lift to use the newly constructed lift travelway, the 200-ton lift would need to be widened from 36 feet to 55 feet. The engineers at Marine Travelift, a worldwide leader in marine hoists or travelifts, determined that the operating capacity of the lift would be negatively impacted and other alternative solutions were financially impracticable.

The decision was then made to accelerate the move into larger lift capacities by purchasing an 820-metric ton lift (“820C”) and trading in the 200-ton lift. The 820C will allow Yank LLC to service tugboats, commercial fishing boats, barges, passenger ferries, as well as larger classes of both U.S. Army and U.S. Coast Guard vessels stationed on the East Coast. Furthermore, the addition of the 820C at the Dorchester location will help to free up space at the Tuckahoe location which is often at capacity.

M² Lease Funds LLC, a commercial leasing firm located in Brookfield, WI, has proposed to finance the 820C through a $2.5 million capital lease. The balance of the $2.95 million purchase price would be financed by the proposed $500,000 additional funding of the $2,072,250 Stronger NJ Business Construction loan.

**Recommendation:**

Consent to $500,000 in additional debt to Yank Marine Services, LLC is recommended.

Prepared by: Ted Bossert, Credit Underwriter
REAL ESTATE
TO: Members of the Authority
FROM: Timothy J. Lizura
President and Chief Operating Officer
RE: Memorandum of Understanding
Identification of City of Trenton Downtown Redevelopment Sites
DATE: April 13, 2017

Summary
The Members are asked to approve a Memorandum of Understanding (“MOU”) with the Division of Property Management and Construction, the Capital City Redevelopment Corporation, the City of Trenton (the “City”), the Trenton Parking Authority, the Mercer County Improvement Authority, and Greater Trenton, Inc. (collectively the “Parties”) to prepare a report of redevelopment sites within the City’s downtown which may serve as future public or private commercial redevelopment opportunities for public or private entities.

Background
The Members previously approved memorandums of understanding for a feasibility study (December 2014) and predevelopment services and funding (September 2016) for the development of two State office buildings in downtown Trenton to replace the existing Health, Agriculture, and Taxation buildings. These two projects, in conjunction with the City’s current master planning process, have renewed interest in: (1) possibly adding more state offices in the City downtown area when opportunities arise in order to bring more State of New Jersey employees and business activity to the City’s downtown; (2) identifying other redevelopment opportunities in the City’s downtown for public and private commercial development.

The MOU permits the Parties to collaborate and create a catalogue of potential redevelopment sites in the City’s downtown for a period of three (3) years. The redevelopment sites that will be included in the catalogue may be developed by public or private entities for either public or private commercial uses.

Under the MOU, EDA will: (i) manage the process for the preparation of the report compiling redevelopment sites within the City’s downtown; (ii) procure and manage a real estate development consultant to prepare a report of redevelopment sites within the City’s downtown; (iii) provide up to $100,000 to pay for the real estate consultant, and (iv) schedule and host regular meetings of the Parties.
The MOU is attached as Exhibit A to this memo and is in substantially final form. The final document may be subject to revision, although the basic terms and conditions will remain consistent with the attachment. The final terms of the MOU will be subject to the approval of the Chief Executive Officer, President/Chief Operating Officer and the Attorney General’s Office, and the other Parties to the MOU.

**Recommendation**

In summary, I ask for the Members’ consent to enter into the Memorandum of Understanding with the Division of Property Management and Construction, the Capital City Redevelopment Corporation, the City of Trenton, the Trenton Parking Authority, the Mercer County Improvement Authority, and Greater Trenton, Inc., generally consistent with the form attached.

Attachment: Exhibit A
Prepared by: Juan Burgos

[Signature]
Timothy J. Lizura
President and Chief Operating Officer
MEMORANDUM OF UNDERSTANDING
TO IDENTIFY DOWNTOWN TRENTON REDEVELOPMENT SITES

This Memorandum of Understanding ("MOU") dated the ______ day of ________, 2017, will confirm the mutual understanding and intention between the New Jersey Department of the Treasury, Division of Property Management & Construction ("DPMC"), the New Jersey Economic Development Authority ("NJEDA"), the Capital City Redevelopment Corporation ("CCRC"), Greater Trenton, Inc. ("GT"), the City of Trenton ("City" or Trenton), the City of Trenton Parking Authority ("TPA"), and the Mercer County Improvement Authority ("MCIA") (together, the "Parties") regarding the agreement between the Parties to work cooperatively to advance redevelopment within the Greater Trenton’s planning area ("Downtown").

WHEREAS, created pursuant to N.J.S.A. 34:1B-1 et seq., NJEDA purpose includes financing and/or developing real estate projects which aid, assist and encourage the economic development or redevelopment of any political subdivision of the State of New Jersey ("State"), among other things; and

WHEREAS, the City has been identified as one of five Garden State Growth Zones under the State’s New Jersey Grow Act, N.J.S.A. 34:1B-242 et seq., which permits a greater level of incentives to advance the City of Trenton’s ("City") redevelopment; and

WHEREAS, the TPA was created for the purpose of acquiring, constructing, maintaining, and operating parking facilities to promote commerce and economic renewal; and

WHEREAS, CCRC was created pursuant to N.J.S.A. 52:9Q-9 et seq. (the "CCRC Act") to plan, coordinate and promote the public and private development within a capital district defined in the CCRC Act, consisting of those portions of the City that serve as the commercial center of the community and in which public building and historic sites are located; and

WHEREAS, the DPMC is responsible for the operation and maintenance of the State’s agency real estate portfolio and is one of the largest real estate holders in the City; and

WHEREAS, the DPMC is in the process of exploring options to optimize its real estate presence in the City by consolidating agency operations within the Downtown in lieu of a continued operational presence at other locations in the State; and

WHEREAS, the mission of the MCIA is to serve the needs of Mercer County improving the quality of life for the residents by providing programs and services for the County, municipalities, school and fire districts, and not-for-profits in the areas of financing, project management, and redevelopment; and

WHEREAS, the GT is an independent 501(c)(3) nonprofit that uses a network of collaborative relationships to advance economic revitalization efforts in Trenton by providing one-stop support and information for investors interested in taking on new projects; reaching out to potential residential, commercial and/or retail investors and tenants; supporting and promoting existing downtown initiatives; engaging downtown stakeholders in a strategic economic development plan; and developing investment marketing strategies; and
WHEREAS, through a Memorandum of Understanding” signed in August 2014, NJEDA is providing staff to advance the mission of the CCRC and to assist in carrying out the policies and directions of CCRC with respect to activities for which CCRC has statutory authority, including coordination of economic development projects with state and local partners; and

WHEREAS, NJEDA’s assistance with this endeavor constitutes an eligible project under its enabling statute, N.J.S.A. 34:1B-3, in that it relates to the potential repair and reconstruction of office space that will aid, assist and encourage the redevelopment of the City; and

WHEREAS, the Parties believe it to be mutually advantageous to each other’s objectives to collaborate in identifying commercial development opportunities in Trenton to foster its redevelopment of its Downtown (“Downtown Redevelopment Sites”) that will be reviewed and approved by the Parties as appropriate redevelopment locations for public or private uses which may be developed by private and/or public entities.

NOW THEREFORE, the Parties agree as follows:

1. **NJEDA’s Role and Responsibilities.** NJEDA will manage the process to prepare the report compiling Downtown Redevelopment Sites which includes:

   a. Providing up to $100,000 to pay for a real estate consultant retained by NJEDA (currently Jones Lang LaSalle) to prepare a report of Downtown Redevelopment Sites

   b. Procuring and managing the real estate development consultant to assist in identifying Downtown Redevelopment Sites

   c. Scheduling and hosting regular meetings of the Parties

   d. Supervising the preparation of the report compiling Downtown Redevelopment Sites

2. **GT’s Role and Responsibilities.** GT will provide:

   a. Real estate market and site development information in order to assist in the designation of commercial Downtown Redevelopment Sites

   b. Assistance with coordinating the Parties to designate Redevelopment Sites

GT is participating in this MOU for the express purposes set forth above. GT acknowledges that GT has not been hired, retained or otherwise selected as a marketing agent for the Downtown Redevelopment Sites. A future marketing designation(s), if any, is beyond the scope of this MOU.

3. **CCRC’s Role and Responsibilities.** As permitted by its enabling act, CCRC will provide review and advice regarding potential commercial uses and densities for the Downtown Redevelopment Sites.
4. **City’s Role and Responsibilities.** The City will provide:

   a. Information for sites that may be considered as Downtown Redevelopment Sites by the Parties

   b. Property specific information within the City’s possession as part of its regular operations for properties under consideration as potential Downtown Redevelopment Sites, including but not limited to:

      i. Ownership information
      ii. Tax information
      iii. Environmental information
      iv. Utility information
      v. Property’s development status
      vi. Zoning information
      vii. The applicability of any approved redevelopment plan(s) which may govern the Downtown Redevelopment Site(s)

   c. Review and advice regarding potential commercial uses and densities for the Downtown Redevelopment Sites

5. **TPA’s Role and Responsibilities.** TPA will provide:

   a. Information on current and future parking needs in the City

   b. Property information within TPA’s possession as part of its regular operations for properties under consideration as potential Downtown Redevelopment Sites

   c. Assistance to identify Downtown Redevelopment Sites which could serve as future public parking

6. **DPMC’s Role and Responsibilities.** DPMC will provide:

   a. Current and future space requirements, including parking, for State uses currently within the Downtown, and/or that may in the future be located (or relocated) within the Downtown

   b. Information regarding real property under DPMC’s control (owned or leased), including parking locations in the Downtown

   c. Cooperation with the Parties to identify any Downtown Redevelopment Sites which may serve as future State offices and/or parking

7. **MCIA’s Role and Responsibilities.** MCIA will:
a. Provide current and future space requirements, including parking, for Mercer County ("County") uses currently within the City, and/or that may in the future be located (or relocated) within City.

b. Provide information regarding real property under County’s control (owned or leased), including parking locations.

c. Work with the Parties to identify any Redevelopment Sites which serve as future County office space and/or parking.

d. Review and advise regarding potential uses and densities for the Downtown Redevelopment Sites.

8. **Commencement and Duration of MOU.** This MOU will commence immediately upon execution by the Parties. Unless terminated earlier, this MOU shall remain in effect for three (3) years from the date and year first written above.

9. **Consultants and Contractors.**

a. All contracts with consultants or contractors entered into by NJEDA in connection with this MOU shall be advertised, solicited and selected by NJEDA in accordance with NJEDA’s applicable procurement requirements. The general terms and conditions of such contracts shall be consistent with agreements typically entered into by NJEDA.

b. It is agreed that nothing in this MOU shall obligate or require NJEDA to enter into or continue any agreement or contract or to expend NJEDA personnel time or other administrative costs unless sufficient funds are readily available to NJEDA for NJEDA expenses and fees that would be incurred. NJEDA shall at all times have the right to terminate or discontinue any agreement, contract or work if NJEDA determines that sufficient funds are not readily available.

c. All consultants and contractors hired by NJEDA or any of the Parties shall:

   i. Indemnify, defend, and hold the Parties and their respective employees, agents, and representatives harmless from any and all judgments, damages, losses, claims, costs or expenses related to or arising from said consultant or contractor, or any agent, employee, subcontractor, supplier or subconsultant of such consultant or contractor.

   ii. Maintain adequate insurance coverage as reasonably determined by NJEDA.

   iii. Be aware of and comply with all federal, state and local laws, ordinances, rules and regulations that affect those engaged or employed in connection with this MOU, or that affect the conduct of the work arising from this MOU.
10. **Additional Provisions:**

   a. **Other Approvals.** Each Party will obtain all applicable governmental approvals, permits, and authorizations necessary to effectuate their respective responsibilities under this MOU and shall assist and cooperate with the other Party in seeking such approvals, permits and/or authorizations. Each Party will be responsible for its own costs and expenses incurred in connection with this MOU.

   b. **Amendments.** This MOU may be amended in a writing executed by the Parties.

   c. **Termination.** Any Party shall have the right to terminate their respective role and responsibilities associated with this MOU upon thirty (30) days written notice to the other Parties. Upon termination, the Parties shall make reasonable efforts not to incur any additional expenses or administrative costs.

   d. **Notices.** All notices required to be served or given hereunder shall be in writing and will be deemed given when received by personal delivery, by an overnight delivery service which issues a receipt from delivery, or three business days after having been mailed by certified mail, return receipt requested, and addressed as follows:

      To NJEDA:
      New Jersey Economic Development Authority
      36 West State Street
      P.O. Box 990
      Trenton, New Jersey 08625-0990
      Attention: Donna Sullivan, Director, Real Estate Development Division

      To DPMC:
      Division of Property Management & Construction
      33 W. State Street
      P.O. Box 229
      Trenton, New Jersey 08625-0990
      Attention: Christopher Chianese, Director

      To CCRC:
      Capital City Redevelopment Corporation
      36 West State Street
      P.O. Box 990
      Trenton, New Jersey 08625-0990
      Attention: Maureen Hassett, Senior Vice President, NJEDA
To GT:
Greater Trenton, Inc.
102 Barrack Street
Trenton, New Jersey 08608
Attention: George Sowa, Chief Executive Officer

To City:
City of Trenton
Division of Economic Development
319 East State Street
Trenton, NJ 08608
Attention: Diana Rogers, Director of Housing and Economic Development

To TPA:
Trenton Parking Authority
16 East Hanover Street
Trenton, New Jersey 08608
Attn: Executive Director

To MCIA:
Mercer County Improvement Authority
80 Hamilton Avenue, 2nd Floor
Trenton, New Jersey 08611
Attention: Phillip S. Miller, Executive Director

e. **Counterparts.** This MOU may be signed in any number of counterparts, each of
which shall be an original, with the same effect as if the signatures thereto and
hereto were upon the same instrument. This MOU shall become effective when
each party hereto shall have received a counterpart hereof signed by the other party
hereto.

f. **Good Faith.** The Parties will act with reasonable diligence and in good faith for
the purpose of satisfying the conditions set forth in this MOU

g. **Titles and Headings.** Titles and headings are included for convenience only and
shall not be used to interpret the MOU.

The foregoing correctly reflects the Parties' understanding and intent.

**IN WITNESS WHEREOF,** the Parties have caused this Memorandum of Understanding to be
duly executed and delivered as of the date and year first above written and by so executing,
represent and warrant they have the authority to do so.
ATTEST

STATE OF NEW JERSEY DEPARTMENT
OF THE TREASURY, DIVISION OF
PROPERTY MANAGEMENT AND
CONSTRUCTION

Name:

Christopher Chianese, Director

ATTEST

NEW JERSEY ECONOMIC DEVELOPMENT
AUTHORITY

Donna T. Sullivan, Director
Real Estate Division

Timothy J. Lizura
President and Chief Operating Officer

ATTEST

CAPITAL CITY REDEVELOPMENT
CORPORATION

Name:

Name:
Title:

ATTEST

GREATER TRENTON, INC.

Name:

George Sowa, Chief Executive Officer

ATTEST

CITY OF TRENTON

Name:

Eric Jackson, Mayor

Downtown Trenton Redevelopment Sites MOU
Page 7
ATTEST

Name: Phillip S. Miller, Executive Director

The foregoing document has been reviewed and approved as to form.

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY

By: [INSERT NAME], Deputy Attorney General
TO: Members of the Authority
FROM: Timothy Lizura
President/Chief Operating Officer
DATE: April 13, 2017
SUBJECT: Petroleum Underground Storage Tank Program – Delegated Authority Approvals
(For Informational Purposes Only)

Pursuant to the delegations approved by the Board in May 2006, staff may approve new
grants under the Hazardous Discharge Site Remediation Fund (HDSRF) and Petroleum
Underground Storage Tank Program (PUST) up to $100,000 and may approve supplemental
awards for existing grants (of any size) up to an aggregate of $100,000, provided
that the aggregate amount of the supplemental awards do not exceed $100,000.

The Petroleum Underground Storage Tank Program legislation was amended to allow funding
for the removal/closure and replacement of non-leaking residential underground storage tanks
(UST’s) and non-leaking non-residential UST’s up to 2,000 gallons for eligible not for profit
applicants. The limits allowed under the amended legislation is equivalent to the New Jersey
Department of Environmental Protection cost guide.

Below is a summary of the Delegated Authority approvals processed by Finance & Development
for the period January 01, 2017 to March 31, 2017

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<tr>
<th>Applicant</th>
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Summary:

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<td>Leaking tank grants awarded</td>
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<td>Non-leaking tank grants awarded</td>
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April 13, 2017 Board Book - Board Memorandums
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<th>Applicant</th>
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<td>Initial grant for upgrade, closure and remediation</td>
<td>$17,233</td>
<td>$17,233</td>
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<tr>
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<td>Applicant</td>
<td>Description</td>
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<tr>
<td>(P43805)</td>
<td>remediation</td>
<td>$47,385</td>
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<td>Estate of Jennie Azurak (P43101)</td>
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<td>Feller, Melvin A (P43216)</td>
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<td>Gjurkaj, Xhelal (P43135)</td>
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<td>Goode, Jean (P43476)</td>
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<td>Grabowski, Tom (P43576)</td>
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<tr>
<td>Gutierrez, Daniel and Sirja (P43265)</td>
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<td>Hansel, Sheron (P42810)</td>
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<td>$17,659</td>
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<td>Hardt, Kenneth (P43249)</td>
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<td>Havas, Eileen M. (P43295)</td>
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<td>$23,520</td>
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<tr>
<td>Heitzman, Edward and Henrietta (P43686)</td>
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<td>$60,322</td>
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<td>Huether, Donna (P43622)</td>
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<td>Grant Amount</td>
<td>Awarded to Date</td>
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<tr>
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<td>Lance, Julie (P43404)</td>
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<td>Maher, Chris (P43325)</td>
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<td>Miller, Jacqualen and Cyril Lougheed (P43112)</td>
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<td>Pocchia, Angelo (P43338)</td>
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<td>Prowitz, Gail (P43185)</td>
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<td>Radzicki, Ryszard (P43544)</td>
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<td>Rao, Jagan (P43452)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<td>Reingle, Susan (P43223)</td>
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<td>$4,419</td>
<td>$4,419</td>
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<td>Rizzo, James (P43124)</td>
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<tr>
<td>Applicant</td>
<td>Description</td>
<td>Grant Amount</td>
<td>Awarded to Date</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------</td>
<td>--------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Rocha, Catherine (P43291)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<td>Rodriguez, Miguel (P43128)</td>
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<td>Rodriguez, Nery (P43175)</td>
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<tr>
<td>Rome, Dana (P43263)</td>
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<td>Rozman, Wayne (P43196)</td>
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<td>Rutkowski, Irene (P43494)</td>
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<td>Saint Ann Catholic Church (P43721)</td>
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<td>Santucci, Frank (P43371)</td>
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<td>Schiavino, Anthony (P43170)</td>
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<td>Sekulic, Frank (P43045)</td>
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<tr>
<td>Shaw, Amelia (P43238)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<tr>
<td>Shievdayal, Jennifer (P43365)</td>
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<td>$14,655</td>
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<tr>
<td>Singh, Bhaskar (P43340)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<td>$82,347</td>
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<tr>
<td>Six, Anne Marie (P43231)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$37,237</td>
<td>$37,237</td>
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<tr>
<td>Snell, Leon and Veronica Laloma (P43226)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$18,599</td>
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<tr>
<td>St. John the Baptist Church (P43120)</td>
<td>Supplemental grant for site remediation</td>
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<td>Storck, John (P43131)</td>
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<td>Suttle, Renee (P43148)</td>
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<td>Swider, Paul (P43198)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<tr>
<td>Toska, Amit (P42154)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$3,305</td>
<td>$3,305</td>
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<tr>
<td>Trosko, Serge and Virginia</td>
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<td>$16,891</td>
</tr>
<tr>
<td>Applicant</td>
<td>Description</td>
<td>Grant Amount</td>
<td>Awarded to Date</td>
</tr>
<tr>
<td>-------------------------</td>
<td>--------------------------------------------------</td>
<td>--------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>(P43630)</td>
<td>closure and remediation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trummel, Louis (P43492)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<td>$11,246</td>
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<td>Walsh, Patrick S. (P43742)</td>
<td>Partial initial grant for upgrade, closure and remediation</td>
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<td>Whitworth, Eda (P43632)</td>
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<td>Williams, Patricia (P43379)</td>
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<td>$28,226</td>
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<tr>
<td>Zanella, Carol (P43303)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$13,728</td>
<td>$13,728</td>
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</table>

103 Grants
Total Delegated Authority
funding for Leaking applications.

$1,965,305

*This amount includes grants approved previously by the Board and this award does not exceed the $100,000 aggregate supplemental limit for staff delegation.

Prepared by: Kathy Junghans, Finance Officer
TO: Members of the Authority  
FROM: Timothy J. Lizura  
President/Chief Operating Officer  
DATE: April 13, 2017  
SUBJECT: Hazardous Discharge Site Remediation Fund - Delegated Authority  
First Quarter 2017 Approvals (For Informational Purposes Only)

Pursuant to delegations approved by the Board in May 2006, staff may approve new grants under the Hazardous Discharge Site Remediation Fund (HDSRF) up to $100,000 and supplemental awards for existing grants (of any size) up to an aggregate of $100,000, provided that the aggregate amount of the supplemental awards does not exceed $100,000.

Attached is a summary of the Delegated Authority approvals ending March 31, 2017 for the first quarter. 6 grants were approved totaling $236,359.

Timothy Lizura

Prepared by: Rereé M. Krug
<table>
<thead>
<tr>
<th>PROJECT</th>
<th>APPLICANT</th>
<th>DESCRIPTION</th>
<th>GRANT AMOUNT</th>
<th>AWARDED TO DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>P43019</td>
<td>Thomas Dolan</td>
<td>Initial grant for Remedial Action</td>
<td>$3,166</td>
<td>$3,166</td>
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<tr>
<td>P42489</td>
<td>City of Long Branch</td>
<td>Initial grant for Remedial Investigation and Action</td>
<td>$71,247</td>
<td>$149,972</td>
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<tr>
<td>P43269</td>
<td>Richard Dinardo</td>
<td>Initial grant for Remedial Action</td>
<td>$7,449</td>
<td>$7,449</td>
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<tr>
<td>P43554</td>
<td>West Orange Township (Selecto Flash Inc)</td>
<td>Initial grant for Preliminary Assessment and Site Investigation</td>
<td>$77,238</td>
<td>$77,238</td>
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<tr>
<td>P43977</td>
<td>Gus Anna LLC</td>
<td>Initial grant for Remedial Action</td>
<td>$27,055</td>
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<td>P43585</td>
<td>Walter Clark</td>
<td>Initial grant for Remedial Action</td>
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</table>

6 Grants

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>Total Delegated Authority for HDSRF Applications</td>
<td>$236,359</td>
</tr>
</tbody>
</table>

*Includes cumulative awards to date (initial & supplemental). Supplemental grant awards do not exceed $100,000 the delegation permitted*
MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President and COO
DATE: April 13, 2017
SUBJECT: Projects Approved Under Delegated Authority – For Informational Purposes Only

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

Direct Loan Program:

1) ACMY, LLC (P44061), located in Piscataway Township, Middlesex County, is the real estate holding company formed to purchase the project property. The operating company, Trans-Packers Services Corp. (“TP”), was formed in 1969 as a family-owned contract formulator, manufacturer and packager of dry food and non-food products for retail, institutional, industrial and military customers. TP currently operates out of a USDA, EPA, military, federal, state, and customer inspected/regulated 92,000 sq. ft. facility located in Brooklyn, NY. The Company was approved for a $2,000,000 direct loan to purchase and renovate the project property and relocate TP’s operation to Piscataway. Fulton Bank of New Jersey will provide a $5,300,000 tax exempt bond toward the acquisition and renovation of the property. The Company plans to create 140 new positions within the next two years.

NJ Main Street Program:

1) San Antonio Broker Services (P44110 & P44111), located in North Bergen Township, Hunterdon County, is a trucking company that provides intermodal trucking and drayage services in the New York, New Jersey, Philadelphia and Delaware ports and rail yards. San Antonio specializes in refrigerated shipments of fresh fruits and vegetables from around the world, delivering to retailers and wholesalers in the Northeast. M&T Bank approved a $1.5 million equipment line of credit contingent upon a one year, 50% Authority guarantee of principal outstanding, not to exceed $750,000, and a $1 million working capital line of credit contingent upon a one year, 50% Authority guarantee of principal outstanding, not to exceed $500,000. Currently, the Company has 60 employees and plans to create 25 new positions within the next two years. SSBCI funds will be utilized for this project.
Premier Lender Program:

1) 800 Coopertown Rd. LLC (P44082), located in Delanco Township, Burlington County, is a recently created real estate holding company formed to purchase the project property. The operating company, Soho Studio Corp. DBA Tilebar, is a direct importer and retailer of mosaics, tile, and natural stone. TD Bank approved a $9,000,000 bank loan with a 22.2% ($2,000,000) Authority participation. Proceeds will be used to refinance existing debt. The Company plans to create 60 new positions over the next two years.

Small Business Fund Program:

1) JA Properties, LLC (P44064), located in Union Township, Union County, is a real estate holding company that was formed in 2007 to own the project property. The operating company, Revved Up Performance, LLC (“Revved Up”) DBA All Towns Brake and Auto Center, has operated at the subject property for ten years as a full-service preventative maintenance and automotive repair center. The Company was approved for a $420,500 direct loan to refinance existing debt. The Company currently has two employees and plans to create one new job within the next two years.

Prepared by: G. Robins
/gvr
MEMORANDUM

TO: Members of the Authority
FROM: Timothy Lizura
President/Chief Operating Officer
DATE: April 13, 2017
SUBJECT: Incentives Modifications
(For Informational Purposes Only)

Since 2001, and most recently in June, 2014, the Members have approved delegations to the President/Chief Operating Officer for post closing incentive modifications that are administrative and do not materially change the original approvals of these grants.

Attached is a list of the incentive modifications and Salem/UEZ renewal extensions that were approved in the 1st quarter ending March 31, 2017.

Prepared by: J. Halo
ACTIONS APPROVED UNDER DELEGATED AUTHORITY
QUARTER ENDING MARCH 31, 2017

GROW NEW JERSEY ASSISTANCE PROGRAM

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Modification Action</th>
<th>Approved Award</th>
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</thead>
<tbody>
<tr>
<td>FC USA, Inc.</td>
<td>Consent to the name change of FC USA, Inc. to Flight Centre Travel Group (USA) Inc.</td>
<td>$7,593,750</td>
</tr>
<tr>
<td>LBU Inc</td>
<td>Consent to change the location of the qualified business facility from 293–309 Marshall Street, Paterson City to 7–33 4th Avenue, Paterson City.</td>
<td>$8,400,000</td>
</tr>
<tr>
<td>LiDestri Foods</td>
<td>Consent to approve the first six-month extension of the LiDestri Foods deadline to complete its project and submit the accompanying certifications for issuance of the tax credit certificate from January 14, 2017 to July 14, 2017.</td>
<td>$6,247,500</td>
</tr>
<tr>
<td>Philadelphia 76ers, L.P.</td>
<td>Consent to approve the first six-month extension of the Philadelphia 76ers, L.P. deadline to complete its project and submit the accompanying certifications for issuance of the tax credit certificate from June 10, 2017 to December 10, 2017.</td>
<td>$82,040,507</td>
</tr>
<tr>
<td>Sony Music Entertainment</td>
<td>Consent to approve the first six-month extension of the Sony deadline to complete its project and submit the accompanying certifications for issuance of the tax credit certificate from March 13, 2017 to September 13, 2017.</td>
<td>$1,625,000</td>
</tr>
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SALEM/UEZ ENERGY SALES TAX EXEMPTION RENEWALS

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Extend to Date</th>
<th>Location</th>
<th># of Employees/% Involved in Manufacturing</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nipro-Glass</td>
<td>January 15, 2018</td>
<td>Millville, NJ</td>
<td>282/74%</td>
<td>$353,000</td>
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<tr>
<td>Siegfried USA</td>
<td>March 23, 2018</td>
<td>Pennsville, NJ</td>
<td>157/94%</td>
<td>$177,000</td>
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</tbody>
</table>
MEMORANDUM

TO: Members of the Authority

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

DATE: April 13, 2017

SUBJECT: Post Closing Credit Delegated Authority Approvals for 1st Quarter 2017

For Informational Purposes Only

The following post-closing actions were approved under delegated authority during the first quarter of 2017:

<table>
<thead>
<tr>
<th>Name</th>
<th>EDA Credit Exposure</th>
<th>Action</th>
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</thead>
<tbody>
<tr>
<td>Providence Pediatric Medical DayCare, Inc.</td>
<td>$1,754,677</td>
<td>Consent to a payment moratorium for six months on this Stronger NJ Business Loan to provide debt service relief.</td>
</tr>
<tr>
<td>The Eichert Family, LLC</td>
<td>$290,686</td>
<td>Extend EDA’s participation loan maturity five months to June 1, 2017.</td>
</tr>
<tr>
<td>Conduit Bonds (EDA has no credit exposure)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wyckoff Family YMCA</td>
<td></td>
<td>Consent to Bank’s request to modify the fixed charge covenant on the $3.5 million tax exempt stand alone bond.</td>
</tr>
<tr>
<td>7777 Realty, LLC (DermaRite Industries, Inc.)</td>
<td></td>
<td>Consent to Bank’s request to release a corporate guarantor and its collateral on the $6.2 million tax exempt stand alone bond.</td>
</tr>
<tr>
<td>Longfield Brothers, LLC (Garden State Bulb Co., LLC)</td>
<td></td>
<td>Consent to Bank’s request to (i) reduce the interest rate for the $2.047 million bond from 4% to 2.5%, (ii) modify the interest rate for the $7 million bond from 4.35% to a LIBOR based variable rate of approximately 2.47% with an integrated swap, and (iii) release corporate guarantor of both series.</td>
</tr>
</tbody>
</table>

Prepared by: Mansi Naik
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: April 13, 2017

SUBJECT: Real Estate Division Delegated Authority for Leases, CCIT Grants, and Right of Entry (ROE)/ Licenses for First Quarter 2017

For Informational Purposes Only

The following approvals were made pursuant to Delegated Authority for Leases and ROE/Licenses in January, February and March 2017.

<table>
<thead>
<tr>
<th>TENANT</th>
<th>LOCATION</th>
<th>TYPE</th>
<th>TERM</th>
<th>S.F.</th>
<th>CCIT GRANT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bellerophon Therapeutics</td>
<td>CCIT</td>
<td>Lease Holdover</td>
<td>Month to Month</td>
<td>1,600 sf</td>
<td>N/A</td>
</tr>
<tr>
<td>Bellerophon Therapeutics</td>
<td>CCIT</td>
<td>Lease</td>
<td>One Year</td>
<td>1,600 sf</td>
<td>N/A</td>
</tr>
<tr>
<td>Shionogi</td>
<td>CCIT</td>
<td>Lease Holdover (January Only)</td>
<td>Month to Month</td>
<td>800 sf</td>
<td>N/A</td>
</tr>
<tr>
<td>Ascendia Pharmaceuticals</td>
<td>CCIT</td>
<td>Lease Holdover</td>
<td>Month to Month</td>
<td>3,925 sf</td>
<td>N/A</td>
</tr>
<tr>
<td>Hudson BioPharma</td>
<td>CCIT</td>
<td>Lease Holdover</td>
<td>Month to Month</td>
<td>2,000 sf</td>
<td>N/A</td>
</tr>
<tr>
<td>Novanex</td>
<td>CCIT</td>
<td>Lease Extension</td>
<td>One Year</td>
<td>800 sf</td>
<td>N/A</td>
</tr>
<tr>
<td>Qualcomm Consulting Services</td>
<td>CCIT</td>
<td>Lease Extension</td>
<td>One Year</td>
<td>900 sf</td>
<td>N/A</td>
</tr>
<tr>
<td>Aucta Pharmaceuticals</td>
<td>CCIT</td>
<td>Lease Amendment (additional Office)</td>
<td>3 months</td>
<td>2,250 sf (125 sf New)</td>
<td>N/A</td>
</tr>
<tr>
<td>SkinAxis</td>
<td>CCIT</td>
<td>Lease Holdover</td>
<td>Month to Month</td>
<td>800 sf</td>
<td>N/A</td>
</tr>
<tr>
<td>Visikol</td>
<td>CCIT</td>
<td>Lease Extension</td>
<td>One Year</td>
<td>800 sf</td>
<td>N/A</td>
</tr>
</tbody>
</table>
### OTHER

<table>
<thead>
<tr>
<th>TENANT</th>
<th>LOCATION</th>
<th>TYPE</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDEA</td>
<td>Camden Amphitheater</td>
<td>Lease Termination</td>
<td>$6,060.22</td>
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</table>

### RIGHT OF ENTRY/LICENSES/EXTENSIONS

<table>
<thead>
<tr>
<th>ENTITY</th>
<th>LOCATION</th>
<th>TYPE</th>
<th>CONSIDERATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooper’s Ferry Partnership</td>
<td>Camden Waterfront</td>
<td>Memorandum of Understanding for Landscape Services</td>
<td>$22,000.00</td>
</tr>
</tbody>
</table>

Prepared by: Donna T. Sullivan

Timothy J. Liza
President and Chief Operating Officer