MEMORANDUM

TO: Members of the Authority
FROM: Timothy Sullivan
Chief Executive Officer
DATE: July 14, 2020
SUBJECT: Agenda for Board Meeting of the Authority July 14, 2020

Notice of Public Meeting

Roll Call

Approval of Previous Month’s Minutes

CEO’s Report to the Board

Covid-19 Response

Authority Matters

Office of Economic Transformation

Incentives

Bond Projects

Loans/Grants/Guarantees

Real Estate

Board Memoranda

Public Comment

Executive Session

Adjournment
June 9, 2020

MINUTES OF THE MEETING

The Meeting was held by teleconference call.

Members of the Authority present via conference call: Chairman Kevin Quinn; Commissioner Robert Asaro-Angelo of the Department of Labor and Workforce Development; Commissioner Marlene Caride of the Department of Banking and Insurance; Jane Rosenblatt representing Commissioner Catherine McCabe of the Department of Environmental Protection; Catherine Brennan representing State Treasurer Elizabeth Muoio; Public Members: Charles Sarlo, Vice Chairman; Philip Alagia, Virginia Bauer, Fred Dumont, Aisha Glover, Marcia Marley, Robert Shimko, First Alternate Public Member; and Rosemari Hicks, Second Alternate Public Member.

Also present via conference call: Timothy Sullivan, Chief Executive Officer of the Authority; Assistant Attorney General Gabriel Chacon; Stephanie Brown, Governor’s Authorities Unit; and staff.

Absent: Public Member Massiel Medina Ferrara.

Mr. Quinn called the meeting to order at 10:00 am.

In accordance with the Open Public Meetings Act, Mr. Sullivan 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.

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the May 12, 2020 meeting minutes. A motion was made to approve the minutes by Ms. Bauer, and seconded by Commissioner Caride, and was approved by the 13 voting members present.

The next item of business was the approval of the May 22, 2020 meeting minutes. A motion was made to approve the minutes by Commissioner Angelo, and seconded by Ms. Brennan, and was approved by the 13 voting members present.

FOR INFORMATION ONLY: The next item was the presentation of the Chairman’s Report to the Board.

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

ITEM: Update to NJEDA Board Committees
FYI: The establishment of a new ad hoc committee, to be known as the COVID-19 Response Committee, to work with staff to address the on-going and long-term fiscal and economic impacts of the COVID-19 pandemic.

ITEM: Healthy Functions; Robert Jarmon, M.D.; New Jersey-Israel Innovation Partnership Initiative
THIS ITEM WAS WITHHOLD FROM CONSIDERATION

ITEM: USEDA Revolving Loan Fund Opportunity
FYI: USEDA invited NJEDA to apply for a revolving loan fund of up to $10,000,000 with supporting administration funds of up to $1,000,000.

ITEM: Micro Business Loan Program
REQUEST: To approve enhancements to the Micro Business Loan Program, utilization of up to $10 million from the USEDA Revolving Loan Fund and/or the NJEDA Economic Recovery Fund to fund the program, delegated authority to staff to administer the program, and suspension of new applications under the existing program.
MOTION TO APPROVE: Ms. Brennan.  SECOND: Commissioner Caride  AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: Small Business Emergency Assistance Grant Program – Phase 2
REQUEST: To approve revisions to the eligibility requirements for Phase 2 of the Small Business Emergency Assistance Grant Program and to clarify how the Opportunity Zone set-aside will be calculated.
MOTION TO APPROVE: Ms. Bauer  SECOND: Ms. Marley  AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Mr. Alagia recused himself as Essex County may make funds from the federal CARES Act available to the program.

Ms. Glover recused from voting because the organization for which she works and/or an organization for which she serves on the Board may participate in this program.

INCENTIVE PROGRAMS:

UEZ/ENERGY SALES TAX EXEMPTION PROGRAM:

ITEM: F&S Produce Co., Inc.
REQUEST: To approve F&S’s application to participate in the Energy Sales Tax Exemption Program for UEZ manufacturers (U-STX) for one year through June 9, 2021.
MOTION TO APPROVE: Mr. Dumont  SECOND: Ms. Brennan  AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

BOND PROJECTS:
ITEM: NJEDA School Facilities Construction Refunding Bonds
REQUEST: To approve adoption of the 42nd Supplemental Resolution authorizing issuance of the 2020 Refunding Bonds in the total aggregate principal equal to $597,455,000 and associated delegations to staff to implement the refunding action.
MOTION TO APPROVE: Ms. Bauer SECOND: Mr. Shimko AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

LOANS, GRANTS GUARANTEES

Petroleum Underground Storage Tank (PUST)

ITEM: Summary of NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program project approved by the Department of Environmental Protection.
MOTION TO APPROVE: Ms. Rosenblatt SECOND: Ms. Brennan AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PROJECT: Melvin Zgodny LOCATION: Elizabeth City, Union County
PROCEEDS FOR: Upgrade, Closure, Remedial Action
FINANCING: $95,683.22

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. Rosenblatt SECOND: Commissioner Caride AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

PROJECT: Camden Redevelopment Agency (Camden Laboratories) LOCATION: Camden City, Camden County
PROCEEDS FOR: Remedial Action
FINANCING: $564,333.75

BOARD MEMORANDA:

FOR INFORMATION ONLY: May 2020 Credit Underwriting Delegated Authority Approvals

Premier Lender Program
PROJECT: 1885 Swarthmore Ave LLC (PROD-00187965) LOCATION: Lakewood Township, Ocean County
PROCEEDS FOR: Purchase the project property
FINANCING: $3,465,000 Cross River Bank loan with a $1,540,000 EDA participation.
PUBLIC COMMENT

There were no public comments.

EXECUTIVE SESSION

The next item was to adjourn the public session of the meeting and enter into Executive Session to receive attorney-client advice regarding a real estate project, and to discuss financial transactions where disclosure could adversely impact the public interest.

MOTION TO APPROVE: Mr. Quinn SECOND: Commissioner Caride AYES: 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

The Board returned to Public Session.

Commissioner Angelo left the meeting.

Mr. Alagia left the meeting.

REAL ESTATE

ITEM: Letter of Intent – Real Estate Development Project
REQUEST: To approve the request for an extension of a Letter of Intent as it relates to a real estate development project

MOTION TO APPROVE: Mr. Dumont SECOND: Ms. Bauer AYES: 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

There being no further business, on a motion by Mr. Quinn, and seconded by Mr. Dumont, the meeting was adjourned at 11:12am.

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.

Danielle Esser, Director
Governance & Strategic Initiatives
MEMORANDUM

To: Members of the Authority
From: Tim Sullivan
Date: July 14, 2020
Re: July 2020 Board Meeting

Last week, the Governor’s Task Force on EDA Incentives released its [final] report, which included a number of important findings that will guide our efforts to continue to improve the NJEDA’s performance, and which should be important inputs into any new legislatively-enacted incentives or economic stimulus initiatives. The case for including both per project and programmatic caps is strong, as a built-in safeguard of taxpayer dollars.

The NJEDA and the Task Force have entered into a Memorandum of Understanding (MOU) to enable the Task Force to share the detailed results of their work with the NJEDA. This will allow our team to incorporate that data into our certification processes and ensure that companies only receive the incentives to which they are entitled.

Importantly, in the MOU, the Task Force acknowledged the many improvements the NJEDA has made in response to the feedback received from the Office of the State Comptroller and the Governor’s Task Force on EDA Incentives, including:

- Significantly enhancing of our post-approval compliance processes by
  - Creating a Division of Compliance and Portfolio Management, overseen by an SVP (Bruce Ciallella) reporting directly to the CEO, and adding significant new staff to oversee tax credit certification and compliance;
  - Implementing a new end-to-end Customer Relationship Management system to consolidate and better manage data, while facilitating timely updates and information sharing.
  - Strengthening inter-agency partnerships with the Department of Labor and Treasury’s Division of Taxation to facilitate efficient sharing of critical data;
  - Developing standard operating procedures for all elements of the incentive certification process;
  - Doubling the number of third-party compliance audits conducted by Mercadien;
  - Creating a new “Quality Control” function to ensure adherence to established processes and completeness of files; and
  - Conducting significant staff training on best practices and NJEDA policies and procedures.

- Significantly enhancing our due diligence processes by
  - Decentering project consultants by requiring direct communication between applicant company leadership and NJEDA senior management;
  - Requiring updated CEO certification immediately prior to board meetings to include information submitted by company between initial certification and board consideration;
  - Hiring an independent third-party consultant (Guidepost) to conduct enhanced background and legal due diligence;
Restructuring the Legal Review process with the appointment of a Director of Legal Affairs (reporting to SVP Christine Baker), implementing a redesigned legal/debarment questionnaire,

- Implementing staff in-person or virtual site visits for all “alternative sites” in Grow NJ tax credit applications;
- Conducting significant staff training on best practices and NJEDA policies and procedures; and
- Developing standard operating procedures for all elements of application reviews.

- Significantly enhancing agency-wide initiatives to support oversight and compliance by
  - Creating new SVP of Strategic Initiatives and Operations position (Christine Baker) to oversee Legal, OPRA, Reporting, Diversity & Inclusion, Governance and Business Operations; and
  - Completing third-party study of Governance best practices.

These improvements primarily relate to programs which have now expired, and we will carry them forward to any new programs enacted by the Governor and Legislature. However, many of the most critical recommendations from the Task Force relate to concepts that must be enshrined in any new legislative language.

More broadly, in addition to these specific process improvements, under Governor Murphy’s leadership the NJEDA has been transforming itself into a more comprehensive economic development organization with a broader toolkit of programs and capabilities to supplement direct financial support efforts (i.e., tax credits, loans). Since 2018, the NJEDA has created a series of new initiatives and organizational efforts to enhance New Jersey’s long-term economic competitiveness and better support New Jersey’s small businesses, including:

- Creating the Office of Economic Transformation (OET) led by Senior Vice President Brian Sabina and tasked with accelerating the growth of the New Jersey’s economy by developing and implementing programs that enhance the State’s long-term economic competitiveness in eight strategic sectors;
  - OET has assumed the lead role in advancing the New Jersey Wind Port in Lower Alloways Creek. The $300-400 million green infrastructure project will be the biggest investment in Salem County in a generation and has the potential to create up to 1,500 jobs and $500 million in economic activity. It is also expected to result in supply chain opportunities for small businesses all over the state.

- Creating the Office of Small Business Services, which is charged with providing robust financial, workforce, and technical support to New Jersey’s small business community, with a focus on historically underrepresented firms, including women, minority, veteran, disability, and LGBTQ-owned enterprises;

- Creating the Office of International Trade and Investment tasked with attracting Foreign Direct Investment in New Jersey;

- Creating the Office of Policy and Communications, including the addition of NJEDA’s first-ever Chief Economist, Rich Kasmin, who reports on the current and future state of New Jersey’s economy, analyzes the net economic benefits of investments in the state’s economy, collaborates
with other state government agencies and departments on economic development and research, and communicates economic information to the public;

- Appointing the NJEDA’s first-ever Chief Diversity and Inclusion Officer, Michelle Bodden, who leads the NJEDA’s efforts to cultivate equity and inclusiveness within the organization and through the resources it provides;
- Creating Business Operations Department responsible for working with business units to develop and implement Standard Operating Procedures for both new and existing Authority programs.

This new approach to economic development has been the cornerstone of the NJEDA’s response to the COVID-19 pandemic and resulting economic downturn. Beginning in March, the NJEDA has developed a suite of emergency programs designed to help small businesses retain employees during the public health crisis and lay the groundwork for a speedy and complete recovery. The programs utilize a combination of NJEDA and CARES Act funding totaling $65 million. To ensure equitable access to these resources, the NJEDA partnered with three minority- and women-owned marketing firms to conduct a broad public outreach campaign aimed at ensuring minority and women business owners were aware of and were prepared to apply for these relief programs.

To date, the NJEDA has approved more than 6,400 COVID-impacted businesses for grants and low-cost loans in excess of $25.3 million. With many more applications to review, we expect to provide support to a total of 15,000 – 20,000 businesses. 193 additional business have been approved for support totaling more than $4.7 million in the form of guarantees for loans for companies in the innovation sector and loans made to small businesses through Community Development Financial Institutions.

In addition to the NJEDA’s resources, the Casino Redevelopment Authority committed $2 million in direct assistance for grants to Atlantic County small businesses and Essex, Ocean, and Passaic County each provided $10 million in CARES Act funding for the NJEDA to administer through the Small Business Emergency Assistance Grant program. To date, 341 Atlantic County businesses have been approved for $1.09 million in grants. Data is not yet available on the impact of the donations from Essex, Ocean, and Passaic Counties, but the contributions are expected to support thousands of additional small businesses.

Despite this progress, we recognize there is still significant work to do. We welcome input from the public and members of our Board as we craft new programs to better serve New Jersey.
MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: July 14, 2020

RE: Small Business Emergency Assistance Loan Program – Phase 2

Summary

The Members are asked to approve:

1. Acceptance of an award of $11 million ($10 million for a revolving loan fund and $1 million for administrative support) from the USEDA Revolving Loan Fund, if the USEDA approves NJEDA’s application, and delegation to the Chief Executive Officer to execute the required grant agreement on terms consistent with the application and specific award conditions.

2. The creation of the Small Business Emergency Assistance Loan Program (Phase 2) - a pilot program, funded from the USEDA award, to make direct low-cost financing available to help New Jersey small businesses and nonprofit organizations with recovery and reopening efforts as a result of COVID-19.

3. Additional delegation to Authority staff:

   a. Delegation to Chief Executive Officer or any Senior Vice President to impose additional requirements for the Small Business Emergency Assistance Loan Program (Phase 2) as may be required by law as a condition of accepting USEDA Revolving Loan Funding, provided that the requirements are consistent with the parameters of the program and the terms and conditions of the USEDA award.

   b. Delegation to Managing Director – Underwriting and Senior Vice President of Finance and Development or Vice President of Business Operations, upon recommendation of the underwriter, to approve individual applications to the Small Business Emergency Assistance Loan Program (Phase 2) in accordance with the terms set forth in the attached program specifications.
c. Delegation to Regional Director of Business Development, Managing Director of Business Development, Managing Director of Underwriting, or Senior Vice President, upon recommendation of the reviewing officer, authority to decline loan requests based solely on non-discretionary reasons.

d. For final administrative decisions on appeals based solely on non-discretionary reasons, delegated authority is requested for approval of a hearing officer’s decision by a Senior Vice President, Vice President, Managing Director, Director – HUD Programs, or the Director of Legal Affairs.

e. For matters involving post-closing, specifically: approval of subsequent six-month payment moratoria when needed, changes to principal amortization, and subordination of collateral liens as requested by the Borrower to obtain additional financing or refinancing of existing debt, all without regard to DSCR or LTV ratios, delegated authority to the department manager responsible for servicing the loans [Program Manager – Loan Servicing or Level 4: Director]. Other existing post-closing credit delegations will apply. Post-closing delegated approvals will be reported to Board quarterly.

**Background**

On March 9, 2020, Governor Phil Murphy issued Executive Order 103, declaring a State of Emergency and a Public Health Emergency to ramp up New Jersey’s efforts to contain the spread of COVID-19. Subsequent containment measures were implemented, including restrictions on public gatherings and mandated closing for non-essential businesses, which are only recently starting to be relaxed. While these measures were consistent with similar measures being taken nationally to limit the public’s exposure to COVID-19, our nation’s economy has been adversely impacted. Within New Jersey, small businesses, and residents employed by these businesses, have faced significant economic challenges as businesses have had difficulties meeting payroll obligations and supporting basic operating during this prolonged period of business interruption.

On March 26, 2020, the Members approved the creation of the Small Business Emergency Assistance Loan Program (Phase 1) – an emergency loan program to make low-cost financing available to allow small businesses to cover operating expenses and ensure continuity of operation until the COVID-19 outbreak is controlled to the point where normal operations can resume. This program was funded by $10 million from the Economic Recovery Fund or NJEDA general operating budget, and applications for financing were made publicly beginning April 13, 2020. The response to the program was overwhelming, and by the time the application closed a week later, the Authority received 3,528 applications, representing an estimated $248 million in total funding requested.

Although staff are still in the process of reviewing applications and disbursing funding from Phase 1, the demand for funding based on applications received far outweighs the $10 million total funding pool. As a result, the funding available under Phase 1 will be completely exhausted in the very near future.
In response to the economic challenges being faced by New Jersey small businesses, the Authority is requesting the Members’ approval to create a second phase of this emergency loan program that will make low-cost financing available to help New Jersey small businesses and nonprofit organizations with recovery and reopening efforts as a result of COVID-19. Specifically, the program will assist entities by: preserving the ability to support and maintain workforces as close as possible to pre-outbreak levels, supporting recovery from economic disruption as a result of the pandemic, and helping to increase economic resiliency in preparation for future events which may threaten economic disruption.

**USED A Revolving Loan Fund**

As shared with the Members at the June 9, 2020 meeting, as part of EDA’s CARES Act Recovery Assistance, the United States Economic Development Administration (USED A) invited NJEDA to apply for a supplemental Revolving Loan Fund (RLF) award to help respond to the unusual and compelling urgency of the coronavirus pandemic. The award comprises the RLF of up to $10 million with supporting administration funds of up to $1 million.

Should the USED A approve NJEDA’s application for this additional revolving loan funding, NJEDA will have 30 days to decide to accept and execute a grant agreement. The terms and conditions of the grant agreement are contained in the application and in the Specific Award Conditions, attached here. NJEDA has had successful experience managing USED A RLF moneys since 1976. Regarding this award, the key conditions are: expenditure of funds within two years of the date of the award, use of funds to respond to COVID-19, use of best efforts to implement a program expeditiously, advertising and making technical assistance available as widely as reasonably possible, and preventing duplication of federal benefit. In order to timely respond to USED A if the NJEDA is approved, the Members are asked to approve the acceptance of the award and delegated authority for the Chief Executive Officer to execute the grant agreements on terms consistent with the application and the specific award conditions.

The program that NJEDA staff proposes to present to USED A for the $10 million RLF is the Small Business Emergency Assistance Loan Program – Phase 2 as described herein. To ensure compliance with RLF requirements, the Members are also requested to approve delegated authority for the Chief Executive Officer or any Senior Vice President to impose additional requirements as may be required by law as a condition of accepting USED A Revolving Loan Funding, provided that the requirements are consistent with the parameters of the program.

**Program Details**

The following parameters described below and further highlighted in the attached program specifications detail the Authority’s recommended approach to structuring the second phase of the pilot Small Business Emergency Assistance Loan Program.

Under the Small Business Emergency Assistance Loan Program (Phase 2), small businesses and non-profit organizations in existence and in operation for at least one year prior to the date of application launch, having less than $5 million in annual revenue and a physical commercial
location (not including home business locations) in New Jersey, may be eligible for a direct loan of up to $100,000. The revenue threshold will be measured using financial statements or tax returns of the applicant’s most recent fiscal year. Real estate holding companies and prohibited businesses, as defined in the attached program specifications, are not eligible for financing. Home-based businesses are also not eligible for financing under Phase 2, as the Members recently approved the creation of the Micro Business Loan Program which can better serve these home-based businesses.

Entities that were approved for financing under Phase 1 will be eligible only for an amount that will not exceed $100,000 in the aggregate when the amounts from the two phases are added. Furthermore, there will be an application limit of one application per employer identification number (EIN). Entities with multiple EINs will be permitted to submit one application per EIN, subject to the previously referenced limits on total exposure. Businesses with multiple locations but only one EIN will be limited to one application (under the sole EIN).

Staff is recommending that in addition to the eligibility parameters already stated above, that EDA will apply only Taxation’s requirement to ensure that businesses do not have tax debts due to the State. This could be accomplished, as determined by Taxation, through a certification from the applicant that it does not owe any taxes, subject to immediate repayment if the certification is not correct. Furthermore, the Authority will verify with Taxation that the applicant has no outstanding tax obligations. The applicant must also be registered to do business in New Jersey, and in good standing with the New Jersey Department of Labor and Workforce Development (LWD) at the time of application to be eligible for the loan. The applicant will complete a simplified debarment legal questionnaire, and debarment issues will be reviewed under existing delegated authority, including the delegated authority approved at the time of the Superstorm Sandy programs.

Financing under Phase 2 of the Small Business Emergency Assistance Loan Program can only be used for operating expenses incurred on or after the declared state of emergency (March 9, 2020). This includes inventory, rent/mortgage, payroll, utilities, personal protective equipment, and furniture/fixtures/equipment. For furniture/fixtures/equipment, this must be items needed as a result of the COVID-19 pandemic, and these items cannot require professional installation in excess of $1,999. Operating expenses incurred prior to the declared state of emergency, refinancing of existing debt, personal or non-business obligations or costs incurred by related entities, and furniture/fixtures/equipment requiring professional installation in excess of $1,999 are not eligible uses of the financing under this program.

In recognition of the purpose of the financing and recognizing that entities facing these economic challenges can only benefit from financing that is low-cost and has flexible terms, the Authority has structured these 10-year loans to have the first five years at a fixed interest rate of 0 percent and the remaining five years at the NJEDA’s prevailing interest rate floor (capped at 3.00%), with deferred repayments for 12 months. Staff is requesting delegated authority to provide approval for an additional 6 months of deferral, if needed. The NJEDA’s interest rate floor is fixed, only changed by the EDA per a policy decision, and does not automatically fluctuate based on prevailing market conditions similar to a US Treasury rate.
Entities must be able to show a global debt service coverage ratio of 1.00 in the fiscal year prior to the Governor’s issuance of Executive Order 103 on March 9, 2020. Financial statements provided may be CPA prepared, management prepared, or filed copies of business tax returns.

Unlimited personal guarantees of all adult individuals and entities with any percentage of ownership in for-profit applicants will be required. Personal guarantees will not be applicable for non-profit organizations. The Authority will place liens on business assets only, which will subordinate in lien position to all existing and future senior lenders to provide applicants flexibility should they need to incur additional debt.

As part of the application for a Small Business Emergency Assistance Loan, the applicant’s chief executive officer or equivalent officer must certify that the applying entity:

- Has been negatively impacted by the COVID-19 declared state of emergency (e.g., has been temporarily shut down, has been required to reduce hours, has had at least a 20% drop in revenue, has been materially impacted by employees who cannot work due to the outbreak, or has a supply chain that has materially been disrupted and therefore slowed firm-level production)

- Has a financial need due to being negatively impacted by the COVID-19 declared state of emergency (e.g., does not have significant cash reserves that can support the entity during this period of economic disruption; to support economic resiliency)

The Authority will utilize a similar application process developed for the initial loan program and will make an application available as soon as possible following the development of this application process. The Authority will make its best efforts to publicize an application opening date through information on its website, its social media channels, and outreach to the media and stakeholders to make this information available to the public in advance of the application period opening. Staff anticipates that the application window will be open for a period of no shorter than 1 week and no longer than 3 weeks, but will make that final determination after launch based on application volume and availability of funding.

Staff also recommends that of the total amount of funding available to support Phase 2, $3.5 million of the funding be set aside to support entities that meet all other applicable eligibility criteria and have a commercial business address located (fully or partially) in a census tract that was eligible to be selected as New Jersey Opportunity Zone (i.e. a New Market Tax Credit census tract). There are 715 census tracks that were eligible to be Opportunity Zones in New Jersey. Setting aside a portion of available funding under the Small Business Emergency Assistance Loan Program to support entities in these census tracts further reinforces the State’s commitment to helping to ensure all Opportunity Zone eligible tracts in New Jersey receive opportunities for investment that are equitable and inclusive. Any amount of the $3.5 million set aside that remains after processing all applications from entities in Opportunity Zone eligible census tracks will be returned to the general funding pool.

Within the Opportunity Zone eligible funding set aside and the remainder, priority will be given to applicants that have received no greater than $10,000 of government assistance related to the July 14, 2020 Meeting Board Book - COVID-19 RESPONSE
COVID-19 pandemic, defined as any federal loan, grant or loan guarantee that may have been provided by or issued through any federal and/or governmental entity after March 9, 2020, including but not limited to the U.S. Small Business Administration’s COVID-19 relief programs. This would also include state or local assistance that entities may have received, after March 9, 2020, related to COVID-19, of which the funding source is federal funding (i.e. programs administered by the state or county that are funded through CARES Act).

Should funding remain after reviewing applications from all applicants that have received no greater than $10,000 of government assistance, as defined previously, applications for remaining funding will then be reviewed.

Within the set aside and priority designation, applications will be reviewed on a first-come, first-served basis, based on the date/time in which NJEDA received the application, and processed based on readiness to proceed (i.e. all applications from businesses that are located in eligible OZ census tracts will be reviewed based on the date/time the application is received.)

Due to the financial hardship experienced by the entities that are eligible for this program, there will be no fees associated with the Small Business Emergency Loan Program for the first five years of a loan, including application fees, and then standard modification fees will be charged consistent with the Small Business Fund fee structure in place at the time of board approval for this program.

The attached product specifications further illustrate the program details and minimum eligibility requirements the applicant must meet to be considered for a loan.

In order to process a heavy volume of applications in an expedited manner, and consistent with delegation for other similar loan programs, staff requests delegation to Authority staff (Managing Director – Underwriting and Senior Vice President of Finance and Development or Vice President of Business Operations), upon recommendation of the underwriter, to approve individual applications to the Small Business Emergency Assistance Loan Program (Phase 2), in accordance with the terms set forth in the attached program specifications.

Any applicant that does not meet the minimum eligibility requirements outlined in the program specifications and criteria may be declined for these non-discretionary factors (for example- if a business applies with a FICO score less than 600 or is not in good standing with the Department of Labor) by a Regional Director of Business Development, Managing Director of Business Development, Managing Director of Underwriting, or Senior Vice President based on the recommendation of the reviewing officer. Any declinations based on discretionary factors will be presented to the Board for consideration.

For matters involving post-closing, specifically: approval of subsequent six-month payment moratoria when needed, changes to principal amortization, and subordination of collateral liens as requested by the Borrower to obtain additional financing or refinancing of existing debt, all without regard to DSCR or LTV, staff is requesting delegation to the department manager responsible for servicing the loans (Program Manager – Loan Servicing or Level 4: Director). Other existing post-closing credit delegations will apply. Post-closing delegated approvals will
be reported to Board quarterly.

Businesses whose applications are denied will have the right to appeal. A Hearing Officer will review the application, the appeal, and any other relevant documents or information, and prepare a Final Administrative Decision. For final administrative decisions based solely on non-discretionary reasons, delegated authority is requested for approval of the hearing officer’s decision by a Senior Vice President, Vice President, Managing Director, Director – HUD Programs, or the Director Legal Affairs, after which the appeals process will be complete.

**Recommendation**

Approval is requested for: (1) Acceptance of an award of $11 million ($10 million for a revolving loan fund and $1 million for administrative support) from the USEDA Revolving Loan Fund, if the USEDA approves NJEDA’s application, and delegation to the Chief Executive Officer to execute the required grant agreement on terms consistent with the application and specific award conditions; (2) the creation of the Small Business Emergency Assistance Loan Program (Phase 2) - a pilot program, funded from the USEDA award, to make direct low-cost financing available to help New Jersey small businesses and nonprofit organizations with recovery and reopening efforts as a result of COVID-19; (3) Delegation to Chief Executive Officer or any Senior Vice President to impose additional requirements for the Small Business Emergency Assistance Loan Program (Phase 2) as may be required by law as a condition of accepting USEDA Revolving Loan Funding, provided that the requirements are consistent with the parameters of the program and the terms and conditions of the USEDA award; (4) Delegation to Managing Director – Underwriting and Senior Vice President of Finance and Development or Vice President of Business Operations, upon recommendation of the underwriter, to approve individual applications to the Small Business Emergency Assistance Loan Program (Phase 2) in accordance with the terms set forth in the attached program specifications; (5) Delegation to Regional Director of Business Development, Managing Director of Business Development, Managing Director of Underwriting, or Senior Vice President, upon recommendation of the reviewing officer, authority to decline loan requests based solely on non-discretionary reasons (6) For final administrative decisions based solely on non-discretionary reasons, delegated authority is requested for approval of the hearing officer’s decision by a Senior Vice President, Vice President, Managing Director, Director – HUD Programs, or the Director of Legal Affairs; (7) For matters involving post-closing, specifically: approval of subsequent six-month payment moratoria when needed, changes to principal amortization, and subordination of collateral liens as requested by the Borrower to obtain additional financing or refinancing of existing debt, all without regard to DSCR or LTV ratios, delegated authority to the department manager responsible for servicing the loans (Program Manager – Loan Servicing or Level 4: Director). Other existing post-closing credit delegations will apply. Post-closing delegated approvals will be reported to Board quarterly.
Attachments
Exhibit A – Small Business Emergency Assistance Loan Program (Phase 2) Specifications
### Small Business Emergency Assistance Loan Program – Phase 2
#### Proposed Program Specifications

| **Funding Source** | Up to $10,000,000 – USEDA Revolving Loan Fund (contingent upon USEDA’s approval of NJEDA’s application for this funding)  
$3.5 million of total funding amount will be reserved for businesses located in an eligible NJ Opportunity Zone census tract. |
| **Program Purpose** | To provide low-cost financing to help New Jersey small businesses and nonprofits organizations with recovery and reopening efforts as a result of COVID-19. |
| **Eligible Applicants** | Entities must be in existence and in operation for at least one full year from date of application launch and have $5 million or less in annual revenue (as determined by most recent financial statements). Financial statements provided may be CPA prepared, management prepared, or filed copies of business tax returns.  
The entity must have a physical commercial location in the State of New Jersey (e.g., an office, a physical point of sales, a warehouse, manufacturing facility, etc.). All nonprofits organized under 501(c) of the Internal Revenue Code are also eligible for the program.  
The following entities are not eligible for financing under the program even if otherwise eligible:  
- Home-based businesses  
- Real Estate Holding Companies  
- Prohibited businesses, as defined below  
Prohibited businesses include, but are not limited to: gambling or gaming activities; the conduct or purveyance of “adult” (i.e., pornographic, lewd, prurient, obscene or otherwise similarly disreputable) activities, services, products or materials (including nude or semi-nude performances or the sale of sexual aids or devices); any auction or bankruptcy or fire or “lost-our-lease” or “going-out-of-business” or similar sale; sales by transient merchants, Christmas tree sales or other outdoor storage; any activity constituting a nuisance; or any illegal purposes.  
CEO/equivalent officer of the SME must certify that the firm:  
- Has been negatively impacted by the COVID-19 declared state of emergency on March 9, 2020 (e.g., has been temporarily shut
## Small Business Emergency Assistance Loan Program – Phase 2

### Proposed Program Specifications

- Has been required to reduce hours, has had at least a 20% drop in revenue, has been materially impacted by employees who cannot work due to the outbreak, or has a supply chain that has materially been disrupted and therefore slowed firm-level production.

- Has a financial need due to being negatively impacted by the COVID-19 declared state of emergency (e.g., does not have significant cash reserves that can support the entity during this period of economic disruption; to support economic resiliency.)

Entity must be registered to do business in the State of New Jersey at time of application, and must satisfy Taxation’s requirement to ensure that the entity does not have tax debts due to the State. This could be accomplished, as determined by Taxation, through a certification from the applicant that it doesn't owe any taxes and will be subject to immediate repayment if the certification is not correct. NJEDA will also verify with Taxation that the applicant has no outstanding tax obligations to the State. Entity must be in good standing with the Department of Labor, with all decisions of good standing at the discretion of the Commissioner of the Department of Labor.

To comply with duplication of benefits provisions within the Stafford Act, all applicants will be required to fill out an affidavit identifying all funding sources related to COVID-19, including Small Business Administration loans and grants, forgivable portions of Payroll Protection loans, and Economic Injury Disaster grants. Staff will use this information to ensure that the Small Business Emergency Assistance Grant (funded with federal assistance) is not used for the same purpose, i.e., creating a duplication of benefit.

### Eligible Uses

Financing can only be used for operating expenses incurred on or after the declared state of emergency (March 9, 2020). This includes the following eligible expenses:

- Inventory
- Rent/Mortgage
- Payroll
- Utilities
- Personal protective equipment
### Small Business Emergency Assistance Loan Program – Phase 2
#### Proposed Program Specifications
- Furniture, fixtures or equipment needed as a result of COVID-19, provided it does not require professional installation costs in excess of $1,999.

The following uses are not eligible uses of the Small Business Emergency Assistance Loan Program (Phase 2):
- Operating expenses incurred prior to the declaration of emergency (March 9, 2020)
- Refinancing of existing debt
- Personal, non-business, obligations or costs incurred by related entities
- Construction-related expenses or contracts
- Furniture, fixtures or equipment requiring professional installation costs in excess of $1,999.

### Application Process and Board Approval/Delegated Authority
- Staff anticipates that applications will be open for a period of 1-3 weeks, but will make a final determination after launch based on application volume and availability of funding.
- The $3.5 million of total funding reserved for businesses located in an eligible NJ Opportunity Zone census tract will be allocated back into the general pool if set-aside is not fully utilized following the closure of the application period.
- Within the Opportunity Zone eligible funding set aside and the remainder, priority will be given to applicants that have received no greater than $10,000 of government assistance related to the COVID-19 pandemic, defined as any federal loan, grant or loan guarantee that may have been provided by or issued through any federal and/or governmental entity after March 9, 2020, including but not limited to the U.S. Small Business Administration’s COVID-19 relief programs. This would also include state or local assistance that entities may have received, after March 9, 2020, related to COVID-19, of which the funding source is federal funding (i.e. programs administered by the state or county that are funded through CARES Act). Staff may begin reviewing applications from businesses in eligible NJ Opportunity Zone census tracts prior to the application window closing.
- Should funding remain after reviewing applications from all applicants that have received no greater than $10,000 of government assistance, as defined previously, applications for remaining funding will then be reviewed on a first come-first
Small Business Emergency Assistance Loan Program – Phase 2
Proposed Program Specifications

served basis, based on the date/time in which NJEDA received the application, and processed based on readiness to proceed.

- Upon recommendation of the underwriter, the Managing Director of Underwriting and Senior Vice President of Finance and Development or Vice President of Business Operations will approve projects for assistance under Delegated Authority. Activity will be reported monthly to the NJEDA Board.

- Upon recommendation of the reviewing officer, the Regional Director of Business Development, Managing Director of Business Development, Managing Director of Underwriting, or Senior Vice President will decline projects based solely on non-discretionary reasons.

- Businesses whose applications are declined will have the right to appeal. A Hearing Officer will review the application, the appeal, and any other relevant documents or information, and prepare a Final Administrative Decision. For final administrative decisions based solely on non-discretionary reasons, delegated authority is requested for approval of the hearing officer’s decision by a Senior Vice President, Vice President, Managing Director, Director – HUD Programs, or the Director Legal Affairs, after which the appeals process will be complete.

- Entities applying for a Small Business Emergency Assistance Loan Program – Phase 2 will complete a simplified debarment legal questionnaire, and debarment issues will be reviewed under existing delegated authority, including the delegated authority approved at the time of the Superstorm Sandy programs.

- Approvals for post-closing matters are delegated to the department manager responsible for servicing the loans [i.e. Program Manager – Loan Servicing] or Level 4: Director: specifically, approval of subsequent six-month payment moratoria when needed, changes to principal amortization, and subordination of collateral liens as requested by the Borrower to obtain additional financing or refinancing of existing debt, all without regard to DSCR or LTV ratios. Other existing post-closing credit delegations will apply. Post-closing delegated approvals will be reported to Board quarterly.

| Loan Amounts | • Up to $100,000 direct loan |
### Small Business Emergency Assistance Loan Program – Phase 2
#### Proposed Program Specifications

- Entities that were approved for financing under Phase 1 will be eligible only for an amount that will not exceed $100,000 in the aggregate when the amounts from the two phases are added.
- Application limit of one application per employer identification number (EIN). Entities with multiple EINs will be permitted to submit one application per EIN, subject to the previously referenced limits on total exposure. Businesses with multiple locations but only one EIN will be limited to one application (under the sole EIN).

### Rates & Terms

- Term/Amortization: Up to 10 years
- Interest Rate: 0% fixed for first 5 years, NJEDA prevailing floor rate (capped at 3.00%) at the time of the rate reset for remaining five years.
- Deferred principal payments for 12 months, with a delegated approval for an additional 6 months, if needed.

### Underwriting Criteria

- Minimum Credit Score: 600 FICO for at least one guarantor.
- Minimum Global Debt Service Coverage Ratio (GDSCR) of 1.00x based on financial statements in the year prior to the declaration of emergency related to the COVID-19 outbreak (March 9, 2020).

### Lien/Collateral/Security

- EDA will place lien on business assets only. EDA lien will subordinate in lien position to all existing and future senior lenders.
- Guarantors: Unlimited personal guarantees for all adult individuals or entities with ownership in for-profit applicants and related entities, regardless of ownership percentage, will be required. This requirement does not apply for not-for-profit organizations.

### Fees

- Due to the financial hardship experienced by the entities that are eligible for this program, there will be no fees associated with the Small Business Emergency Loan Program for the first five years of a loan, including application fees, and then standard modification fees will be charged consistent with the Small
| Small Business Emergency Assistance Loan Program – Phase 2  
Proposed Program Specifications |
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<td>Business Fund fee structure in place at the time of board approval for this program.</td>
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MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: July 14, 2020

SUBJECT: Proposed Rule Amendments – Due Diligence/Third Party Analyses
N.J.A.C. 19:30-6.1 and 6.4; and 19:31-4.5, 8.14, 9.6, 10.12, 11.13, 14.14, 15.7, 16.11, 18.6, 19.5, and 20.6

Request

The Members are requested to approve proposed rule amendments to revise and extend, to all programs, the existing provision that an applicant shall reimburse the NJEDA for the actual direct costs of due diligence, including but not limited to debarment/disqualification review, or other analyses by a third party retained by the Authority in connection with an initial application, annual certification or modification request; and, to authorize staff to submit the proposed rule amendments for promulgation in the New Jersey Register, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law (OAL).

Background

The NJEDA offers a large portfolio of programs and services as part the Authority’s mission to advance economic development in the State of New Jersey. These include various loan, bond and grant programs, as well as legacy tax incentive programs. As an instrumentality of the State and in accordance with Executive Order 34 (Byrne 1976), the Authority has the right to insist that persons (businesses or individuals) applying for or receiving any type of financial assistance demonstrate and maintain the highest standards of responsibility and moral integrity. Persons applying for or receiving financial assistance are subject to the Authority’s Disqualification/Debarment Regulations (the “Regulations”), which are set forth in N.J.A.C. 19:30-2.1, et seq. Each applicant is required to complete a Legal Questionnaire answering certain background questions pertaining to litigation and misconduct that can lead to disqualification from eligibility under the Regulations. The Authority performs due diligence to confirm the applicant’s program eligibility and responsibility: upon initial application, upon certification, modification, and in connection with annual updated reviews; and specifically, verifies information provided by the person in response to the Legal Questionnaire. If the person discloses information that could be grounds for disqualification, or if due diligence reveals such information, then Board approval may be required – either to disqualify or suspend the business or to determine that there are mitigating factors rendering disqualification inappropriate under the circumstances.
Historically, these reviews were done by staff and applicants were not charged. In 2019, the Authority contracted with an investigatory consultant to assist. Sometimes due diligence is performed entirely by NJEDA staff. At other times, the Authority utilizes the services of a third-party consultant to assist with this process.

Staff are proposing amendments to our existing rules to permit the Authority to seek to charge applicants for the costs of any third party due diligence. The proposed amendments establish, for all programs, that applicants for NJEDA assistance shall pay to the Authority the full amount of direct costs of due diligence, including but not limited to debarment/disqualification reviews, or other analyses by a third party retained by the Authority, if deemed to be necessary.

Currently, the requirement that a developer shall pay the full of amount of direct costs at application of an analysis by a third party retained by the NJEDA has been established for specific programs, including, the Real Estate Impact Fund, Brownfields Loan Program, Economic Redevelopment and Growth (ERG) Program, Urban Transit Hub Tax Credit (UTHTC) Program, Grow New Jersey Assistance (Grow NJ) Program, and Offshore Wind Economic Development Tax Credit Program.

The proposed amendments therefore, extend the provision to include certain due diligence performed by a third party, as well as any other analyses, for all NJEDA programs and for all applications and requests. Once adopted, these amended rules will permit the Authority to charge for the costs of any third party expenses related to due diligence, including but not limited to debarment/disqualification reviews, or other analyses by a third party retained by the Authority.

**Recommendation**

The Members approve the proposed amendments and authorize staff to submit the proposed amendments for promulgation in the New Jersey Register, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law (OAL).

Prepared By: Christine Baker/Jacob Genovay

- Attachment – Proposed Amendments: N.J.A.C. 19:30-6.1 and 6.4; and 19:31-4.5, 8.14, 9.6, 10.12, 11.13, 14.14, 15.7, 16.11, 18.6, 19.5, and 20.6
OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Administrative Rules; Fees

Authority Assistance Programs; Economic Redevelopment and Growth Program; Hazardous Discharge Site Remediation Fund; Urban Transit Hub Tax Credit Program; Business Employment Incentive Program; Petroleum Underground Storage Tank Remediation, Upgrade, and Closure Fund; Business Retention and Relocation Assistance Grant Program; Tax Credit Certificate Transfer Program; Sales and Use Tax Exemption Program; Grow New Jersey Assistance Program; Angel Investor Tax Credit Program; and Offshore Wind Economic Development Tax Credit Program

Proposed Amendments: N.J.A.C. 19:30-6.1 and 6.4; and 19:31-4.5, 8.14, 9.6, 10.12, 11.13, 14.14, 15.7, 16.11, 18.6, 19.5, and 20.6

Authorized By: New Jersey Economic Development Authority, Tim Sullivan, Chief Executive Officer.

Authority: N.J.S.A. 34:1B-1 et seq.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2020- .

Submit written comments by November 7, 2020:

Jacob Genovay, Senior Legislative and Regulatory Officer
New Jersey Economic Development Authority
PO Box 990
Trenton, NJ 08625-0990
jgenovay@njeda.com

The agency proposal follows:

Summary

The New Jersey Economic Development Authority (“EDA” or “Authority”) is proposing to amend its rules to establish for all programs that an applicant shall pay to the Authority the full amount of direct costs of due diligence or other analyses by a third party retained by the Authority, if the Authority deems such retention to be necessary.
Currently, the requirement that a developer shall pay the full amount of direct costs of an analysis by a third party retained by the EDA has been established for specific programs, particularly, the Economic Redevelopment and Growth (ERG) Program at N.J.A.C. 19:31-4.5(b), Urban Transit Hub Tax Credit (UTHTC) Program at N.J.A.C. 19:31-9.6(b), Grow New Jersey Assistance (Grow NJ) Program at 19:31-18.6(b), Offshore Wind Economic Development Tax Credit Program at N.J.A.C. 19:31-20.6(b), and Real Estate Impact Fund and Brownfields Loan Program at N.J.A.C. 19:30-6.1(a)4 and 5 respectively.

The Authority has performed due diligence, including its own debarment/disqualification review, on all companies applying for financial assistance in the past. However, to better ensure that financial assistance is awarded to applicants that are both eligible and responsible and will deliver the economic benefits that the various programs were created to achieve, the Authority has expanded the level of due diligence completed for each company applying for financial assistance and at times utilizes third party consultants for that purpose. The amendments, under proposed new N.J.A.C. 19:30-6.1(e), will require applicants to pay the full amount of direct costs of third party analyses, including debarment/disqualification reviews, as well as any other analyses for all EDA programs not otherwise provided for in existing rules. This means that if the Authority utilizes the services of a third party to perform due diligence or investigate the eligibility or responsibility of an applicant for or recipient of financial assistance from the Authority (including tax incentives), the Authority will require the applicant or recipient to reimburse it for those costs.

Accordingly, the amendments delete the provisions pertaining to the Real Estate Impact Fund at N.J.A.C. 19:30-6.1(a)4 and the Brownfields Loan Program at N.J.A.C. 19:30-6.1(a)5, as each would be included under new N.J.A.C. 19:30-6.1(e). The proposed new N.J.A.C. 19:30-6.4(a)10 will require that the full amount of direct costs for due diligence, including but not limited to Authority debarment/disqualification reviews, or other analyses by a third party retained by the Authority, be paid in post-closing.

In the Economic Redevelopment and Growth (ERG) Program at N.J.A.C. 19:31-4.5(b), Urban Transit Hub Tax Credit (UTHTC) Program at N.J.A.C. 19:31-9.6(b), Grow New Jersey Assistance (Grow NJ) Program at 19:31-18.6(b), and Offshore Wind Economic Development Tax Credit Program at N.J.A.C. 19:31-20.6(b), the change is accomplished by deleting the terms “[i]n addition to the application fee(s)” and replacing the term “an analysis” with “due diligence, including but not limited to debarment/disqualification reviews, or other analyses” by a third party retained by the Authority, if the Authority deems such retention to be necessary.

Finally, the proposed amendments apply the modification to the following remaining EDA programs by adding a new provision that requires the applicant to pay the full amount of direct costs for due diligence reviews or other analyses by a third party retained by the Authority: Hazardous Discharge Site Remediation Program at proposed new N.J.A.C. 19:31-8.14 (b), Business Employment Incentive Program at proposed new N.J.A.C. 19:31-10.12(i), Petroleum Underground Storage Tank Remediation, Upgrade, and Closure Fund at proposed new N.J.A.C. 19:31-11.13(d), Business Retention and Relocation Assistance Grant Program at proposed new N.J.A.C. 19:31-14.14(e); Tax Credit Certificate Transfer Program at proposed new N.J.A.C.
19:31-15.7(c), Sales and Use Tax Exemption Program at proposed new N.J.A.C. 19:31-16.11(d), and Angel Investor Tax Credit Program at proposed new N.J.A.C. 19:31-19.5(e).

As the Authority has provided a 60-day comment period in this notice proposal, this notice is excepted from the rulemaking calendar requirement, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

In providing a financial means through which to pay for third party analyses, the proposed amendments will enable the EDA to better promote economic development by ensuring that financial assistance is awarded to eligible and responsible applicants who will deliver the economic benefits that the various programs were created to achieve.

Economic Impact

The proposed amendments, which require a fee based on the amount of review needed for any due diligence or analyses by a third party, may have a positive economic impact resulting from greater transparency and oversight of financial assistance provided through the EDA. Under the current process, the applicant is informed of the fee prior to the third party review or analysis, and the applicant decides whether to proceed with the application and the required review or analysis or withdraw prior to incurring the fee.

Federal Standards Statement

A Federal standards analysis is not required because the proposed amendments are not subject to any Federal requirements or standards.

Jobs Impact

The proposed amendments, which require a fee for any due diligence or analyses by a third party, are not intended to create jobs directly. While third party entities will be employed and paid through these fees, the purpose of the fees is to support the appropriate level of due diligence to ensure that eligible and responsible entities receive the financial assistance and incentives pursuant to programs that support the creation and retention of jobs in New Jersey.

Agriculture Industry Impact

The proposed amendments will not have any impact on the agriculture industry of this State.

Regulatory Flexibility Statement

The proposed amendments do not impose reporting, recordkeeping, or other compliance requirements on small business, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., because the ERG Program, UTHTC Program, Grow NJ Program, and Offshore Wind Economic Development Tax Credit Program provides tax credits to businesses making major
capital investments and employing large numbers of new or retained full-time employees. Therefore, a regulatory flexibility analysis is not required. In addition, where the proposed amendments apply to other programs, any costs due to reporting, recordkeeping, or other compliance requirements will be fully offset by the amount of financial assistance received; and, will not require professional services contracts or result in any major additional costs to apply.

**Housing Affordability Impact Analysis**

The proposed amendments, which require a fee for any due diligence or analyses by a third party, will not increase the number of housing units, particularly multi-family rental housing and for-sale housing, in qualifying projects and redevelopment projects including residential development and mixed-use projects including residential space. Any related effect on the affordability or average cost of housing in the State cannot be estimated, because the actual development which may be eligible and proposed for assistance is not known; however, it is anticipated that any impact will be negligible.

**Smart Growth Development Impact Analysis**

The proposed amendments, which require a fee for any due diligence or analyses by a third party, will not impact the number of housing units. Any related increase or decrease in the average cost of housing in Planning Areas 1 or 2, or in designated centers, under the State Development and Redevelopment Plan cannot be estimated, because the actual development which may be eligible and proposed for assistance is not known; however, it is anticipated that any impact will be negligible.

**Racial and Ethnic Community Criminal Justice and Public Safety Impact**

The proposed amendments will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning juveniles and adults in the State.

Full text of the proposal follows (additions indicated in boldface thus; deletions indicated in brackets [thus]):

SUBCHAPTER 6. FEES

19:30-6.1 Application fee

(a) Except as set forth in (c) and (d) below, a non-refundable fee of $1,000 shall accompany every application for Authority assistance, except for:

1.-3. (No change.)

4. An application for assistance under the Real Estate Impact Fund, for which the fee is $2,500[; and the full amount of direct costs of any analysis by a third-party retained by the Authority, if the Authority deems such retention to be necessary, shall be paid]; and
5. An application for assistance under the Brownfields Loan Program, for which the fee is $2,500; and the full amount of direct costs of any analysis by a third-party retained by the Authority, if the Authority deems such retention to be necessary, shall be paid by the applicant prior to the Authority's decision on the application.

(b)-(c) No change.

(d) For applicants filing application(s) for Authority assistance within 12 months of closing a previous financing, a non-refundable application fee in an amount equaling 50 percent of the regular application fee shall be paid[.]; and

(e) In addition to the application fee in (a) above, an applicant shall pay to the Authority the full amount of direct costs of due diligence, including but not limited to debarment/disqualification reviews, or other analyses by a third party retained by the Authority, if the Authority deems such retention to be necessary.

19:30-6.4 Post-closing fees

(a) The fees in this section are due and payable upon closing of the bond amendment, approval of change of ownership, or signing of modification consent, waiver, or similar documents.

1.-9. (No change.)

10. For due diligence, including but not limited to debarment/disqualification reviews, or other analyses by a third party retained by the Authority, if the Authority deems such retention to be necessary, the full amount of direct costs shall be charged.

(b) - (d) (No change.)

SUBCHAPTER 4. ECONOMIC REDEVELOPMENT AND GROWTH PROGRAM

19:31-4.5 Fees

(a) A developer applying for benefits under this program shall submit a one-time non-refundable application fee of $5,000, with payment in the form of a check, payable to the "New Jersey Economic Development Authority."

(b) [In addition to the application fee in (a) above, a] A business shall pay to the Authority the full amount of direct costs of [an analysis] due diligence, including but not limited to debarment/disqualification reviews, or other analyses by a third party retained by the Authority, if the Authority deems such retention to be necessary.

(c) - (j) (No change.)

SUBCHAPTER 8. HAZARDOUS DISCHARGE SITE REMEDIATION FUND
19:31-8.14 Fees

(a) Application fees shall be charged as follows:

1.-2 (No change.)

(b) An applicant shall pay to the Authority the full amount of direct costs of due diligence, including but not limited to debarment/disqualification reviews, or other analyses by a third party retained by the Authority, if the Authority deems such retention to be necessary.

Revise existing (b) to (c) (No change in text.)

SUBCHAPTER 9. URBAN TRANSIT HUB TAX CREDIT PROGRAM

19:31-9.6 Application and servicing fees

(a) A business applying for benefits under this program shall submit the following one-time non-refundable application fee, with payment in the form of a check, payable to the "New Jersey Economic Development Authority":

1.-3. (No change.)

(b) [In addition to the application fees in (a)1, 2 and 3 above, for] For a qualified business facility, a business shall pay to the Authority the full amount of direct costs of [an analysis] due diligence, including but not limited to debarment/disqualification reviews, or other analyses by a third party retained by the Authority, if the Authority deems such retention to be necessary.

(c) – (g) (No change.)

SUBCHAPTER 10. BUSINESS EMPLOYMENT INCENTIVE PROGRAM

19:31-10.12 Fees

(a)-(h)

(i) The full amount shall be paid of direct costs of due diligence, including but not limited to debarment/disqualification reviews, or other analyses by a third-party retained by the Authority, if the Authority deems such retention to be necessary.

SUBCHAPTER 11. PETROLEUM UNDERGROUND STORAGE TANK REMEDIATION, UPGRADE, AND CLOSURE FUND

19:31-11.13 Fees
(a)-(c) (No change.)

(d) The full amount shall be charged of direct costs of due diligence, including but not limited to debarment/disqualification reviews, or other analyses by a third-party retained by the Authority, if the Authority deems such retention to be necessary.

SUBCHAPTER 14. BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT PROGRAM

19:31-14.14 Fees

(a)-(d) (No change.)

(e) The full amount shall be paid of direct costs of due diligence, including but not limited to debarment/disqualification reviews, or other analyses by a third-party retained by the Authority, if the Authority deems such retention to be necessary.

SUBCHAPTER 15. TAX CREDIT CERTIFICATE TRANSFER PROGRAM

19:31-15.7 Fees

(a)-(b) (No change.)

(c) The full amount shall be paid of direct costs of due diligence, including but not limited to debarment/disqualification reviews, or other analyses by a third-party retained by the Authority, if the Authority deems such retention to be necessary.

SUBCHAPTER 16. SALES AND USE TAX EXEMPTION PROGRAM

19:31-16.11 Fees

(a)-(c)

(d) The full amount shall be paid of direct costs of due diligence, including but not limited to debarment/disqualification reviews, or other analyses by a third-party retained by the Authority, if the Authority deems such retention to be necessary.

SUBCHAPTER 18. GROW NEW JERSEY ASSISTANCE PROGRAM

19:31-18.6 Fees

(a) (No change.)

(b) [In addition to the application fee in (a) above, a] A business shall pay to the Authority the full amount of direct costs of [an analysis] due diligence, including but not limited to
debarment/disqualification reviews, or other analyses by a third party retained by the Authority, if the Authority deems such retention to be necessary.

(c) - (i) No change.

SUBCHAPTER 19. ANGEL INVESTOR TAX CREDIT PROGRAM

19:31-19.5 Fees

(a)-(d) (No change.)

(e) The full amount shall be paid of direct costs of due diligence, including but not limited to debarment/disqualification reviews, or other analyses by a third-party retained by the Authority, if the Authority deems such retention to be necessary.

SUBCHAPTER 20. OFFSHORE WIND ECONOMIC DEVELOPMENT TAX CREDIT PROGRAM

19:31-20.6 Application and servicing fees

(a) A business applying for benefits under the Program shall submit a one-time non-refundable application fee of $5,000, with payment in the form of a check, payable to the "New Jersey Economic Development Authority."

(b) [In addition to the application fee in (a) above, a] A business shall pay to the Authority, the full amount of direct costs of [an analysis] due diligence, including but not limited to debarment/disqualification reviews, or other analyses by a third-party retained by the Authority, if the Authority deems such retention to be necessary.

(c) - (g) (No change.)
MEMORANDUM

TO: Members of the Authority
FROM: Timothy Sullivan,
Chief Executive Officer
DATE: July 14, 2020
RE: NJ Accelerate Program Update

Background
On January 16, 2020, the NJEDA Board approved the creation of a pilot program to support engagement by best-in-class Approved Accelerators from across the country, and Approved Accelerator program graduate businesses, active in key sectors of New Jersey’s innovation economy.

NJ Accelerate was allocated a $2.5 million program budget to support three components:
1. sponsorship dollars to Approved Accelerators to host events in New Jersey;
2. rent subsidies at NJ Ignite locations (no facility match required) to qualifying Approved Accelerator graduates, and;
3. seed funding in the form of convertible notes provided directly to the Approved Accelerator graduate companies.

NJ Accelerate will seek to collaborate with accelerators to encourage the increased participation of New Jersey entrepreneurs in high quality accelerator programs and, thereby, increase the chances of successfully growing more young, innovative companies in the State. The purpose of the company support under the program is to anchor an entrepreneur in NJ who has received an investment of time and resources from a reputable Approved Accelerator partner. Graduates from Approved Accelerators that choose to locate their businesses in New Jersey post-graduation will be considered for free rent from the NJEDA at any NJ Ignite facility, as well as, low-cost/low-dilution loan funding, provided they meet program eligibility conditions. In support of approved Ignite workspace partners, approved workspaces need not forgo rent payments if accepting NJ Accelerate graduates within the latter of 6 months of graduation or departure from the Approved Accelerator program. Companies have up to 6 months following graduation to meet eligibility criteria to access NJ Accelerate loan funding. The amount of funding is matched to investment received from Approved Accelerators, and that from other investors, concurrently, on a $1 to $1 basis. The maximum amount of direct loan funding from an NJ Accelerate note is $250,000.
The Accelerator application process is live. EDA has already begun review of Approved Accelerator applications. Consideration of sponsorship requests, and applications from Approved Accelerator graduate companies for consideration of both rent and loan support approval under the NJ Accelerate program will commence soon.

Request
At this time, staff is requesting approval for nine programmatic clarifications, as outlined below. In addition, in light of the effect resulting from the Covid-19 pandemic, delegation is requested to waive, as necessary, the requirement for a physical meeting for the Approved Accelerators.

1. **Program Timeline (detail refinement):** The request here is to specify the NJ Accelerate program will deploy capital on a two-year timeline from the date of first Approved Accelerator graduate company direct loan or rent funding disbursement. EDA staff will report to the board on program status 1-year from the date of the first Approved Accelerator graduate company direct loan or rent funding disbursement.

2. **Event Sponsorship Inclusions (detail refinement):** As detailed in the original NJ Accelerate program memo, the program will provide sponsorship dollars to Approved Accelerators of up to $100,000 per accelerator across the duration of the 2-year NJ Accelerate pilot program timeline, at a rate of 50% not to exceed $25,000 per event (with potential for a 5% bonus for Approved Accelerators that demonstrate meaningful written policies and practices for attracting and promoting companies owned by women and minority persons, as defined by the NJ Department of the Treasury for purposes of the MBE/WBE certification). Sponsorship is expected to include the following role and participation for the NJEDA, but is not, necessarily, limited to:

   a. **Speaking role**
      i. Keynote, welcome, panel participant
   b. **Inclusion in Marketing materials**
      i. Press releases
      ii. Program book
      iii. Social Media
      iv. Email blasts
      v. Logo on all event materials
   c. **Website**
      i. Logo with link
   d. **Exhibit table (when applicable)**
   e. **Complimentary Registrations for event**
   f. **Post Event**
      i. Attendee list with contact information

3. **Clarification on NJ Accelerate Loan Security (detail refinement):** For the avoidance of doubt, as the NJ Accelerate program approval memo is silent with respect to collateral, loans under the NJ Accelerate Program are unsecured.
4. **Clarification of risk rating (detail refinement):** The Authority accounts for its potential loss exposure through the use of risk ratings. The NJ Accelerate Loan support shall carry a risk rating of E5, “Technology Fully Reserved Risk”, which aligns with that of the NJ CoVest program risk rating. EDA will reserve 100% against them.

5. **Form of matching investment (detail refinement):** The EDA 1:1 matching convertible note investment (see initial program approval memo) may be offered to eligible Approved Accelerator Graduates matching any form of financial investment (i.e. equity, convertible note, SAFE) or grant issued by the Approved Accelerator. Warrants received by the EDA will match the pricing on the Approved Accelerator partner’s investment. In the event the NJEDA is matching a grant, or an investment other than a priced round, penny warrants will be taken.

6. **Annual Approved Accelerator Audit (new condition):** To ensure Approved Accelerators continue to meet eligibility criteria, Accelerators are required to certify on an annual basis:
   a. High prior participant satisfaction: as verified by either online testimonials or reference details;
   b. A proven and documented or certified track record of success in prior graduates demonstrated in at least meeting a market rate proportion of graduates that have received follow-on funding from non-related parties, seeing strategic acquisition, significant (50%+) revenue growth in the last year or achieve an exit.

7. **Program Fees (new condition):** Proposed program fees, which were not itemized at time of program approval, will be applicable to the direct loan funding component for Approved Accelerator graduate companies. The fees will replicate those of the existing NJ CoVest program for consistency:
   a. Application Fee: $500
   b. Commitment Extension Fee: $750
   c. Modification (Minor) Fee: $250
   d. Modification (Major) Fee: $1000.

8. **Additional graduate company eligibility requirements for direct loan consideration (new condition):** 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. A founder is a C-level or senior management executive with equity ownership in the business. This condition aligns with a requirement of the existing NJ CoVest Loan program, which also requires, at the time of loan closing, the Borrower must have a minimum of two (2) founders/employees devoting 100% of their professional time to the Borrower. A founder must be a C-level or senior management executive with equity ownership in the business.
9. **Delegation to waive the physical meeting requirement otherwise necessary to qualify an Approved Accelerator (Covid19 update)**: As a result of the COVID-19 Pandemic, the Governor issued a stay at home order on March 21, 2020, moreover, as a result of the social distancing guidelines put into place across the country, accelerators have shifted to virtual programs. This effect will remain for an indeterminate amount of time, but is, so far, nearly universal among accelerators. Beginning in July 2003 the Members of the Authority have been asked to delegate signing authority to staff on certain financing and incentive transactions, to create efficiencies for our customers and provide fluidity to our business. Staff has seen, as may be expected in the current environment, the shift by several accelerators, which have historically featured a physical component, to a completely virtual program. This function at this time is exceptional and will have a lasting impact on all those accelerators and companies that cannot benefit from an in-person experience. Staff is requesting delegation from the Board to allow a waiver of the physical meeting requirement, otherwise, necessary to qualify an Approved Accelerator when all other program criteria outlined in the NJ Accelerate Board Approval memo (attached) are satisfactorily met. Upon submission of the accelerator’s request for virtual consideration, based on the physical location of the accelerator, the waiver will be conditional on the status of social distancing measures in force within that location (acknowledging applicant accelerators could be located in states outside of New Jersey).

**Recommendation**

The Members are requested to approve the clarifications and new conditions listed above to the NJ Accelerate Program to sufficiently enhance the transparency and efficiency of the NJ Accelerate program consistent with EDA standards. Additionally, Members are requested to delegate to staff the authority to waive the physical meeting requirement otherwise necessary to qualify an Approved Accelerator conditional on the status of social distancing measures in force within the Accelerator’s physical location.

Signed: Timothy Sullivan
Chief Executive Officer

Prepared by: Meera Kumar
Timothy B. Rollender
WHEREAS, the Members of the New Jersey Economic Development Authority have been presented with and considered a Memorandum and attachment, in the forms attached hereto; and

WHEREAS, the Memorandum and attachment requested the Members to adopt a resolution authorizing certain actions by the New Jersey Economic Development Authority, as outlined and explained in said Memorandum.

NOW, THEREFORE, BE IT RESOLVED by the Members of the New Jersey Economic Development Authority as follows:

1. The actions set forth in the Memorandum and attachment, attached hereto, are hereby approved, subject to any conditions set forth as such in said Memorandum.

2. The Memorandum and attachment, attached hereto, is hereby incorporated and made a part of this resolution as though set forth at length herein.

3. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10-day period the Governor shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

DATED: July 14, 2020

EXHIBIT
MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: July 14, 2020
SUBJECT: NJ Ignite Program Update Clarification

Summary

In April 2020, the NJEDA Board approved a series of clarifications and updates to the NJ Ignite program, along with specific modifications to support those previously approved workspaces and businesses affected through the Covid19 pandemic. The approval consisted of the following:

1. Clarification to the Definition of an Eligible Member/tenant Company
2. Clarification to Collaborative Workspace Definition
3. Expansion on the definition of an eligible company
4. Grant Period Suspension
5. Authorize Grant Amendment for EDA Grant Disbursement
6. Eliminate Collaborative Workspace Rent Commitment through December 31, 2020
7. Method of Convening Community Events.

These updates offer clarity and provide meaningful relief for existing NJ Ignite approved workspaces and tenants alike.

Early this year, most approved NJ Ignite facilities had limited or shut operations on March 25, 2020 to quell the Covid19 outbreak in concert with the implementation of Executive Order 103 (“OE 103”). Many workspaces have been unable to accept new tenants, generally, including those that might otherwise have benefitted from the NJ Ignite program. The Governor lifted the stay at home order on June 9, 2020. At this time, NJ Ignite approved workspaces look to resume operations in alignment with the State Reopening Plan. They can once again begin to accept new tenants at limited capacity if they were unable to do for the past few months. As a consequence of the prior months’
circumstances, the Members are asked to approve two additional programmatic responses in the NJ Ignite program that will help workspaces and tenants bridge this recent gap in lost time. This approval will preserve the opportunity to support workspaces and recruit tenants that may have, otherwise, been lost were it not for NJ Ignite.

**Requests**

1. In order to accommodate the workspaces and preserve eligibility for tenants that surpassed the program age limitation during the recent period in which facilities were shuttered (March 21, 2020 – June 9, 2020) staff is requesting Board approval to extend eligibility for, otherwise, eligible NJ Ignite applications from workspaces (approved before July 14, 2020) for the benefit of Member/tenant Companies, if age related eligibility (3 years from the earliest date of tenant formation measured at time of application submission) expired in the period of March 21, 2020 – July 14, 2020, for the next 96 days (October 20, 2020). This consideration is requested to support those businesses that lost the opportunity to benefit from this program during the period denoted from March 21, 2020 through June 9, 2020, at which time NJ’s stay-at-home order was lifted.

2. Item 6 in the Summary above (excerpted below) was approved by the Board on April 14, 2020. The approval offers specific benefits to all workspaces approved under the NJ Ignite program through April 14, 2020. Given the evolving situation commanded by the resolutions to the Covid19 epidemic, staff seeks to expand the request for approval to eliminate the collaborative workspace rent commitment through December 31, 2020 for all approved NJ Ignite workspaces – in addition to those approved prior to April 14, 2020.

   a. **Eliminate Collaborative Workspace Rent Commitment through December 31, 2020:**
      Staff recommends elimination of the workspace matching component through year end 2020 for the sites approved for program participation as of the approval of this memo, April 14, 2020, as an emergency relief effort for these workspaces which are severely impacted by Covid19. Workspaces already approved to participate in the NJ Ignite program have been strong partners for the EDA over the last 18 months. Their commitment has been a catalyst for NJ Ignite. However, the conditions under which the existing workspaces committed to the program requirements have been significantly disrupted due to clearly unforeseen circumstances. This change seeks to mitigate some of the changed conditions. Until 12/31/2020, EDA will provide grants to workspaces for the benefit of eligible members/tenants on a 1:1 basis with member/tenants for the duration of the membership/lease period, subject to the $15,000 maximum grant per company, and $150,000 per workspace EDA grant cap. At the option of the workspace, EDA will provide the grant subsidy for the prescribed number of months at the beginning of the lease, followed by the matching payment by the tenant. These funds would come available to the workspaces under the condition the workspaces and members/tenants will subsequently verify they have met their commitments. At the conclusion of the member lease period, workspaces that cannot verify member/tenant commitments were met in the balance of the grant period will be subject to a clawback of grant funds. As in the original program design, the EDA will provide the grant for no more than 6 months. This new front-loaded EDA
grant will be a mechanism of support for both the entrepreneur and the collaborative workspace, both of which have been negatively impacted by Covid19.

With consideration that we are already progressed more than halfway through the calendar year, staff anticipates only a limited number of workspaces will be approved to join the existing 21 workspaces before 12/31/20. For context, subsequent to the April Board approval, staff approved two more workspaces as NJ Ignite facilities: Equal Space, located in Newark (approved 5/14/20) and Mission 50, located in Hoboken (approved 5/20/20). However, the addition of each new space to the approved list will still expand capacity for new tenants that may benefit from the NJ Ignite program, enabling more companies to occupy more collaborative workspaces. Ideally, the expanded incentive to the pool of approved spaces will offset the capacity constraints at each individual facility as a response to Covid19. The NJ Ignite program has a programmatic budget of $500,000. To date, staff has approved approximately $85,000 of grant funding since program inception in 2018. Ultimately, with this change staff expects to maintain an even pace of tenant approvals through year end, consistent with that pacing of applications processed prior to the Covid19 epidemic, despite the capacity constraints at each individual facility.

**Recommendation**

Approval is requested to: 1. revise the NJ Ignite program rule imposing deadlines in recognition of Covid19 and related remediation efforts; and 2. expand additional support to collaborative workspaces accepted into the program subsequent to April 14, 2020, as well as those approved prior to this date. Approval of this request will help support early-stage businesses and collaborative workspaces in NJ at a critical time.

Tim Sullivan, CEO

Prepared by: Timothy B. Rollender
MEMORANDUM

To: Members of the Authority

From: Tim Sullivan

Date: July 14, 2020

Subject: Newark Venture Partners II LP

Request
Approval is requested to make a limited partnership investment in Newark Venture Partners II, LP for an amount equal to 5% of the total committed fund size up to a maximum of $5 million. Funding for the investment would come from the Economic Recovery Fund (ERF).

Background
Newark Venture Partners II, L.P. (“NVP II” or the “Fund”) a Delaware limited partnership, was formed in 2019 with the investment objective of long-term appreciation generated through investments in early stage companies. The funds’ target companies operate in the business to business (B2B) software industry. The targeted fund size is $100 million. The first, initial closing for NVP II was held in January 2020. The final closing can be no later than 12 months after this first and is therefore January 2021. According to the Limited Partnership Agreement, limited partners admitted after the initial closing will be required to contribute, at their respective closing, their proportionate share of prior capital contributions as if they had been admitted as of the initial closing plus the prime rate interest on the sum of such prior capital contributions. This is a standard clause in the venture investment industry. NVP II will have a ten-year fund life beginning on the initial closing date, January 21, 2020. The Fund allows up to two, one-year extensions at the discretion of the General Partner.

NVP II is the second fund for Newark Venture Partners (NVP), a Newark, NJ based venture capital firm. NVP launched its first fund in 2015 with $44.17 million in committed funding. The EDA committed $1.097 million to this first fund. Newark Venture Partners makes investments in early stage technology companies as well as running a tech accelerator, NVP Labs. Since its founding, NVP Labs has held eight cohorts (or accelerator classes) and made investments in 60 companies that participated in the NVP Labs accelerator program. NVP also made direct investments in 14
companies which did not participate in the accelerator program in this first fund. The accelerator program will continue during the second fund and will target the same amount of participating companies. Additionally, NVP II estimates they will make 35 direct investments.

Newark Venture Partners leverages their Limited Partner relationships, which include top corporate investors such as Audible (An Amazon Company) and RWJBarnabas, to source potential investments and add value to portfolio companies. NVP II will continue to be managed by the existing partners - Tom Wisniewski and Dan Borok. The two have worked together at Newark Venture Partners since 2016. They are supported by a team of 7 experienced investment and operations professionals. Joanne Lin is third member of the investment team. The NVP Labs accelerator program is run by Allison Williams. Dan Crain is an Operating Partner advising portfolio companies.

The NVP team is deeply involved in New Jersey, including participation in the EDA’s NJ Founders and Funders program. Dan Borok is a Board Member of NJBIA, the largest trade group in NJ. Tom Wisniewski is a committee member at NJPAC. Joanne Lin represents NVP on EDA’s Technical Advisory Board. Allison Williams is Board member of the NJ All Stars project, a non-profit focused on helping underprivileged high school students get corporate work experience. The firm also holds demo days for each accelerator program cohort that bring together more than 250 members of the NJ technology community at the Audible cathedral in Newark.

The EDA has a long history of investing in venture funds with a focus on a double bottom line of job creation and returns while filling market gaps. To date, the EDA has approved investments in eighteen venture capital funds with cumulative commitments of more than $54 million. This includes a $1.097 million commitment to NVP’s first fund, Newark Venture Partners I, L.P. With an EDA commitment, the Fund matches every $1 of the EDA commitment with an additional $2 from the fund into New Jersey-based investments. The result is three times the amount of capital commitment by the EDA will be deployed into the NJ market. Additionally, Funds agree to participate in EDA events and provide ongoing reporting.

The Authority’s venture fund investment guidelines prioritize funding for early stage companies with less than $3 million in revenue as well as supporting emerging technology companies. Moreover, a key tenant of Governor Murphy’s October 2018 Economic Development plan is to assist the growth of companies in Focus Sectors many which align with the Governor’s plan. Another key component of the Governor Murphy’s economic development plan is for NJ to become the most diverse innovation economy. The data from NVP’s first fund details a strong record of diversity. At yearend 2019, 56% of the NVP I portfolio companies had either a founder(s) identifying as female and/or part of a minority group. The proposed EDA commitment of up to $5 million in NVP II would further help advance these policy initiatives.

**Recommendation:**
Staff recommends the approval of the investment commitment in Newark Venture Partners II, L.P. for commitment size of $5% of the total committed fund size not to exceed $5 million. NVP II has an experienced management team married with a strong commitment to New Jersey. In addition,
the investment will support early stage technology companies in key sectors identified as priority industries for the State. This approval will authorize the CEO to execute all documents required, subject to the review of the New Jersey Attorney General's office.

Tim Sullivan

Prepared by: Madhavi Bhatia (ending 03/06/2020 due to recusal for a conflict)
Clark Smith (beginning 03/07/2020)
INCENTIVE PROGRAMS
FILM TAX CREDIT PROGRAM
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – FILM TAX CREDIT PROGRAM

As created under the Garden State Film and Digital Media Jobs Act, P.L. 2018, c. 56, the New Jersey Film and Digital Media Tax Credit Program provides a credit against the corporation business tax and the gross income tax for certain expenses incurred for the production of certain films and digital media content in New Jersey. Under the Film Tax Credit Program, applicants are eligible for a tax credit equal to 30% of qualified film production expenses, or 35% of qualified film production expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.

APPLICANT: C7 Production Inc. PROD-00187913

APPLICANT BACKGROUND:
C7 Production Inc. is the production company responsible for “The Trial of the Chicago 7”. In the summer of 1968, thousands of protestors came to Chicago, site of the Democratic National Convention, to protest the war in Vietnam. What was planned as a peaceful protest devolved into a violent clash with police and the National Guard. Seven activists including Abbie Hoffman, Tom Hayden and Jerry Rubin, as well as Bobby Seale, the leader of the Black Panther Party were charged with Conspiracy to Incite a Riot. The Trial of the Chicago 7 tells the story of the crazy and oftentimes horrifying trial that followed.

The film content has been reviewed and recommended for approval under the Act by the New Jersey Motion Picture and Television Commission. The Commission has determined that the film shall include, at no cost to the State, marketing materials promoting the State, including the placement of a logo in the end credits of the film.

ELIGIBILITY AND TAX CREDIT CALCULATION:
As part of eligibility for tax credits under the New Jersey Film Tax Credit Program, a film must meet at least one of two expense eligibility thresholds:

1. **Total Film Production Expenses**: A minimum of 60% of the film’s total production expenses (calculated excluding post-production expenses) must be incurred after July 1, 2018 but before July 1, 2023 for services performed and goods purchased through vendors authorized to do business in New Jersey. The following film production expenses are projected by the applicant.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Total Film Production Expenses</td>
<td>$32,418,640</td>
</tr>
<tr>
<td>B. Total Post-Production Expenses</td>
<td>$1,910,034</td>
</tr>
<tr>
<td>C. Total expenses for services performed and goods purchased through vendors authorized to do business in New Jersey (excluding any post-production expenses)</td>
<td>$17,906,613</td>
</tr>
</tbody>
</table>

Percentage Calculation = C/(A-B) = 58.69%
Criterion Met: No

2. **Qualified Film Production Expenses**: During a single privilege period, the film must have more than $1 million in qualified film production expenses. “Qualified film production expenses” are expenses incurred in New Jersey after July 1, 2018 for the production of a film, including pre-production costs and post-production costs. “Qualified film production expenses” shall include,
but shall not be limited to: wages and salaries of individuals employed in the production of a film on which the New Jersey Gross Income Tax has been paid or is due; and, the costs for tangible personal property used and services performed in New Jersey, directly and exclusively in the production of the film, such as expenditures for film production facilities, props, makeup, wardrobe, film processing, camera, sound recording, set construction, lighting, shooting, editing, and meals. Payments made to a loan out company or to an independent contractor shall not be a “qualified film production expenses” unless the payments are made in connection with a trade, profession, or occupation carried on in this State or for the rendition of personal services performed in this State and the taxpayer has made the withholding required by N.J.A.C. 19:31-21.3(c). “Qualified film production expenses” shall not include: expenses incurred in marketing or advertising a film; and payment in excess of $500,000 to a highly compensated individual for costs for a story, script, or scenario used in the production of a film and for wages or salaries or other compensation for writers, directors, including music directors, producers, and performers, other than background actors with no scripted lines. The following qualified film production expenses are projected by the applicant to be incurred in New Jersey:

<table>
<thead>
<tr>
<th>Qualified Film Production Expenses incurred in NJ during a single privilege period after July 1, 2018.</th>
<th>$17,906,613</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criterion Met</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**AWARD CALCULATION**

<table>
<thead>
<tr>
<th>Base Award Criteria</th>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% of Qualified Film Production Expenses</td>
<td>$17,906,613 x 30% =</td>
<td>$5,371,983</td>
</tr>
<tr>
<td>Bonus Criteria Met</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Submission of Diversity Plan deemed satisfactory by EDA and NJ Taxation. 2% of Qualified Film Production Expenses.</td>
<td>$0 x 2% =</td>
<td>$0</td>
</tr>
<tr>
<td>5% of Qualified Film Production Expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.</td>
<td>$0 x 5% =</td>
<td>$0</td>
</tr>
<tr>
<td>Total Award</td>
<td></td>
<td>$5,371,983</td>
</tr>
</tbody>
</table>

**APPLICATION RECEIVED DATE:** 9/10/2019 (Application #27)
**DATE APPLICATION DEEMED COMPLETE:** 10/2/2019
**PRINCIPAL PHOTOGRAPHY COMMENCEMENT:** 10/14/2019
**PRINCIPAL NJ PHOTOGRAPHY LOCATION:** Paterson City
**ESTIMATED DATE OF PROJECT COMPLETION:** 12/13/2019
**APPLICANT’S FISCAL YEAR END:** 12/31/2020
**TAX CREDIT VINTAGE YEAR(S):** 2020
**TAX FILING TYPE:** Corporate Business Tax
**ANTICIPATED CERTIFICATION DATE:** 8/31/2020
In general, the final documentation shall be submitted to the Authority no later than four years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to N.J.S.A. 54:10A-5 and three years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to the N.J.S.A. 54A:1-1 et seq.

The Garden State Film and Digital Media Jobs Act originally provided a total of $75 million in tax credits for State Fiscal Year 2019 and increased to $100 million as amended by law on 1/21/2020. The program amendment also allows $50 million of unused allocation to carry over to the subsequent State Fiscal Year. As a result, $150 million of film tax credits are available for State Fiscal Year 2020. After today’s approvals, $87.2 million remains in the program for State Fiscal Year 2020 which may be available to 24 additional applications in the pipeline totaling $72.9 million.

**APPROVAL REQUEST:**
The Members of the Authority are asked to initially approve the proposed award to the applicant under the New Jersey Film and Digital Media Tax Credit Program. The recommended tax credit is contingent upon receipt by the Authority of evidence that the applicant has met certain criteria to substantiate the recommended award, and is subject to final approval by the Authority and the Division of Taxation. Staff may issue the Authority’s final approval if the criteria met by the company is consistent with that shown herein. If the criteria met by the company differs from that shown herein, Staff may lower the tax credit amount to reflect what corresponds to the actual criteria that have been met.

**APPROVAL OFFICER:** S. Novak
GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ) MODIFICATION
MEMORANDUM

To: Members of the Authority

From: Tim Sullivan, Chief Executive Officer

Date: July 14, 2020

SUBJECT: Modern Meadow, Inc. – Modification

Grow New Jersey Assistance Program (“Grow NJ”) – P44288
$32,217,500 Grow NJ

Request:
Consent to the following changes to the Modern Meadow (“Modern”) approval:

1) Decrease the size of the 340 Kingsland Street, Nutley Township Qualified Business Facility (“QBF”) from 119,237 sf to 77,348 sf (35.1% decrease).
2) Decrease the anticipated capital investment from $20,783,088 to $7,222,300 (65.2% decrease).
3) Decrease the new jobs numbers from 263 to 120 (54.4% decrease).

As a result of these changes the overall 10-year tax credit will be reduced from $32,217,500 to $6,300,000 (80.4% decrease). Board action is required because the proposed decreases to size, capital investment and jobs exceed the 25% delegation threshold for staff to approve such a change.

Background:
Founded in 2011, Modern is a biotechnology company utilizing design, biology, and engineering to sustainably manufacture high-performing consumer materials.

On July 13, 2017, the Members approved a $32,217,500 10-year Grow NJ to incent the creation of 263 new Grow eligible jobs at an existing industrial premise consisting of 119,237 sf in Nutley Township. The original project contemplated renting 72,907 sf of existing space and constructing an addition to the building of 49,420 sf. The total estimated capital investment for that was $20,783,088.

Subsequent to approval, Modern began relocating to Nutley in the existing space and pursued design plans for the addition. However, Modern experienced a delay in the development cycle of its products, which reduced the need to increase staff during the time leading up through certification. Further, Modern partnered with contract manufacturers to produce commercial scale products to increase the time-efficiency, and cost of production. As a result, Modern slowed its rate of employment growth and determined it no longer needed as much space as originally planned. At approval, 59.5% of the square footage was anticipated to be dedicated to Modern’s Pilot manufacturing. With the proposed decrease of space, 45.1% the square feet will now be used for the Pilot manufacturing and the remainder of the space will continue to be used for headquarters, office, research and development. Without a majority of the space being used for manufacturing, the project will now be deemed non-industrial and the minimum capital investment will be calculated at $40 per square foot rate and the minimum jobs requirement increases to 35 new, 50 retained.
Modern now proposes to modify its QBF by decreasing the square footage by 41,889 sf (35.1% decrease). Instead of building an addition, the company proposes to maintain the 72,907 sf of existing space and renovate a 4,441 sf portion of the building’s basement floor. This change would result in a reduction of the estimated eligible capital investment from $20,783,088 to $7,222,300 (65.2% decrease).

Modern also proposes a decrease in new jobs from 263 to 120 (54.4% decrease). The decrease in capital investment to below $20 million, jobs to below 250, and a change in the primary use of space away from manufacturing results in the loss of the Mega Base amount increase of $1,000 per employee. The change in the project also results in the loss of these 3 bonuses: Large number of New Full Time Jobs, Targeted Industry and Mega Industrial Project with Capital Investment in Excess of the Minimum.

To better understand the difference between the approved and proposed projects, staff compared the cost benefit analysis for the QBF as originally proposed to the modified QBF. A CBA comparison evidences that the new site is $107,115,242 less expensive than the original approved project over the 10-year grant commitment duration. As the alternate site presented at approval was for a project roughly the same size as the one approved, it is unreasonable to use that alternate as a comparison to the proposed smaller project. Taking into the decrease in size and the increase in required dollars per square foot, the new minimum capital investment of the proposed project is $3,093,920. The proposed anticipated capital investment of $7,222,300 exceeds this threshold.

Taking these changes into account, staff recalculated the award using the Grant Calculator and determined the award to be $6,300,000 (80.4% decrease). The staff then reran the net benefit test using the current model over 20 years (net of award) to ensure that the net economic benefit to the State is at least 110% and found that the net benefit to be $14,192,116 (or 325.3%). While the decrease in size, capital investment, and jobs at the QBF are significant, staff recommends the changes to the project as the project remains essentially the same, albeit smaller.

Modern requested and was allowed two six-month extensions to its project completion certification deadline through July 13, 2021 to allow additional time to complete and project as proposed. Board action is required because the proposed decreases to the size, capital investment, and jobs at the QBF exceed the 25% delegation threshold for staff to approve such changes.

<table>
<thead>
<tr>
<th>Summary of Project Changes</th>
<th>Original</th>
<th>As Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Project Square Footage</td>
<td>119,237</td>
<td>77,348</td>
</tr>
<tr>
<td>Minimum Dollars Per Square Foot</td>
<td>$20</td>
<td>$40</td>
</tr>
<tr>
<td>Minimum Capital Investment</td>
<td>$2,284,740</td>
<td>$3,093,920</td>
</tr>
<tr>
<td>Estimated Eligible Capital Investment</td>
<td>$20,783,088</td>
<td>$7,222,300</td>
</tr>
<tr>
<td>Award Amount (Grant Calculator)</td>
<td>$32,217,500</td>
<td>$6,300,000</td>
</tr>
<tr>
<td>Gross Benefits</td>
<td>$53,085,330</td>
<td>$20,492,116</td>
</tr>
<tr>
<td>Net Benefit to State</td>
<td>$20,867,830</td>
<td>$14,192,116</td>
</tr>
<tr>
<td>Jobs New</td>
<td>263</td>
<td>120</td>
</tr>
<tr>
<td>Jobs Median Salary</td>
<td>$77,000</td>
<td>$77,000</td>
</tr>
</tbody>
</table>
Base Amount $5,000  $4,000

Bonus Increases:

Jobs with Salary in Excess of County/Garden State Growth Zone Average $250 $250

Large Number of New Full Time Jobs (251 required) $500 $0

Targeted Industry (Manufacturing) $500 $0

Mega Industrial Project with Capital Investment in Excess of the Minimum $5,000 $0

Vacant Commercial Building in excess of 1,000,000 square feet $1,000 $1,000

Total Amount per Employee $12,250 $5,250

Recommendation
Consent to the following changes to the Modern Meadow approval:

1) Decrease the size of the 340 Kingsland Street, Nutley Township Qualified Business Facility (“QBF”) from 119,237 sf to 77,348 sf (35.1% decrease).
2) Decrease the anticipated capital investment from $20,783,088 to $7,222,300 (65.2% decrease).
3) Decrease the new jobs numbers from 263 to 120 (54.4% decrease).

As a result of these changes, the award changes from $32,217,500 to $6,300,000 (80.4% decrease).

Tim Sullivan, CEO

Prepared by: Robert Carroll
BOND PROJECTS
MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

SUBJECT: NJEDA NJ Transit Transportation Project Bonds, 2020 Series
(Portal North Bridge Project)

DATE: July 14, 2020

SUMMARY OF PROPOSED FINANCING

The Authority is currently being asked to approve the issuance of one or more series of NJ Transit Transportation Project Bonds, 2020 Series (Portal North Bridge Project) (the “2020 Series Bonds”) and various related actions described below. The 2020 Series Bonds will be issued in one or more series in one or more years, in an aggregate principal amount not to exceed $600,000,000. The proceeds of the Series 2020 Bonds will be used to: (i) finance New Jersey Transit Corporation’s (“NJ TRANSIT”), share of the cost of the Portal North Bridge Replacement Project which consists of the replacement of the Portal Bridge, an existing two-track railroad swing type bridge that spans the Hackensack River in New Jersey, with a new two-track fixed structure that will be approximately 2.44 miles long (the “PNB Project”); and (ii) pay the costs of issuance of the 2020 Series Bonds.

The PNB Project is a critical improvement to the comprehensive rail improvement program along the Northeast Corridor (“NEC”). The NEC commuter rail corridor is currently at capacity and the PNB Project is a substantial, corridor-based investment within the existing NEC that will increase capacity by over 10%. The new high-level fixed span bridge provides the reliability necessary for NJ TRANSIT to add capacity. Additionally, its functionality adheres to U.S. Coast Guard requirements to eliminate interference with marine traffic.

NJ TRANSIT applied for funding from the Federal Transit Administration (“FTA”) that, if approved by the FTA and received by NJ TRANSIT, would cover a significant share of the funding required to construct the PNB Project. The PNB Project was accepted by FTA into their Capital Investment Grant (“CIG”) program’s first phase, the Project Development phase, on July 14, 2016. Since that time, NJ TRANSIT obtained all environmental approvals and permitting required for the PNB Project, completed design activities and completed early work construction, on time and under budget. NJ TRANSIT is the project sponsor for the PNB Project.

In March 2020, FTA upgraded the PNB Project’s rating to “Medium-High”, making the PNB Project eligible to proceed through the remaining two phases of the CIG program. On June 19, 2020, FTA moved the PNB Project to the second CIG phase, the Engineering phase, and allocated $766.5 million to the project. Typically, projects in the Engineering phase receive the federal grant...
funding designated by FTA for the project. Since NJ TRANSIT has already fulfilled most of the Engineering phase requirements, NJ TRANSIT believes it can move to the final phase of the PNB Project, the Full Funding Grant Agreement phase, and receive final FTA approval for the PNB Project within the next six months.

BACKGROUND

On June 12, 2018, the Authority approved a preliminary resolution (i) making certain findings and determinations with respect to the provision of financial assistance to NJ TRANSIT to enable NJ TRANSIT to finance the PNB Project through the issuance by the Authority of what was then expected to be called “2018 Series Bonds”, and (ii) approving the execution and delivery of a Funding Agreement establishing the security for the payment of the 2018 Series Bonds. At that time, it was contemplated that (i) the Authority would issue the 2018 Series Bonds in one or more series, in the aggregate principal amount not to exceed $600,000,000, under its Transportation Project Sublease Revenue Bond Resolution (New Jersey Transit Corporation Projects), adopted by the Authority on December 13, 2016 (the “2016 Resolution”), and (ii) NJ TRANSIT and the Authority would enter into a lease agreement and a sublease agreement relating to the PNB Project pursuant to which NJ TRANSIT would make rent payments to the Authority in amounts sufficient to enable the Authority to pay debt service on the 2018 Series Bonds. Additionally, under a funding agreement, NJ TRANSIT would pledge to the Authority appropriations made by the New Jersey Legislature to New Jersey Transportation Trust Fund Authority to pay its rental obligations under the Sublease and the Authority would assign such right to the appropriations and to the rent to the trustee for the 2018 Series Bonds. Issuance of the 2018 Series Bonds was to be subject to all customary and legally required documents and approvals.

Upon determining that the 2016 Resolution was a “closed resolution” (i.e., no more new money bonds could be issued under the resolution), the Authority adopted its NJ Transit Transportation Project Bond Resolution on December 10, 2019 (the “General Bond Resolution”), which explicitly permits the issuance of additional new money bonds to finance NJ TRANSIT transportation projects. Therefore, given that the 2020 Series Bonds will be issued under the General Bond Resolution, as supplemented by the Second Supplemental Resolution (as defined below), it is necessary for the Authority to authorize and approve a revised version of the Funding Agreement (as defined below), as well as approve the other bond financing documents as more fully described below.

APPROVAL REQUEST

The Authority is being requested to approve the adoption of the Second Supplemental NJ Transit Transportation Project Bond Resolution (the “Second Supplemental Resolution”), which supplements the General Bond Resolution and authorizes the issuance of the 2020 Series Bonds, from time to time in one or more series, in an aggregate principal amount not to exceed $600,000,000. As the 2020 Series Bonds may be issued in more than one series, each series may refer to one or more letter designations or year designations; however, all of the series issued for the PNB Project shall mean and refer to the 2020 Series Bonds authorized by the Second Supplemental Resolution adopted by the Authority. The 2020 Series Bonds will be issued for the purposes described above.
In connection with the issuance of the 2020 Series Bonds, the Authority and NJ TRANSIT will enter into a lease agreement relating to the PNB Project and, if necessary, supplements thereto (the “2020 Series Lease Agreement”), and a sublease agreement relating to the PNB Project and, if necessary, supplements thereto (the “2020 Series Sublease”). Pursuant to the 2020 Series Lease Agreement, NJ TRANSIT will lease the PNB Project to the Authority and the Authority will relet and sublease the PNB Project back to NJ TRANSIT pursuant to the 2020 Series Sublease. Under the 2020 Series Sublease, NJ TRANSIT will, among other things, agree to make lease rental payments to the Authority in an amount sufficient to pay, inter alia, debt service on the 2020 Series Bonds (the “Rent Payment Obligations”). In order to secure its Rent Payment Obligations, NJ TRANSIT, with the approval of the Commissioner of Transportation of the State of New Jersey, will enter into a Funding Agreement relating to the PNB Project and, if necessary, supplements thereto (the “2020 Series Funding Agreement”), with and in favor of the Authority, pursuant to which NJ TRANSIT will pledge to the Authority appropriations made by the New Jersey State Legislature in each fiscal year to the PNB Project, if, when and as received, in an amount up to, but not exceeding, the amount necessary to pay the Rent Payment Obligations payable in such fiscal year (such appropriations are hereinafter referred to as the “State Appropriations”), together with any and all investment income thereon; provided, however, that payment of amounts pledged will be subject to the availability of funds in the fiscal year of the State in which such State Appropriations are made. The State Appropriations that are pledged and applied to pay the Rent Payment Obligations will be derived from a portion of the pay-as-you-go (“paygo”) appropriations for the PNB project NJ TRANSIT receives from the New Jersey Transportation Trust Fund Authority.

The Members of the Board of NJ TRANSIT are expected to authorize and approve the 2020 Series Lease, the 2020 Series Sublease, the 2020 Series Funding Agreement and any other documents necessary to effectuate the issuance from time to time of the 2020 Series Bonds on July 15, 2020.

The total cost of the PNB Project currently is estimated to be approximately $1.871 billion, $555 million of which is expected to be funded through the issuance of the 2020 Series Bonds. The breakout of estimated sources of funds for the PNB Project is presented in the table below:

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Total Funds ($ Millions)</th>
<th>Percent of Total</th>
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<tbody>
<tr>
<td>Federal:</td>
<td></td>
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<tr>
<td>Section 5309 Core Capacity</td>
<td>$811</td>
<td>43%</td>
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<tr>
<td>Federal Highway Admin.</td>
<td>57</td>
<td>3%</td>
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<tr>
<td>Amtrak Funds</td>
<td>221</td>
<td>11%</td>
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<tr>
<td>State:</td>
<td></td>
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<tr>
<td>NJEDA Bonds</td>
<td>$555</td>
<td>30%</td>
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<tr>
<td>NJ TRANSIT</td>
<td>14</td>
<td>1%</td>
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<tr>
<td>NJTA Revenues</td>
<td>187</td>
<td>10%</td>
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<tr>
<td>NJTTFA Revenues</td>
<td>26</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>$1,871</td>
<td>100.0%</td>
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</table>

The approval of the Core Capacity Grant funding through the Federal Transit Administration Capital Investment Funding grant program is subject to a number of factors, including the commitment by the Authority to issue the 2020 Series Bonds. Approval by the Authority Board of this request to authorize the issuance of the 2020 Series Bonds and the related financing documents is expected to constitute “commitment” under the terms of the FTA’s grant program.
The 2020 Series Bonds may be issued as either tax-exempt or taxable fixed rate bonds. The issuance of the 2020 Series Bonds will be subject to the following parameters, all as determined by an Authorized Authority Representative, in consultation with the State Treasurer, Office of Public Finance, Attorney General’s Office and Bond Counsel:

1. The final maturity of any 2020 Series Bonds will not exceed thirty (30) years from the date of issuance thereof;
2. The true interest cost of the 2020 Series Bonds will not exceed 7% per annum; and
3. The redemption price of the 2020 Series Bonds will not exceed 100% of the principal amount of such 2020 Series Bonds, if and when redeemed; provided however, that if any 2020 Series Bonds are issued as taxable bonds, optional redemption may include a make-whole premium.

The Authority is also being asked to approve certain actions of, and delegation of actions to, an Authorized Authority Representative with information provided by the State Treasurer, Bond Counsel, and the Attorney General and in consultation with, the Office of Public Finance, Bond Counsel and the Attorney General’s Office, as applicable, and as approved by the State Treasurer, which actions are more fully set forth in the Second Supplemental Resolution, which is incorporated herein by reference, and will be memorialized in one or more Series Certificates, and may include, without limitation:

1. To determine the date of issuance, sale and delivery, the maturity dates, the principal amount and the redemption provisions of each series of 2020 Series Bonds in accordance with the parameters set forth above;
2. To select and appoint any additional co-managers and/or underwriters upon recommendation of the State Treasurer, utilizing the Department of the Treasury’s (“Treasury”) competitive RFP process and in accordance with Executive Order No. 26 (Whitman 1994) (“EO 26”) and Executive Order No. 37 (Corzine 2006) (“EO 37”);
3. To select and appoint a firm to serve as bidding agent, upon recommendation of the State Treasurer based on the Department of the Treasury’s competitive RFP process, to solicit bids and to enter into or purchase Investment Securities (as defined in Section 101 of the Resolution) with proceeds of any 2020 Series Bonds, in the event that such Authorized Authority Representative determines that it is advantageous to the Authority to invest any such proceeds in Investment Securities; and
4. At the request of and in consultation with an Authorized Corporation Representative, to designate any or all of any Series of the 2020 Series Bonds as “Green Bonds” (Green Bonds aim to enable and develop the key role that debt markets can play in funding projects that contribute to environmental sustainability) and, in connection therewith, to take any and all actions to achieve and maintain such designation and to execute and deliver any documents necessary or desirable with respect thereto, including, but not limited to the following: to include in the Series Certificate such provisions relating to such “Green Bonds” as an Authorized Authority Representative, at the direction of an Authorized Corporation Representative, and with the advice of Bond Counsel and the
State Attorney General, deems appropriate, to include on the form of any 2020 Series Bond which is designated a “Green Bond” a statement to such effect and to execute and deliver a memorandum of understanding or agreement with NJ TRANSIT relating to such “Green Bonds” and the provision of any and all annual information necessary or desirable to maintain their “Green Bond” status and/or the verification and/or certification of such 2020 Series Bonds as “Green Bonds” by NJ TRANSIT.

In exercising the Authority’s discretion to approve specific transactions authorized under the Second Supplemental Resolution, it is anticipated that the Authorized Authority Representatives will make decisions on behalf of the Authority in consultation with the State Treasurer. The Board will be updated upon completion of the transaction.

N.J.A.C 19:30-6.7 (Fee Waiver) of the Authority’s rules permits the Chief Executive Officer, with the approval of the Members to waive, postpone or decrease the Authority’s closing fees for State agency projects. In the absence of Board action, the Authority’s statutory bond closing fee will apply. It is recommended the bond closing fee for this transaction be reduced to one-half of the statutory bond closing fee.

Professionals for the transaction were selected in compliance with EO 26. Eckert Seamans Cherin & Mellott, LLC was selected as Bond Counsel through a competitive RFQ/RFP process performed by the Attorney General’s Office on behalf of Treasury for State appropriation-backed transactions. Through Treasury’s competitive RFP process, Barclays Capital Inc. was chosen as senior managing underwriter and Acacia Financial Group, Inc. was chosen as financial advisor. U.S. Bank National Association was previously selected, in connection with the issuance of the 2020 Series A Bonds, as trustee for all bonds issued under the General Bond Resolution.

**RECOMMENDATION**

Based upon the above description, and subject to the criteria set forth above, the Authority is requested to: (i) approve the adoption of the Second Supplemental Resolution authorizing the issuance of the 2020 Series Bonds in one or more series in the total aggregate principal amount not to exceed $600,000,000, as well as other matters in connection with the issuance and sale thereof and otherwise as described above; (ii) approve the several actions and delegation of actions to an Authorized Authority Representative as may be necessary or advisable in order to issue the 2020 Series Bonds and to undertake the other transactions described in (i) above on terms which are in the best interest of the State; (iii) approve the reduction in the bond closing fee to one-half of the statutory bond closing fee; (iv) authorize the use of the aforementioned professionals; and (v) authorize Authority staff to take all necessary actions incidental to the issuance of the 2020 Series Bonds, subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General's Office.

Tim Sullivan
Chief Executive Officer

Prepared by: Teresa Wells
LOANS/GRANTS/GUARANTEES
MICRO BUSINESS LOAN PROGRAM
MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: July 14, 2020

SUBJECT: Micro Business Loan Program – Program Clarifications

Summary

The Members are asked to approve the following program clarifications for the Micro Business Loan Program:

1. The utilization of a simplified debarment legal questionnaire and legal review process for applicants of the Micro Business Loan Program. Debarment issues will be reviewed under existing delegated authority, including the delegated authority approved at the time of the Superstorm Sandy programs.

2. An application limit of one application per employer identification number (EIN). Entities with multiple EINs will be permitted to submit one application per EIN. Businesses with multiple locations but only one EIN will be limited to one application (under the sole EIN).

Background

On November 14, 2019, the Members approved the creation of the pilot Micro Business Loan Program utilizing $1 million from the NJEDA Economic Recovery Fund to make available loans of up to $50,000 to businesses that are: legally registered to do business in New Jersey and have a commercial location in New Jersey (no home-based businesses), with annual revenues in the most recent fiscal year of no more than $1.5 million and no more than 10 full-time employees at time of application. On June 9, 2020, the Members approved enhancements to the Micro Business Loan Program to support a wider range of micro businesses.
Program Clarifications

In connection with Superstorm Sandy, Members approved a simplified debarment legal questionnaire and legal review process which allowed staff to perform necessary legal reviews, in an expedited fashion, enabling the Authority to provide funding to impacted businesses on an expedited basis. As part of the NJEDA’s suite of emergency resources to support businesses impacted by COVID-19, staff requested and received the Members’ approval to utilize a simplified debarment legal questionnaire and legal review process which has allowed staff to perform necessary legal reviews, in an expedited fashion, for the significant number of applications that the Authority has received under these programs. If staff were to utilize the Authority’s standard comprehensive debarment legal questionnaire and legal review process against the tens of thousands of applications that have been received under these programs, the result would be significant administrative delays that would limit the Authority’s ability to deploy resources in a timely fashion to the businesses that are dealing with business interruption due to the COVID-19 pandemic and urgently need this funding.

Given that the Micro Business Loan Program is an attractive source of financing for micro businesses, at low-cost and flexible terms, and is being offered during a very difficult economic environment in the midst of this pandemic, it is anticipated that there could be a significant application volume that staff will be responsible for reviewing. To avoid the administrative delays described earlier, staff is recommending that entities applying for a Micro Business Loan complete a simplified debarment legal questionnaire, and debarment issues will be reviewed under existing delegated authority, including the delegated authority approved at the time of the Superstorm Sandy programs. Given the size of businesses eligible for financing under this program and the anticipated volume of applications, as well as the amount of financing being provided, using this simplified process will be satisfactory due diligence to identify any legal issues, while also ensuring that staff can efficiently and expeditiously process applications for financing and assist the businesses that this program is designed to serve.

The second clarification for the Members’ consideration is a request for a one application per employer identification number (EIN) limit for Micro Business Loan Program applicants. Entities with multiple EINs will be permitted to submit one application per EIN. Businesses with multiple locations but only one EIN will be limited to one application (under the sole EIN). This requirement is consistent with how the Authority has handled single EIN entities with multiple locations under other anticipated high-volume programs, ensuring that the limited funding is available to as many entities as possible.

Recommendation

Approval is requested for: (1) the utilization of a simplified debarment legal questionnaire and legal review process for applicants of the Micro Business Loan Program. Debarment issues will be reviewed under existing delegated authority, including the delegated authority approved at the time of the Superstorm Sandy programs, and (2) an application limit of one application per employer identification number (EIN). Entities with multiple EINs will be permitted to submit one application per EIN. Businesses with multiple locations but only one EIN will be limited to one application (under the sole EIN).
Tim Sullivan
Chief Executive Officer

Attachments
Exhibit A – Micro Business Loan Program Specifications
### Micro Business Loan Program – Program Enhancements

#### Revised Proposed Program Specifications

**July 14, 2020**

| **Funding Source** | Up to $10,000,000 – USEDA Revolving Loan Fund or NJEDA Economic Recovery Fund. To the degree that the Authority has the ability to use USEDA funding along the program parameters exactly as described herein, USEDA funding would be the primary funding source, with NJEDA Economic Recovery Fund used only if USEDA funding cannot be used.

$3.5 million of total funding amount will be reserved for businesses located in an eligible NJ Opportunity Zone census tract. |
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<tr>
<td><strong>Program Purpose</strong></td>
<td>To provide low-cost financing with flexible terms to micro businesses and early stage businesses in New Jersey.</td>
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</table>
| **Eligible Applicants** | The following entities are eligible for financing under the Micro Business Loan Program:

- For-profit business, with a business location in New Jersey
- Non-profit organization located in New Jersey, formed/incorporated and in operation for at least two years prior to date that application is made available to the public.
- Home-based business located in New Jersey and formed/incorporated and in operation for at least two years prior to date that application is made available to the public.
- Startups, defined as businesses formed/incorporated and in operation for no less than six months and no greater than one year from date application is made available to the public, that can provide a business plan and 5-year projections. |
| All entities must meet the following requirements to be eligible under the Micro Business Loan Program:

- To the extent that the business has annual revenues in most recent fiscal year, the revenue must be less than $1,500,000.
- At time of application, entity cannot have more than 10 full-time employees in total. All employees must work in New Jersey. There is no minimum employee number.

CEO/equivalent officer or owner of the entity must certify that the firm will make its best-effort not to furlough or lay off any individuals from the time of application through the end of the COVID-19 outbreak period; |
entities that have already furloughed or laid off workers must make a best-effort to re-hire those same workers as soon as possible; any material breach of its best efforts certification and requirements may result in the NJEDA seeking immediate repayment of the outstanding amount of the loan.

Entity must satisfy Taxation’s requirement to ensure that the entity does not have tax debts due to the State. This may be accomplished through a certification from the applicant that it doesn't owe any taxes and will be subject to repayment if the certification is not correct.

SME must be in good standing with the Department of Labor, with all decisions of good standing at the discretion of the Commissioner of the Department of Labor

Prohibited businesses include, but are not limited to: gambling or gaming activities; the conduct or purveyance of “adult” (i.e., pornographic, lewd, prurient, obscene or otherwise similarly disreputable) activities, services, products or materials (including nude or semi-nude performances or the sale of sexual aids or devices); any auction or bankruptcy or fire or “lost-our-lease” or “going-out-of-business” or similar sales; sales by transient merchants, Christmas tree sales or other outdoor storage; ; any activity constituting a nuisance; or any illegal purposes.

Limit of one application per employer identification number (EIN). Entities with multiple EINs will be permitted to submit one application per EIN. Businesses with multiple locations but only one EIN will be limited to one application (under the sole EIN).

Eligible Uses

- Inventory
- Purchase of equipment (note that certain equipment installation is considered a construction contract that requires payment of prevailing wage)
- Working capital to fund business operating expenses
- For home-based businesses, loan proceeds cannot be used for any residential costs (i.e. home mortgage/lease payments)

Application Process and Board Approval/Delegated Authority
Applications will be reviewed on a rolling basis (first-come, first-served as applications are completed) until all funds are committed or program expires (3 years).

- Managing Director of Underwriting, Senior Vice President of Finance and Development, or Vice President of Business Operations will approve projects for assistance under Delegated Authority. Activity will be reported monthly to the NJEDA Board.

- Entities whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter (which must be at least 3 days but no longer than 10 days). A Senior Vice President will designate Hearing Officers who will review the applications, the appeals, and any other relevant documents or information. The Hearing Officer will recommend a final administrative decision.

- The delegated authority requested for approval also includes the delegated authority to decline for any declinations based solely on non-discretionary reasons. For final administrative decisions based solely on non-discretionary reasons, delegated authority is requested for approval by a Senior Vice President, Vice President, Managing Director, or the Director Legal Affairs.

- Entities applying for a Micro Business Loan will complete a simplified debarment legal questionnaire, and debarment issues will be reviewed under existing delegated authority, including the delegated authority approved at the time of the Superstorm Sandy programs.

<table>
<thead>
<tr>
<th>Loan Amounts</th>
<th>Up to $50,000</th>
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| Rates & Terms | • Standard 10 year term, with the ability to increase to 15 years if needed in order to meet the 1.00x global debt service coverage ratio requirement.  
• The interest rate will 2 percent for this program, set at approval, however no interest and no payment due for the first three years. |

Micro Business Loan Program – Program Enhancements  
Revised Proposed Program Specifications  
July 14, 2020
### Micro Business Loan Program – Program Enhancements
Revised Proposed Program Specifications
July 14, 2020

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<tr>
<td><strong>Lien/Collateral/Security</strong></td>
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<tr>
<td>• 10% of the total approved loan amount will be forgiven if the business is open and operating 12 months after closing date.</td>
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<td>• Loans of $25,000 or less will be unsecured</td>
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<td>• For loans of greater than $25,000:</td>
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<td>o NJEDA will accept various forms of collateral for the full loan amount. EDA may look to place liens on any new equipment purchases including rolling stock, blanket lien on personal/business assets, residential or investment property to meet the collateral requirement.</td>
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<td>o Maximum loan to value of 100% for secured loans</td>
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<td>• Guarantors: All individuals or entities having ownership of 10% or more of the applicant and related entities. This requirement does not apply to non-profits.</td>
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<td>• Minimum Credit Score: 600 FICO for at least one guarantor.</td>
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<td>• Minimum Global Debt Service Coverage Ratio (GDSCR) of 1.00x.</td>
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<td>o If a 1.00x is not achieved based on the historical financial statements of the business and/or any recurring outside income of the owners, then the applicant may provide a projections and narrative assumptions that illustrate the ability to meet a minimum of 1.00x in the fiscal year after the payment moratorium ends.</td>
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<td>• Risk Rating: expected to be substandard. If the risk rating is found to support an override to a lower risk rating, then staff will do so to reflect the appropriate rating.</td>
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<td><strong>Fees</strong></td>
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<td>Due to current business interruption that has caused significant financial hardship, any associated fees (application or otherwise) will be waived for the program for 3 months from the date/time the application is opened.</td>
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<td>Following the three-month period, should funding still be available, the Micro Business Loan Program will utilize the following fee structure:</td>
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<tr>
<td>• Application Fee: $300</td>
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<tr>
<td>• Commitment Fee: 0.5% of the loan amount</td>
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| Micro Business Loan Program – Program Enhancements  
| Revised Proposed Program Specifications  
<table>
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<tr>
<th>July 14, 2020</th>
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<tr>
<td><strong>Closing Fee:</strong> 0.5% of the loan amount</td>
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<tr>
<td><strong>Disbursement</strong></td>
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COMMUNITY DEVELOPMENT FINANCE INSTITUTION (CDFI) LOAN TO LENDER PROGRAM
MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan
Chief Executive Officer
DATE: July 14, 2020
RE: CDFI Initiative

Summary

The Members are requested to approve the following items related to the Community Development Finance Institution (CDFI) Initiative, which will further enhance the capacity of these financial organizations to support small businesses throughout New Jersey:

Background

CDFIs are financial institutions that play a critical role in providing access to financing tools and resources to businesses and individuals that have difficulty accessing the traditional banking sector. All CDFIs are certified by the Community Development Financial Institutions Fund at the U.S. Department of Treasury for the purpose of providing credit and financial services to underserved markets and populations. CDFIs share a common goal of expanding economic opportunity in low-income communities, helping these communities gain access to basic financial services, affordable credit, and investment capital. Collectively, these resources are designed to help individuals and businesses address long standing challenges in accessing resources to start and grow businesses, build wealth and expand economic opportunity.

Given the economic challenges being faced by small businesses as a result of the COVID-19 pandemic, the need to expand the capacity of these organizations to assist small businesses is as important as ever.

Recognizing the importance of these organizations and the high priority Governor Murphy has placed on supporting small businesses, the Members approved the creation of the CDFI Initiative in July 2019 to enhance the partnership between the Authority and CDFIs throughout New Jersey. The CDFI Initiative is a $15 million program that was designed based on feedback provided to the Authority from these financial institutions, who expressed a need for the Authority to provide financing to these organizations that would expand their capacity to serve
small businesses throughout the state, as well as a way for CDFIs to participate in the Premier Lender Program that the Authority has previously only offered to its banking partners.

There are two programs under the umbrella of the CDFI Initiative. The first is the CDFI Loans to Lenders Program, in which the Authority makes available loans of up to $1.5 million to experienced CDFIs with a minimum of five (5) years demonstrated lending and portfolio management history. The CDFIs may use the Authority's financing to administer term loans or lines of credit to qualified businesses. The term of these loans from the Authority to the CDFIs will be 20 years, with 0% interest in the first two years. Individual loans made to businesses by CDFIs that receive financing through Loans to Lenders will follow the guidelines and credit policies set forth by the CDFI.

The second program under the CDFI Initiative is the Premier CDFI Program, in which participations, guarantees and direct loans of up to $500,000 are made available to qualified small businesses in partnership with CDFIs. Authority guarantees may support CDFI term loans and working capital lines of credits, which reduces the CDFI’s total exposure in these transactions, thereby reducing risk and potentially lowering the cost of borrowing for the small businesses. To access the program, CDFIs first must submit an application to the Authority for Premier CDFI status, in which the Authority collects information from the CDFIs and looks at a number of factors to evaluate the organization’s history of lending and portfolio management. Once CDFIs are approved for Premier CDFI status, small businesses that are in discussions potential financing with a CDFI may apply, in partnership with the CDFI, to the Authority for a participation, guarantee or direct loan of up to $500,000.

The items requested for the Members approval today and further outlined through the attached memorandums and financial analyses are the first loan requests to be made under the CDFI Initiative, and entail three loans of $1.5 million each to UCEDC, CBAC and NJCC.

Approval is also requested for Premier CDFI designation for UCEDC, CBAC and NJCC. The Authority has reviewed information provided by these organizations, including, but not limited to financial statements, personnel, funding commitments, lending and risk management policies, product portfolio, and cash/investment management policies. Following review of this information, staff is recommending approval of Premier CDFI designation for these companies as they have demonstrated the capacity to effectively partner with the Authority to support New Jersey small businesses.

**Recommendation**

The Members of the Board are requested to approve:

**CDFI Loan to Lender Program:**

1. Approval for a $1.5 million loan to the Union County Economic Development Corporation (UCEDC), which the organization will use to capitalize its existing SBA 7(a) Community Advantage Loan Program which provides loans to small businesses.
2. Approval for a $1.5 million loan to the Cooperative Business Assistance Corporation (CBAC), which the organization will use to capitalize a separate fund that will be used as a funding source for any of their existing loan programs to finance small businesses throughout South Jersey.

3. Approval for a $1.5 million loan to the Community Loan Fund of New Jersey, Inc. dba New Jersey Community Capital (NJCC), which the organization will use to fund small business lending on a state-level basis, with the targets of economic development, commercial real estate projects and social enterprise with a focus on women and minority owned businesses.

Premier CDFI Program

1. Approval for Premier CDFI designations for UCEDC, CBAC and NJCC under the Premier CDFI Program, which will enable the Authority to enter into participations, direct loans or guarantees to qualified small businesses in partnership with these financial institutions.

__________________________
Tim Sullivan
Chief Executive Officer

Attachments:

- Memorandum and Confidential Financial Analysis - UCEDC
- Memorandum and Confidential Financial Analysis - CBAC
- Memorandum and Confidential Financial Analysis - NJCC
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
CDFI Loan To Lender

APPLICANT: The Union County Economic Development Corporation

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 75 Chestnut Street Cranford Township Union County

APPLICANT BACKGROUND:
Founded in 1977, The Union County Economic Development Corporation (“UCEDC”) is an independent, non-profit CDFI serving small businesses throughout NJ. Their mission is to promote community economic development by providing businesses with access to start-up capital and other services such as loans, loan packaging, training in English and Spanish, and technical support.

Since inception, UCEDC has provided more than $26.6 million of financing in the form of 1,062 loans to small businesses. This has directly resulted in the retention and creation of over 7,000 jobs. Total project costs, or leveraged funds as a result of UCEDC involvement, are in excess of $176 million. UCEDC’s average loan size is approximately $25,000. Historically, 30% of UCEDC’s loans have been made to start-up businesses.

OTHER NJEDA SERVICES:
In 2008, UCEDC was selected by the EDA as the provider of Small Business Services through a competitive solicitation process for an initial three-year contract. Through subsequent solicitations to which UCEDC was selected and extensions of its resulting contracts, UCEDC provided Small Business Services up until the end of 2019.

In July 2012, the Members approved a $500,000 loan under the Fund for Community Development Loan to Lenders program to fund the organization’s revolving microloan fund. The loan was repaid in full in June 2018 and all payments were made as agreed.

On September 11, 2014, the Members approved funding of $250,000 from the Fund for Community Development Loan to Lenders program to support anticipated loan growth. This loan was paid in full June 2018 and all payments were made as agreed.

On April 15, 2020, EDA approved a $250,000 grant through the Emergency CDFI Grant Program that will be disbursed upon receipt of an executed grant agreement. UCEDC intends to use the majority of the grant funding to reduce interest rates on the existing Crisis Relief Loan Program.

On April 20, 2020, EDA approved a $1 million allocation under the COVID CDFI Emergency Loan Loss Reserve Fund. The program will provide a guarantee to UCEDC for working capital loans that are approved to small and micro-businesses after the date of the Governor’s declaration of emergency.

APPROVAL REQUEST:
Approval is requested for a $1,500,000 loan under the Loan to Lender program through the EDA’s Community Development Financial Institutions Initiative.

The Members are also asked to approve the addition of UCEDC as a Premier Lender in the Premier CDFI Program.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $1,500,000

TERMS OF LOAN: 20-Year Term. One third to be advanced at closing and the remaining amount to be disbursed as two additional tranches once 75% of the previous tranche is committed. Deployment period of the loan limited to two years post-closing.

During the two-year loan deployment period, no interest or principal payments are due, followed by an interest only period from years three through seven at a fixed rate of 2.00%, followed by quarterly principal and interest payments from years eight through 20 in an amount to fully amortize the outstanding principal balance. The interest rate during
the amortization period will be fixed at 2.00%.

**PRODUCT COSTS:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitalization of revolving loan fund</td>
<td>$1,500,000.00</td>
</tr>
<tr>
<td>EDA Fees</td>
<td>$27,250.00</td>
</tr>
</tbody>
</table>

**TOTAL COSTS:** $1,527,250.00

**JOBS:**

<p>| | |</p>
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<td>0</td>
</tr>
<tr>
<td>Estimated Construction Jobs</td>
<td>0</td>
</tr>
</tbody>
</table>

**DEVELOPMENT OFFICER:** Kenneth Hart

**UNDERWRITER OFFICER:** Matthew Boyle
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
CDFI Loan To Lender

APPLICANT: Cooperative Business Assistance Corp.  
PROD-00188170

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 328 Market Street  
Camden City  
Camden County

APPLICANT BACKGROUND:
Cooperative Business Assistance Corporation ("CBAC" or “Company”) is a not for profit that was formed in 1987 to assist the small business community in the City of Camden and the seven southern counties in southern New Jersey by providing loans and technical assistance and by facilitating bank participation in small business lending transactions.

OTHER NJEDA SERVICES:
On February 12, 2013 the Members approved funding for a $780,000 loan under the Fund for Community Development Loan to Lender program to fund loans to small businesses under their existing programs. The outstanding balance of the loan is $630,362 as of June 25, 2020.

On April 14, 2015 the Members approved funding for a $250,000 Direct Loan to provide additional Capital to CBAC’s loan fund to support its lending of micro loans to businesses. The outstanding balance of the loan is $250,000 as of June 25, 2020.

On April 14, 2020, EDA approved a $250,000 grant through the Emergency CDFI Grant Program that was disbursed upon receipt of an executed grant agreement. CBAC intends to use the majority of the grant funding to reduce interest rates on the existing Crisis Relief Loan Program.

On April 17, 2020, EDA approved a $2 million allocation under the COVID CDFI Emergency Loan Loss Reserve Fund. The program will provide a guarantee to CBAC for working capital loans that are approved to small and micro-businesses after the date of the Governor’s declaration of emergency.

APPROVAL REQUEST:
Approval is requested for a $1,500,000 loan under the Loan to Lender program through the EDA’s Community Development Financial Institutions Initiative.

The Members are also asked to approve the addition of CBAC as a Premier Lender in the Premier CDFI Program.

FINANCING SUMMARY:

LENDER: NJEDA
AMOUNT OF LOAN: $1,500,000
TERMS OF LOAN: 20-Year Term. One third to be advanced at closing and the remaining amount to be disbursed as two additional tranches once 75% of the previous tranche is committed. Deployment period of the loan limited to two years post-closing.

During the two-year loan deployment period, no interest or principal payments are due, followed by an interest only period from years three through seven at a fixed rate of 2.00%, followed by quarterly principal and interest payments from years eight through 20 in an amount to fully amortize the outstanding principal balance. The interest rate during the amortization period will be fixed at 2.00%.

PRODUCT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Capitalization of Revolving Loan Fund</td>
<td>$1,500,000.00</td>
</tr>
<tr>
<td>EDA Fees</td>
<td>$27,250.00</td>
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TOTAL COSTS: $1,527,250.00

JOBS:
<table>
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<tr>
<th>Development Officer</th>
<th>Kenneth Hart</th>
<th>Underwriter Officer</th>
<th>Matthew Boyle</th>
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<tr>
<th>NJ Full Time Jobs at Application</th>
<th>Expected New Full Time Eligible Jobs at Project Site</th>
<th>Full Time Maintained Jobs at Project Site</th>
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<tbody>
<tr>
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<td>9</td>
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</table>
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
CDFI Loan To Lender

APPLICANT: Community Loan Fund of New Jersey, Inc. PROD-00188102
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 108 Church Street, 3rd floor New Brunswick City Middlesex County

APPLICANT BACKGROUND:
Founded in 1987, Community Loan Fund of New Jersey, Inc. d/b/a New Jersey Community Capital ("CLF") finances small businesses and nonprofit organizations that may fall into three industries: Economic Development, Commercial Real Estate, and Social Enterprise with a focus on women and minority owned businesses. The proposed loan will be used to expand CLF’s financing to small businesses in New Jersey using term loans and revolving working capital lines of credit.

CLF is a 501c3 not-for-profit and a Community Development Financial Institution ("CDFI"). CLF’s programs are targeted to the underserved communities in New Jersey.

CLF has partnered on projects with the EDA and has used Loan to Lender funds under a prior program.

OTHER NJEDA SERVICES:
12/11/02 the Authority closed a $500,000 loan under the Fund for Community Development Loan to Lenders program. The loan was repaid in full.

6/7/11 the Authority closed $500,000 grant under the ERB under PROD 182202 which has been fully disbursed.

10/25/12 the Authority closed a $750,000 loan under the Fund for Community Development. Balance is $571,836 under PROD 122339.

5/1/13 the Authority closed a $500,000 loan to lender program which has been fully repaid.

3/7/14 Authority approved a $500,000 grant under Stronger NJ Neighborhood and Community Revitalization Program. No funds were drawn from this grant and the commitment expired PROD 171577.

12/14/15 the Authority closed a $1 million direct loan under PROD 149503 to CLF which was pooled with $14 million in funds from other sources for a newly launched THRIVE South Jersey Economic Initiative. The loan balance is currently $1 million with principal amortization to commence in December of 2020.

4/22/20 EDA closed a $250,000 grant through the CDFI Emergency Grant Program that will be disbursed upon receipt of an executed grant agreement under PROD 189933. CLF intends to use the majority of the grant funding to support a new small business assistance program called Garden State Relief Fund.

4/24/20, EDA closed a $1 million guarantee under the COVID CDFI Emergency Loan Loss Reserve Fund under PROD 190732. The program will provide a guarantee to CLF for working capital loans that are approved to small and micro-businesses after the date of the Governor’s declaration of emergency.

APPROVAL REQUEST:
Approval is requested for a $1,500,000 loan under the Loan to Lender program through the EDA’s Community Development Financial Institutions Initiative.

The Members are also asked to approve the addition of CLF as a Premier Lender in the Premier CDFI Program.

FINANCING SUMMARY:
LENDER: NJEDA
AMOUNT OF LOAN: $1,500,000
TERMS OF LOAN: 20-Year Term. One third to be advanced at closing and the remaining amount to be disbursed as two additional tranches once 75% of the previous tranche is committed. Deployment period of the loan limited to two years post-closing.

During the two-year loan deployment period, no interest or principal payments are due, followed by an interest only period from years three through seven at a fixed rate of 2.00%, followed by quarterly principal and interest payments from years eight through twenty in an amount to fully amortize the outstanding principal balance. The interest rate during the amortization period will be fixed at 2.00%.

PRODUCT COSTS:

<table>
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<tr>
<th>Item</th>
<th>Amount</th>
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</thead>
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<td>Finance Fees</td>
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<tr>
<td>EDA Fees</td>
<td>$27,250.00</td>
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**TOTAL COSTS:** $6,454,500.00

JOBS:

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<th>Category</th>
<th>NJ Full Time Jobs at Application</th>
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<td>72</td>
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DEVELOPMENT OFFICER: Kenneth Hart

UNDERWRITER OFFICER: Michael Conte
REAL ESTATE
MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

RE: Grant of Easement to Township of North Brunswick
New Jersey Bioscience Center
North Brunswick, New Jersey

DATE: July 14, 2020

Summary
I request the Members’ approval to enter into a Grant of Easement Agreement (“Agreement”) with the Township of North Brunswick (“Township”) to allow for entry upon lands for construction, installation, future operation and maintenance of a new water line to connect to an existing water line at the New Jersey Bioscience Center (“NJBC”) on US Route 1, North Brunswick Township (“Township”), Middlesex County. The easement will run along an unbuildable area of the access road of the NJBC. The Agreement will be recorded of record at the Middlesex County Clerk’s Office and become an easement of record on Authority-owned property on Block 194, Lot 28.01.

Background
In June 2019, the Township contacted NJEDA requesting an easement on NJBC. Real Estate Division staff reviewed plans provided by the Township regarding the location, construction, installation, future operation and maintenance of a water line to service Bristol Myers Squibb Company’s (“BMS”) neighboring property.

The Township owns, operates and maintains the Township’s facilities and infrastructure for the distribution of water and already has an existing water main on NJBC. The Township requires an easement on NJBC to allow for construction, installation, future operation and maintenance of a water line to service BMS’s adjoining property. The easement area is depicted on the map provided as Exhibit A. The requested easement also runs across an adjacent property owned by Seagis North Brunswick, LLC (“Seagis”). Similarly, Seagis will be entering into an easement agreement for this water line with the Township.

Because the easement runs within an unbuildable setback area within NJBC and in proximity to the access road of the NJBC Property, impact to NJBC’s value will be minimal. The area of the proposed easement is 1,875± square feet (0.043 acres), or less than 0.1% of the area of Block 194, Lot 28.01 (46.33 acres). The proposed easement area is comprised of lawn and landscaped areas and runs under an access drive into the NJBC. Consequently, the easement is of nominal value; the consideration for the easement will be the Township’s obligations to restore the NJBC site improvements and indemnify the Authority against its gross negligence. Note that while the Board has delegated the approval and execution of certain easements to staff, such delegation did not contemplate the granting of easements of nominal value to public entities without the need for appraisals and monetary compensation.
The attached form of Grant of Easement Agreement, attached as Exhibit B, is in substantially final form. The final terms of the Grant of Easement Agreement will be subject to the approval of the Chief Executive Officer and the Attorney General’s Office.

**Recommendation:**
In summary, I am requesting the Members’ approval to execute a Grant of Easement Agreement with the Township of North Brunswick, on terms acceptable to the Chief Executive Officer and the Attorney General’s Office.

Tim Sullivan  
Chief Executive Officer

**Attachments:** Proposed easement map and agreement  
**Prepared by:** Cathleen A. Hamilton
EASEMENT AGREEMENT  
(Water Main) 

THIS EASEMENT AGREEMENT (this “Easement”) is made as of the ___ day of ____________, 2020, between the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, an instrumentality of the State of New Jersey, having an address at 36 West State Street, PO Box 990, Trenton, New Jersey 08625 (“NJEDA”), and the TOWNSHIP OF NORTH BRUNSWICK, a municipal corporation of the State of New Jersey, having an address at 710 Hermann Road, North Brunswick, New Jersey 08902 (the “Township”), on the other hand.

WITNESSETH:

WHEREAS, NJEDA is the owner of certain real property and improvements located in the Township, and designated on the Township tax maps as Block 194, Lot 28.01 (the “Property”); and

WHEREAS, the Township owns, operates and maintains existing facilities and infrastructure for the transmission and distribution of water throughout the Township, and wishes to install a new ten (10) inch water line across the Property to connect to an existing water line on the Property (the “Project”); and

WHEREAS, in connection with the Project, the Township wishes to obtain an easement from NJEDA to facilitate the construction, installation and future operation and maintenance of the new water line, and NJEDA wishes to grant such easement to the Township, in accordance with and subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of ONE DOLLAR ($1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Grant of Easement.** NJEDA hereby grants and conveys to the Township, its employees, agents and contractors, a perpetual, nonexclusive easement and right-of-way in, over and upon the Property in the location depicted on Exhibit A and as more particularly described on Exhibit B annexed hereto and made a part hereof (the “Easement Area”), at any and all times necessary for the construction, installation, operation, maintenance, inspection, repair, alteration, capital improvement, replacement, removal, reconstruction and control of a new ten (10) inch water line across the Property, including all necessary pipes, laterals, connections and related appurtenances for the transmission and distribution of water (collectively, the “Water Main Facilities”). The foregoing Easement shall include the right to (i) subject to the provisions of Section 2.1 below, enter in, over and upon the Property with personnel, vehicles and machinery for the purposes stated above; (ii) cut, prune and remove trees, bushes, undergrowth and other
obstructions interfering with the activities authorized herein or the Water Main Facilities; and (iii)
subject to NJEDA’s prior consent, such consent not to be unreasonably withheld, do anything
necessary, useful or convenient for the enjoyment of this Easement. The design of the Water Main
Facilities, including the size, location and type of materials to be used, shall be at the sole discretion
of the Township, and said Water Main Facilities shall at all times be and remain the property, and
subject to the exclusive control, of the Township. This Water Main Easement is granted subject
to any easements of record affecting the Easement Area.

2. Conditions to Grant of Easement.

2.1. Access. The rights granted to the Township hereunder shall include the
right of ingress and egress over any driveways, roadways and other such portions of the Property,
to the extent reasonably necessary in furtherance of the purposes described in Section 1 of this
Easement. Except in the event of an emergency, the Township shall endeavor to provide NJEDA
with at least five (5) business days prior written notice before entering the Property, and any such
entry shall be over such reasonable route(s) and at such reasonable time(s) as NJEDA may, from
time to time, reasonably designate or approve at least two (2) business days before the designated
entry date for the purpose of the Township exercising the rights herein granted. If no route or time
has been designated by that time, NJEDA will have been deemed to waive this right as to that
designated entry date only.

2.2. Restoration. Following the performance of any activities in furtherance of
the purposes described in Section 1 of this Easement, the Township covenants to restore the
Easement Area, including, but not limited to, all roadways, walkways, sidewalks, curbing,
landscaping, street lighting and all other improvements, as well as the equipment of any other
easement holder running in, over, across, above or parallel to the Water Main Facilities, as near as
reasonably possible to the condition that existed prior to the Township performing any such
activities or entering onto the Property (including the removal of all materials, tools, equipment
and debris), all at the Township’s sole cost and expense.

2.3. Reservation of Rights. NJEDA reserves the right to use such portions of
the Easement Area as may be located on the Property, so long as such use will not unreasonably
interfere with or obstruct the use or enjoyment by the Township of the Easement Area, the Water
Main Facilities or the rights granted hereunder. Among other things, NJEDA shall have the right
to construct, build or otherwise install across and over the Easement Area any roads, streets,
sidewalks, passageways, fencing, electric light and power lines, water lines, sewer lines, gas lines,
television poles and telephone lines, and any other structures, facilities or improvements; provided,
however, that said installation shall not unreasonably interfere with the use or enjoyment by the
Township of the Easement Area or the rights granted hereunder to the Water Main Facilities.
Notwithstanding the foregoing, (i) no other pipes or conduits shall be placed within ten (10) feet,
measured horizontally, from the Water Main Facilities, except pipes or conduits crossing same at
right angles; and (ii) a minimum vertical distance of two (2) feet shall be maintained between any
such pipes and conduits and the Water Main Facilities, unless a greater distance is specified under
applicable law. NJEDA shall be obligated to remove, at its cost and expense, any surface or
subsurface improvements that it constructs within the Easement Area after the date hereof to the
extent same are materially inconsistent with the foregoing, or otherwise materially affect the
Township’s ability to carry out the purposes described in Section 1 of this Easement.
2.4. "AS IS", "WHERE IS". The Township agrees to accept this Easement with the Property in its "AS IS," "WHERE IS" condition as of the date hereof, subject to the obligations of NJEDA under Section 2.3 above. NJEDA makes no representations or warranties concerning the Property, and expressly disclaims any and all liability for representations or warranties, express or implied, or any statements or omissions in any other written or oral communications transmitted or made available to the Township in connection with the Property, the Project or this Easement.

3. Indemnification. The Township will indemnify NJEDA and their respective members, officers, agents and representatives, and each of their successors and assigns (collectively the “Indemnitees”) against all claims, suits, damages, judgments, settlements or losses, including reasonable attorneys’ fees, incurred by the Indemnitees to the extent directly caused by the gross negligence or willful misconduct of the Township or any of its employees, licensees, invitees, agents or contractors in the installation, operation, maintenance, replacement, reconstruction and repair of the Water Main Facilities in and upon, and under and through, the Easement Area and the Property, or the exercise by the Township of any rights hereunder.

4. Notice. All notices, demands, requests and consents required under this Easement shall be in writing. All such notices, demands, requests and consents shall be deemed to have been properly given if (a) sent by United States registered or certified mail, return receipt requested, postage prepaid; or (b) hand-delivered by a courier service requiring a signed delivery receipt; or (c) delivered by overnight carrier which provides proof of delivery; or (d) transmitted by facsimile or electronic mail during the hours of 9:00 a.m. to 5:00 p.m. on a business day followed by a hard copy sent or delivered by method (a), (b) or (c) above to such address as set forth below. Notices, demands, requests and consents served in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder upon personal delivery (or refusal thereof), or upon three (3) business days after the time such notice, demand, request or consent shall be mailed by United States registered or certified mail, return receipt requested, as aforesaid, as evidenced by a receipt stamped by any post office or branch post office regularly maintained by the United States government, or on the next day for overnight delivery or on the day of facsimile or electronic mail transmission, whichever is earliest.
5. **General Provisions.**

5.1. **Covenants Run with the Land.** The terms, provisions and covenants contained in this Easement shall be appurtenant to the Property and shall run with the Property in perpetuity (unless and until modified or terminated in accordance with this Easement); and they shall be binding upon and inure to the benefit of NJEDA and the Township and their respective successors and/or assigns, provided that in no event shall anyone other than a subsequent owner of the Property or the Township acquire any rights, by assignment or otherwise, in or to the rights created under this Easement, which rights may not be separately assigned or otherwise transferred.

5.2. **Entire Understanding.** This Easement contains the entire understanding and agreement between the parties hereto with respect to the subject matter hereof, and any agreement hereafter made by the parties shall be ineffective to modify or terminate this Easement or constitute a waiver of any of the provisions hereof unless such agreement is in writing and is signed by the party against whom enforcement of the modification, termination or waiver is sought.

5.3. **Waiver.** The failure of either party to this Easement to enforce any obligation or covenant created hereby, or the waiver of any breach of any such obligation or covenant, shall not be deemed a waiver of the obligation or covenant or the right to enforce the same thereafter as to any breach thereof, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

5.4. **Severability.** Each of the various clauses, paragraphs, and/or sections of this Easement shall be deemed severable and separately enforceable in the event that any other clause, paragraph and/or section of this Easement is deemed or held to be unenforceable.

5.5. **Relationship of Parties.** It is recognized that this Easement does not create any partnership, joint venture or other legal entity between the parties.

5.6. **Applicable Law.** This Easement shall be governed by and construed in accordance with the laws of the State of New Jersey.

5.7. **Signatories.** The parties represent that the signatories hereto are authorized and empowered to execute this Easement on behalf of the applicable parties whose names are set forth above their respective signatures.

5.8. **Counterparts.** This Easement may be executed in several counterparts, and all counterparts so executed shall constitute one Easement, binding on the parties hereto, notwithstanding that the parties are not signatory to the original or the same counterpart.

[SIGNATURE PAGE FOLLOWS]
IN WITNESS WHEREOF, the undersigned caused this Easement to be duly executed as of the day and year first above written.

WITNESS/ATTEST: NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, an instrumentality of the State of New Jersey

______________________________
By: ____________________________

Printed Name: _________________
Name: __________________________
Title: __________________________

STATE OF NEW JERSEY )
) SS:
COUNTY OF )

BE IT REMEMBERED, that on this _____ day of _______________, 2020, before me, the subscriber, personally appeared ________________________, who I am satisfied is the person who signed the within instrument, and I having first made known to him the contents thereof he thereupon acknowledged that he signed and delivered the said instrument in his capacity as the ____________________ of the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, and that the within instrument is the voluntary act and deed of said corporation.

______________________________
Notary Public

[SIGNATURES CONTINUE ON FOLLOWING PAGE]
WITNESS/ATTEST:  

TOWNSHIP OF NORTH BRUNSWICK,
a municipal corporation of the State of New Jersey

By: ______________________________  

Lisa Russo, RMC  

Francis “Mac” Womack  
Mayor

STATE OF NEW JERSEY  
)  
COUNTY OF MIDDLESEX  
) SS:

BE IT REMEMBERED, that on this _____ day of _______________, 2020, before me, the subscriber, personally appeared Francis “Mac” Womack, who I am satisfied is the person who signed the within instrument, and I having first made known to him the contents thereof he thereupon acknowledged that he signed and delivered the said instrument in his capacity as the Mayor of the TOWNSHIP OF NORTH BRUNSWICK, a municipal corporation of the State of New Jersey, and that the within instrument is the voluntary act and deed of said corporation.

______________________________  
Notary Public

After recording return to:
__________________________________
__________________________________
__________________________________
__________________________________
__________________________________
__________________________________
__________________________________
__________________________________

[Signature page to Water Main Easement]
EXHIBIT A

MAP OF WATER MAIN EASEMENT

[to be attached]
EXHIBIT B

LEGAL DESCRIPTION OF WATER MAIN EASEMENT

[to be attached]
Order No. 42957-471-21
North Brunswick Township Tax Map
Sheet 71
Block 194
Part of Lot 28.01
Lands N/F NJEDA
20' Wide Waterline Easement

DESCRIPTION OF A 20 FOOT WIDE WATERLINE EASEMENT OVER AND THROUGH PART OF LOT 28.01 IN BLOCK 194 AS SHOWN ON SHEET 71 OF THE NORTH BRUNSWICK TOWNSHIP TAX MAP, SITUATE LYING AND BEING IN NORTH BRUNSWICK TOWNSHIP, COUNTY OF MIDDLESEX, STATE OF NEW JERSEY

August 16, 2019

Description of 20' Wide Waterline Easement

Part of Lot 28.01, Block 194

BEGINNING at a POINT in a northeasterly line of Lot 28.01 in Block 194, lands N/F of New Jersey Economic Development Authority, said point being distant 13.55 feet on a bearing of N 09 degrees 52 minutes 23 seconds W from the terminus of the 6th course of a certain deed between Technology Centre of New Jersey, LLC and New Jersey Economic Development Authority as recorded in Deed Book 6662 Page 415 and c., as shown on the hereinafter referenced plan, and from said BEGINNING POINT running, thence;

(1) Passing into, over, and through said Lot 28.01 in Block 194 the following five (5) courses; S 72 degrees 17 minutes 55 seconds W, 60.18 feet to an angle point, thence;

(2) S 82 degrees 09 minutes 14 seconds W, 33.92 feet to a point corner to the herein described 20 foot wide Waterline Easement, thence;

(3) Along the westerly end of said easement, N 07 degrees 50 minutes 46 seconds W, 20.00 feet to a point corner to said easement, thence;

(4) N 82 degrees 09 minutes 14 seconds E, 32.19 feet to an angle point, thence;

(5) N 72 degrees 17 minutes 55 seconds E, 61.20 feet to a point in the aforesaid northeasterly line of Lot 28.01 in Block 194, thence;

(6) Along said line, S 09 degrees 52 minutes 23 seconds E, 20.19 feet to the POINT and PLACE of BEGINNING.

The above described 20' Wide Waterline Easement containing 1,875 square feet or 0.043 acres of land more or less.

The above described 20' Wide Waterline Easement being subject to a PSEG Gas Easement as recorded in Deed Book 4228 Page 147.

The above described 20' Wide Waterline Easement being subject to and/or together with any other easements, restrictions, and/or declarations of record.

Subject to the findings of current, comprehensive title searches on the parent tract and all adjoining tracts.

The above described 20' Wide Waterline Easement being more particularly shown on a plan entitled “Proposed Waterline Easement Plan Block 194 Lot 28.01 for Water Main and Service Extensions BMS New Brunswick Campus prepared for Bristol-Myers Squibb Company, situated in North Brunswick Township, Middlesex County, N.J.”, Scale 1”=10’ dated August 16, 2019, prepared by Van Note-Harvey Associates, Inc., Order No. 42957-471-21.

VAN NOTE-HARVEY ASSOCIATES, INC.
KENNETH T. SCHILLING
NEW JERSEY PROFESSIONAL LAND SURVEYOR #GS34496
MEMORANDUM

TO: Members of the Authority  
FROM: Tim Sullivan  
Chief Executive Officer  
RE: FMERA Purchase and Sale & Redevelopment Agreement with  
Fort Monmouth Business Center, LLC for the Allison Hall Parcel in Oceanport  
DATE: July 14, 2020

Request
I am requesting that the Board consent to the Fort Monmouth Economic Revitalization Authority ("FMERA") entering into the redevelopment agreement that is contained within FMERA’s Purchase and Sale & Redevelopment Agreement, as amended ("PSARA") with Fort Monmouth Business Center, LLC ("Fort Monmouth Business Center" or "Purchaser") for the sale and redevelopment of the Allison Hall Parcel (the "Project") in the Fort’s Oceanport Reuse Area.

Background
FMERA was created by P.L. 2010, c. 51 ("the Act") to carry out the coordinated and comprehensive redevelopment and revitalization of Fort Monmouth. The Act designates the New Jersey Economic Development Authority ("NJEDA") as a designated redeveloper for any property acquired by or conveyed to FMERA and authorizes FMERA to enter into redeveloper agreements with NJEDA for the redevelopment of the Fort, while also allowing FMERA to enter into redevelopment agreements directly with private developers.

In October 2016, FMERA and the Army entered into an Economic Development Conveyance Agreement ("EDC Agreement") with the Army for the Phase 2 portion of the Fort, and title to the property was transferred to FMERA in November 2016. The Allison Hall Parcel is located in the Oceanport section of the Phase 2 property.

Allison Hall, also known as Building 209, is a 36,665 sf administration building located on Signal Avenue on the Main Post. Constructed in 1928 to serve as the Fort’s hospital, the building is listed on the National Register of Historic Places. Allison Hall is part of a complex of five buildings (196, 199, 209, 210 and 359) totaling approximately 88,129 gsf and covering approximately 12.134 acres (the "Property"). The Fort Monmouth Reuse and Redevelopment Plan ("Reuse Plan") calls for Allison Hall to be preserved and renovated as office space, the remaining buildings to be demolished, and the balance of the 12-acre site to be developed for mixed-use (retail, office and residential uses).

At the June 2015 meeting, the Board authorized staff to offer the Allison Hall Complex for sale through the Offer to Purchase process. FMERA received one proposal in response to its December 29, 2016 Request for Offers to Purchase ("RFOTP"), from TetherView Property Management,
TetherView’s proposal called for the renovation of Allison Hall and Building 210 for office, retail and/or commercial uses and the reuse of Building 210’s ground floor as a restaurant and the second floor as office or retail use; the demolition of Building 196, Building 359 and Building 210’s annex; the development of either 100,000± sf of office space in one building to accommodate one user, or up to 60,000± sf of business lofts and up to 30,000± sf of retail space along Oceanport Avenue; and the reuse of Building 199 for office, retail and/or commercial uses. TetherView also proposed to construct a 12-foot wide promenade along Parkers Creek linking the development to the west with Oceanport Avenue. TetherView’s total capital investment in the Project is estimated at $14 million. Alternatively, TetherView has expressed interest in demolishing Building 199 and replacing it with a 55,000± sf hotel of up to 3 stories and 110 rooms, for which a later Redevelopment Agreement would be required.

Because Buildings 199 and 210 are now projected for retention rather than demolition, and because FMERA’s RFOTP removed housing from the mix of potential uses on this site, redevelopment of the Property required a Reuse Plan Amendment. FMERA adopted Reuse Plan Amendment #11 to rezone the Property for TetherView’s intended uses on the Property.

TetherView Property Management, LLC is a privately-held property development and management company wholly owned by Michael Abboud. TetherView acquired historic Russel Hall from FMERA in 2017 and successfully renovated the 43,000gsf building as headquarters space for TetherView, a private cloud services provider, along with office space for smaller tenants. TetherView will purchase the Property in a cash transaction.

TetherView Property Management, LLC, after review and consent by FMERA, assigned the rights to the Project to an affiliate on April 8, 2020, Fort Monmouth Business Center in which Michael Abboud retains majority control.

**Purchase and Sale & Redevelopment Agreement**

The Purchase and Sale and Redevelopment Agreement (“PSARA”) was executed on December 7, 2018. Pursuant to the terms of the PSARA, Purchaser will pay $2,313,000 for the entirety of the Property. Purchaser will also pay an additional $250,000 if it identifies an office user that commits to occupy at least 80,000 sf of space. Should Purchaser enter into a later Redevelopment Agreement with FMERA to build the hotel component, it has agreed to pay an additional $250,000.

Closing will occur within sixty (60) days of satisfaction of the conditions precedent to closing, which include: Purchaser completing due diligence and obtaining all approvals necessary to develop the Project; an amendment to the Reuse Plan to accommodate the Project; and the consent of the NJEDA Board. The parties will endeavor to satisfy these contingencies within twelve (12) months of the expiration of the Due Diligence Period. Purchaser will have the option of extending its twelve (12) month Approval Period by two additional six (6) month extension periods if it has not obtained them within the initial timeframe so long as it is proceeding in good faith. FMERA will convey the property to Purchaser in as-is condition, but with clear title and subject to the
Army’s on-going obligations under CERCLA to address pre-existing contamination that may exist on the Property.

Purchaser will commence construction of the Phase 1 portion of the Project not later than forty-five (45) days following the closing. Phase 1 will consist of all demolition associated with the Project, along with renovation of Buildings 199, 209 and 210. The demolition work along with exterior renovations to Building 199 will be completed within six (6) months of commencement; renovations to Buildings 209 and 210 and construction of the waterfront promenade will be completed within eighteen (18) months of commencement. Phase 2 will consist of the business lofts and retail space and construction will commence no later than eighteen (18) months either from commencement of Phase 1 construction or closing. Phase 2 construction will be completed within twenty-four (24) months of Phase 2 commencement or thirty (30) months if building is phased. Development of a future hotel on the site of Building 199 is optional and would require the execution of a separate redevelopment agreement. Purchaser shall make a minimum capital investment in the Project of $14 million, and it estimates that it will create approximately one-hundred (100) temporary construction related jobs in connection with the Project, and that the Project will create a minimum of one-hundred and fifty (150) permanent full- or part-time jobs within eighteen (18) months of the completion of Phase 2 or pay a penalty of $1,500 for each permanent job not created.

Purchaser will also be responsible for funding a 500’ section of a new sewer main running east from the Property along Oceanport Avenue and connecting to the Fort’s new sewer system.

Purchaser also requested that FMERA lease it Allison Hall in advance of closing to allow Purchaser to commence redevelopment and subleasing of Building 209. The Pre-Acquisition Lease Agreement will commence upon the effective date of the PSARA and end upon the earliest of the following: a) Closing of title on the Property under the PSARA; (b) termination of the PSARA in accordance with the terms of the PSARA; (c) the mutual decision of the Parties not to consummate the PSARA, or (d) termination of this Lease in accordance with the terms of the Lease. The rent under the Lease will be $1/NNN including any and all costs to maintain and repair the building, and all associated operating expenses. To date, Purchaser has not exercised this lease option. Purchaser is obligated to meter utilities serving Building 209 within three (3) months of the Lease date.

**Amendment**

Under the terms of the PSARA Purchaser was granted an additional ninety (90) days extension to the Due Diligence. During this 90 day extension to the Due Diligence Period, Seller entered into a Memorandum of Understanding with Two Rivers Water Reclamation Authority for the planning, survey, and design of a new sewer main (“sewer design plan”) that will, in part, service the Property and be utilized in fulfillment of the obligation set forth in Section 50(c) of the PSARA. This sewer design plan has been finalized.

The PSARA was amended to grant Purchaser an additional sixty (60) days to complete due diligence for the limited purpose of assessing its site once the sewer design plan was received from
FMERA. Purchaser confirmed that it would exit due diligence except for this limited purpose and continue to pursue Approvals which will run from June 5, 2019 until June 5, 2020. Additionally, Purchaser sought permission from Seller to utilize an additional six-month extension of its Approval Period which Purchaser granted. The Approvals Period will now expire on December 5, 2020.

Pursuant to the FMERA Act, all purchasers of real estate on Fort Monmouth must enter into a redevelopment agreement containing the following provisions, which will be covenants running with the land until the redeveloper completes the project: (i) a provision limiting the use of the property to the uses permitted by the Reuse Plan or an amendment to the Reuse Plan as approved by the FMERA Board and uses permitted by FMERA’s Land Use Rules; (ii) a provision requiring the redeveloper to commence and complete the project within a period of time that FMERA deems reasonable; and (iii) a provision restricting the transfer of the property or the redeveloper’s rights under the PSARA prior to completion of the project. Based on the redevelopment provisions of the PSARA between FMERA and Fort Monmouth Business Center, LLC, staff concludes that the essential elements of a redevelopment agreement between FMERA and TetherView are sufficiently addressed and that it is not necessary for FMERA to enter into a separate redevelopment agreement with Fort Monmouth Business Center for its redevelopment of the Allison Hall Parcel.

Attached is the November 26, 2018 PSARA between FMERA and TetherView. The PSARA specifies that Fort Monmouth Business Center, LLC will be confirmed as designated redeveloper of the Property upon NJEDA approval of the PSARA in accordance with N.J.S.A. 52:27I-38.

**Recommendation**

In summary, I am requesting that the Members consent to FMERA entering into the redevelopment agreement contained within the Purchase and Sale Agreement & Redevelopment Agreement with Fort Monmouth Business Center, LLC for the sale and redevelopment of the Allison Hall Parcel in the Fort’s Oceanport Reuse Area.

Tim Sullivan  
Chief Executive Officer

Attachments: Purchase and Sale & Redevelopment Agreement  
First Amendment to the Purchaser and Sale & Redevelopment Agreement  
Parcel Map

Prepared by: Kara A. Kopach and David E. Nuse
MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: July 14, 2020

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

The following projects were approved under Delegated Authority in June 2020:

Micro Business Loan Program:

1) Grey Squirrel Digital LLC (PROD-00192567), located in Berlin Township, Camden County, was formed in 2015 as a traditional sign shop specializing in digital equipment to produce signs, banners, wraps and window graphics. Operations began out of the applicant’s home but moved to their current commercial facility in 2018 for business expansion. The NJEDA approved a $50,000 loan to purchase equipment. Currently, the Company has one full time job.

2) UMAA, Inc. (“UMAA”) (PROD-00192552), located in Westville Borough, Gloucester County, was formed in 2005 as a fitness center/karate studio that offers private and semi-private classes in fitness, karate, jiu-jitsu, kickboxing, self-defense and yoga. Classes are offered to children and adults of all skill levels from beginning to advanced. UMAA has been negatively impacted by Covid-19 and the business temporarily closed on March 17, 2020. The NJEDA approved a $50,000 loan to assist the business while they are closed. Proceeds will be used to fund costs associated with liability, property, worker’s compensation insurance, sewer, water, real estate taxes, mortgage payments and gas and electric.

3) Urban Living LLC DBA Exit Realty Urban Living (“Urban Living”) (PROD-00195613) is located in Jersey City, Hudson County. Urban Living was formed in 2016 as a full-service real estate office, primarily involved in the business of buying, selling and leasing residential real estate. The NJEDA approved a $50,000 loan to assist the business with hiring additional staff such as a videographer, social media coordinator and a 3D machine operator to measure room interiors. The loan will assist in the initial payroll for these new employees; however, the anticipated business growth through the increased marketing will sustain the new hires. The Company currently has two employees and plans to create four new positions within the next two years.
Premier Lender Program:

1) Custom Labels, Inc., (PROD-00190981), located in Fairfield Borough, Essex County, was founded in 1999 as a commercial label manufacturer using UV and water-based flexo printing technologies to produce labels. Customers include food, bakery, health and beauty, coupon and beverage markets. M&T Bank approved a $1,530,000 loan contingent upon a 50% ($367,000) Authority participation. Proceeds will be used to purchase equipment. Currently, the Company has twelve employees and plans to create four new positions within the next two years.

Premier Lender Program - Modification:

1) 5 Kids, LLC (PROD-00188227), located in Neptune City Borough, Monmouth County, was approved under delegated authority on April 8, 2020 for a $3,360,000 OceanFirst Bank loan contingent upon a 35.71% ($1,200,000) Authority participation. Proceeds will be used to purchase the project property. OceanFirst Bank approved a loan increase from $3,360,000 to $3,800,000 and the Authority increased its participation from $1,200,000 to $1,357,143. All other terms and conditions of the original approval remain unchanged.

Prepared by: G. Robins
MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: July 14th, 2020
SUBJECT: Technology & Life Sciences - Delegated Authority Approvals for Q2 2020

*For Informational Purposes Only - Angel Investor Tax Credit Program*

On January 31, 2013, the New Jersey Angel Investor Tax Credit Act was signed into law with Regulations approved by the Members of the Board in June 2013. The New Jersey Angel Investor Tax Credit Program (ATC) establishes credits against corporate business tax or New Jersey gross income tax. When the program was originally approved, the amount of the tax credit was 10%. In 2019, Governor Murphy approved an increase to the amount of the tax credit from a 10% to 20% with a 5% bonus for either investing in NJ certified women or minority owned businesses or if the business is located in an Opportunity Zone or New Markets Tax Credit census tract. This increase is effective for all investments made on or after January 1, 2020.

*Angel Investor Tax Credit Program – Q2 2020 Review*

In the second quarter of 2020, twenty-seven Angel Tax Credit applications for $1,050,126 in tax credits were approved. This represented $10,176,120.00 in private investments into 12 unique technology and life science companies. The Technology sector represented 18% of applications while Clean Tech represented 4%, while Life Sciences companies were 78% of the overall applications. Elucida Oncology was the first company to qualify for the expanded 20% tax credit while Bark Biome was the first company to receive the additional 5% bonus for a woman owned business. Of note, both these businesses are new to the program in 2020.
Angel Tax Credit Q2 2020 Results

<table>
<thead>
<tr>
<th>Sector</th>
<th>Investment Amount</th>
<th>Applications</th>
<th># of Companies in Each Sector</th>
<th>% of Total Investments</th>
<th>% of Total Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>$851,000</td>
<td>5</td>
<td>4</td>
<td>8%</td>
<td>18%</td>
</tr>
<tr>
<td>Clean Tech</td>
<td>$5,000,000</td>
<td>1</td>
<td>1</td>
<td>49%</td>
<td>4%</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>$4,325,120</td>
<td>21</td>
<td>7</td>
<td>43%</td>
<td>78%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$10,176,120</strong></td>
<td><strong>27</strong></td>
<td><strong>12</strong></td>
<td><strong>27%</strong></td>
<td><strong>12%</strong></td>
</tr>
</tbody>
</table>

The following three companies are new program participants for the 2nd quarter of 2020:

- **Agilis Chemicals, Inc.:** Based in Short Hills, NJ. Agilis Chemicals, Inc. offers a cloud-based Commerce Platform-as-a-Service to chemical producers and distributors; which consolidates supply chain fragmentation and brings efficiency to the chemical procurement process. Of note, Agilis Chemicals, also participated in the NJ Founders and Funders program.

- **Bark Biome, LLC:** Based in Lebanon, NJ. Bark Biome is a vertically-integrated, individualized pet health-technology life sciences platform that also markets, manufactures and sells personalized canine supplements. The company will provide a technology platform for pet parents to collect, analyze, and translate real-time insights into actionable health plans, including pet supplements.

- **Elucida Oncology, Inc.:** Based in Bound Brook, NJ. Elucida Oncology, Inc.is a biotechnology company focused on clinical research, development and subsequent commercialization of life-changing products based on the Target or Clear™ technology of the novel, ultra-small nanoparticle delivery platform. Elucida’s work is centered around the detection and treatment of primary solid tumor and metastatic cancers in order to extend and enhance people’s lives.

Since program inception in 2013 through Q2 2020, the Authority has approved 1,371 applications for investments totaling more than $561 million invested in 97 New Jersey based technology businesses.

Angel Tax Credit Q2 2020 Declinations

<table>
<thead>
<tr>
<th>Investor</th>
<th>Company</th>
<th>Investment Amount</th>
<th>Angel Tax Credit</th>
<th>Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nimble Ventures</td>
<td>Genomic Prediction, Inc</td>
<td>$175,000.00</td>
<td>$17,500</td>
<td>1</td>
</tr>
</tbody>
</table>
The application for Nimble Ventures was declined as the transaction and the application to the program was made 6 months after the date of investment and was therefore not eligible under the Angel Tax Credit Program. The applicant did not submit an appeal within the required timeline.

Please find a detailed list of all ATC applications that were approved under delegated authority during the second quarter of 2020 on Exhibit A.

For Informational Purposes Only - NJ Ignite Program
NJ Ignite offers grants that support the rent of early stage technology and life science companies, which are located in an approved program collaborative workspace. Grants vary in amount and the start-up must commit to continue to work from the collaborative space under established agreements. As of May 20th, 2020, there were 21 approved collaborative spaces in New Jersey, some of which have multiple locations.

NJ Ignite Program – Q2 2020 Review

The following two charts represent approvals for both collaborative workspaces and tenant applications from approved workspaces. With the Governor’s Executive Order to Work from Home most of the NJ Ignite sites were closed during Q2 2020, except for those with individual labs, and as such there was reduced direct tenant support in the quarter.

Workspace Approvals

<table>
<thead>
<tr>
<th>Workspace Name</th>
<th>Workspace Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Co)Workingspace of North Brunswick</td>
<td>North Brunswick</td>
</tr>
<tr>
<td>Mission 50</td>
<td>Hoboken</td>
</tr>
<tr>
<td>Equal Space – Market St</td>
<td>Newark</td>
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</table>

Tenant Approvals

<table>
<thead>
<tr>
<th>Tenant Name</th>
<th>Workspace Name</th>
<th>EDA Grant</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fetch Enterprises</td>
<td>Princeton Innovation Center BioLabs</td>
<td>$12,400.00</td>
<td>4</td>
</tr>
</tbody>
</table>

For Informational Purposes Only – NJ Entrepreneur Support Program

On March 26, 2020, the NJEDA Board approved the NJ Startup Entrepreneur Support Program (NJESP) to help support New Jersey entrepreneurial businesses with limited funding to navigate COVID-19 related cashflow constraints by giving them access to investor support. Under the
program, existing investors of the entrepreneurial businesses (operating in Innovation Economy sectors) receive a guarantee (up to 80%, not to exceed $200,000 per company) for a new, qualified bridge loan/convertible note into the NJ entrepreneurial business. The total program budget is $5 million.

**NJ Entrepreneur Support Program (ESP) – Q2 2020 Review**

Applications for the program opened on April 22, 2020. During Q2 2020, 77 applications were received from 23 businesses for combined Promissory Note investments of $5,234,943 and NJEDA Guarantee amount of $4,241,259. Under delegated authority, 31 applications from 11 unique businesses were approved for a combined Promissory Note investment of $1,805,000 and NJEDA Guarantee amount of $1,443,996. Of note, 17 applications were declined, and 14 applications were withdrawn.

The following details approved applications:

<table>
<thead>
<tr>
<th>Sector</th>
<th># of Businesses in the Sector</th>
<th># of Applications</th>
<th>% of Total Approved Applications</th>
<th>Approved Guarantee Amount</th>
<th>% of Total Approved Guarantee Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Manufacturing</td>
<td>2</td>
<td>8</td>
<td>25.81%</td>
<td>$344,000</td>
<td>23.82%</td>
</tr>
<tr>
<td>Information / Technology</td>
<td>7</td>
<td>14</td>
<td>45.16%</td>
<td>$940,000</td>
<td>65.10%</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>2</td>
<td>9</td>
<td>29.03%</td>
<td>$159,996</td>
<td>11.08%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11</strong></td>
<td><strong>31</strong></td>
<td><strong>29.03%</strong></td>
<td><strong>$1,443,996</strong></td>
<td><strong>11.08%</strong></td>
</tr>
</tbody>
</table>

Of the 11 approved businesses program participants, four businesses are minority or woman owned; and two businesses are located in Opportunity Zones. These 11 businesses represent a total 36 full-time employees in New Jersey.

The following companies participated in the NJESP program.

- **3D Custom Foods Corp:** Based in Westfield, NJ, 3D Custom Foods Corp. manufactures and sells dog food and treats under the brand name HOLI CHOW. The company customizes meals for dogs tailored to their nutritional requirements, flavor preferences, and serving size. 3D Custom Foods Corp. has a manufacturing and warehousing facility in Roselle Park, NJ where it processes, packages and distributes HOLI CHOW products. 3D Custom Foods Corp employs two NJ employees.

- **Ailares Inc.:** Based in Princeton, NJ, Ailares, Inc. is a technology company that specializes in machine learning and artificial intelligence. It focuses on the application of modern machine learning and AI technology to solve real world problems. Ailares is a minority owned business. Ailares employs four NJ employees.
• **Hope Portal Services, Inc.** Based in Holmdel, NJ Hope Portal Services, Inc., doing business as Hope Trust, is a health-tech/fin-tech startup that provides planning, concierge and fiduciary services to the special-needs community. Hope Portal Services has participated in Angel Tax Credit and NOL programs. Hope Portal employs seven NJ employees.

• **InquisitHealth** Based in River Edge, NJ InquisitHealth is a health tech company that provides peer-to-peer mentoring services to improve patient health outcomes. The Company has developed a HIPAA-compliant technology platform that offers a fully scalable and managed peer mentoring solution. InquisitHealth is a minority owned business. Of note, InquisitHealth has participated in multiple NJEDA programs including the NJ CoVest loan. Angel Tax Credit, and Founders and Funders. InquisitHealth employs seven NJ employees.

• **iSport360** Based in Manalapan, NJ, iSport360 is a software company that creates applications for youth sports organizations. iSport360 helps teams communicate, train together, build team culture, and assess progress. Customers of iSport360's applications include clubs, teams and coaches, mostly in New Jersey. iSport360 has one NJ employee.

• **MAPay, LLC** Voorhees, NJ based MAPay deploys distributed ledger technology to process healthcare payments. MAPay aims to reduce healthcare transaction costs, improve payment performance, while building a blockchain-based network of proprietary healthcare information that will have a positive impact on healthcare outcomes. MAPay LLC employs one NJ employee.

• **POM Partners LLC** Newark based POM (Peace of Mind) provides personal safety solutions for the higher education, healthcare and enterprise industries, which enable users to instantly and discreetly connect with the nearest emergency responders via a combination of a GPS enabled hardware device and mobile application. POM Partners is based in an Opportunity Zone. POM Partners employs three employees in NJ.

• **Reti360, Inc.** Hoboken, NJ based Reti360 provides an end-to-end real estate transaction platform that leverages technology to increase the certainty of closing on consumers’ homes. Reti360 employs one NJ employee.

• **Ricovr Healthcare Inc.** Princeton, NJ based Ricovr Healthcare Inc., is developing a portable point-of-care medical device that uses saliva, to pick up both smoked and edible cannabis. Ricovr Health is a minority owned business. The company also participated in the Angel Tax Credit program. Ricovr Healthcare employs two employees in NJ.

• **SunRay Scientific LLC** Long Branch, NJ based SunRay Scientific manufactures novel
conductive adhesives for creating electrical interconnects for electronics - medical, consumer, government / aerospace applications. SunRay Scientific is minority woman owned business. SunRay Scientific employs five employees in NJ.

- **Urigen Pharmaceuticals Inc.:** Bound Brooks, NJ based Urigen Pharmaceuticals is a New Jersey based biopharmaceutical company that is developing treatments for Urological disorders. Urigen is also conducting research on the regeneration of bladder epithelial tissue in response to injury from disease or by chemical/mechanical means. Of note, Urigen is a graduate of NJ Bioscience Center incubator and has also participated in the Angel Tax Credit program and Founders and Funders. Urigen employs two employees in NJ and is currently based in an Opportunity Zone.

A list of all NJESP applications that were approved under delegated authority during the second quarter of 2020 is attached as Exhibit B.

Signed by:
Tim Sullivan, CEO

Prepared by:
Jennifer Toth
# EXHIBIT A

## Q2 2020 Delegated ATC Delegated Approvals

<table>
<thead>
<tr>
<th>Employees in NJ</th>
<th>Investors</th>
<th>Company</th>
<th>Investment</th>
<th>Proposed Tax Credit</th>
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<tr>
<td>NJ: 20 Total: 20</td>
<td>Alex I Khowaylo Acuitive Technologies, Inc</td>
<td>$1,750,000</td>
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<td></td>
<td>John Micera Revocable Living Trust Acuitive Technologies, Inc</td>
<td>$500,000</td>
<td>$10,000.00</td>
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<td></td>
<td>David S Washburn Acuitive Technologies, Inc</td>
<td>$135,000</td>
<td>$13,500</td>
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<tr>
<td></td>
<td>Alex Khowaylo Acuitive Technologies, Inc</td>
<td>$550,000</td>
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<tr>
<td></td>
<td>Wayne Sarkis Berberian Acuitive Technologies, Inc</td>
<td>$150,000</td>
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<td></td>
<td>James Malayer Acuitive Technologies, Inc</td>
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<td>Eric Carrara Acuitive Technologies, Inc</td>
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<td>James Malayer Acuitive Technologies, Inc</td>
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<td>David Washburn Acuitive Technologies, Inc</td>
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<td></td>
<td>Vijay Dineshchandra Bhatt Agilis Chemicals Inc</td>
<td>$49,980</td>
<td>$4,998</td>
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Exhibit B

Q2 2020 Entrepreneur Support Program Delegated Approvals:

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<th>Eligible Bridge Loan / Promissory Note</th>
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July 14, 2020 Meeting Board Book - BOARD MEMORANDA - FYI ONLY
MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: July 14, 2020

SUBJECT: Real Estate Division Delegated Authority for Leases and Right of Entry (ROE)/Licenses for Second Quarter 2020 - For Informational Purposes Only

The following approvals were made pursuant to Delegated Authority for Leases and ROE/Licenses in April, May and June 2020:

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## COVID19 LEASE DEFERRAL

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## RIGHT OF ENTRY/LICENSES/EXTENSIONS

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Tim Sullivan  
Chief Executive Officer

Prepared by: Stacy Pellegrino