MEMORANDUM

TO: Members of the Authority
FROM: Melissa Orsen
Chief Executive Officer
DATE: September 9, 2016
SUBJECT: Agenda for Annual Board Meeting of the Authority September 9, 2016

Notice of Public Meeting

Roll Call

Approval of Previous Month’s Minutes

Chief Executive Officer’s Monthly Report to the Board

Authority Matters

Incentive Programs

Bond Projects

Loans/Grants/Guarantees

Office of Recovery

Real Estate

Board Memorandums

Public Comment

Adjournment
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

August 9, 2016

MINUTES OF THE MEETING

Members of the Authority present: Al Koepp, Chairman; Commissioner Richard Badolato of the Department of Banking and Insurance; Jeffrey Stoller representing Commissioner Hal Wirths of the Department of Labor and Workforce Development; Colleen Kokas representing the Commissioner of the Department of Environmental Protection; Public Members: David Huber, Fred B. Dumont, and Harold Imperatore, Third Alternate Public Member.

Members Present via conference call: Charles Sarlo, Philip B. Alagia, William J. Albanese, Sr., Second Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Absent: Peter Simon representing Acting State Treasurer Ford M. Scudder; Public Members Larry Downes, Massiel Medina Ferrara and Patrick Delle Cava, First Alternate Public Member.

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

Chairman Koepp called the meeting to order at 10 a.m.

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the July 14, 2016 meeting minutes. A motion was made to approve the minutes by Mr. Stoller and seconded by Ms. Kokas, and was approved by the 9 voting members present.
Mr. Sarlo called into the meeting at this time.

**INCENTIVE PROGRAMS**

**Economic Redevelopment and Growth Grant Program**

**ITEM:** Downtown Works Urban Renewal Housing Co., LLC and Cooper-Grant Neighborhood Association

**REQUEST:** To approve funding authorization for $2,177,000 non-recoverable grant from the Downtown Revitalization and Recovery Fund established through the Municipal Rehabilitation and Economic Recovery Act.

**MOTION TO APPROVE:** Mr. Huber **SECOND:** Mr. Imperatore **AYES:** 10

**RESOLUTION ATTACHED AND MARKED EXHIBIT:** 1

**ITEM:** Downtown Works Urban Renewal Housing Co., LLC and Cooper-Grant Neighborhood Association

**REQUEST:** To approve the application of Downtown Works Urban Renewal Housing Co., LLC and Cooper Grant Neighborhood Association for a project located in the City of Camden, Camden County, for the issuance of tax credits. The recommendation is to award 40% of actual eligible costs, not to exceed $2,706,272, in tax credits, based on the budget submitted.

**MOTION TO APPROVE:** Commissioner Badolato **SECOND:** Mr. Stoller **AYES:** 10

**RESOLUTION ATTACHED AND MARKED EXHIBIT:** 2

**ITEM:** Proposed Rule Amendments – Statutory and Policy Revisions

*This project was withheld from consideration.*

**Grow New Jersey Assistance Program**

**ITEM:** ACTEGA North America, Inc.

**REQUEST:** To approve the finding of a material factor in the decision to make a capital investment and locate in municipality for GROW New Jersey Assistance program project.

**MOTION TO APPROVE:** Mr. Huber **SECOND:** Ms. Kokas **AYES:** 10

**RESOLUTION ATTACHED AND MARKED EXHIBIT:** 3

**ITEM:** ACTEGA North America, Inc.

**REQUEST:** To approve the application of ACTEGA North America, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Camden City, NJ. Project location of Camden, Camden County qualifies as a Garden State Growth Zone under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute to receive per employee as a tax credit the total amount of capital investment for the project divided by the number of employees. The estimated annual award is $4,000,000 for a 10-year term.

**MOTION TO APPROVE:** Mr. Stoller **SECOND:** Mr. Huber **AYES:** 10

**RESOLUTION ATTACHED AND MARKED EXHIBIT:** 4
ITEM: Allergan Sales, LLC
REQUEST: To approve the recommendation not to disqualify.
MOTION TO APPROVE: Mr. Huber SECOND: Ms. Kokas AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

ITEM: Allergan Sales, LLC
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Imperatore AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: Allergan Sales, LLC
REQUEST: To approve the application of Allergan Sales, LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Madison Borough, NJ. Project location of Madison, Morris County qualifies as a Mega Project under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Jobs with Salary in Excess of County Average, Large Number of New/Retained F/T Jobs, and Targeted Industry (Life Sciences). The estimated annual award is $5,828,400 for a 10-year term.
MOTION TO APPROVE: Commissioner Badolato SECOND: Mr. Stoller AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

ITEM: Allergan Sales, LLC
REQUEST: Consent the approval of Allergan Sales application to participate in the Sales and Use Tax Exemption (STX) Program.
MOTION TO APPROVE: Commissioner Badolato SECOND: Ms. Kokas AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

ITEM: Broadridge Financial Solutions, Inc.
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Stoller AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

ITEM: Broadridge Financial Solutions, Inc.
REQUEST: To approve the application of Broadridge Financial Solutions, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Newark City, NJ. Project location of Newark, Essex County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Transit Oriented Development, Jobs with Salary in Excess of County Average, Large Number of New/Retained F/T Jobs and Targeted Industry (Finance). The estimated annual award is $2,340,849 for a 10-year term.
MOTION TO APPROVE: Mr. Stoller SECOND: Ms. Kokas AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10
ITEM: Demountable Concepts, Inc.  APPL.#42850
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Huber  SECOND: Ms. Kokas  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: Demountable Concepts, Inc.  APPL.#42850
REQUEST: To approve the application of Demountable Concepts, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Glassboro Borough, NJ. The existing location of Glassboro, Gloucester County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of Minimum (non-Mega), Targeted Industry (Manufacturing), 2007 Revit. Index Greater than 465 in Gloucester County and On Site Solar Generation of ½ of Projects Electric Needs. The estimated annual award is $225,840 for a 10-year term. The new location of Glassboro, Gloucester County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of Minimum (non-Mega), Targeted Industry (Manufacturing), 2007 Revit. Index Greater than 465 in Gloucester County and On Site Solar Generation of ½ of Projects Electric Needs. The estimated annual award is $201,250 for a 10-year term.
MOTION TO APPROVE: Commissioner Badolato  SECOND: Mr. Dumont  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

ITEM: Dubell Lumber Co.  APPL.#42607
REQUEST: To approve the finding of a material factor in the decision to make a capital investment and locate in municipality for GROW New Jersey Assistance program project.
MOTION TO APPROVE: Mr. Huber  SECOND: Ms. Kokas  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

ITEM: Dubell Lumber Co.  APPL.#42607
REQUEST: To approve the application of Dubell Lumber Co for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Camden City, NJ. Project location of Camden, Camden County qualifies as a Garden State Growth Zone under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Transit Oriented Development, Targeted Industry (Manufacturing), Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min, 2007 Revit. Index greater than 465 in Camden County. The estimated annual award is $1,830,000 for a 10-year term.
MOTION TO APPROVE: Ms. Kokas  SECOND: Commissioner Badolato  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14
ITEM: New Avon, LLC
REQUEST: To approve the application of New Avon, LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Jersey City, N.J. Project location of Jersey City, Hudson County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development, Jobs with Salary in Excess of County Average and Large Number of New/Retained F/T Jobs. The estimated annual award is $3,168,000 for a 10-year term.
MOTION TO APPROVE: Mr. Stoller SECOND: Commissioner Badolato AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

ITEM: PsychoGenics Inc.
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Dumont AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

ITEM: PsychoGenics Inc.
REQUEST: To approve the application of PsychoGenics Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Paramus Borough, N.J. Project location of Paramus, Bergen County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Jobs with Salary in Excess of County Average and Targeted Industry (Life Sciences). The estimated annual award is $373,125 for a 10-year term.
MOTION TO APPROVE: Commissioner Badolato SECOND: Mr. Stoller AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

ITEM: United Asphalt Company
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Stoller SECOND: Mr. Imperatore AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

ITEM: United Asphalt Company
REQUEST: To approve the application of United Asphalt Company for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Winslow Township, N.J. Project location of Winslow, Camden County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of Minimum (non-Mega) and Targeted Industry (Manufacturing). The estimated annual award is $131,250 for a 10-year term.
MOTION TO APPROVE: Mr. Huber SECOND: Ms. Kokas AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19
Grow New Jersey Assistance Program – Modifications

ITEM: Mallinckrodt Enterprises, LLC. APPL.#42291
REQUEST: To approve the modification request for location.
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Huber AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

BOND PROJECTS

Preliminary Bond Resolutions

ITEM: KIPP:Cooper Norcross, A New Jersey Nonprofit Corporation APPL.#42944
LOCATION: Camden City, Camden County
PROCEEDS FOR: Renovation/Acquisition/Equipment and Machinery
FINANCING: $29,833,634 Taxable QSCB
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Huber AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

ITEM: Memorial Sloan-Kettering Cancer Center APPL.#42959
LOCATION: Multiple Locations
PROCEEDS FOR: Renovation/Acquisition/Equipment and Machinery
FINANCING: $145,000,000 Tax-Exempt Bond
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Stoller AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

Premier Lender Program

ITEM: Post Closing Credit Delegations – Premier Lender Program (“PLP”) REQUEST: To Increase the previously approved PLP post-closing staff delegations from $1,250,000 to $2,750,000.
MOTION TO APPROVE: Mr. Huber SECOND: Ms. Kokas AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

Petroleum Underground Storage Tank Program

FOR INFORMATION ONLY – PUST and HDSRF Program Funding Status

ITEM: Summary of NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Stoller AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24
PROJECT: Estate of Vincent Cloge and Rose Marie Cloge
LOCATION: Vineland City/Cumberland
PROCEEDS FOR: Remediation
FINANCING: $15,443

PROJECT: Rosa Joao
LOCATION: Elizabeth City/Union
PROCEEDS FOR: Remediation
FINANCING: $222,602

Hazardous Discharge Site Remediation Fund Program

ITEM: Summary of NJDEP Hazardous Discharge Site Remediation Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Ms., Kokas SECOND: Commissioner Badolato AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

PROJECT: Camden Redevelopment Agency (Camden Laboratories)
LOCATION: Camden City/Camden
PROCEEDS FOR: Remedial Investigation
FINANCING: $192,051

PROJECT: Jersey City Redevelopment Agency (Berry Lane Park)
LOCATION: Jersey City/Hudson
PROCEEDS FOR: Remedial Hudson
FINANCING: $267,329

PROJECT: Jersey City Redevelopment Agency (Grant Cleaners/DB Luckys Auto Service)
LOCATION: Jersey City/Hudson
PROCEEDS FOR: Remedial Investigation
FINANCING: $211,778

PROJECT: Township of Hanover (Fmr Van Dyk Research Corp.)
LOCATION: Hanover Township/Morris
PROCEEDS FOR: Remedial Investigation
FINANCING: $113,235

Edison Innovation Fund

ITEM: Edison Innovation Venture Capital Investment Program Update
REQUEST: To approve an update to the Authority’s Venture Fund investment policy, along with the implantation of a scoring model.
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Stoller AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 26
Technology Business Tax Certificate Transfer Program

ITEM: Technology Business Tax Certificate Transfer Program: 2016 Program Approvals
REQUEST: To approve the applicants which have met the evaluation criteria.
MOTION TO APPROVE: Ms. Kokas  SECOND: Mr. Huber  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 27

OFFICE OF RECOVERY

Stronger New Jersey Business Loan Program

ITEM: Formica Brothers LLC, $2,095,216 Loan  APPL.#38858
REQUEST: To extend the maturity and amortization of the loan.
MOTION TO APPROVE: Mr. Dumont  SECOND: Mr. Huber  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 28

ITEM: Delegations for the Stronger NJ Business Loan Program
REQUEST: To approve post-closing delegations for the Stronger New Jersey Business Loan Program.
MOTION TO APPROVE: Commissioner Badolato  SECOND: Mr. Huber  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 29

Energy Resilience Bank (ERB)

ITEM: South Monmouth Regional Sewerage Authority (SMRSA) Cogen Islanding Expansion Project Funding Recommendation
REQUEST: To approve the actions required to advance the project to the next stage of the review process.
MOTION TO APPROVE: Ms. Kokas  SECOND: Mr. Imperatore  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 30

REAL ESTATE

ITEM: Fmera Purchase and Sale & Redevelopment Agreement with Monmouth County for Motor Pool Area in the Eatontown Section of Fort Monmouth
REQUEST: Consent to Fmera entering into the redevelopment agreement contained within the Purchase and Sale & Redevelopment Agreement with Monmouth County for redevelopment of the Motor Pool Area.
MOTION TO APPROVE: Commissioner Badolato  SECOND: Mr. Stoller  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 31
ITEM: FMERA Purchase and Sale & Redevelopment Agreement with Monmouth County for 3-Acre Parcel for Emergency Homeless Shelter in the Oceanport Section of Fort Monmouth
REQUEST: Consent to FMERA entering into the redevelopment agreement that is contained within the Purchase and Sale & Redevelopment Agreement with Monmouth County for redevelopment of a 3-acre parcel.
MOTION TO APPROVE: Mr. Stoller  SECOND: Mr. Huber  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 32

ITEM: Coopers Poynt Park and Road Construction Project
REQUEST: To approve the award of a construction services contract to D’Angelo Bros. Inc. of Philadelphia, PA for the construction of the Cooper’s Poynt Park and Road Project located on the former Riverfront State Prison Site Located in Camden, NJ
MOTION TO APPROVE: Mr. Stoller  SECOND: Mr. Huber  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 33

ITEM: Premier Education Group
REQUEST: To approve the amendment of the existing Surrender and Cancellation of Lease and Occupancy Agreement between Premier Education Group and the NJEDA for the Tech VI building at the Technology Centre of New Jersey.
MOTION TO APPROVE: Commissioner Badolato  SECOND: Mr. Imperatore  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 34

ITEM: Update to Operating Authority Real Estate Division and Technology & Life Sciences (TLS)
REQUEST: Approve the modification of the Real Estate Division and CCIT Operating Authority.
MOTION TO APPROVE: Ms. Kokas  SECOND: Mr. Huber  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 35

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Projects approved under Delegated Authority

Camden ERB: W Keith Williams II (P42660 & P42662)

Premier Lender Program: 6001 Bordentown, LLC (P42826); Richard E. Pierson Material Corporation “REPMC” (P42797),

Stronger NJ Business Loan Program: C & C Marine Services LLC (P42708); Headquarters Pub LLC d/b/a Tun Tavern (P41880 & P40592); LaGrutta-Russo, LLC d/b/a Mulberry Street Restaurant & Bar (P41919 & P41922); Payton Enterprises, LLC (P42555)

FOR INFORMATION ONLY: Petroleum Underground Storage Tank Program – Delegated Authority Second Quarter 2016 Approvals
FOR INFORMATION ONLY: Hazardous Discharge Site Remediation Fund – Delegated Authority Second Quarter 2016 Approvals

FOR INFORMATION ONLY: Retail Fuel Station – Energy Resiliency Program Modifications

FOR INFORMATION ONLY: Retail Fuel Station – Energy Resiliency Program Delegated Authority Second Quarter 2016 Approvals

FOR INFORMATION ONLY: Post Closing Delegated Authority Second Quarter 2016 Approvals

FOR INFORMATION ONLY: Incentives Modifications Delegated Authority Second Quarter 2016 Approvals

FOR INFORMATION ONLY: Sale of Property to KTR Property Trust III

PUBLIC COMMENT

There was no public comment.

EXECUTIVE SESSION

The next item was to adjourn the public session of the meeting and enter into Executive Session to discuss a legal matter and a contract matter. The minutes will be made public when the need for confidentiality no longer exists.

MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Huber AYES: 10

RESOLUTION ATTACHED AND MARKED EXHIBIT: 36

The Board returned to Public Session.

ADJOURNMENT

There being no further business, on a motion by Mr. Imperatore, and seconded by Commissioner Badolato, the meeting was adjourned at 11:40am.

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

______________________________
Erin Gold, Director, Marketing and Public Affairs
Assistant Secretary
TO: Members of the Authority
FROM: Melissa J. Orsen
Chief Executive Officer
DATE: September 9, 2016
RE: Monthly Report to the Board

AUGUST EVENTS SHOWCASE IMPACT OF EDA-SUPPORTED PROJECTS

Two EDA-supported manufacturers were highlighted this month as staff visited family-owned Adagio Teas in Elmwood Park and attended a groundbreaking at the new headquarters of Fabuwood Cabinetry Corporation in Newark.

Adagio Teas, which manufactures and sells gourmet teas and tea-making accessories, received an M&T Bank loan that included a 50 percent EDA participation through the Small Business Fund. In addition to ramping up its manufacturing capabilities, Adagio Teas has increased its workforce by approximately 20 percent since securing the loan in 2014. This visit was part of the EDA’s ongoing initiative to raise awareness of EDA resources available to small businesses which includes targeted print and radio advertising, social media, and visits to EDA-supported small businesses with related media outreach. These efforts are supported by Princeton Partners, EDA’s marketing agency of record.

Encouraged through the Grow New Jersey Program, Fabuwood Cabinetry broke ground last week on a long-dormant portfield site in Newark where it will invest $57.8 million to construct a new, expanded facility that will allow the manufacturer of kitchen cabinets to consolidate operations. The project is expected to create 276 new jobs and retain 336 jobs that were at risk of leaving the State for New York.

Another company approved under the Grow New Jersey Program was highlighted in August as Lieutenant Governor Kim Guadagno attended a groundbreaking for Quality Packaging Specialists International, which is building a new facility in Florence where it will expand its operations. The packaging and supply chain solutions company expects to create 220 new jobs and retain 170 jobs that were at risk of leaving the State for Pennsylvania.

EDA HEADS BACK TO SCHOOL

Some students returning to Rutgers University’s New Brunswick campus this fall moved into newly built apartments on the corner of College Avenue and Hamilton Street. Known as “The Yard,” the $102 million project was supported under the Urban Transit Hub program and also includes residential space for the University Honors College, more than 162,000 square feet of academic space, room for studying and social gatherings, as well as retail space, parking and public green space. The project was advanced
through a public-private partnership involving Rutgers University, New Brunswick Theological Seminary, Rutgers Hillel, Citibank and the New Brunswick Development Corporation (DEVCO).

Also returning to college campuses are eight students that spent the summer as interns at the EDA. Through a new program instituted this year, EDA internships offered college students multi-faceted, integrated learning opportunities designed to prepare them for a fast-paced work environment. This included interaction with EDA leadership and peer mentors, networking events, and workshops focused on a range of topics. 2016 summer interns included:

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<th>Intern</th>
<th>College</th>
<th>Department</th>
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<tr>
<td>Kyle Asman</td>
<td>Arcadia University- Glenside, PA</td>
<td>Incentives Portfolio Management</td>
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<tr>
<td></td>
<td>• B.A. - Double Major: Political Science and Economics</td>
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<td>• Expected Graduation, May 2017</td>
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<tr>
<td>Christopher Popso</td>
<td>Rider University- Lawrenceville</td>
<td>Finance &amp; Bond Portfolio Management</td>
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<td></td>
<td>• B.S. - Business Administration, Double Major: Finance and Business Economics</td>
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<td>• Expected Graduation, May 2017</td>
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<tr>
<td>Tristan Pavlik</td>
<td>Rutgers University - Camden</td>
<td>HUD Programs</td>
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<td></td>
<td>• Masters in Public Administration</td>
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<td>• Expected Graduation, May 2017</td>
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<tr>
<td>Annie Bancroft</td>
<td>University of Richmond, Richmond, VA,</td>
<td>Incentives Portfolio Management</td>
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<tr>
<td></td>
<td>• B.S. - Business Administration, Concentration in Economics, Minor in Rhetoric and Communication Studies</td>
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<tr>
<td></td>
<td>• Expected Graduation, May 2018</td>
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<tr>
<td>Emily Schmitt</td>
<td>Rutgers School of Law, Camden</td>
<td>Real Estate</td>
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<td>• Candidate for Juris Doctor, May 2017</td>
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<tr>
<td>Christina Royster</td>
<td>Rider University, Lawrence</td>
<td>Marketing &amp; Public Affairs</td>
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<td></td>
<td>• B.A. - Graphic Design, Double Minor: Advertising and Web Design</td>
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<td></td>
<td>• Expected Graduation, May 2017</td>
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<tr>
<td>Pawel Tomczyk</td>
<td>Rutgers School of Arts and Sciences, New Brunswick</td>
<td>Technology and Life Sciences</td>
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<td>• B.S. - Business Administration, Double Major: Economics and Mathematics</td>
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<tr>
<td>Madison Uram</td>
<td>Lehigh University, Bethlehem, PA</td>
<td>Technology and Life Sciences</td>
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<td>• Dual Degree – B.S., Finance; B.A., Chemistry</td>
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FMERA RECEIVES COUNTY APPROVAL FOR PHASE 2 PROPERTY FUNDING

The Fort Monmouth Economic Revitalization Authority (FMERA) recently announced that the Monmouth County Board of Chosen Freeholders approved a plan to guarantee $35 million in notes and bonds through the Monmouth County Improvement Authority (MCIA) to support FMERA’s purchase of the remaining 560 acres of land on Fort Monmouth from the United States Army.
FMERA Executive Director Bruce Steadman said the option offered by the MCIA represents the most cost-effective solution, minimizing the burden on taxpayers and enabling FMERA to continue its mission of attracting investment and jobs to the Fort. He noted that the purchase of the property from the Army will facilitate FMERA’s ability to redevelop the Fort, expediting job creation and producing tax revenues for the three host municipalities and Monmouth County.

CLOSED PROJECTS

Through August 2016, EDA closed on $211 million in traditional lending assistance to support 172 projects, leveraging $427.3 million in public/private investment and the creation of an estimated 665 new permanent jobs and 857 construction jobs.

In addition, EDA also executed agreements pending certification with 28 incentive projects for $408.1 million, leveraging an estimated $579.8 million in private investment, the creation of 2,815 new jobs and 1,486 construction jobs, and the retention of 2,550 jobs at risk of leaving New Jersey.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 17 events in August. These included Bisnow’s 5th Annual Future of South Jersey Summit in Cherry Hill, Princeton University’s eLab Demo Day in Princeton, and the Newark Regional Business Partnership’s Tools for Decision Making event held at Montclair State University.
AUTHORITY MATTERS
MEMORANDUM

To: Members of the Authority

From: Al Koeppen
Chairman

Date: September 9, 2016

Subject: Annual Organizational Meeting

The New Jersey Economic Development Authority’s By-Laws provide that an annual reorganization meeting be held in September of each year. The Members are asked to consider the following recommendations associated with the annual reorganization meeting:

Officers

As has been done in years past, it is recommended that the position of Board Treasurer be held by State Treasurer Ford M. Scudder (Acting State Treasurer). I recommend the position of Vice Chairman, formerly held by Joe McNamara, be filled by Laurence Downes, subject to confirmation by the Members.

The appointment of Assistant Secretaries to the Board to support the Secretary in her absence is also required. I am recommending that Tim Lizura, Maureen Hassett, John Rosenfeld, Rich LoCascio, and Erin Gold serve as Assistant Secretaries. As per the By-Laws, Melissa Orsen, in her role of CEO, will serve as Board Secretary.

Committees

The Authority has six committees that meet throughout the year. I am requesting that the named Members or their Ex Officio designees participate in the following committees and recommend the appointment of individual Members to Chair each committee as so indicated:

**Director’s Loan Review Committee** - Chair: David Huber, Fred Dumont, Patrick Delle Cava, William Albanese, the Commissioner of the Department of Banking and Insurance, and the Commissioner of the Department of Labor and Workforce Development

The DLRC will meet monthly to review all non real estate development Authority exposure requests, including, but not limited to, direct and loan guarantee requests.
Audit Committee – Acting Chair: David Huber, Al Koepp, Charles Sarlo, the State Treasurer, and the Commissioner of the Department of Banking and Insurance

The Audit Committee monitors the financial operations of the Authority including the review of the annual operating budget and those responsibilities outlined in the committee Charter. The committee will meet quarterly and at such other times as determined by the Chair.

Policy Committee - Chair: Al Koepp, Charles Sarlo, Larry Downes, David Huber and Philip Alagia

The Policy Committee provides advice on policy matters, the formulation of the Authority’s annual strategic business plan and marketing strategy and meets at times determined by the Chief Executive Officer (CEO) in consultation with the Chair.

Real Estate Committee - Chair: Charles Sarlo, Fred Dumont, Harold Imperatore, Massiel Medina Ferrara, the Commissioner of the Department of Environmental Protection and the State Treasurer

The Real Estate Committee reviews all monthly real estate matters with Authority exposure prior to the Board meeting.

Incentives Committee - Chair: Larry Downes, Al Koepp, Massiel Medina Ferrara, the Executive Branch Designee, the Commissioner of Labor and Workforce Development, and the State Treasurer

The Incentives Committee meets monthly to review all significant non-direct exposure incentive requests, including but not limited to tax credits.

Compensation Committee – Chairman Al Koepp, David Huber, and Larry Downes

The Compensation Committee advises on compensation policies that enable the attraction and retention of staff and meets as determined by the CEO in consultation with the Chair.

Staff Appointments

I am asking the Board to reaffirm the appointment of Marcus Saldutti as OPRA Custodian and the appointment of Fred Cole as Ethics Liaison Officers.

Board Schedule

Attached is a schedule of the monthly Board meetings through September 2016 that I am asking the Board to approve at this time.
**Recommendation:**

By resolution we will be adopting this schedule for the next year’s Board meeting dates. I am also seeking your approval for the following actions: 1) Committee appointments as noted above; 2) Appointment of the Assistant Secretaries; 3) Election of a Vice Chair and Treasurer; and 4) the reaffirmation of OPRA Custodian and Ethics Liaison Officers.

[Signature]

Al Koepple

Attachment

Prepared by: Patience Purdy
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

2016 – 2017 BOARD MEETING DATES

Friday, October 14, 2016

Thursday, November 17, 2016

Tuesday, December 13, 2016

Tuesday, January 10, 2017

Thursday, February 16, 2017

Tuesday, March 14, 2017

Thursday, April 13, 2017

Thursday, May 11, 2017

Tuesday, June 13, 2017*

Thursday, July 13, 2017

Tuesday, August 8, 2017

Thursday, September 14, 2017

All meetings are held from 10 – 12 Noon in EDA Boardroom (36 West State Street, Trenton) unless otherwise noted.

*Camden – Location TBD

SCHEDULE IS SUBJECT TO CHANGE
INCENTIVE PROGRAMS
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: September 9, 2016

N.J.A.C. 19:31-3.1, 3.2, 4.1, 4.2, 4.3, 4.5 through 4.9, 9.1, 9.2, 9.4, 9.7, 9.9, 18.2
through 18.8, 18.11, 18.15 and 19.2 through 19.5
Edison Innovation Angel Growth Fund; ERG Program; Urban Transit Hub Tax
Credit Program; Grow NJ Program; and Angel Investor Tax Credit Program

Request:

The Members are requested to approve proposed amendments to the Economic Redevlopment and
Growth (ERG) Program, Urban Transit Hub Tax Credit (UTHTC) Program and Grow New Jersey
Assistance (Grow NJ) Program rules based on enactment of recent statutory revisions; and
implementing several policy revisions approved by the EDA Board as summarized below.

Background:

I. Statutory Revisions – The following summarizes the major provisions of the proposed
amendments which revise the ERG, UTHTC and Grow NJ programs based on enactment of recent
statutory revisions:

P.L. 2015, c. 69 encourages the development of mixed use parking projects by allowing municipal
parking authorities and certain private developers to apply for tax credits for mixed use parking
projects under the ERG Program.

- N.J.A.C. 19:31-4.2 – Define a “mixed use parking project” to mean a redevelopment project
consisting of a building or structure, the parking component of which constitutes 51 percent
or more of the entire project, based upon the total square footage, the estimated revenues, or
the total construction cost.
- N.J.A.C. 19:31-4.3 – Provide that a mixed use parking project is an allowable exception to
the criteria that a project will result in net benefits to the State.
- N.J.A.C. 19:31-4.5 – Establish fees for mixed use parking projects identical to existing fee
amounts charged to qualified residential projects.
- N.J.A.C. 19:31-4.6 – Add a mixed use parking project to the existing exception for a
qualified resident project from the fiscal impact analysis required to determine net positive
economic benefits.

- N.J.A.C. 19:31-4.7 – Provide that, for mixed use parking projects, the maximum amount of reimbursement shall equal up to 100 percent of the total project costs allocable to the parking component of the project, and 40 percent of the total project cost allocable to the non-parking component of the project.

**P.L. 2015, c. 72** revises the definition of “qualifying economic redevelopment and growth grant incentive area” for purposes of the ERG Program and “qualified incentive area” for purposes of the Grow NJ Program to include the “sports complex” under the jurisdiction of the New Jersey Sports and Exposition Authority.

- See revised definition at N.J.A.C. 19:31-4.2.

**P.L. 2015, c. 217** allows certain large development projects involving a business engaged in research, development or manufacture of drugs and medical devices or a business licensed to provide clinical laboratory services to qualify as mega projects under Grow NJ; and revises certain provisions pertaining to requirements and funding allocations for qualified residential projects and mixed use parking projects under the ERG Program.

**Grow NJ Program**

- N.J.A.C. 19:31-18.2 – Redefine “mega project” to include, for applications submitted after July 1, 2016, a qualified business facility primarily used by a business principally engaged in research, development, or manufacture of a drug or device, or primarily used by a business licensed to conduct a clinical laboratory and business facility pursuant to the “New Jersey Clinical Laboratory Improvement Act,” either: having a capital investment in excess of $20,000,000, and at which more than 250 full-time employees of such business are created or retained; or at which more than 1,000 full-time employees of such business are created or retained.

**ERG Program**

- N.J.A.C. 19:31-4.9(a) – Add a mixed use parking project to the existing requirement for a qualified residential project that if the estimated amount of incremental revenues pledged towards the State portion of an incentive grant is inadequate to fully fund the amount of the State portion of the incentive grant, then in lieu of an incentive grant based on such incremental revenue, the developer shall be awarded tax credits equal to the full amount of the incentive grant.

- N.J.A.C. 19:31-4.9(a) – Increase the amount of the value of all credits approved by the Authority for qualified residential projects, mixed use parking projects, or projects involving university infrastructure, shall not exceed $628,000,000.

- N.J.A.C. 19:31-4.9(a)3 – Increase the amount of funding restricted under the paragraph from $75,000,000 to $87,000,000, add mixed use parking projects that do not qualify under N.J.A.C. 19:31-4.9(a)1 and 2, and which are used by an independent institution of higher education, a school of medicine, a nonprofit hospital system, or any combination thereof; and provide that $20,000,000 of the $87,000,000 allocated under the paragraph shall be allocated to mixed use parking projects that do not qualify under 19:31-4.9(a)1 or 2.

- N.J.A.C. 19:31-4.9(a)4 – Decrease the amount of funding under the paragraph from $25,000,000 to $16,000,000.
**P.L. 2015, c. 242** authorizes up to $25 million in ERG Program tax credits to Rutgers, the State University of New Jersey, to finance certain infrastructure projects on its campus; raises the total program cap to accommodate the additional tax credits without adversely affecting other tax credit categories; and exempts the university infrastructure projects receiving tax credits from the ERG program net benefits requirement.

- N.J.A.C. 19:31-4.1 – Add projects involving university infrastructure to the existing provision pertaining to certain qualified residential projects, where the estimated amount of incremental revenues is inadequate to fully fund the amount of the State portion of the incentive grant, and tax credits equal to the full amount of the incentive grant may be awarded.
- N.J.A.C. 19:31-4.3 – Provide that a project involving a university infrastructure is an allowable exception to the criteria that a project will result in net benefits to the State.
- N.J.A.C. 19:31-4.5 – Establish fees for university infrastructure projects identical to existing fee amounts charged to qualified residential projects.
- N.J.A.C. 19:31-4.6 – Provide that for a project involving university infrastructure, in validating the project financing gap, the Authority may rely on a certification of the Chief Financial Officer of the university that, based on current university budget projections, a financing gap exists; and add a project involving university infrastructure to the existing exception for a qualified residential project from the fiscal impact analysis required to determine net positive economic benefits.
- N.J.A.C. 19:31-4.9 – Provide that $25,000,000 in funding shall be restricted to projects involving university infrastructure.

**P.L. 2015, c. 252** delays certain documentation submission deadlines under the ERG Program, UTHTC Program and Grow NJ Program.

- ERG Program/N.J.A.C. 19:31-4.9 – Revise the date by which each approved developer of a qualified residential facility shall submit evidence of a temporary certificate of occupancy from July 28, 2018 to July 28, 2019; and, provide that the developer of a mixed use parking project or project involving university infrastructure shall submit a temporary certificate of occupancy no later than July 28, 2021.
- UTHTC Program/N.J.A.C. 19:31-9.2, 9.4, 9.7 and 9.9 – Revise the deadlines to conform to the new deadlines for applications approved after the effective date of the “New Jersey Economic Opportunity Act of 2013,” P.L. 2013, c. 161, (September 18, 2013) and on or before December 31, 2013 and for qualified residential development applications; i.e., from April 26, 2017 to April 26, 2019 to submit documentation for approval of tax credits and from July 18, 2017 to July 28, 2019 by which the business’s credit amount for any tax period during which the documentation of the business’s credit amount remains uncertified shall be forfeited. The proposed amendments to the definition for “capital investment” also clarify that EDA will accept capital investment expenditures incurred up to the document submission deadline.
- Grow NJ Program/N.J.A.C. 19:31-18.7 – Provide an exception to the deadline for the submittal of the capital investment and employment certification that as of January 19, 2016, the effective date of P.L. 2015, c. 252, a business which applied for the tax credit prior to July 1, 2014 and was required to submit its documentation no later than July 28, 2017, shall submit its documentation to the EDA no later than July 28, 2018.
II. Policy Revisions – In addition, the proposed amendments implement several policy revisions regarding eligibility requirements under the Edison Innovation Angel Growth Fund; determination of eligible employees in certain point of service retail businesses, and extension of certain documentation deadlines as a result of “force majeure” under the Grow NJ Program; and inclusion of certain common law employees and partners as full-time employees as well as adjustments to the application deadline and certain fees under the Angel Investor Tax Credit Program, as summarized below.

Edison Innovation Angel Growth Fund

- N.J.A.C. 19:31-3.2 – Reduce the current minimum trailing twelve-month commercial revenue threshold of $500,000 to $250,000 required for eligible businesses under the Edison Innovation Angel Growth Fund.

ERG Program

- N.J.A.C. 19:31-4.5(f) – Revise the existing fee for application of a tax credit transfer certificate or permission to pledge a tax credit transfer certificate purchase contract as collateral from $2,500 to $5,000 and establishes a fee of $2,500 for each additional request made annually, as proposed for the Grow NJ Program at N.J.A.C. 19:31-18.6(f).

Grow NJ Program

- N.J.A.C. 19:31-18.2 – Revise “retained full-time job” to clarify that for certain required certifications and annual reports, to the extent an eligible position that was the basis of the award no longer exists, a business shall include as a retained full-time job a new eligible position that is filled by a full-time employee as set forth in N.J.A.C. 19:31-18.4(d).
- N.J.A.C. 19:31-18.3(a) – Provide that the capital investment in a complex of buildings shall be aggregated for purposes of qualifying as a mega project or for an award pursuant to N.J.A.C. 19:31-18.8(h); and provide that the award of tax credits shall not be a “material factor” in the creation or retention of full-time jobs filled by certain employees providing professional services and their direct administrative support staff – excluding employees in information technology, human resources, or employee relations positions – unless as of the date of the business’s application, the full-time job is filled with an employee whose primary business office is located outside of the State.
- N.J.A.C. 19:31-18.3(d) – Provide that the Authority may, in its sole discretion, consider two or more applications as one based on certain factors including, but not limited to, the location of the qualified business facilities, the types of jobs proposed, and the business’s financing and operational plans.
- N.J.A.C. 19:31-18.4(c) – Clarify existing rules that all “full-time jobs” are subject to the requirement that for a qualified incubator facility, the maximum number of positions and full-time jobs employed by businesses that are not technology startup companies that are included in the calculation of the total tax credit amount shall not exceed twice the number of positions and full-time jobs employed by technology startup companies; and no position or full-time job employed by the operator or a technology startup company may be included in the application as a retained position or full-time job.
- N.J.A.C. 19:31-18.4(d) – Clarify, for the purposes of certain certifications and annual reports required pursuant to the incentive agreement, the existing employment requirements
in instances in which the business has received an award for both new and retained full-time jobs and an eligible retained full-time job that was the basis of the award no longer exists. The new provision also clarifies the application of the requirements when a qualified business facility comprises a complex of buildings with different factors affecting the tax credit calculation. Specifically, the business shall include as a retained full-time job a new eligible position that is filled by a full-time employee, regardless of the location of such position, provided that the position is included in the order of date of hire and is not the basis for any other incentive award, and shall be paid at the lower of the tax credit for the new eligible position filled by a full-time employee or the tax credit for the retained full-time job that no longer exists.

- N.J.A.C. 19:31-18.5 – Require that for a qualified incubator facility, to include any retained full-time job or position employed by a business that is not a technology startup company, the operator shall submit with the application the certification by that business’s chief executive officer or equivalent officer for North American operations.

- N.J.A.C. 19:31-18.6 Fees – Revise certain existing fees, as follows:
  - N.J.A.C. 19:31-18.6(c) Revise the timing of the payment of the fee of .5 percent of the approved tax credit currently charged upon execution of the grant agreement for each project with tax credits of $1,000,000 or less annually and for each project with tax credits of $1,000,000 to $4,000,000 annually, under N.J.A.C. 19:31-18.6(c)1 and 2 respectively, to conform to the timing of the existing payment provision for each project with tax credits in excess of $4,000,000 annually, under N.J.A.C. 19:31-18.6(c)3, which is charged prior to the approval of the tax credit.
  - N.J.A.C. 19:31-18.6(f) – Revise the existing fee for application of a tax credit transfer certificate pursuant to N.J.A.C. 19:31-18.13 or permission to pledge a tax credit transfer certificate purchase contract as collateral from $2,500 to $5,000 and establishes a fee of $2,500 for each additional request made annually.
  - N.J.A.C. 19:31-18.6(g) – Revise the fee for each request for any administrative changes, additions, or modifications to the tax credit from $2,500 to $5,000 for each project with total tax credits of $5,000,000 and from $5,000 to $10,000 for each project with total tax credits in excess of $5,000,000.
  - N.J.A.C. 19:31-18.6(h) – Revise the existing fee for the first six-month extension to the date for certain certifications with respect to capital investment and employee from $1,000 to $5,000; and revise the existing fee for the second such six-month extension from $2,500 to $10,000.

- N.J.A.C. 19:31-18.7(c) – Clarify that, for the purposes of the net positive economic benefits test, taxes paid directly or generated indirectly by retained employees are for those which the award of tax credits will be a material factor in the business’s decision to retain the employees in the State.

- N.J.A.C. 19:31-18.7(e) – Extend the current deadline by which each approved business shall submit certain progress information from six months to 12 months following the date of application approval by the Authority; and, by which a mega project or a qualified business facility that consists of new construction shall submit certain progress information from 12 months to 24 months

- N.J.A.C. 19:31-18.7(f)3ii – Provide additional extensions for certain projects located in a Garden State Growth Zone as a result of “force majeure”, if demonstrated to the Authority’s satisfaction.

- N.J.A.C. 19:31-18.8(a) – Provide that certain forfeitures, defaults and recaptures included in the incentive agreement shall be based on the aggregate capital investment and eligible full-
time jobs.

- N.J.A.C. 19:31-18.15 – Clarify which new jobs at the qualified business facility may be included in the business’s Statewide workforce i.e., the number of full-time employees in a business’s Statewide workforce shall not include a new eligible position at the qualified business facility unless the new eligible position is in addition to the number of full-time employees specified in the incentive agreement and the business is not receiving an additional tax credit award for the new eligible position pursuant to N.J.A.C. 19:31-18.11(e) or (f), pertaining to certain projects in Garden State Growth Zones.

Angel Investor Tax Credit Program

- N.J.A.C. 19:31-19.2 – Redefine “full-time employee,” pertaining to 1) certain full-time employees employed by a New Jersey emerging technology business on a permanent or indefinite basis to include a “common law employee”; and 2) certain partners of a New Jersey emerging technology business to also include partners not subject to the New Jersey Gross Income Tax Act, by virtue of a reciprocity agreement between New Jersey and the state in which the employee resides.
- N.J.A.C. 19:31-19.3(b) – Reduce the application deadline from one year to six months of the qualified investment to alleviate existing administrative burdens facing the EDA which is required to approve applications on a calendar year basis.
- N.J.A.C. 19:31-19.4(b)2ii2ii(2)(B) – Revise the existing documentation submission requirements for a professional employer organization summarizing W-2 forms issued for all full-time employees on behalf of the business, to also pertain to any other entity providing common law employees.
- N.J.A.C. 19:31-19.5 – Revise the application fee and approval fee, as follows: for investment amounts of more than $50,000, the application fee is increased from $1,000 to $2,500; and the threshold amount for the existing approval fee for investment amounts of more than $50,000 is increased to only apply for investment amounts over more than $500,000 in an amount of 5 percent of the approved tax credit amount, rather than the existing five percent of the approved tax credit amount or $2,500 whichever is greater. In addition, a new fee of $150 shall be paid to the Authority for each request for reissuance of a tax certificate previously issued pursuant to N.J.A.C. 19:31-19.6.

Recommendation:

The Members are asked to approve the proposed amendments and also are asked to 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). The Authority will operate with the proposed rule amendments upon submission to OAL, with risk to the applicant if changes are not adopted as proposed.

Timothy Lizura

Attachment
Prepared by: Maureen Hassett/Jacob Genovay
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: September 9, 2016

SUBJECT: Qualified Business Facility ("QBF") Expansions Under GROWN NJ

Request:
Adopt a policy for approving site expansions for companies previously approved for a Grow NJ incentive. These approvals, when granted by the members, will not increase the amount of the Grow NJ incentive previously approved for the applicant.

Background:
Over the last four years, 202 active projects have been approved under the Legacy and EOA Grow NJ laws. Through monitoring of these incentives post approval, staff has observed that the average time to complete a project is 2½ years. Recently, several companies have advised that they have continued to grow their businesses as they were preparing the QBF fit out. In two instances already, companies have advised that they have already outgrown their space and it is expected there will be others over time.

To encourage companies to grow beyond the number of jobs proposed at approval while satisfying the statutory requirements of Grow NJ which define the QBF as having certain characteristics and ensuring that applicants meet or exceed the minimum capital investment requirements under the program which are calculated based on type of space and the square footage of the facility, the members are asked to approve a policy for the expansion of the QBF for businesses previously awarded Grow NJ incentives that have continued to experience organic growth that requires them to lease or purchase additional space to efficiently operate their businesses under the following conditions:

A. The applicant continues to maintain its business and operate from the originally approved QBF and the expansion has the same characteristics as the original QBF defined as:
   1. having the same base credit amount and the same bonus increases
   2. being the same type of space (industrial or non-industrial warehouse/logistics/R&D)
B. The expansion and the original QBF would have been considered a complex of buildings had the business made the decision regarding the expansion and the original QBF at the same time and had the two been part of the same financing plan
C. The expansion to the original QBF is proximate to the QBF
D. The expansion of the QBF is directly related to business growth and new full time jobs
E. Minimum capital investment for the expansion is met. This capital investment requirement can be met by new capital investment or by capital investment at the original QBF that was in excess of the minimum capital investment requirement for the original QBF.

Conversely, in accordance with the Grow NJ Act and regulations, the QBF cannot be reduced in size at any time, including after an expansion request is approved.

Approval of an expansion of the QBF will not result in an increase of the Grow NJ incentive (with the exception provided in the Grow NJ Act and regulations of jobs that are added in Garden State Growth Zones ("GSGZs") as these companies have already committed to locating to or remaining in New Jersey.

Under this policy, staff will present requests for expansion of the QBF to the Board for its review and decision.

**Recommendation:**
Adoption of a policy to approve expansion of the QBF for Grow NJ awardees that require additional space post approval for their operations under the criteria described above.

Timothy J. Lizura

Prepared by: Lisa Coane
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: Doka USA Ltd.  
PROJECT LOCATION: 520 Main Avenue  Wallington Borough  Bergen County  
GOVERNOR’S INITIATIVES: ( ) NJ Urban Fund  ( ) Edison Innovation Fund  (X) Core  ( ) Clean Energy

APPLICANT BACKGROUND:  
Doka USA Ltd., formed in 2001, is a wholly-owned subsidiary of Doka GmbH, which is a wholly-owned subsidiary of Umdasch Aktiengesellschaft, headquartered in Amstetten, Austria. The company is engaged in the sale and rental of concrete formwork and related services to contractors constructing concrete structures. The company purchases its merchandise for sale and rent from its parent. The offerings available from the applicant include wall and floor formwork systems, crane-independent climbing formwork systems used for dams, cooling towers, and shaft platforms, load-bearing formwork systems used for bridges, cantilevers and load-bearing towers, as well as safety systems and related services such as engineering, training, project planning, pre-assembly and disassembly. The modular formwork systems can be used in the construction of high rise towers, bridges, tunnels, power plants, mining structures and custom applications. The applicant has demonstrated the financial ability to undertake the project through the support of its parent company.

MATERIAL FACTOR/NET BENEFIT:  
Doka USA Ltd. is experiencing growth beyond the capacity of its current 24,000 SF leased facility in Little Ferry, NJ and is unable to lease additional space at the same location. The applicant is considering relocating to either Wallington, NJ, or Middletown, NY. The applicant would relocate the 112 existing jobs from its current location to the selected project location, as well as create 44 new jobs at the site.

Should the applicant elect to locate its project at the NJ site, it would purchase the site and the five buildings thereon. The applicant would demolish two of the structures and a portion of a third structure, while the seller would demolish a fourth structure. The applicant intends to lease out or sell the fifth structure. The remaining portion of the third structure would be renovated for use as warehouse space on the first floor and office space on the second floor. In the footprint of one of the demolished buildings, the applicant would construct a single story structure for use as warehouse space to process and recondition framed formwork. Elsewhere on the property, the applicant would construct a single story structure for use as warehouse space to preassemble
formwork, and store lumber and related raw materials. The completed project would consist of three structures totaling 75,440 SF in Wallington Borough. Should the applicant select the NY site, it would purchase raw land and construct a 65,000 SF warehouse facility. The applicant projects ongoing annual costs at the potential NJ project location to be more expensive than the NY location.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Doka USA Ltd. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Andrew Mair, the CEO of Doka USA Ltd., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $19.9 million over the 20 year period required by the Statute.

**FINDING OF JOBS AT RISK:**
The applicant has certified that the 112 New Jersey jobs listed in the application are at risk of being located outside the State on or before June 30, 2017 as it anticipates completion of the project at the alternate location at that time. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

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

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

<table>
<thead>
<tr>
<th>Minimum Capital Investment Requirements - Existing Facility</th>
<th>($/Square Foot of Gross Leasable Area)</th>
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</thead>
<tbody>
<tr>
<td>Industrial/Warehouse/Logistics/R&amp;D - Rehabilitation Projects</td>
<td>$20</td>
</tr>
<tr>
<td>Industrial/Warehouse/Logistics/R&amp;D - New Construction Projects</td>
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</tr>
<tr>
<td><strong>Non-Industrial/Warehouse/Logistics/R&amp;D – Rehabilitation Projects</strong></td>
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</tr>
<tr>
<td>Non-Industrial/Warehouse/Logistics/R&amp;D – New Construction Projects</td>
<td>$120</td>
</tr>
</tbody>
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*Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem*

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment – Existing Facility: 44,000 SF</td>
<td>$1,760,000</td>
<td>$2,764,100</td>
</tr>
<tr>
<td>Capital Investment – New Facilities: 31,440 SF</td>
<td>$1,886,400</td>
<td>$4,830,580</td>
</tr>
<tr>
<td>New Jobs</td>
<td>35</td>
<td>44</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>50</td>
<td>112</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Base Grant</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
</table>
| Priority Area                | Base award of $3,000 per year for projects located in a designated Priority Area | Wallington Borough is a designated Priority Area

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

<table>
<thead>
<tr>
<th>Base Grant</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
</table>
| Priority Area                | Base award of $3,000 per year for projects located in a designated Priority Area | Wallington Borough is a designated Priority Area

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

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the</td>
</tr>
<tr>
<td>Doka USA Ltd.</td>
<td>Grow New Jersey</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------------</td>
</tr>
<tr>
<td><strong>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</strong></td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td><strong>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</strong></td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td><strong>All other projects</strong></td>
<td>The Retained Full-Time Jobs will receive the lesser of:</td>
</tr>
<tr>
<td></td>
<td>- $\frac{1}{2}$ of the Grant Calculation for New Full-Time Jobs (1/2 * $3,000 = $1,500$) or</td>
</tr>
<tr>
<td></td>
<td>- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($2,764,100 / 10 / (28 + 67) = $2,909$)</td>
</tr>
<tr>
<td></td>
<td>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td><strong>All other projects</strong></td>
<td>The Retained Full-Time Jobs will receive the lesser of:</td>
</tr>
<tr>
<td></td>
<td>- $\frac{1}{2}$ of the Grant Calculation for New Full-Time Jobs (1/2 * $3,000 = $1,500$) or</td>
</tr>
<tr>
<td></td>
<td>- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($4,830,580 / 10 / (16 + 45) = $7,918$)</td>
</tr>
<tr>
<td></td>
<td>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</td>
</tr>
</tbody>
</table>
### Grant Calculation

**BASE GRANT PER EMPLOYEE:**
- Priority Area: $3,000

**INCREASES PER EMPLOYEE:**

**INCREASE PER EMPLOYEE:**
- $0

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

**LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:**
- $3,000

**AWARD:**
- **New Jobs:**
  - 44 Jobs X $3,000 X 100% = $132,000
- **Retained Jobs:**
  - 112 Jobs X $3,000 X 50% = $168,000

**Total:** $300,000

**ANNUAL LIMITS:**
- Priority Area (Est. 90% Withholding Limit): $4,000,000/($243,703)

**TOTAL ANNUAL AWARD:** $300,000

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**PROJECT IS:** ( ) Expansion  (X) Relocation
**ESTIMATED ELIGIBLE CAPITAL INVESTMENT (Existing Facility):** $2,764,100
**ESTIMATED ELIGIBLE CAPITAL INVESTMENT (New Facilities):** $4,830,580
**EXPECTED PROJECT COMPLETION:** October 1, 2017
**SIZE OF PROJECT LOCATION (Existing Facility):** 44,000 sq. ft.
**SIZE OF PROJECT LOCATION (New Facilities):** 31,440 sq. ft.
**NEW BUILDING OR EXISTING LOCATION (Existing Facility):** Existing
**NEW BUILDING OR EXISTING LOCATION (New Facilities):** New
**INDUSTRIAL OR NON-INDUSTRIAL FACILITY?** Non-Industrial

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

**NEW FULL-TIME JOBS (Existing Facility):** 28
**RETAINED FULL-TIME JOBS (Existing Facility):** 67
**NEW FULL-TIME JOBS (New Facilities):** 16
**RETAINED FULL-TIME JOBS (New Facilities):** 45

**STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2015):** 140
**CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:** Little Ferry
**MEDIAN WAGES (Existing Facility):** $59,800
**MEDIAN WAGES (New Facilities):** $50,814
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): $23,433,166
TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS) $3,000,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): $20,433,166

ELIGIBILITY PERIOD: 10 years

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

APPROVAL REQUEST:
The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before June 30, 2017; 2) approve the proposed Grow New Jersey grant to encourage Doka USA, Ltd. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: M. Peters
APPROVAL OFFICER: D. Poane
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: Fidessa Corporation P43031

PROJECT LOCATION: 70 Hudson Street Jersey City Hudson County

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

APPLICANT BACKGROUND:
Fidessa Group plc, the parent of Fidessa Corporation is a British headquartered company that provides software systems and services to clients in the financial services sector. Fidessa Corporation, (“Fidessa”) the Applicant, is the US based operations of Fidessa plc, currently headquartered in New York City, offering a platform that provides a range of applications, from trading cash equities, automated sales, OTC, and listed desks, that is, trading desks at a brokerage firm that focus on exchanges (e.g., NYSE, etc.). The applicant has demonstrated the financial ability to undertake the project through the support of its parent company.

MATERIAL FACTOR/NET BENEFIT:
The lease at the applicant’s facility in Manhattan expires in November 2017 and it is currently reviewing location options for its expansion. The first option under consideration is that Fidessa would vacate the current facility in Manhattan and relocate into a 51,824 square foot facility in Jersey City, and would also place a small work force in 4,481 square feet of space in Manhattan for customer facing employees. The alternative would be co-locating in Chicago and New York, in already existing facilities. The second option offers a level of desired operational redundancy for the business, as well as a less costly alternative, but the Grow Award would enable Fidessa to bring 340 new well paying jobs into New Jersey and expand here.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Fidessa Corporation has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Mark Ames, the CEO of Fidessa Corporation, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $231 million over the 20 year period required by the Statute.
ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program’s rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:
  
  Minimum Capital Investment Requirements
  Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects  $20
  Industrial/Warehouse/Logistics/R&D - New Construction Projects $60
  Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects $40
  Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects $120

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

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

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

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$2,072,960</td>
<td>$13,393,084</td>
</tr>
<tr>
<td>New Jobs</td>
<td>25</td>
<td>340</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>35</td>
<td>0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Base Grant</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Transit Hub Municipality</td>
<td>Base award of $5,000 per year for projects located in a designated Urban Transit Hub Municipality</td>
<td>Jersey City is a designated Urban Transit Hub Municipality</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase(s) Criteria</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit Oriented Development</td>
<td>70 Hudson Street is located in a Transit Oriented Development by virtue of</td>
</tr>
<tr>
<td>Fidessa Corporation</td>
<td>Grow New Jersey</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Jobs with Salary in Excess of County/GSGZ Average</td>
<td>An increase of $250 per job for each 35% the applicant’s median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located, with a maximum increase of $1,500</td>
</tr>
<tr>
<td>Large Number of New/Retained Full-Time Jobs</td>
<td>An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs</td>
</tr>
<tr>
<td>Targeted Industry</td>
<td>An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
</tbody>
</table>
| All other projects | The Retained Full-Time Jobs will receive the lesser of:  
- ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $9,000 = $4,500) or |
The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($13,393,084/10 / (340 + 0) = $3,939)

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

<table>
<thead>
<tr>
<th>Grant Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BASE GRANT PER EMPLOYEE:</strong> Urban Transit HUB Municipality $5,000</td>
</tr>
<tr>
<td><strong>INCREASES PER EMPLOYEE:</strong></td>
</tr>
<tr>
<td>Transit Oriented Development: $2,000</td>
</tr>
<tr>
<td>Jobs with Salary in Excess of County Average: $1,000</td>
</tr>
<tr>
<td>Large Number of New/Retained F/T Jobs: $500</td>
</tr>
<tr>
<td>Targeted Industry (Technology): $500</td>
</tr>
<tr>
<td><strong>INCREASE PER EMPLOYEE:</strong> $4,000</td>
</tr>
<tr>
<td><strong>PER EMPLOYEE LIMIT:</strong> Urban Transit HUB Municipality $12,000</td>
</tr>
<tr>
<td><strong>LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:</strong> $9,000</td>
</tr>
<tr>
<td><strong>AWARD:</strong></td>
</tr>
<tr>
<td>New Jobs: 340 Jobs X $9,000 X 100% = $3,060,000</td>
</tr>
<tr>
<td>Retained Jobs: 0 Jobs X $3,939 X 100% = $0,000</td>
</tr>
<tr>
<td>Total: $3,060,000</td>
</tr>
<tr>
<td><strong>ANNUAL LIMITS:</strong> Urban Transit HUB Municipality $10,000,000</td>
</tr>
<tr>
<td><strong>TOTAL ANNUAL AWARD</strong> $3,060,000</td>
</tr>
<tr>
<td>Fidessa Corporation</td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td>PROJECT IS: (X) Expansion</td>
</tr>
<tr>
<td>ESTIMATED ELIGIBLE CAPITAL INVESTMENT:</td>
</tr>
<tr>
<td>EXPECTED PROJECT COMPLETION:</td>
</tr>
<tr>
<td>SIZE OF PROJECT LOCATION:</td>
</tr>
<tr>
<td>NEW BUILDING OR EXISTING LOCATION?</td>
</tr>
<tr>
<td>INDUSTRIAL OR NON-INDUSTRIAL FACILITY?</td>
</tr>
<tr>
<td>CONSTRUCTION: (X) Yes</td>
</tr>
</tbody>
</table>

| NEW FULL-TIME JOBS: | 340 |
| RETAINED FULL-TIME JOBS: | 0 |
| STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2015): | 25 |
| CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: | Somerset |
| MEDIAN WAGES: | $129,675 |

| GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): | $261,597,475 |
| TOTAL AMOUNT OF AWARD: | $30,600,000 |
| NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): | $230,997,475 |
| ELIGIBILITY PERIOD: | 10 years |

**CONDITIONS OF APPROVAL:**
1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. The applicant must have 13 employees on site at the qualifying business facility before any employees filling new full-time jobs at the project site will be counted for this Grow NJ award.

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

**DEVELOPMENT OFFICER:** Diane Ubinger  **APPROVAL OFFICER:** Mark Chierici
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: Freedom Mortgage Corporation P42956

PROJECT LOCATION: 20 Lake Center Drive Evesham Township Burlington County

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

APPLICANT BACKGROUND:
Freedom Mortgage Corporation, established in 1990 and headquartered in Mt. Laurel, NJ, is a privately held full-service national lender whose primary product is mortgage loans. The company offers products including FHA, VA and conventional mortgage loans, and also engages in correspondent lending, wholesale services, commercial real estate lending and small business lending. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Freedom Mortgage Corporation is planning to expand its operations with the addition of 350 call center lead-response and fulfillment positions. The applicant is unable to locate the expansion at its headquarters location due to space constraints, and is considering either leasing a 32,200 SF office building in Evesham, NJ or leasing an additional 32,000 SF of office space in a building in which it currently operates in Fort Washington, PA. Should the applicant elect to locate its project at the NJ site, it would enter into a lease for a 32,200 SF office building and perform interior fit-out and needed repairs to the property. Alternatively, should the applicant locate its expansion in Fort Washington, PA, it would lease an additional 32,000 SF of office space in a building it currently operates in, and renovate the space and perform interior fit-out.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Freedom Mortgage Corporation has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Stanley Middlemar, the CEO of Freedom Mortgage Corporation, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $14.4 million over the 20 year period required by the Statute.
ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program’s rules, N.J.A.C. 19:31-18, the applicant must:

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$858,667</td>
<td>$1,295,750</td>
</tr>
<tr>
<td>New Jobs</td>
<td>19</td>
<td>350</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>27</td>
<td>0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Base Grant</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority Area</td>
<td>Base award of $3,000 per year for projects located in a designated Priority Area</td>
<td>Evesham Township is a designated Priority Area</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase(s) Criteria</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Number of New/Retained Full-Time Jobs</td>
<td>An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000</td>
<td>The applicant is proposing to create/retain 350 Full-Time Jobs at the project location resulting in an increase of</td>
</tr>
<tr>
<td>Freedom Mortgage Corporation</td>
<td>Grow New Jersey</td>
<td>Page 3</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----------------</td>
<td>--------</td>
</tr>
<tr>
<td>for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs</td>
<td>$500.</td>
<td></td>
</tr>
<tr>
<td>Targeted Industry</td>
<td>An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business</td>
<td>The applicant is a Finance business.</td>
</tr>
</tbody>
</table>

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

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

**All other projects**

The Retained Full-Time Jobs will receive the lesser of:

- \( \frac{1}{2} \) of the Grant Calculation for New Full-Time Jobs (\( 1/2 \times 4,000 = 2,000 \) or

- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (\( \frac{1,295,750}{10} / (350 + 0) = 370 \))

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

**BASE GRANT PER EMPLOYEE:**

- Priority Area: $3,000

**INCREASES PER EMPLOYEE:**

- Large Number of New/Retained F/T Jobs: $500
- Targeted Industry (Finance): $500

**INCREASE PER EMPLOYEE:** $1,000

**PER EMPLOYEE LIMIT:**

- Priority Area: $10,500

**LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:** $4,000

**AWARD:**

- New Jobs: 350 Jobs X $4,000 X 100% = $1,400,000
- Retained Jobs: 0 Jobs X $370 X 100% = $0

**Total:** $1,400,000

**ANNUAL LIMITS:**

- Priority Area (Est. 90% Withholding Limit): $4,000,000/($248,194)

**TOTAL ANNUAL AWARD** $1,400,000*

* The Applicant has selected the statutorily calculated award rather than the total annual award based on the estimated 90% withholding limit.

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

**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** $1,295,750

**EXPECTED PROJECT COMPLETION:** September 30, 2019

**SIZE OF PROJECT LOCATION:** 32,200 sq. ft.

**NEW BUILDING OR EXISTING LOCATION?** Existing

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

**CONSTRUCTION:** (X) Yes ( ) No
NEW FULL-TIME JOBS: 350
RETAINED FULL-TIME JOBS: 0
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2015): 1,669
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
MEDIAN WAGES: $40,000

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): $28,489,931
TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS) $14,000,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): $14,489,931

ELIGIBILITY PERIOD: 10 years

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

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

DEVELOPMENT OFFICER: J. Kenyon
APPROVAL OFFICER: D. Poane
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: New York Popular, Inc. P43024

PROJECT LOCATION: 400 Federal Boulevard Carteret Borough Middlesex County

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

APPLICANT BACKGROUND:
New York Popular, Inc. (NY Popular) was formed in New York in 2002 and manufactures and wholesales apparel, including branded merchandise utilizing licenses such as Lifeguard, NYPD, FDNY, Marilyn Monroe, and I Love NY. Key segments are resort retailers and theme parks around the US, souvenir stores in the NYC area and mass merchandise chain stores across the US and Canada. NY Popular owns trade names including Popular Sports, Popularity Products, and Miss Popular. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
NY Popular, currently headquartered in Brooklyn, NY with accompanying production and distribution activities, is evaluating the relocation of a portion of these functions to reduce operating costs. NY Popular has identified an existing 55,560 sq. ft. industrial building in Carteret, NJ that it would purchase to be renovated and expanded by approximately 9,000 sq. ft. This would entail the relocation of all activities to New Jersey along with 150 employees. Alternatively, in the event that NY Popular does not move to New Jersey, it would relocate its production and distribution activities to a 55,566 sq. ft. building in Norfolk, VA to be purchased and renovated.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of New York Popular, Inc. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Albert Tebele the President of New York Popular, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $5.5 million over the 20 year period required by the Statute.
ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program’s rules, N.J.A.C. 19:31-18, the applicant must:

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

  Minimum Capital Investment Requirements
  \[ \text{(S/Square Foot of Gross Leasable Area)} \]
  - **Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects** $20
  - Industrial/Warehouse/Logistics/R&D - New Construction Projects $60
  - Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects $40
  - Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects $120

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

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

  Minimum Full-Time Employment Requirements
  \[ \text{(New / Retained Full-time Jobs)} \]
  - Tech start ups and **manufacturing businesses** 10 / 25
  - Other targeted industries 25 / 35
  - All other businesses/industries 35 / 50

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$1,291,200</td>
<td>$1,954,655</td>
</tr>
<tr>
<td>New Jobs</td>
<td>10</td>
<td>150</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>25</td>
<td>0</td>
</tr>
</tbody>
</table>
New York Popular, Inc. Grow New Jersey

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

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

<table>
<thead>
<tr>
<th>Increase(s) Criteria</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment in Excess of Minimum (non-Mega)</td>
<td>An increase of $1,000 per job for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $3,000</td>
<td>The proposed capital investment of $1,954,655 is 51.4% above the minimum capital investment resulting in an increase of $2,000 per year.</td>
</tr>
<tr>
<td>Targeted Industry</td>
<td>An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business</td>
<td>The applicant is a Manufacturing business.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>All other projects</td>
<td>The Retained Full-Time Jobs will receive the lesser of:</td>
</tr>
<tr>
<td></td>
<td>- $\frac{1}{2}$ of the Grant Calculation for New Full-Time Jobs ( (1/2 \times 6,500 = 3,250) ) or</td>
</tr>
<tr>
<td></td>
<td>- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ( (1,954,655 / 10 + (150 + 0) = 1,303) )</td>
</tr>
</tbody>
</table>
In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

**Grant Calculation**

**BASE GRANT PER EMPLOYEE:**
- Distressed Municipality: $4,000

**INCREASES PER EMPLOYEE:**
- Capital Investment in Excess of Minimum: $2,000
- Targeted Industry (Manufacturing): $500

**INCREASE PER EMPLOYEE:**
- $2,500

**PER EMPLOYEE LIMIT:**
- Distressed Municipality: $11,000

**LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:**
- $6,500

**AWARD:**
- New Jobs: 150 Jobs × $6,500 × 100% = $975,000
- Retained Jobs: 0 Jobs × $1,303 × 100% = $0

**Total:** $975,000

**ANNUAL LIMITS:**
- Distressed Municipality: $8,000,000

**TOTAL ANNUAL AWARD:**
- $975,000

**PROJECT IS:** (X) Expansion  ( ) Relocation
**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** $1,954,655
**EXPECTED PROJECT COMPLETION:** May 31, 2017
**SIZE OF PROJECT LOCATION:** 64,560 sq. ft.
**NEW BUILDING OR EXISTING LOCATION?** Existing
**INDUSTRIAL OR NON-INDUSTRIAL FACILITY?** Industrial
**CONSTRUCTION:** (X) Yes  ( ) No

**NEW FULL-TIME JOBS:** 150
**RETAINED FULL-TIME JOBS:** 0
**STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2015):** 0
**CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:** N/A
**MEDIAN WAGES:** $20,800
New York Popular, Inc.  |  Grow New Jersey  |  Page 5
--- | --- | ---
**GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):**  |  $15,294,708  |  
**TOTAL AMOUNT OF AWARD:**  |  $9,750,000  |  
**NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):**  |  $5,544,708  |  

**ELIGIBILITY PERIOD:**  
10 years

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

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

**DEVELOPMENT OFFICER:**  Christina Fuentes  

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

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

APPLICANT: Pink Sparrow Scenic, Ltd. P43036

PROJECT LOCATION: 185-232 Dey Street Jersey City Hudson County

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

APPLICANT BACKGROUND:
Pink Sparrow Scenic, Ltd. is an independent fabrication company that supports the national fashion, retail, entertainment, and event industries. The company offers customized fabrications for pop-up shops, retail displays, art installations, vehicle modifications and various advertisements. Pink Sparrow Scenic, Ltd. began as the fabrication department within MKG, a marketing agency in New York City. In 2013, the ownership of MKG realized an opportunity in the market and decided to spin out Pink Sparrow into a solely independent company. During the company’s first year of operations, Pink Sparrow garnered more than 95% of its business from MKG. Today, as a fully independent company, Pink Sparrow generates less than 45% of its business from MKG, even though the dollar value of work coming from MKG has remained consistent. The company is located in Brooklyn, NY and is in need of a larger manufacturing facility. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
The applicant has submitted an economic analysis detailing the cost differential between locating the project in Jersey City, NJ and Brooklyn, NY. Should the applicant choose Jersey City, NJ it would purchase a 16,605 sq. ft. facility. Alternatively, if the applicant were to locate its project in Brooklyn, NY it would lease a 14,000 sq. ft. facility.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Pink Sparrow Scenic, Ltd. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Maneesh Goyal, the CEO of Pink Sparrow Scenic, Ltd. that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $7.3 million over the 20 year period required by the Statute.
ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program’s rules, N.J.A.C. 19:31-18, the applicant must:

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$332,100</td>
<td>$572,357</td>
</tr>
<tr>
<td>New Jobs</td>
<td>10</td>
<td>40</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>25</td>
<td>0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Base Grant</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Transit Hub Municipality</td>
<td>Base award of $5,000 per year for projects located in a designated Urban Transit Hub Municipality</td>
<td>Jersey City is a designated Urban Transit Hub Municipality</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase(s) Criteria</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment in Excess of Minimum (non-Mega)</td>
<td>An increase of $1,000 per job for each additional amount of capital investment in an urban transit hub municipality is 72.34% above the minimum investment.</td>
</tr>
</tbody>
</table>
The Grow New Jersey Statute and the program’s rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>All other projects</td>
<td>The Retained Full-Time Jobs will receive the lesser of:</td>
</tr>
<tr>
<td></td>
<td>- ½ of the Grant Calculation for New Full-Time Jobs ($8,500 = $4,250) or</td>
</tr>
<tr>
<td></td>
<td>- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($572,357 / 10 / (40 + 0) = $1,430)</td>
</tr>
</tbody>
</table>

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

BASE GRANT PER EMPLOYEE:
   Urban Transit HUB Municipality $ 5,000

INCREASES PER EMPLOYEE:
   Capital Investment in Excess of Minimum (non-Mega): $ 3,000
   Targeted Industry (Manufacturing): $ 500

INCREASE PER EMPLOYEE: $ 3,500

PER EMPLOYEE LIMIT:
   Urban Transit HUB Municipality $12,000

LESSE OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $ 8,500

AWARD:
   New Jobs: 40 Jobs X $8,500 X 100% = $340,000
   Retained Jobs: 0 Jobs X $1,430 X 100% = $ 0,000
   Total: $340,000

ANNUAL LIMITS:
   Urban Transit HUB Municipality $10,000,000

TOTAL ANNUAL AWARD $340,000
Pink Sparrow Scenic, Ltd.  Grow New Jersey

PROJECT IS: (X) Expansion  ( ) Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: $572,357
EXPECTED PROJECT COMPLETION: January 2, 2017
SIZE OF PROJECT LOCATION: 16,605 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Industrial
CONSTRUCTION: (X) Yes  ( ) No

NEW FULL-TIME JOBS: 40
RETAINED FULL-TIME JOBS: 0
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2015): 0
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
MEDIAN WAGES: $65,000

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): $10,692,556
TOTAL AMOUNT OF AWARD: $3,400,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): $7,292,556

ELIGIBILITY PERIOD: 10 years

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

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

DEVELOPMENT OFFICER: M. Peters  APPROVAL OFFICER: S. Novak
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: W & H Systems, Inc. P43030

PROJECT LOCATION: 1515 Broad Street Bloomfield Township Essex County

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

APPLICANT BACKGROUND:
W & H Systems, Inc. established in 1964, is a warehouse material handling systems integrator dedicated to assisting manufacturers, wholesalers, retailers and logistic providers in the consumer goods industries and specializes in material handling systems to optimize the flow of merchandise through its warehouses. In December 2015, the company was acquired by Dearborn Mid-West Company, LLC. Headquartered in Michigan, Dearborn Mid-West Company designs and manufactures full-service, turnkey conveyor systems to power generation, industrial, automotive and parcel-end markets. The combined companies are doing business as DMW&H. DMW&H utilizes a wide range of equipment including, but not limited to, high speed carton and unit sortation, garment on hanger systems, paperless picking/packing, conveyors, as well as customized equipment. The company provides its solutions by way of offering needs assessment, material handling systems design and engineering, systems integration, control systems and software, equipment, implementation and customer service support to all its clients. W & H Systems is currently headquartered in Carlstadt, NJ with 97 professional and administrative employees. The applicant has demonstrated the financial ability to undertake the project through the support of its parent company.

MATERIAL FACTOR/NET BENEFIT:
With the lease of the Carlstadt, NJ facility expiring in February 2017, the company is looking for new space to accommodate its current workforce of 97 employees and its expected growth of 52 new jobs. Due to space configurations at the existing facility, growing in place is not an option. The company has identified a 48,000 sq. ft. facility in Bloomfield, NJ or a 52,000 sq. ft. facility in Bethlehem, PA.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of W & H Systems, Inc. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Joe Colletti, the CEO of W & H Systems, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the
creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $27 million over the 20 year period required by the Statute.

**FINDING OF JOBS AT RISK:**
The applicant has certified that the 97 New Jersey jobs listed in the application are at risk of being located outside the State on or before February 28, 2017, when the lease expires at its current facility. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

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

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$1,920,000</td>
<td>$2,736,000</td>
</tr>
<tr>
<td>New Jobs</td>
<td>35</td>
<td>52</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>50</td>
<td>97</td>
</tr>
</tbody>
</table>

The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for **New Full-Time Jobs**. This project has been deemed eligible for a Base Award and Increases based on the following:
<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>All other projects</td>
<td>The Retained Full-Time Jobs will receive the lesser of:</td>
</tr>
<tr>
<td></td>
<td>- ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $4,500 = $2,250) or</td>
</tr>
<tr>
<td></td>
<td>- The estimated eligible Capital Investment divided by 10</td>
</tr>
<tr>
<td></td>
<td>divided by the total New and Retained Full-Time Jobs</td>
</tr>
<tr>
<td></td>
<td>($2,736,000 / 10 / (52 + 97) = $1,836)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>BASE GRANT PER EMPLOYEE:</th>
<th>$ 4,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distressed Municipality</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INCREASES PER EMPLOYEE:</th>
<th>$ 500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs with Salary in Excess of County Average:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INCREASE PER EMPLOYEE:</th>
<th>$ 500</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>PER EMPLOYEE LIMIT:</th>
<th>$11,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distressed Municipality</td>
<td></td>
</tr>
</tbody>
</table>

| LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: | $ 4,500 |

<table>
<thead>
<tr>
<th>AWARD:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Jobs:</td>
<td>52 Jobs X $4,500 X 100% = $234,000</td>
</tr>
<tr>
<td>Retained Jobs:</td>
<td>97 Jobs X $1,836 X 100% = $178,092</td>
</tr>
</tbody>
</table>

Total: $412,092

<table>
<thead>
<tr>
<th>ANNUAL LIMITS:</th>
<th>$ 8,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distressed Municipality</td>
<td></td>
</tr>
</tbody>
</table>

| TOTAL ANNUAL AWARD | $412,092 |

PROJECT IS: (X) Expansion (X) Relocation

| ESTIMATED ELIGIBLE CAPITAL INVESTMENT: | $ 2,736,000 |

| EXPECTED PROJECT COMPLETION: | September 15, 2019 |

<table>
<thead>
<tr>
<th>SIZE OF PROJECT LOCATION:</th>
<th>48,000 sq. ft.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing</td>
<td></td>
</tr>
</tbody>
</table>

| NEW BUILDING OR EXISTING LOCATION? | Non-Industrial |

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

| CONSTRUCTION: (X) Yes ( ) No | |

NEW FULL-TIME JOBS: 52

RETAINED FULL-TIME JOBS: 97

STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2015): 97

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

MEDIAN WAGES: $ 86,666
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): $31,490,347
TOTAL AMOUNT OF AWARD: $4,120,920
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): $27,369,427

ELIGIBILITY PERIOD: 10 years

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

APPROVAL REQUEST:
The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before February 28, 2017; 2) approve the proposed Grow New Jersey grant to encourage W & H Systems, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: J. Kenyon
APPROVAL OFFICER: T. Wells
BOND PROJECTS
COMBINATION PRELIMINARY AND BOND RESOLUTIONS
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: The CTC Academy, Inc.  P42911
PROJECT USER(S): Same as applicant *
PROJECT LOCATION: 125 Bauer Drive Oakland Borough (N) Bergen
GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
The CTC Academy, Inc. d/b/a The Children's Therapy Center, a 501(c)(3) not-for-profit organization, provides educational and therapeutic services for children with developmental disabilities. The CTC Academy was originally incorporated as the Cerebral Palsy Center of Bergen County in 1950 and was created as a center for children with cerebral palsy. Over the past 60 years, CTC Academy has grown to provide creative education and advanced therapies to children with many different types of disabilities, children who face physical, medical and developmental challenges. Clara Licata is the President and John McCarthy is the Executive Director of the CTC Academy.

CTC Academy currently has two schools in New Jersey: Fair Lawn Campus which serves children ages 18 months through 6 years and the Upper School in Oakland, a 39,200 sq. ft. school with 18 classrooms, serving children ages 7 through 21 and the subject of this bond financing.

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

APPROVAL REQUEST:
Authority assistance will enable the Applicant to refinance a conventional loan plus pay costs of issuance of the bond financing.

FINANCING SUMMARY:
BOND PURCHASER: Columbia Bank (Direct Purchase)
AMOUNT OF BOND: $6,500,000 (Tax-exempt bond)
TERMS OF BOND: 25 years; Fixed interest rate for 10 years based on the tax-exempt equivalent of the Federal Home Loan Bank of NY's advance rate plus 130 basis points; subject to call options and rate resets at the same index every 10 years. The estimated interest rate is 2.675% as of 8/2/16.
ENHANCEMENT: N/A

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refinancing</td>
<td>$6,400,000</td>
</tr>
<tr>
<td>Finance fees</td>
<td>$55,000</td>
</tr>
<tr>
<td>Legal fees</td>
<td>$45,000</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>$6,500,000</td>
</tr>
</tbody>
</table>
JOBS:  At Application  82 Within 2 years  12 Maintained  0 Construction  0

PUBLIC HEARING: 09/09/16 (Published 08/23/16)  BOND COUNSEL:  Chiesa, Shahinian & Giantomasi
DEVELOPMENT OFFICER:  M. Athwal  APPROVAL OFFICER:  T. Wells
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Go Realty LLC
PROJECT USER(S): Edison Solutions LLC *
* - indicates relation to applicant
PROJECT LOCATION: 1700 Suckle Highway Pennsauken Township (T/UAÇamden
GOVERNOR'S INITIATIVES: (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Go Realty LLC is the recently formed real estate holding company for Edison Solutions LLC. Edison Solutions LLC was itself formed recently after Edison Lithographing & Printing Corp. ("Edison") acquired a printing company in Georgia called Compass. The positions currently in Georgia will be relocated to NJ and Edison Solutions will expand into wide format printing. Edison Lithographing & Printing Corp. ("Edison") has been in business for over 55 years providing printing services for both temporary as well as permanent displays.

Edison Solutions LLC was approved for a Grow NJ Award for this facility in June 2016 in the amount of $8,075,000.

APPROVAL REQUEST:
Authority assistance will enable the applicant to acquire and renovate a 115,000 sq. ft. manufacturing facility and pay costs of issuance.

In addition to the tax-exempt bond being requested, the applicant is requesting a direct loan of $1,000,000 for the property portion of the project.

The applicant is also seeking approval at the September 9, 2016 Board meeting for a $2,700,000 tax-exempt bond for acquisition of manufacturing equipment under the name Edison Solutions LLC.

FINANCING SUMMARY:
BOND PURCHASER: TD Bank, N.A. (Direct Purchase)
AMOUNT OF BOND: $2,900,000 tax-exempt bond
TERMS OF BOND: 25 years; Variable rate equal to the tax-exempt equivalent of the one month LIBOR plus 200 basis points. The borrower may enter into a fixed interest rate swap for 5 years, 7 years, or 10 years with indicative rates of 2.3%, 2.42%, or 2.56% respectively (as of June 30, 2016).

ENHANCEMENT: N/A

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of existing building</td>
<td>$2,900,000</td>
</tr>
<tr>
<td>Renovation of existing building</td>
<td>$435,000</td>
</tr>
<tr>
<td>Finance fees</td>
<td>$41,600</td>
</tr>
<tr>
<td>Legal fees</td>
<td>$14,560</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>$3,391,160</td>
</tr>
</tbody>
</table>


JOBS: At Application 0 Within 2 years 95 Maintained 0 Construction 4
Jobs on Related P042610

PUBLIC HEARING: 09/09/16 (Published 08/23/16) BOND COUNSEL: Chiesa, Shahinian & Giantomasi
DEVELOPMENT OFFICER: K. Durand APPROVAL OFFICER: M. Chierici
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Edison Solutions LLC  
PROJECT USER(S): Same as applicant  
PROJECT LOCATION: 1700 Suckle Highway  Pennsauken Township (T/UA)Camden  
GOVERNOR’S INITIATIVES: (X) Urban  () Edison  () Core  () Clean Energy

APPLICANT BACKGROUND:  
Edison Solutions LLC was formed recently after Edison Lithographing & Printing Corp. ("Edison") acquired a printing company in Georgia called Compass. The positions currently in Georgia will be relocated to NJ and the applicant will expand into wide format printing. Edison Lithographing & Printing Corp. is a widely recognized printer in the cosmetic, clothing, liquor and retail store business. It prints and designs advertisements and pop up displays for globally recognized brands and companies.

Edison Solutions LLC applied for and was approved for a Grow NJ Award in the amount of $8,075,000.

APPROVAL REQUEST:  
Authority assistance will enable the applicant to acquire manufacturing equipment and pay costs of issuance.

In addition to the tax-exempt bond being requested, the applicant is requesting a direct loan of $1,000,000 for the equipment.

The applicant is also seeking approval at the September 9, 2016 Board meeting for a $2,900,000 tax-exempt bond for the acquisition and renovation of a new facility under the name Go Realty LLC.

FINANCING SUMMARY:  
BOND PURCHASER: TD Bank, N.A. (Direct Purchase)  
AMOUNT OF BOND: $2,700,000 tax-exempt bond  
TERMS OF BOND: 10 years; Variable interest rate equal to the tax-exempt equivalent of the one month LIBOR plus 200 basis points. The borrower may enter into a fixed rate swap for 5 years or 7 years with indicative rates of 2.28% and 2.4% respectively (as of June 30, 2016).

ENHANCEMENT: N/A

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of equipment &amp; machinery</td>
<td>$2,700,000</td>
</tr>
<tr>
<td>Finance fees</td>
<td>$38,400</td>
</tr>
<tr>
<td>Legal fees</td>
<td>$13,440</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>$2,751,840</td>
</tr>
</tbody>
</table>

JOBS:  
At Application  
Within 2 years  
Maintained  
Construction  
95  
0  
0

PUBLIC HEARING: 09/09/16 (Published 08/23/16)  
BOND COUNSEL: Chiesa, Shahinian & Giantomasi  
DEVELOPMENT OFFICER: K. Durand  
APPROVAL OFFICER: M. Chierici
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Jersey City Community Charter School, Inc.  P42890
PROJECT USER(S): Same as applicant  * - indicates relation to applicant
PROJECT LOCATION: 128 Danforth Avenue  Jersey City (T/UA)  Hudson County

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

APPLICANT BACKGROUND:
Jersey City Community Charter School, Inc. is a 501(c)(3) not-for-profit organization established for the purpose of operating and maintaining a public school under a charter granted by the State of New Jersey. The charter school serves a population of 594 students in kindergarten through the eighth grade. David Asige is the School's President. Jersey City Community Charter School, Inc. was established in 1997.

A previous request by the applicant for a tax-exempt bond in the amount of $1,125,000 closed in June 2004. The bond was purchased by Bank Leumi USA. The interest rate at closing was 5.25%.

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

APPROVAL REQUEST:
Authority assistance will enable the applicant to reduce its interest expense by refinancing the balance of two outstanding conventional loans, purchase equipment, fund a debt service reserve fund and provide working capital. Proceeds of the bond will also pay the cost of issuance.

FINANCING SUMMARY:

BOND PURCHASER: Alamo Capital (Private Placement)
AMOUNT OF BOND: Series A  
$9,765,000 Tax-Exempt (Part of total $10,375,000 with Series B Taxable Bond)  
Series B  
$610,000 Taxable (Part of total $10,375,000 with Series A Taxable-Exempt Bond)

TERMS OF BOND:  
30 years; Fixed interest rate not to exceed 6.75%.  
5 years; Fixed interest rate not to exceed 6.75%.

Estimated rate for Series A Bond as of 8/24/2016 is 6.00%.  
Estimated rate for Series B Bond as of 8/24/2016 is 6.00%.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing  $8,500,000
Debt service reserve fund  $778,075
Purchase of equipment & machinery  $350,000
Finance fees  $345,700
Working capital  $250,000
Legal fees  $151,225

TOTAL COSTS  $10,375,000
JOBS:  At Application  85  Within 2 years  5  Maintained  0  Construction  0

PUBLIC HEARING: 09/09/16 (Published 08/23/16)  BOND COUNSEL Chiesa, Shahinian & Giantomasi,
DEVELOPMENT OFFICER: K. Durand  APPROVAL OFFICER: S. Novak
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Kent Place School

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 42 Norwood Ave Summit City (N) Union

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

APPLICANT BACKGROUND:
Founded in 1894 and incorporated in 1905, Kent Place School (KPS) is an independent, non-sectarian, college-preparatory day school located in Summit, NJ providing an education for young women who demonstrate strong scholastic and creative ability. Today, Kent Place Schools entails a community of over 800 students, faculty, and staff, with enrollment of approximately 635 students in preschool through grade 12.

KPS received Authority assistance in June of 1992 under P1135 and P6166 in the form of a $5.28 million tax-exempt bond with an Authority guarantee within the BNP composite to undertake an addition to the school. KPS also received Authority assistance in October of 2013 under P38494 in the form of a $5.0 million tax-exempt bond via a direct purchase by Union Center National Bank to refinance conventional debt and undertake a renovation of school buildings.

KPS is undertaking a project that will entail both the demolition of KPS's old middle school and the construction, equipping, and furnishing of a 32,508 sq. ft. Center for Innovation, which will include space for the study of mathematics, a media and technology center, science and engineering laboratories, a visual arts center, and multidisciplinary space for research and global learning.

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

APPROVAL REQUEST:
Authority assistance will enable the Applicant to finance a portion of the project construction costs and pay costs incurred in connection with the issuance of the bonds.

FINANCING SUMMARY:

BOND PURCHASER: ConnectOne Bank (Direct Purchase)

AMOUNT OF BOND: $10,000,000 Tax-Exempt Bond

TERMS OF BOND: 30 years; fixed rate for 10 years equal to 3.25%, then resetting every 10 years to 70% of (the Federal Home Loan Bank of New York 10 Yr Advance Rate + 1.95%), with a minimum rate of interest of 3.0%

ENHANCEMENT: N/A

PROJECT COSTS:

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<th>Description</th>
<th>Amount</th>
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<td>Construction of new building or addition</td>
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<td>$65,000</td>
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<td>$60,000</td>
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APPLICANT: Kent Place School

TOTAL COSTS $10,125,000

JOBS: At Application 180 Within 2 years 2 Maintained 0 Construction 74

PUBLIC HEARING: 09/09/16 (Published 08/25/16) BOND COUNSEL: McCarter & English, LLP
DEVELOPMENT OFFICER: M. Athwal APPROVAL OFFICER: K. DeSmedt
PUBLIC HEARING ONLY
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: The Job Haines Home For Aged People P43017
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 250 Bloomfield Avenue Bloomfield Township (T/UA) Essex
GOVERNOR'S INITIATIVES: (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
The Job Haines Home for Aged People is a 501(c)(3) not-for-profit entity that provides housing, healthcare and related services to residents through the operation of a nursing and assisted living facility located in Bloomfield, NJ. Noreen Haveron is the President. The organization was established in 1897.

A previous request by the applicant for a tax-exempt bond in the amount of $8,000,000 closed in February, 1998. The interest rate at closing was 2.9%. Herbert J. Sims & Co., Inc. was the underwriter.

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

APPROVAL REQUEST:
Authority assistance will enable the applicant to finance a portion of the cost related to the renovation of a 128,000 SF building to be used by the Job Haines Home For Aged People. Proceeds of the bond will also pay the cost of issuance.

This project is being presented for Public Hearing Only at the September 9, 2016 Board meeting.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

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<td>Engineering &amp; architectural fees</td>
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<td>Refinancing</td>
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<td>Furniture &amp; Fixtures</td>
<td>$150,000</td>
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<td>Technology &amp; Network</td>
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<td>Legal fees</td>
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<td>Soft Costs</td>
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<td>Renovation of existing equipment &amp; machi</td>
<td>$17,000</td>
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<tr>
<td>Purchase of equipment &amp; machinery</td>
<td>$10,000</td>
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<td>Interest during construction</td>
<td>$5,000</td>
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TOTAL COSTS $4,500,000
JOBS: At Application 92 Within 2 years 15 Maintained 0 Construction 27

PUBLIC HEARING: 09/09/16 (Published 08/23/16) BOND COUNSEL: McCarter & English, LLP
DEVELOPMENT OFFICER: K. Durand APPROVAL OFFICER: D. Poane
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - REFUNDING BOND PROGRAM

APPLICANT: The Job Haines Home For Aged People

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 250 Bloomfield Avenue  Bloomfield Township (T/UA) Essex

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

APPLICANT BACKGROUND:
The Job Haines Home for Aged People is a 501(c)(3) not-for-profit entity that provides housing, healthcare and related services to residents through the operation of a nursing and assisted living facility located in Bloomfield, NJ. Noreen Haveron is the President. The organization was established in 1897.

A previous request by the applicant for a tax-exempt bond in the amount of $8,000,000 closed in February, 1998. The interest rate at closing was 2.9%. Herbert J. Sims & Co., Inc. was the underwriter.

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

REFUNDING REQUEST:
Authority assistance will enable the applicant to reduce its interest expense by refunding the outstanding balance of the 1998 bond issue. Proceeds of the bond will also pay the cost of issuance.

This project is being presented for Public Hearing Only at the September 9, 2016 Board meeting.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond(s) to be refund $4,500,000
Finance fees $150,000
Legal fees $75,000
Re-Marketing $40,000

TOTAL COSTS $4,765,000

PUBLIC HEARING: 09/09/16 (Published 09/23/16)  BOND COUNSEL: McCarter & English, LLP
DEVELOPMENT OFFICER: K. Durand  APPROVAL OFFICER: D. Poane
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Yeshiva Shvilay Hatalmud, Inc.  P42760
PROJECT USER(S): Same as applicant  * - indicates relation to applicant
PROJECT LOCATION: 961 County Line Road  Lakewood Township (T/UA)  Ocean
GOVERNOR'S INITIATIVES: (X) Urban  () Edison  () Core  () Clean Energy

APPLICANT BACKGROUND:
Yeshiva Shvilay Hatalmud, Inc. doing business as Yeshiva Gedolah Be'er Hatorah is an all boys school founded by Rabbi Avrohom Grubner in September 2010. The school offers post-high school education, which is equivalent to college level courses. A select group of boys are chosen who seek a smaller and more individualized Talmudic form of studies. Enrollment for the 2014/2015 school year was 46 students. The school is currently able to accommodate a total student body of 65 boys. Students of Yeshiva Gedolah Be'er Hatorah go on to study in Israel. Upon their return, students continue the program and graduate with a degree in Talmudic studies.

The project is being reviewed by the Attorney General's Office relating to the First Amendment's Establishment Clause.

APPROVAL REQUEST:
Authority assistance will enable the applicant to refinance conventional debt. This will allow the organization to hire an additional 12 full-time employees.

This project is being presented for Public Hearing Only at the September 9, 2016 Board meeting.

FINANCING SUMMARY:
BOND PURCHASER:
AMOUNT OF BOND:
TERMS OF BOND:
ENHANCEMENT: N/A

PROJECT COSTS:

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<th>Amount</th>
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<td>TOTAL COSTS</td>
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<td></td>
<td>$1,900,000</td>
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JOBS: At Application  8  Within 2 years  12  Maintained  0  Construction  0

PUBLIC HEARING: 09/09/16 (Published 08/23/16)  BOND COUNSEL: Chiesa, Shahinian & Giantomasi
DEVELOPMENT OFFICER: M. Athwal  APPROVAL OFFICER: M. Chierici
MEMORANDUM

TO: Members of the Authority

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

DATE: September 9, 2016

SUBJECT: Housing and Neighborhood Development Services, Inc. (HANDS)
Villita Artes, LLC (“VA”)
Aggregate Exposure: $1,697,224

Request:
Restructure and extend the Authority’s $306,600 CED loan to HANDS and $867,100 Direct loan to VA to be co-terminus with new senior debt, and consent to the dissolution of VA as part of the project refinance.

Background:
Housing and Neighborhood Development Services, Inc. is a 501 (c)(3) not-for-profit organization established in 1986 to provide affordable housing to help stabilize neighborhoods and promote economic opportunity in New Jersey. HANDS is a chartered organization of the Neighbor Works America, certified by the State of New Jersey Department of Community Affairs and the City of East Orange as a Community Housing Development Organization. Revenues are mainly grants and contributions from the State of New Jersey and Essex County. In addition, HANDS receives support from other federal and local government entities, corporations, financial institutions and foundations. The organization operates out of leased space in Orange and employs seven people full-time.

In June 2008, the Authority provided a $555,000 Fund for Community Economic Development ("CED") loan to HANDS and a $1,195,000 Direct loan to Villita Artes, LLC, to supplement a $3.2 million New Markets Tax Credit loan from The Reinvestment Fund (TRF) for the redevelopment of six mixed use properties. VA is a special purpose entity established for the NMTC loan which was interest only for 7 years. The redevelopment is now complete and the properties are fully leased.

In March 2014, the Authority provided a $581,250 CED loan to HANDS to refinance additional properties. All loans have been handled as agreed.

In June 2015, TRF provided a 1 year bridge loan in the amount of $2.2 million to refinance the matured NMTC loan while the borrower pursued securing long term financing. HANDS has arranged permanent financing including a $1.6 million term loan from New Jersey Community Capital (NJCC) and a $500,000 term loan from Valley National Bank to repay TRF’s bridge loan. Both loans have a 10-year term and 30-year amortization. VA will be dissolved as part of the refinance as the entity no longer serves any purpose and its assets and liabilities will be assumed by HANDS, which guarantees the debt.

The Borrower has requested the restructure of the subject EDA loans for 10 years with a 20-year
amortization to align loan repayments with rental income on the properties and senior loans. The interest rate on both loans will be fixed for five years at the 5 year US Treasury plus 150 basis points, with a floor of 3% and a rate reset at year five. The Authority currently has junior liens on four of the six subject properties and first on two properties. However, in consideration for this restructure, the Authority will obtain a first lien on all properties shared pro-rata with the senior lenders.

**Recommendation:**
Consent to restructuring and extending EDA’s loans based on satisfactory repayment history, acceptable collateral and DSCR. The Member’s approval will also support the stabilization of the long term financing for the mixed use projects in an urban aid community.

Prepared by: Mansi Naik
MEMORANDUM

TO: Members of the Authority

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

DATE: September 9, 2016

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

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

UST Commercial Grants:
Lillian Applegate (Theo's Auto Repair) $ 370,250
Woroco III, Inc. $ 152,002
$ 522,252

UST Residential Grants:
Asya Qureshi $ 223,685
Dawn DiBella $ 164,329
$ 388,014

Total UST Funding – September 2016 $ 910,266

Prepared by: Wendy Wisniewski
MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President/Chief Operating Officer
DATE: September 9, 2016
SUBJECT: NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

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

**UST Commercial Grants:**
- Lillian Applegate (Theo’s Auto Repair) $370,250
- Southwood Baptist Church (Fellowship Hall) $60,000
- Woroco III, Inc. $152,002
  
**UST Residential Grants:**
- Asya Qureshi $223,685
- Dawn DiBella $164,329
  
**Total UST Funding – July 2016** $970,266

Prepared by: Wendy Wisniewski
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT: Lillian Applegate (Theo’s Auto Repair) P42513
PROJECT USER(S): Theo’s Auto Repair * - indicates relation to applicant
PROJECT LOCATION: 331 Bordentown Ave. South Amboy City (N) Middlesex
GOVERNOR’S INITIATIVES: ( ) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
In May 2011, Lillian Applegate, the owner of Theo’s Auto Repair which is a former auto repair facility, received an initial grant in the amount of $557,561 under P30871 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities. The project site is located in a Metropolitan Planning Area and eligible for up to $1 million in grant funding.

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

APPROVAL REQUEST:
The applicant is requesting supplemental grant funding in the amount of $370,250 to perform the approved scope of work at the project site. Total grant funding including this approval is $927,811.

The NJDEP oversight fee of $37,025 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:
GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund
AMOUNT OF GRANT: $370,250
TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act.

PROJECT COSTS:
Remediation $370,250
NJDEP oversight cost $37,025
EDA administrative cost $250
TOTAL COSTS $407,525

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

APPLICANT: Woroco III, Inc. P42730
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 436 Convery Blvd. Perth Amboy City (T/UA) Middlesex
GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
In April 2000, Woroco III Inc., the owner of a full service gasoline station and automotive repair facility received a grant in the amount of $102,791 under P12090 to perform groundwater remediation for the closure of the former underground storage tanks (USTs) at the project site. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities. Woroco III Inc. has been operating the full service gas station and automotive repair facility since 1994.

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

APPROVAL REQUEST:
The applicant is requesting supplemental grant funding in the amount of $152,002 to perform the approved scope of work at the project site. Total grant funding including this approval is $254,793.

The NJDEP oversight fee of $15,200 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:
GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund
AMOUNT OF GRANT: $152,002
TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act.

PROJECT COSTS:

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<tr>
<th>Description</th>
<th>Amount</th>
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<td>NJDEP oversight cost</td>
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<td>EDA administrative cost</td>
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<td><strong>TOTAL COSTS</strong></td>
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APPROVAL OFFICER: K. Junghans
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT: Asya Qureshi P40276

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

PROJECT LOCATION: 40 Lake Ave. Franklin Township (N) Somerset

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

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

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

APPROVAL REQUEST:
The applicant is requesting grant funding in the amount of $223,685 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $22,369 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

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

AMOUNT OF GRANT: $223,685

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

- Upgrade, Closure, Remediation $223,685
- NJDEP oversight cost $22,369
- EDA administrative cost $250

TOTAL COSTS $246,304

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

APPLICANT: Dawn DiBella

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 120 Wood St. Wyckoff Township (N) Bergen

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

APPLICANT BACKGROUND:
Between September 2011 and March 2016, Dawn DiBella received an initial grant in the amount of $22,142 under P33623 and supplemental grants totaling $703,896 under P38514 and P40513 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional soil and groundwater remediation along with site restoration. The project site is located in a Metropolitan State Planning Area and is eligible for up to $1 million in grant funding.

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

APPROVAL REQUEST:
The applicant is requesting aggregate supplemental grant funding in the amount of $164,329 to perform the approved scope of work at the project site. Total grant funding including this approval is $890,367.

The NJDEP oversight fee of $16,433 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:
GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund
AMOUNT OF GRANT: $164,329
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

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APPROVAL OFFICER: K. Junghans
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: September 9, 2016

SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

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

**HDSRF Commercial Loan:**
Esterbrook Lane, LLC (The Wine Room of Cherry Hill, Inc.) $30,215

**HDSRF Municipal Grants:**
City of Paterson (BDA – Addy Mill) $201,935
City of Plainfield (Redemption Power) $101,416

Total HDSRF Funding – September 2016 $333,566

Prepared by: Wendy Wisniewski
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - HAZARDOUS DISCHARGE SITE REMEDIAT’N PROG PROGRAM  

APPLICANT: Esterbrook Lane, LLC  
PROJECT USER(S): The Wine Room of Cherry Hill, Inc.*  
* - indicates relation to applicant  
PROJECT LOCATION: 1 Esterbrook Lane Cherry Hill Township (N) Camden  
GOVERNOR’S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy  

APPLICANT BACKGROUND:  
The Wine Room of Cherry Hill, Inc. is a hands-on wine making facility located at 1 Esterbrook Lane in Cherry Hill, NJ. The subject real estate is owned by Esterbrook Lane, LLC, a real estate holding company owned by the same principals. The property was purchased in January of 2004 by Esterbrook Lane, LLC without the owners’ knowledge of the monitoring wells being contaminated. After it was discovered, the owners funded the remediation themselves which was recently completed. It should be noted that the business remained open through the remediation. The subject request will reimburse the owners for the remediation costs.  

APPROVAL REQUEST:  
Approval of a $30,215 HDSRF term loan is recommended.  

FINANCING SUMMARY:  
LENDER: Hazardous Discharge Site Remediation Fund  
AMOUNT OF LOAN: $30,215  
TERMS OF LOAN: 5 year term and amortization. The rate will be the Federal Discount Rate set at time of approval or closing (whichever is lower), with a floor of 5.00%. Indicative rate of 5.00%  

PROJECT COSTS:  
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<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<td>Haz. Remediation</td>
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<tr>
<td>Finance fees</td>
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</table>
| **TOTAL COSTS**       | **$31,215**  

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

APPLICANT: City of Paterson (BDA - Addy Mill) P39595
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 50-68 Ryle Ave. Paterson City (T/UA) Passaic
GOVERNOR’S INITIATIVES: (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
In January 2008, the City of Paterson received an initial grant in the amount of $102,857 under P19036 for the project site, identified as Block B135, Lot 6 which is a former textile manufacturing facility located within the Great Falls Historic Brownfields Development Area which has potential environmental areas of concern (AOCs). The City of Paterson owns the project site and has satisfied proof of site control. It is the City’s intent, upon completion of the environmental investigation activities, to redevelop the project site for recreation use.

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

APPROVAL REQUEST:
The City of Paterson is requesting additional grant funding to perform RI in the amount of $201,935 at the Addy Mill project site. Total grant funding including this approval is $304,792.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: $201,935
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remedial investigation</td>
<td>$201,935</td>
</tr>
<tr>
<td>EDA administrative cost</td>
<td>$500</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>$202,435</td>
</tr>
</tbody>
</table>

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

APPLICANT: City of Plainfield (Redemption Power) P42678
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 208-222 Lee Place Plainfield City (T/UA) Union
GOVERNOR'S INITIATIVES: (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
In August 2002, the City of Plainfield received a grant in the amount of $120,935 under P13567. The project site, identified as Block 723, Lot 13 is a vacant grass covered field which has potential environmental areas of concern (AOCs). The City of Plainfield owns the project site and has satisfied proof of site control. It is the City's intent, upon completion of the environmental investigation activities, to redevelop the project site for residential use.

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

APPROVAL REQUEST:
The City of Plainfield is requesting additional grant funding to perform RI in the amount of $101,416 at the Redemption Power project site. Total grant funding including this approval is $222,351.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: $101,416
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:
Remedial investigation $101,416
EDA administrative cost $500
TOTAL COSTS $101,916

APPROVAL OFFICER: K. Junghans
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STRONGER NJ BUSINESS LOAN PROGRAM PROGRAM

APPLICANT: Lawrence Wehrlen LLC and Wehrlen Brothers Marina LLC
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 197 Princeton Avenue brick township (T/UA) Ocean
GOVERNOR'S INITIATIVES: (X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:
Wehrlen Brothers Marina, LLC ("WBM" or "Company") founded in 1972 is a full service marina with 200 boat slips, 15 jet ski ports, and 6 electric lifts. In addition, there are two travel lifts on the property, capable of handling up to 40 tons. WBM provides various boat services, including repair, maintenance, dockage and winter storage. The Company rents space from Lawrence Wehrlen LLC, a real estate holding company majority owned by Lawrence Wehrlen.

APPROVAL REQUEST:
Approve a $3,633,703 construction loan under the Stronger NJ Loan Program.

FINANCING SUMMARY:
LENDER: NJEDA
AMOUNT OF LOAN: $3,633,703
TERMS OF LOAN: 30-year term. 24 months of 0% interest followed by 336 months of interest payments based on the 5 year US Treasury rate. Rate reset at each 10 year anniversary. During the first 24 months of the loan no principal payments are due. Thereafter, equal monthly payments of principal in an amount adequate to fully amortize the loan over the remaining term.

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renovation of existing building</td>
<td>$3,622,600</td>
</tr>
<tr>
<td>Construction of new building or addition</td>
<td>$213,315</td>
</tr>
</tbody>
</table>

TOTAL COSTS $3,835,915 *

* - Indicates that there are project costs reported on a related application.

JOBS: At Application 0 Within 2 years 0 Maintained 0 Construction 37
Jobs on Related P039082 7 3 10 0

DEVELOPMENT OFFICER: W. Moschel APPROVAL OFFICER: T. Bossert
REAL ESTATE
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: FMERA Purchase and Sale & Redevelopment Agreement with AP Development Partners for Dance Hall Parcel in Oceanport

DATE: September 9, 2016

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 (“PSARA”) with AP Development Partners, LLC (“AP Development” or “Purchaser”) for the sale and redevelopment of the Dance Hall Parcel, including approximately 4.2 acres and Building 552 (“the Project”) in the Oceanport section of the former Fort.

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 the NJEDA for the redevelopment of the Fort, while also allowing FMERA to enter into redevelopment agreements directly with private developers.

In June 2014 FMERA and the Army executed a letter of intent covering the Fort’s Phase 2 properties. The parties have finalized negotiations over the terms of a Memorandum of Agreement that will enable the Army to formally accept FMERA’s Phase 2 Economic Development Conveyance (“EDC”) application and convey the Phase 2 properties to FMERA for redevelopment. The Project is located within the Fort’s Phase 2 area.

FMERA issued a Request for Offers to Purchase (RFOTP) in connection with the planned redevelopment of the Dance Hall Parcel in Oceanport on March 13, 2015. The Dance Hall Parcel is an approximately 4.2 acre parcel that contains Building 552, Van Kirk Park and associated parking area. Building 552 is a circa 1941 semi-permanent 16,420 sf recreation center targeted for demolition in the Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan). The building was used as a general purpose recreation center and is located just west of the Fort Monmouth Historic District, and is now more commonly referred to as the Dance Hall. FMERA staff
received interest in the building for potential reuse as a small entertainment or recreation center catering to the various uses in development around this site.

Responses to the RFOTP were due on June 26, 2015 and two responses were received from AP Development and Ken Schwartz. An evaluation committee scored the proposals and AP Development was the winning proposal. Subsequently, the second bidder submitted a formal withdrawal of the proposal. As the winning proposal was also compliant with the RFOTP, the evaluation committee recommended proceeding with negotiations for a PSARA.

Subsequent to FERA selecting Purchaser as the winning bidder, FERA included this Project as part of Reuse Plan Amendment #4, adopted by the FERA Board in January 2016. The amendment permits an alternative development scenario for the Dance Hall allowing the reuse of the building for commercial/retail uses, which the amendment clarifies to include craft production; outdoor dining accessory uses would also be allowed. The alternative maintains some or all of Van Kirk Park as publicly accessible open space, including the construction of permitted accessory structures such as an outdoor performance stage. The alternative also maintains the existing roadway configuration of Brewer Avenue and parking areas totaling approximately 29,000 square feet, while Telegraph Avenue could be eliminated or privatized by the owner of the Dance Hall parcel.

AP Development proposes to use the Property for commercial and retail uses, including entertainment and restaurant purposes. Potential users of the facility include a restaurant/café, microbrewery, and coffee roaster. The Purchaser plans to retain the wood truss system within the building, while upgrading the interior and refurbishing the exterior of the building to retain the character of the adjacent Fort Monmouth Historic District. Van Kirk Park will be retained as open space, and entertainment events throughout the year will be hosted in the park. The conceptual redevelopment plan includes outdoor dining in the adjacent lot, as well as a potential shared parking scenario in the existing lot across Brewer Avenue.

AP Development is a development and management company led by Trip Brooks, the company’s president, and Paul Braungart, partner. Both developers have extensive experience in commercial and retail projects. AP Development was also the successful bidder on the Marina parcel in the Oceanport area of the Fort.

**Purchase and Sale & Redevelopment Agreement**

Pursuant to the terms of the PSARA, AP Development will pay $120,000 for the property, reflecting its proposal. Closing will occur within 30 days of satisfaction of the conditions precedent to closing, which include: FERA entering into an EDC Agreement with the Army and acquiring title to the property; AP Development completing due diligence and obtaining all approvals necessary to develop the project; receipt of a final remediation document; and consent from the NJEDA Board of AP Development as redeveloper. The parties will endeavor to satisfy these contingencies within 6 months of the completion of the Due Diligence Period and AP Development will have the option to extend this time period for an additional 6 months if it has not obtained approvals within the initial timeframe, provided it is proceeding in good faith. FERA will convey the property to AP Development in as-is condition, but with clear title and
subject to the Army’s on-going obligations under CERCLA to address any pre-existing contamination that may exist on the property. AP Development will dedicate a portion of Brewer Avenue which runs through their site to the Borough of Oceanport post-closing for no consideration.

The Project will consist of the renovation of the existing structure for commercial and retail uses, including entertainment and restaurant uses. AP Development will commence construction within 45 days of closing, and complete construction with 12 months of closing. Provided the Purchaser is diligently pursuing completion of the project, AP Development shall have the right to extend the time period for completing the project for an additional 6 months. FMERA will have the right to repurchase the property if construction is not timely commenced or completed. AP Development will incur a minimum investment of approximately $1,380,000 to complete the Project. The Purchaser will also be obligated to create 48 permanent, full-time jobs at the property within eighteen months of occupancy, or pay a penalty of up to $36,000.

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 AP Development, staff concludes that the essential elements of a redevelopment agreement between FMERA and AP Development are sufficiently addressed and that it is not necessary for FMERA to enter into a separate redevelopment agreement with AP Development for its redevelopment of the Dance Hall Parcel.

Attached is a substantially final form of the PSARA between FMERA and AP Development as approved by FMERA’s Board at their August 17, 2016 meeting. The final terms of the PSARA are subject to the approval of FMERA’s Executive Director and the Attorney General’s Office.
Recommendation

In summary, I am requesting that the Members consent to FMERA entering into the redevelopment agreement contained within the Purchase and Sale & Redevelopment Agreement with AP Development Partners for redevelopment of the Dance Hall Parcel in the Oceanport section of the former Fort Monmouth property.

Timothy J. Lizura
President/Chief Operating Officer

Attachment: Purchase and Sale & Redevelopment Agreement
Parcel Map
Prepared by: Donna Sullivan and Candice Valente
ATTACHMENT #1
Description of Property

Building 552, a 16,420± gsf semi-permanent general purpose building located on a 4.2 acre parcel of land bordering Malterer Avenue to the east and Saltzman Avenue to the south. The building was formerly used as a recreation center by the Army.
PURCHASE AND SALE AGREEMENT
AND REDEVELOPMENT AGREEMENT

BETWEEN

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY
As Seller,

AND

AP DEVELOPMENT PARTNERS, LLC.
As Purchaser

As of August 12, 2016
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EXHIBIT LIST

A. Quitclaim Deed from Army to FMERA (Army Quitclaim Deed) [To be incorporated by reference and provided at a later date as set forth herein.]

B. Conceptual Plan [attached]

C. Survey & Description of Property [To be delivered by Seller at a later date as set forth herein.]

D. Title Insurance Policy [To be delivered by Purchaser at a later date as set forth herein.]

E. Promissory Note Regarding Job Creation [Attached.]

F. Certificate of Completion [Attached.]
PURCHASE AND SALE AGREEMENT AND REDEVELOPMENT AGREEMENT

This PURCHASE AND SALE AGREEMENT AND REDEVELOPMENT AGREEMENT ("Agreement") is made as of August 12, 2016 ("Effective Date") between Fort Monmouth Economic Revitalization Authority, ("FMERA" or "Authority" or "Seller") a public body corporate and political constituted as an independent authority and instrumentality of the State of New Jersey, pursuant to P.L. 2010, c. 51, N.J.S.A. 52:27l-18 et seq., whose address is 502 Brewer Avenue, Oceanport, NJ 07757 referred to as the Seller, and AP Development Partners, LLC, ("AP Development" or "Purchaser"), a Limited Liability Corporation, whose address is 601 Bangs Avenue, Asbury Park, New Jersey 07712, referred to as the Purchaser. Seller and Purchaser are collectively referred to herein as the "Parties".

WITNESSETH:

WHEREAS, on behalf of the United States Secretary of Defense, the Office of Economic Adjustment recognizes the Seller as the local redevelopment authority for Fort Monmouth, located in the Boroughs of Tinton Falls, Eatontown and Oceanport, New Jersey;

WHEREAS, FMERA has publicly advertised a Request for Offers to Purchase ("RFOTP") the approximately 4.2 acre parcel improved by the Dance Hall, Building 552, Fort Monmouth, Oceanport, New Jersey (the "Property" as further identified, described and defined herein) in accordance with FMERA’s Rules for the Sale of Real and Personal Property, N.J.A.C. 19:31C-2.1 et seq.;

WHEREAS, Purchaser acknowledges that Seller must enter into an Economic Development Conveyance Agreement ("EDC Agreement") with the United States Department of the Army ("Army") which will address the terms by which the Army will transfer to Seller a portion of Fort Monmouth, which includes the Property;

WHEREAS, Seller will be subject to the terms and conditions of the EDC Agreement;

WHEREAS, Purchaser acknowledges that the Army shall convey the Property to FMERA by way of a quitclaim deed, a copy of which shall be provided to the Seller by the Purchaser upon receipt of the same from the Army (the "Army Quitclaim Deed");
WHEREAS, Seller will request that the Army grant a license permitting Seller or its assignee to perform due diligence, pursue approvals and commence renovations to the Property prior to transfer to the Seller;

WHEREAS, FMERA has adopted the Fort Monmouth Reuse and Redevelopment Plan, last amended July 2016, as same may be amended from time to time (the “Reuse Plan”);

WHEREAS, Seller acknowledges that the Purchaser proposes to utilize the Property for commercial and retail uses, including entertainment and restaurant purposes, and that FMERA will request that its Board amend the Reuse Plan to permit such uses with such amendment to the Plan being a condition precedent of closing;

WHEREAS, Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, the Property subject to the terms and conditions set forth herein.

NOW THEREFORE, for good and valuable consideration, the mutual receipt and legal sufficiency of which the Parties hereby acknowledge, Seller and Purchaser hereby agree as follows:

DEFINITIONS

For all purposes of this Agreement, the following terms shall have the respective meanings set forth below:

1. Definitions:

   a. “Affiliate” means with respect to Purchaser, any other Person directly or indirectly controlling or controlled by, or under direct common Control with AP Development. For purposes of this definition the term “Control” (including the correlative meanings of the term “controlled by” and “under common control with” as used with respect to Purchaser), shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management, operations and policies of the Purchaser, whether through the ownership of voting securities or by contract or otherwise.

   b. “Agreement” means this Purchase and Sale Agreement and Redevelopment Agreement dated above, as same may be amended, modified or supplemented from time to time by written instrument signed by the Parties.

   c. “All Approvals” means all Non-Appealable Final Approvals, permits, decisions, reviews and agreements issued by municipal, county, state, federal and quasi-
governmental authorities needed to obtain building permits for all of the residential units and commercial uses on the Property and related off-site improvements so as to allow the continuous development of the Project and which Approvals shall contain terms and conditions acceptable to Purchaser in its reasonable discretion, including but not limited to, the following Non-Appealable Final Approvals:

i. the mandatory conceptual review approval of the Project by FMERA which is required pursuant to N.J.A.C. 19:31C-3.20(c);

ii. preliminary and final subdivision approval, if applicable;

iii. preliminary and final site plan approval, if applicable, including the required review by FMERA in connection with “d” variances;

iv. execution of an acceptable Developer’s Agreement with the Borough of Oceanport and/or County of Monmouth as may be required;

v. a Final Remediation Document issued to AP Development by either the New Jersey Department of Environmental Protection (“NJDEP”) or AP Development’s licensed site remediation professional that documents that the Property has been remediated and which document includes a covenant not to sue pursuant to either N.J.S.A. 58:10B-13.1 or N.J.S.A. 58:10B-13.2;

vi. such permits or approvals as may be needed from the NJDEP which include, but are not limited to, a sewer extension permit, stream encroachment permit, CAFRA, and fresh water wetland permit.

Each such approval shall be referred to as an “Approval.”

d. “Approval Costs” shall mean all costs and expenses including, without limitation, attorneys’, consulting, engineering, and application fees associated with obtaining All Approvals.

e. “Approval Extension Period” means one (1) six (6) month period from the end of the Initial Approval Period which Purchaser shall be entitled to provided it has initially applied and continues to process such Approvals as set forth above in good faith.

f. “Approval Period” means collectively the Initial Approval Period and the Approval Extension Period for a total period of time not to exceed twelve (12) months from expiration of the Due Diligence period as set forth herein.
g. "Army" means the United States of America, acting by and through the Secretary of the Army and any division, department or agency thereof.


i. "CERCLA Covenants" shall have the meaning ascribed in Section 21.

j. "Closing" shall mean the transfer of the Property from the Seller to the Purchaser and the transfer of the Purchase Price from the Purchaser to the Seller which shall occur upon the satisfaction of the Conditions Precedent to Closing set forth in Section 14.

k. "Conditions Precedent to Closing" shall mean the obligations of the Purchaser and Seller which are set forth in Section 14.

l. "Deposit" shall mean collectively the Initial Deposit and Second Deposit described in Section 5 herein.

m. "Discharge" pursuant to N.J.S.A. 58:10-23.11b, as same may be amended, means any intentional or unintentional action or omission resulting in the releasing, spilling, leaking, pumping, pouring, emitting, emptying or dumping of Hazardous Substances into the waters or onto the lands of the State, or into waters outside the jurisdiction of the State when damage may result to the lands, waters or natural resources within the jurisdiction of the State.

n. "Due Diligence Period" means the sixty (60) day period commencing on the Effective Date of this Agreement and ending at five o’clock (5:00) p.m. on the sixtieth (60th) day thereafter, during which the Purchaser upon prior written notice to Seller, at its sole cost and expense, may investigate the Property to determine whether the as-is condition of the Property is satisfactory to the Purchaser. The Due Diligence period shall be extended for an additional period of sixty (60) days (i) in the event the Purchaser’s environmental assessment indicates further investigation is warranted as to the environmental condition of the property; or (ii) if the environmental assessment uncovers another significant environmental concern that has not been identified in the FOST which would require the Purchaser to conduct additional environmental testing or due diligence; or by the mutual agreement of the parties for such additional period as the parties may determine. Seller shall grant Purchaser with immediate access to the Property in order to perform the environmental assessment or, if Seller has not yet
acquired title to the Property from the Army, seek to obtain the Army’s consent to grant Purchaser a license to access the Property prior to Closing for the purposes of performing the environmental assessment.

o. “EDC Agreement” shall mean the Agreement between the Army and FMERA which will set forth the terms by which the Army shall convey portions of Fort Monmouth (including the Property) to FMERA and the terms under which FMERA will acquire same from the Army.

p. “Effective Date” shall mean the date set forth in the introductory paragraph of this Agreement.

q. “Environmental Laws” or “Environmental Law” shall mean each and every applicable federal, state, county or municipal environmental and/or health and safety statute, ordinance, rule, regulation, order, code, directive or requirement.

r. “Final Remediation Document” pursuant to N.J.S.A. 58:10-23.11b, as it may be amended, means a no further action letter (“NFA”) issued by the NJDEP pursuant to N.J.S.A. 58:10B-1 et al., or a response action outcome (“RAO”) issued by a licensed site remediation professional pursuant to N.J.S.A. 58:10C-14.

s. “Finding of Suitability to Transfer” or “FOST” means the document to be issued by the Army confirming the environmental suitability of certain parcels located on Fort Monmouth’s Main Post for transfer to FMERA consistent with CERCLA Section 120(h) and Department of Defense Policy. In addition the FOST will include CERCLA Notice, Covenant and Access Provisions and other Deed Provisions and the Environmental Protection Provisions necessary to protect human health or the environment after transfer of certain parcels from the Army to FMERA.

t. “Force Majeure” shall mean the failure or delay of performance by Seller or Purchaser of any provision of the Agreement by reason of the following: labor disputes, strikes, picket lines, boycott efforts, war (whether or not declared), riots, moratorium regarding sewer, water or any other utilities, litigation filed against either Seller or Purchaser affecting the Property, acts of God, or materially adverse conditions affecting the real estate market and the Project or any individual phase of the Project as demonstrated by an independent market study prepared by a qualified economist or financial consultant selected by the Party seeking a delay in
performance based upon materially adverse real estate market conditions and approved by the non-benefitting party which approval shall not be unreasonably withheld or delayed. In such cases, neither the Seller nor Purchaser shall be in default of this Agreement if the delay or failure to perform is by reason of the aforementioned events or conditions. Any extension of the timeframes for performance of obligations set forth in this Agreement for Force Majeure shall be contingent upon the Party claiming a Force Majeure notifying the other Party in writing within thirty (30) days of the occurrence of the event resulting in the failure or delay of performance. The time of performance shall be extended for the period of the delay occurring as a result of the Force Majeure event; provided, however, that in no event shall the extension of the timeframe exceed twelve (12) months in the aggregate for all Force Majeure or Tolling events.

u. "Hazardous Substances" means all substances set forth in N.J.A.C. 7:1E-1.7 as same may be amended from time to time.

v. “Improvements” shall mean the building, fixtures and structures located on Property.

w. “Infrastructure District” shall mean the districts created pursuant to the state statute creating FERA, P.L. 2010, c. 10 (N.J.S.A. 52:271-18 et seq.), which permits FERA to create these districts in order to support the redevelopment of the Fort.

x. “Initial Approval Period” shall be six (6) months from the end of the Due Diligence Period.

y. “Interested Parties” means Purchaser’s Mortgagee, Purchaser’s Lender, and/or Purchaser’s Tax Credit Investor.

z. “Municipality” shall mean the Borough of Oceanport, in the County of Monmouth, State of New Jersey.

aa. “No Further Action Letter” (“NFA”) has the same meaning as set forth at N.J.S.A. 58:10B-1.

bb. “Non-Appealable Final Approval” shall mean an Approval where the time to challenge or appeal the grant or denial of the Approval, or a term or condition of the Approval, before any administrative body or court of law has expired, and no challenge or appeal is pending. The term shall also mean an Approval decided after a
challenge or appeal has been filed where the challenge or appeal has been decided in Purchaser’s favor, and all terms and conditions contained in the Approval are acceptable to the Purchaser in its reasonable discretion.

cc. “Person” means an individual, partnership, Limited Liability Company, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, government authority, or other entity of whatever nature.

dd. “Preliminary Site Plan Approval” and "Preliminary Subdivision Approval" shall have the meanings set forth in N.J.S.A. 40:55D-1 et seq.

ee. “Project” means the renovation and retrofitting of the existing building on approximately the 4.2 acre parcel for commercial and retail uses, including entertainment and restaurant purposes. The Project is further described herein at Section 6 and depicted in the conceptual site plan attached hereto as Exhibit B. It is agreed and understood that the Purchaser intends to undertake additional redevelopment of the Property over time and in phases as the building is leased or otherwise used. Purchaser’s obligation to complete the Project within a time certain as set forth herein shall only be as to the extent of any improvements depicted in the conceptual site plan attached hereto as Exhibit B.

ff. “Property” means the approximately 4.2 acre parcel improved by Building 552, known as the Dance Hall, Fort Monmouth, in the Borough of Oceanport, New Jersey (the “Property” as further identified, described and defined herein). The Property is further described in Section 3 and will also be depicted in the boundary survey and the metes and bounds description that Seller will provide to Purchaser within 30 days of the Effective Date of this Agreement.

gg. “Purchaser” shall mean AP Development, a Limited Liability Corporation, (“AP Development”) and its authorized assignees or successors.

hh. “Purchase Price” is the price that the Purchaser shall pay the Seller for the Property. The Purchase Price shall be paid as described in Sections 4 and 5.

ii. “Response Action Outcome” (“RAO”) has the same meaning as set forth at N.J.S.A. 58:10-23.11b, as amended.

jj. “Tolling” shall mean a period of time during which all time frames and obligations of Purchaser or Seller as set forth in this Agreement are suspended in accordance with
the terms of this Agreement and which suspension of time frames and obligations shall continue until the event causing the Tolling is resolved to the satisfaction of the Party seeking the benefit of a Tolling period. The Party seeking the benefit of a Tolling period must provide the other Party with notice of the happening of the Tolling event within thirty (30) days after the occurrence of the Tolling event.

2. **Purchase and Sale Agreement.** Subject to the terms and conditions set forth in this Agreement and the performance by the Parties of all of the obligations hereunder, the Seller agrees to sell and convey to Purchaser, and the Purchaser agrees to purchase and acquire from Seller, the Property. The Seller will sell and convey to the Purchaser the Property in its as-is condition, which consists of: (a) the land and building, other improvements and fixtures on the land; (b) all of the Seller’s rights relating to the land; and (c) all personal property specifically included in this Agreement.

3. **The Property.** The Property is the approximately 4.2 acre parcel improved by Building 552, an approximately 16,420 square foot building known as the Dance Hall, Fort Monmouth, in the Borough of Oceanport, New Jersey (the “Property” as further identified, described and defined herein).

4. **The Purchase Price.** Subject to adjustments as called for in Section 25, the price that the Purchaser will pay the Seller for the Property is one hundred twenty thousand ($120,000.00) dollars.

5. **Payment of the Purchase Price.** Subject to adjustments as called for in Section 25, the Purchaser will pay the purchase price as follows:

   - An initial deposit of five hundred ($500.00) dollars. $500.00
   - A second deposit of seventeen thousand five hundred ($17,500.00) dollars due upon execution of this Agreement. $17,500.00
Balance to be paid at closing of title, by wire transfer, in cash or by certified check (subject to adjustment at closing).

$102,000.00

Total purchase price $120,000.00

6. Redevelopment Project, Capital Investment, and Job Creation. Each and every one of the following representations and covenants contained in this Section 6 shall survive Closing, shall run with the land, and shall be a continuing obligation.

   a. Redevelopment Plan: Purchaser represents that Purchaser proposes to renovate and retrofit the existing structures on the Property for commercial and retail uses, including entertainment and restaurant uses, contingent on an amendment to the Fort Monmouth Reuse and Redevelopment Plan and as otherwise set forth herein. Construction shall begin no later than forty five (45) days after Closing, provided that All Approvals are in place, and be completed within twelve (12) months thereafter as set forth herein, incurring a minimum investment of approximately one million three hundred eighty thousand ($1,380,000.00) to complete the project.

   In the event that the Project is not complete within twelve (12) months from Closing as contemplated above by reason of force-majeure or such reasons as agreed between the Parties and provided Purchaser’s construction is ongoing and Purchaser is proceeding in good faith toward the completion of the Project, then in such event, Purchaser shall be entitled to a six (6) month extension of the completion date.

   b. Capital Investment: Purchaser will renovate the Dance Hall’s interior and exterior (“the “Project”) at an estimated cost of one million three hundred eighty thousand ($1,380,000.00) dollars.

   c. Job Creation: Purchaser covenants that Purchaser will relocate or create a total of seventy eight (78) jobs: a minimum of forty eight (48) full-time equivalent jobs and thirty (30) seasonal special events jobs, within eighteen (18) months of the completion of renovation and obtaining the initial certificate of occupancy.

   To the extent the Purchaser fails to achieve the relocation/creation of a minimum of forty eight (48) full-time equivalent jobs on the Property within eighteen
(18) months of obtaining the initial certificate of occupancy, then on that date it shall be liable to pay to the Seller seven hundred fifty ($750.00) dollars for each full-time equivalent job not created. In addition, Purchaser or its tenants shall use their best efforts in order to achieve the relocation/creation of thirty (30) seasonal special event jobs. It is agreed and understood that Purchaser’s obligation to create forty eight (48) full-time equivalent jobs within eighteen (18) months of obtaining the initial certificate of occupancy is a one-time obligation and that “jobs” created shall be “full-time equivalent jobs” as defined in the then applicable EDA regulations and that any such jobs need not be full time employment at the Project; rather, only that any such employee’s place of employment shall be at the Project as may be certified by any Tenant in a “manning” or other similar report which they will be obligated to provide Purchaser. Payment shall be due to Seller within thirty (30) days of Seller’s delivery of notice pursuant to this Section. Purchaser’s total obligation for not creating any new jobs shall not exceed thirty six thousand ($36,000.00) dollars total, for the failure to create at least forty eight (48) new or relocated full-time equivalent jobs.

d. **New Jobs Security:** Prior to Closing, Purchaser shall secure its obligation to create a minimum of forty eight (48) new or relocated full-time equivalent jobs at the Property, or pay up to thirty-six thousand ($36,000.00) dollars, through the granting of a bond, cash deposit or promissory note from the Members of AP Development (“Note”) in a form substantially similar to Exhibit E. The provisions of Section 6 shall survive Closing, shall run with the land, and shall be a one-time obligation as set forth above. It is agreed and understood that upon receipt of notice of creation of forty eight (48) full-time equivalent jobs as set forth above or the payment of any monies for jobs not created, then Seller shall, within thirty (30) days of notice of creation or payment, release the bond, return the deposit or cancel or otherwise discharge the Note which shall no longer be in force or effect. It is agreed and understood that Purchaser has within eighteen months of obtaining the initial certificate of occupancy to provide forty eight (48) full-time equivalent jobs as set forth herein, as well as the option to pre-pay any such obligation for any deficiency, and thereafter Seller shall release the bond, return the deposit or cancel the Note as set forth above.
7. **Declaration of Covenants.** Prior to Closing, Seller shall provide the Purchaser with a declaration of covenants and restrictions upon the Property for review and approval by the Purchaser. The declaration of covenants and restrictions shall be recited in the deed to be recorded by Seller, shall run with the land and shall contain the following, which shall expire upon the issuance of a Certificate of Completion issued by Seller that, upon recordation, shall release said restrictions and covenants. The Declaration shall indicate or otherwise contain:

a. The uses of the Property shall be limited to those uses permitted pursuant to the Fort Monmouth Reuse and Redevelopment Plan, as amended.

b. Purchaser, as the approved redeveloper, will commence and complete the Project within the period of time established in this Agreement.

c. Purchaser, as the approved redeveloper, will not sell, lease or transfer the Property, the Project or this Agreement prior to the Completion of the Project without the written consent of FMERA.

Seller shall provide Purchaser with a copy of the recorded declaration of covenants and restrictions against the Property within six (6) months of Closing.

8. **Reversion to Seller.** The quitclaim deed from Seller to Purchaser shall provide that if the timeframes set forth herein have not been met, then Seller shall have the right of reversion of title, at Seller’s sole option, to Property if Purchaser has not commenced or completed construction within twelve (12) months from Closing. In the event Purchaser’s construction is ongoing and Purchaser is proceeding in good faith toward the completion of the Project, then in such event, Purchaser shall be entitled to a six (6) month extension of the twelve (12) month completion date without penalty. Such right of reversion shall be, by its terms as set forth in the quitclaim deed, subordinate to any and all land, construction, permanent or other lender whose lien shall have superiority over any such rights.

a. Should Seller exercise this reverter option, Seller and Purchaser agree that (i) the existing land value of the Property is one hundred twenty thousand ($120,000.00) dollars. Seller shall pay Purchaser one hundred twenty thousand ($120,000.00) dollars plus the base costs of all improvements installed at the property if the Property becomes subject to this reverter option. Any reversion purchase price paid by Seller shall be applied first to reduce any outstanding balance of any mortgage or lien imposed on the Property by Purchaser.
b. Seller’s reversion right shall always be subject to and shall not defeat, render invalid or limit in any way (i) the lien of any mortgage in favor of any Interested Parties or (ii) any rights or interests for the protection of Interested Parties. Notwithstanding anything herein to the contrary, Seller agrees to provide Purchaser with ninety (90) days advance written notice of Seller’s intent to exercise its right of reverter and the Purchaser shall have the opportunity to cure within said notice period. The ninety (90) day period referred to is known as the “Reversion Cure Period.” During the Reversion Cure Period, any of the Interested Parties may either (a) cure the default identified by the Seller in their default notice or (b) agree with Seller on a proposal which must be acceptable to both parties in both parties reasonable discretion, for one or more of the Interested Parties to cure Purchaser’s default beyond the Reversion Cure Period. If following the Reversion Cure Period, the default is neither cured nor have the parties agreed upon a proposal to cure the default, then Seller may move forward with its right of reversion.

c. The Seller’s right of reversion shall survive the Closing and/or termination of this Agreement, and shall run with the land on any portion of the Property that is subject to the Seller’s right of reversion pursuant to Section 8(a).

d. Seller shall release its right of reversion by issuing a Certificate of Completion on any portion of the Property for which the Project improvements as set forth in Exhibit B have been completed upon the presentation of proof of completion, upon which Purchaser shall be entitled to record the Certificate of Completion.

9. **Prevailing Wage.** Prevailing wage will only apply to the extent that a project includes “public work” as that term is defined in the State Prevailing Wage Act, N.J.S.A. 34:11-56.25 et seq., or if the applicant receives financial assistance from FMERA, the State or any other State entity.

10. **Purchaser Financially Able to Close.** The Purchaser represents that it has or will have sufficient cash available at Closing to complete the purchase without financing. The Closing shall not be contingent upon the Purchaser or any other Person obtaining financing to pay the Purchase Price. Notwithstanding Purchaser’s representation that it has or will have sufficient cash available at Closing to complete the purchase without financing, Purchaser may in Purchaser’s sole discretion choose to seek and obtain financing to complete the purchase.
11. **Deposit Monies.**

   **a.** All deposit monies (and interest accrued thereon) will be held by FMERA’s attorney ("Escrow Agent") in its interest-bearing, Attorney Trust Account pursuant to the Escrow letter executed by the Purchaser and Seller until the date of Closing or as otherwise provided in this Agreement. At Closing, Purchaser shall receive a credit against the Purchase Price in the amount of the Deposit and all interest accrued thereon. If Purchaser terminates this Agreement in accordance with its terms, the Escrow Agent shall refund the Deposit to Purchaser within three business days of receipt of Purchaser’s notice. The Initial and Second Deposit shall be refundable upon termination of this Agreement pursuant to Sections 11, 12, 13, 14, 21, 22 and 23.

   **b.** In the event that the Agreement is terminated by the Seller because Purchaser defaults and said default is not cured within the time frames established herein, then the Escrow Agent shall pay the Seller the eighteen thousand ($18,000.00) dollar Deposit and all accrued interest as liquidated damages.

12. **Title and Survey Investigation.**

   **a.** Seller agrees that prior to and as a Condition Precedent to Closing, Seller shall:

      i. Deliver title to the Property that is good, marketable, fee simple title, valid of record and insurable at regular rates; and

      ii. Satisfy, remove, discharge and/or cure to the reasonable satisfaction of Purchaser and the Title Company the following requirements and exceptions that are identified in the Title Commitment.

   **b.** Within thirty (30) days of the Effective Date of this Agreement, Seller will provide Purchaser a boundary survey and metes and bounds description of the Property. If Purchaser elects to obtain a survey, then no later than thirty (30) days from the end of the Due Diligence Period, Purchaser shall deliver to Seller a copy of Purchaser’s survey together with a list of survey objections. Not later than ten (10) days after Seller receives Purchaser’s survey objections, Seller shall notify Purchaser which of the objections, if any, Seller shall cure prior to or at the Closing, including when and in what manner said items are to be cured. If Purchaser is dissatisfied with Seller’s response or lack of response, Purchaser may either terminate this Agreement within
thirty (30) days of receipt of Seller’s response (or within thirty (30) days of Seller’s failure to respond) or proceed under this Agreement. If Purchaser elects to proceed under this Agreement after Purchaser supplies an unsatisfactory response or no response, then Purchaser’s election is deemed an acceptance of the survey objections by the Purchaser and Seller shall have no further obligation to cure the Purchaser’s survey objections either prior to or at Closing.

c. Purchaser shall have the further right to order a run-down title examination(s) at any time prior to Closing, at Purchaser’s cost and expense, and to submit to Seller any title and/or survey objections which may have arisen since the initial title and survey examination.

d. If Seller fails to meet the requirements of Section 12(a), or if Seller has agreed to cure a survey objection pursuant to Section 12(b) and fails to do so, or if Purchaser has additional title and/or survey objections as a result of its run-down title examination pursuant to Section 12(c) and Seller fails to cure such objections, then Purchaser may: (i) delay Closing to a date mutually agreed upon by Seller and Purchaser so that Seller or Purchaser removes or cures such non-permitted exception at Seller’s expense; or (ii) terminate this Agreement and receive a full refund of the Deposit.

e. From the date of this Agreement, Seller shall not permit any further encumbrance on the Property without Purchaser’s prior written consent, which consent may be withheld for any reason.

13. Due Diligence Period.

a. Purchaser, its agents and Purchaser’s prospective assignees, shall have the right, during the Due Diligence Period, and at all times during the term of this Agreement, to access the Property, to inspect the Property and to investigate all matters relating thereto, including, but not limited to, existing zoning requirements, the physical condition of the Property, the environmental condition of the Property and its environs, and any other matters Purchaser deems relevant to its decision to purchase the Property.

b. Purchaser may terminate this Agreement in its sole, absolute and unfettered discretion prior to five o’clock (5:00) p.m. on the last day of the Due Diligence Period. Upon
termination of this Agreement during the Due Diligence Period, the Deposit shall be promptly returned to Purchaser.

c. Purchaser, its agents and Purchaser’s prospective assignees, shall provide Seller with proof of the following insurances prior to being provided access to the Property:

   i. Comprehensive General Liability policy (including insurance with respect to owned or operated motor vehicles which may be provided under a separate policy) as broad as the standard coverage form currently in use in the State of New Jersey, which shall not be circumscribed by any endorsements limiting the breadth of coverage. The policy shall include an additional insured endorsement (broad form) for contractual liability. Limits of liability and property damage in the minimum amounts of one million ($1,000,000.00) dollars per occurrence and three million ($3,000,000.00) dollars aggregate. Seller shall be named an additional insured on this policy;

   ii. Worker’s Compensation applicable to the Laws of the State of New Jersey and Employer's Liability Insurance with limits of not less than one hundred thousand ($100,000.00) dollars per occurrence for bodily injury liability and one hundred thousand ($100,000.00) dollars occupational disease per employee with an aggregate limit of five hundred thousand ($500,000.00) dollars occupational disease;

   d. Purchaser shall repair any damage caused by its investigations and shall restore the Property to substantially the same condition as existed immediately prior to such investigations. Purchaser hereby indemnifies and holds Seller harmless from any liability to the extent related to any negligent act or omission of Purchaser or Purchaser’s agents or representatives in the performance of any and all activities conducted on the Property by Purchaser until Closing, unless such liability is the result of Seller’s negligence or intentional acts or omissions.

14. **Conditions Precedent to Closing.** The Closing is subject to and conditioned upon the following:

   a. The receipt by Purchaser of All Approvals within the timeframes set forth herein. This shall include receipt of site plan approval and all permits and approvals necessary or required from all approving authorities having jurisdiction over the
property to renovate and operate the Property as contemplated herein. Despite anything to the contrary herein, Purchaser may elect to waive All Approvals (provided that Purchaser may not elect to waive the Approval related to mandatory conceptual review of the Project by FMERA) and close on the Property without said Approvals;
b. Receipt by Purchaser of a Final Remediation Document that demonstrates that any area of concern or Hazardous Substance at the Property has been remediated in accordance with all applicable Environmental Laws which document includes a covenant not to sue pursuant to either N.J.S.A. 58:10B-13.1 or N.J.S.A. 58:10B-13.2;
c. The receipt by Purchaser of a reasonably acceptable form of a declaration of covenants and restrictions upon the Property which shall be set forth in the deed pursuant to Section 7 and provided for review and approval by the Purchaser prior to Closing;
d. Seller shall have performed all covenants, agreements and conditions required by this Agreement to be performed by Seller prior to or as of Closing and shall have cured all defaults;
e. Seller shall have satisfied all conditions relating to the conveyance of fee simple marketable title insurable at regular rates in accordance with Section 12;
f. Purchaser has not terminated this Agreement in accordance with the terms set forth in this Agreement; and

g. Seller has obtained NJEDA Board approval of Purchaser as the Redeveloper;
h. Seller has modified the Redevelopment Plan, as necessary, to permit and allow Purchaser to develop and operate the property for intended purposes;
i. Seller shall have entered into an Economic Development Conveyance Agreement with the United States Department of the Army; and
j. Seller shall have acquired title to Property from the Army via quitclaim deed.
k. The Seller and Purchaser mutually agree as follows concerning the Conditions Precedent to Closing:
  i. Purchaser shall conduct standard due diligence prior to closing;
  ii. Closing shall be contingent upon Seller obtaining an amendment to FMERA’s Reuse Plan to allow for commercial reuse of the building for retail, including
entertainment and restaurant uses. The allowable uses will encompass coffee roasting, brewing and/or winemaking. Accessory land uses will include parking, outdoor dining and an outdoor summer stage.

iii. Each Party shall use its best efforts to perform all conditions required by this Agreement diligently prior to or as of Closing and each Party shall have cured any of its respective defaults prior to Closing or at Closing; and

iv. Except for mandatory conceptual review of the Project by FERA, either Party may waive the performance of a covenant or a condition by the other Party, or may waive the cure of the other Party’s default at any time prior to Closing or at Closing.

15. Time and Place of Closing

a. The Closing shall take place within thirty (30) days of satisfaction of the Conditions Precedent to Closing detailed in Section 14. The Closing will be held at the offices of Purchaser’s counsel.

b. If any event constituting a Force Majeure is in effect at the time of the Closing, then the date for the Closing shall be Tolled and suspended for an equal number of days not to exceed twelve (12) months in the aggregate for all Force Majeure or Tolling events.

c. Seller shall deliver the following documents at Closing in form and substance satisfactory to Purchaser and to Purchaser’s Title Company: (1) quitclaim deed; (2) Affidavit of Title; (3) entity resolution; (4) paid receipt of Real Estate Broker; (5) tax and utility bills, if any; (6) Certificate of Compliance with Section 1445 of the Internal Revenue code (FIRPTA), (7) Bill of Sale for any Personalty; (8) IRS Form 1099; and (9) a post-Closing adjustments letter whereby the parties agree to readjust the pro-rata bases by error or mistake be discovered within twelve (12) months of Closing. Purchaser shall deliver the Purchase Price and a Title Closing Statement at Closing.

d. At Closing, Purchaser shall pay the balance of the Purchase Price (after application of a credit for the Deposit and all accrued interest) to the Seller. Purchaser shall make payment at Purchaser’s option by either certified check or attorney trust account check or with the consent of Seller by wire transfer.
16. **Transfer of Ownership.** At Closing, the Seller shall transfer ownership of the Property to the Purchaser via a properly executed quitclaim deed. The quitclaim deed shall be in a form reasonably acceptable to Purchaser and the Title Company. The quitclaim deed between the Parties shall include a metes and bounds description of the Property that, at Purchaser’s election, shall be based upon the boundary survey supplied and paid for by FMERA and which may also recite the survey to be prepared by the Purchaser, at Purchaser’s sole cost and expense. The quitclaim deed between the Purchaser and Seller shall be subject to all notices, CERCLA Covenants, covenants, access provisions, deed provisions and environmental protection provisions recorded upon the Property as set forth in the Army Quitclaim Deed and any covenants and restrictions that must be recorded pursuant to the requirements of N.J.A.C. 19:31C-3.24.

17. **Personal Property and Fixtures.** Many items of property become so attached to a building or other real property that they become a part of it. These items are called fixtures. They include such items as fireplaces, patios and built-in shelving. All personal property and fixtures are INCLUDED in this sale unless they are listed below as being EXCLUDED.

   a. The following fixtures are EXCLUDED from this sale: none.
   b. The following personal property is EXCLUDED from this sale: none.

18. **Physical Condition of the Property.** This Property is being sold “as is”. The Seller does not make any claims or promises about the condition or value of any of the Property included in this sale. The Purchaser has inspected the Property and relies on this inspection and any rights, if any, which may be provided for elsewhere in this Agreement. Until Closing, the Seller agrees to maintain the grounds and secure, but not maintain, the building and improvements.

19. **Acknowledgment and Covenants Regarding FOST.** Purchaser and Seller agree and acknowledge that the Army is responsible for the environmental investigation and remediation of the Property, as required by applicable law. The Seller agrees to transmit a copy of the FOST to Purchaser upon receipt from the Army. The Purchaser and Seller agree that to the extent that the notices, covenants, access provisions, deed provisions and environmental protection provisions concerning the Property found in the FOST are contained in the Army Quitclaim Deed, then such terms shall run with the land. Purchaser, its affiliates, assignees, corporate successors, heirs, devisees and personal representatives
covenant and hold harmless the Seller, and shall make no claim against the Seller, its successors and assigns, whether based upon strict liability, negligence or otherwise, concerning noise, environmental, land use, pollution, vibrations, or any similar problems, for any damage, direct or consequential, to any person or persons, or to property or otherwise, or for any other relief, which may arise from the condition of the Property or the fact that the Property is subject to the FOST and the Army Quitclaim Deed. This covenant shall survive Closing and/or termination of this Agreement and if the terms are included in the Army Quitclaim Deed, then such terms shall also run with the land and be binding upon the Purchaser and its successors and assigns.

20. **Risk of Loss.** Seller shall be responsible for all losses and damages to the Property by fire, windstorm, casualty or other cause, and for all damages or injuries to persons or property occurring thereon or relating thereto (except as may be caused by acts of the Purchaser or its officers, employees, agents, contractors, licensees or sub lessees) prior to Closing. Notwithstanding the foregoing, Seller shall have no obligation to repair, replace or demolish any portion of the Property that is damaged or destroyed prior to Closing, but Seller shall take reasonably appropriate measures to ensure that the Property is secured against vandalism. Seller and Purchaser agree that any damage or destruction to the Property shall not otherwise affect the rights and responsibilities under this Agreement, and that Purchaser shall not be entitled to any offset against the Purchase Price for any damage or destruction to the building, structures, fixtures or improvements located on, under or above the Property that might occur prior to Closing.

21. **Environmental Matters.**

   a. Purchaser and Seller acknowledge that pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the Army will retain responsibility for any Army caused environmental contamination (other than mold, asbestos containing materials, lead-based paint and commercially-applied pesticides and termiticides) that may be present on the Property as of the date of the Army Quitclaim Deed and as otherwise set forth in the RFOTP. The Parties acknowledge that the quitclaim deed between Seller and the Purchaser shall contain certain covenants required by CERCLA (the “CERCLA Covenants”) which covenants shall be contained in the Army Quitclaim Deed.
The Seller shall not bear any responsibility or liability to the Purchaser or its successors or assigns for the presence of mold, asbestos containing materials, lead-based paint or commercially applied pesticides and termiticides on the Property as of or after the Closing. Purchaser shall be solely responsible for the proper disposal of any mold, asbestos containing materials, lead-based paint or commercially applied pesticides encountered during the renovation or demolition of the building and improvements on the Property.

b. If Seller receives notice from any Person at any time prior to the Closing that any Discharge of a Hazardous Substance has occurred on the Property which has not already been documented in the FOST, then Seller shall provide Purchaser with notice of the Discharge on the Property within three (3) days of receiving notice. Seller shall advise Purchaser within thirty (30) days of receiving the notice of Discharge whether Seller or the Army or other responsible third party shall remediate such Discharge and obtain a Final Remediation Document. If Seller advises Purchaser that neither the Seller nor the Army nor the other responsible third party shall remediate the Discharge and obtain a Final Remediation Document, then Purchaser shall have thirty (30) days from the receipt of this notice from the Seller to terminate this Agreement and receive a full refund of all Deposits. If Purchaser fails to terminate this Agreement within thirty (30) days of receipt of notice from the Seller that neither the Seller nor the Army nor the other responsible third party shall remediate the Discharge, then the Purchaser shall have waived the right to terminate the Agreement due to the Discharge. If Purchaser waives the right to terminate the Agreement after receiving notice from the Seller that neither the Seller nor the Army nor the other responsible third party shall remediate the Discharge of a Hazardous Substance on the Property, then Purchaser shall not be entitled to a set off or reduction in Purchase Price at Closing.

c. If Seller or the Army or the other responsible third party agree to remediate the Property by delivering a Final Remediation Document and Seller or the Army or the other responsible third party subsequently fails to provide the Final Remediation Document prior to the date set for the Closing, then Purchaser may (1) terminate this Agreement and recover all Deposits, or (2) delay Closing to a date reasonably
specified by Purchaser to allow sufficient time for Seller or the Army or the other responsible third party to obtain the Final Remediation Document.

22. **Infrastructure District.** Retail sales within an Infrastructure District on the Fort will be exempt to the extent of fifty (50) percent of the retail sales taxes (except taxes generated from the retail sale of motor vehicles, alcoholic beverages, cigarettes or energy) normally collected by the State of New Jersey, and FMERA may collect a franchise assessment not to exceed the remaining fifty (50) percent of retail sales taxes normally collected, to be used by FMERA toward on-site or off-site infrastructure improvements, or parking or transportation facilities, or work that reduces, abates, or prevents environmental pollution, or other improvements that provide a public benefit within or to an Infrastructure District. FMERA may, at its Board’s discretion, opt to collect less than fifty (50) percent of normal sales tax through the franchise agreement, effectively allowing retailers to charge less than the seven (7) percent sales tax imposed under the New Jersey Sales and Use Tax Act. In the event that FMERA creates an Infrastructure District that includes the Property within its boundaries, Purchaser and any tenants operating a retail business on the Property, shall apply to become a certified retail vendor.

23. **Termination of Agreement.** If this Agreement is legally terminated, the Purchaser and the Seller shall be free of liability to each other, except (subject to the terms of Section 11 herein) for the return of the Deposit with all accrued interest that may be owed and any obligations that specifically survive termination of the Agreement.

24. **Default by Seller.** If Seller shall be unable or fail to convey the Property in accordance with the terms of this Agreement, then Purchaser shall have the right to terminate this Agreement and upon return of the Deposit (together with all interest accrued thereon), this Agreement shall be terminated and neither party shall have any further rights or obligations hereunder, except for any rights or obligations that specifically survive the termination of this Agreement.

   a. Purchaser acknowledges that the remedies set forth in this Section 24 are Purchaser's exclusive remedies in the event of any breach of or default under this Agreement by Seller or the inability or unwillingness of Seller to consummate the Closing as provided in this Agreement. In no event shall Purchaser have any claim for any
damages against Seller, except as set forth in this Section 24. The terms of this Section 24 shall survive the Closing and/or any termination of this Agreement.

b. The Purchaser agrees that prior to declaring the Seller in default hereunder, Purchaser shall provide Seller with thirty (30) days advance written notice of such default and Seller shall have the right to cure such default within said thirty (30) day period.

25. Default by Purchaser.

a. The following occurrences shall be a default by Purchaser of the terms of this Agreement:

i. Failure of Purchaser to observe and perform any covenant, condition, representation, warranty or agreement hereunder, and continuance of such failure for a period of ninety (90) days (if such default cannot be reasonably cured within ninety (90) days, then such obligation to cure shall be extended for such time as is minimally necessary to undertake such cure), after receipt of written notice from the Seller specifying the nature of such failure and requesting that such failure be remedied.

ii. Purchaser shall have (a) applied for or consented to the appointment of a custodian, receiver, trustee or liquidator of all or a substantial part of its assets; or (b) a custodian shall have been legally appointed with or without consent of Purchaser; or (c) Purchaser has (1) has made a general assignment for the benefit of creditors, or (2) has filed a voluntary petition in bankruptcy or a petition or an answer seeking an arrangement with creditors or has taken advantage of any insolvency law; or (d) Purchaser has filed an answer admitting the material allegations of a petition in any bankruptcy or insolvency proceeding; or (e) a petition in bankruptcy shall have been filed against Purchaser, and shall not have been dismissed for a period of ninety (90) consecutive days; or (f) an Order for Relief shall have been entered with respect to or for the benefit of Purchaser, under the Bankruptcy Code; or (g) an Order, judgment or decree shall have been entered, without the application, approval or consent of Redeveloper, by any court of competent jurisdiction appointing a receiver, trustee, custodian or liquidator of Purchaser, or a substantial part of its assets and such order, judgment or decree shall have
continued unstayed and in effect for any period of ninety (90) consecutive days; or (h) Purchaser shall have suspended the transaction of its usual business.

iii. Purchaser has abandoned or substantially suspended any work on the Approvals such abandonment or suspension of work shall not be cured, ended or remedied within ninety (90) days after written demand by the Seller.

iv. The Purchaser shall place on the Property any unauthorized encumbrance or lien on the Property prior to Closing, or shall suffer any levy or attachment to be made on the Property prior to Closing, or any materialmen’s or mechanics’ lien, or any other unauthorized encumbrance or lien to attach to the Property prior to Closing and the encumbrance or lien shall not have been removed or discharged satisfactorily to the Seller at the sole cost and expense of the Purchaser within ninety (90) days after written demand by the Seller to do so.

b. If an occurrence of default by Purchaser occurs or Purchaser fails or refuses to consummate the Closing (where no default by Seller has occurred under the Agreement and all Conditions Precedent to Closing have been satisfied), then Seller, as its sole and exclusive remedy, may terminate this Agreement by giving notice thereof to Purchaser. Upon any such termination, Seller shall retain as liquidated damages the portion of the Deposits stated in Section 11(d) above and all accrued interest and neither party shall have any further rights or obligations hereunder, except any rights or obligations that specifically survive the termination of this Agreement.

c. Seller agrees that prior to declaring the Purchaser in default, Seller shall provide Purchaser with ninety (90) days advance written notice of such default and Purchaser shall have the right to cure such default within ninety (90) of receipt of written notice of the default.

26. **Adjustments at Closing/Assessments for Municipal Improvements.**

a. The Purchaser and Seller agree to adjust the following expenses as of the closing date: water charges, sewer charges, and taxes. The Purchaser or the Seller may require that any person with a valid claim or right affecting the Property be paid from the proceeds of this sale.
b. Certain municipal improvements, including, but not limited to, sidewalks and sewers, may result in the Municipality charging property owners to pay for the improvement. All unpaid charges (assessments) against the Property for work completed before the date of Closing will be paid by the Seller at or before Closing, unless such assessments resulted from action taken by the Municipality in connection with Purchaser’s Approvals, then the Purchaser shall pay such assessments. If the improvement is not completed before the date of Closing then only the Purchaser will be responsible. If the improvement is completed at or before Closing, but the amount of the charge (assessment) has not been determined by the Municipality, the Seller will pay an estimated amount at Closing (unless such assessments resulted from action taken by the Municipality in connection with Purchaser’s Approvals, then the Purchaser shall pay such assessments). When the amount of the charge is finally determined by the Municipality, the Seller will pay any deficiency to the Purchaser (if the estimate proves to have been too low), or the Purchaser will return any excess to the Seller (if the estimate proves to have been too high).

27. **Possession.** At Closing, the Purchaser will be given possession of the Property subject to the Army’s right of access to the Property pursuant to the Army Quitclaim Deed. The delivery of the quitclaim deed for the Property by Seller to Purchaser and possession of the Property from Seller to Purchaser and the acceptance of possession of the Property by Purchaser shall be deemed full performance by Seller of its obligations under this Agreement, except for any duties that expressly survive Closing as provided herein.

28. **Liens.** In the event that an objection to title consists of an unpaid lien of a defined amount attributable to Seller, Seller has the right to satisfy the lien from the sales proceeds.

29. **Assignment of Permits and Approvals.**
   
a. Seller agrees to reasonably cooperate with Purchaser in obtaining any required FMERA signatures or consents in connection with Purchaser’s efforts to obtain the Approvals for the development of the Project on the Property and shall endeavor to obtain same from its Executive Director, within one week of presentation; from the FMERA Real Estate Committee, within thirty (30) days from presentment; and from the FMERA board, within forty five (45) days of presentment, subject to the Governor’s ten (10) day veto period. Where required by law, FMERA will sign as
owner or applicant on applications made by the Purchaser. Any delay beyond these
time periods shall constitute an event entitling Purchaser to Tolling of the time
periods set forth herein for performance by the Purchaser. At Closing Seller shall
assign any permits or approvals related to the Project to the Purchaser.

b. Seller shall join Purchaser in filing and recording a subdivision plat or plats in the
County Clerk’s office, which facilitates the dedication of streets, rights-of-way, and
any easements, to the extent reasonably necessary, prior to the Closing provided that
the cost and expense for same is paid solely by the Purchaser. Immediately prior to
Closing, Purchaser shall post the necessary performance guarantees and inspection
fees required to permit the filing of the subdivision plat with the County Clerk’s
Office.

30. Parties Liable. This Agreement is binding upon the Parties and all who succeed to their
rights and responsibilities.

31. Assignment.

a. Seller shall have the right to assign this Agreement without the consent of Purchaser
to the State of New Jersey or any division thereof.

b. Purchaser shall not have the right to assign this Agreement without first obtaining the
express written consent of the Seller, which consent shall not be unreasonably
withheld provided that:

i. the assignee is an Affiliate of the Purchaser;

ii. the assignee is approved by the State of New Jersey’s Department of the
Treasury Chapter 51 Review Unit for compliance with the State of New
Jersey’s laws governing political contributions;

iii. the assignee has demonstrated to the satisfaction of FMER A that the potential
assignee has the financial ability to meet the funding requirements of the
assignee’s Project;

iv. the assignee provides the Seller with an unqualified and unconditional
acceptance of the terms and conditions of this Agreement including but not
limited to the redevelopment obligations to the extent that they relate to the
portion of the Property and Project being assigned;

v. the assignment will not delay the Completion of the Project; and
vi. the assignee provides FMERA with satisfactory proof of the managerial experience and project experience of the assignee with projects of similar size and magnitude to the assignee’s project;

c. The Parties agree that if Seller authorizes an assignment in accordance with the terms herein, then Seller shall enforce this Agreement against the assignee and Seller shall release Purchaser from any and all duties, obligations, claims and damages arising under this Agreement, provided that the assignee has unconditionally accepted the assignment of this Agreement.

d. Notwithstanding the foregoing, Purchaser shall have the right to assign this Agreement to an Affiliate of the Purchaser, such as an urban renewal entity created to undertake the Purchaser’s Project without first obtaining the Seller’s consent provided that the Affiliate or urban renewal entity is approved by the State of New Jersey’s Department of the Treasury Chapter 51 Review Unit for compliance with the State of New Jersey’s laws governing political contributions and the Affiliate or urban renewal entity provides the Seller with an unqualified and unconditional acceptance of the terms and conditions of this Agreement.

32. **Successors and Assigns.** This Agreement shall inure to the benefit of and shall bind the Parties, their successors and assigns.

33. **Entire Agreement.** It is understood and agreed that all understandings and agreements between the parties regarding purchase, sale and conveyance of the Property are merged in this Agreement which alone fully and completely expresses their agreement. This Agreement replaces and supersedes any previous agreements between the Purchaser and the Seller regarding the purchase, sale and conveyance of the Property. This Agreement can only be changed by an agreement in writing signed by both Purchaser and Seller. The Seller states that the Seller has not made any other Agreement to sell the Property to anyone else.

34. **Governing Law.**

a. This Agreement shall be governed, interpreted, construed and enforced in accordance with, the laws of the State of New Jersey without respect to any principles of conflict of law, both as to interpretation and performance. Seller and Purchaser waive any statutory or common law presumption which would serve to have this document construed in favor and against either party as the drafter.
b. The Seller and the Purchaser agree that any and all claims made or to be made against the Seller based in contract law, including but not limited to, claims and damages described in Section 23(a) for all out of pocket costs and expenses, shall be governed by and subject to the provisions of the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq.

35. **Partial Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by Law.

36. **Headings.** The headings of the various Sections and Exhibits of this Agreement have been inserted only for the purposes of convenience, and are not part of this Agreement and shall not be deemed in any manner to modify, explain or restrict any of the provisions of this Agreement.

37. **No Partnership or Joint Venture.** Nothing contained in this Agreement will make or will be construed to make the parties hereto joint venture partners with each other, it being understood and agreed that the only relationship between Purchaser and Seller hereunder is that of seller and purchaser. Nor should anything in this Agreement render or be construed to render either of the parties hereto liable to the other for any third party debts or obligations due the other party.

38. **No Third-Party Rights or Benefits.** Nothing in this Agreement shall be construed as creating any rights of enforcement against any person or entity that is not a party to this Agreement, nor any rights, interest or third-party beneficiary status for any entity or person other than Purchaser and Seller. This Agreement is not an obligation of the State of New Jersey or any political subdivision thereof (other than FMERA) nor shall the State or any political subdivision thereof (other than FMERA) be liable for any of the obligations under this Agreement. Nothing contained in this Agreement shall be deemed to pledge the general credit or taxing power of the state or any political subdivision thereof (other than FMERA).

39. **No Waiver.** No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Agreement or under any other documents furnished in connection with
or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against any party hereto unless made in writing and signed by the party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

40. **Time Periods.** All time periods contained in this Agreement shall expire at five o’clock (5:00) p.m. Eastern Time on the date performance is due and any performance after such time and any Notice received after such time shall be deemed to have occurred on the next business day. In the event that any date falls on a weekend or any other day which commercial banks in the State of New Jersey are closed or permitted to be closed, the date shall be deemed to extend to the next weekday.

41. **Publication.** Purchaser and Seller agree to consult with and cooperate with each other on the content and timing of all press releases and other public announcements relating to the transactions contemplated by this Agreement and that Purchaser shall not issue any announcement or statement without the express written approval of Seller as to the text of the announcement.

42. **Recording or Notice of Pendency.** Purchaser shall not record nor attempt to record this Agreement; however, Purchaser may record the following: a) a memorandum or “short form” of this Agreement, b) a Notice of Settlement or c) other reporting requirements under the Federal Securities Laws or other securities laws applicable to the Purchaser, provided that the documents that Purchaser proposes to record are provided to the Seller for review and approval, which shall not be unreasonably delayed or withheld, prior to recording. In the event Purchaser records this Agreement, without having obtained the prior written consent of Seller thereto, then Purchaser shall be deemed in material incurable default under this Agreement and Seller shall be authorized without any notice whatsoever: (i) to terminate this Agreement and (ii) to take the Initial Deposit set forth in Section 5, including interest as liquidated damages, such damages being difficult, if not impossible to ascertain. This Section shall survive the termination of the Agreement.

43. **Authority Representations of Purchaser and Seller.** Purchaser and Seller hereby represent to each other on and as of the date of this Agreement and on and as of the transfer(s)
provided for herein, that each have full capacity, right, power and authority to execute, deliver and perform this Agreement, and all required action and approvals therefore have been duly taken and obtained. The individual(s) signing this Agreement and all other documents executed or to be executed pursuant hereto on behalf of Seller and Purchaser shall be duly authorized to sign the same on Purchaser’s and Seller’s behalf and to bind Seller and Purchaser thereto. This Agreement and all documents to be executed pursuant to Seller and Purchaser are and shall be binding upon and enforceable against Seller and Purchaser in accordance with their respective terms. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not violate any judgment, order, injunction, decree, regulations or ruling of any court or governmental authority, or conflict with, result in a breach of, or constitute a default under any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which Purchase or Seller is bound.

44. **Lis Pendens.** Unless Seller defaults, Purchaser hereby waives any right or privilege to place a lis pendens upon the Property or any property owned or controlled by FMERA and, accordingly, notwithstanding anything contained herein to the contrary, Purchaser shall be liable for all damages, including, but not limited to Seller’s costs of removing the lis pendens for Purchaser’s failure to comply with the terms hereof. This Section shall survive the termination of this Agreement.

45. **Political Campaign Contributions.**

   a. For the purpose of this Section, these terms shall be defined as follows:

      i. **“Contribution”** means a contribution reportable by a recipient under “The New Jersey Campaign Contributions and Expenditures Reporting Act” P.L. 1973, c. 83 (C.19:44A-1 et seq.), a contribution made to a legislative leadership committee, a contribution made to a municipal political party committee or a contribution made to a candidate committee or election fund of any candidate for or holder of the office of Lieutenant Governor. Currently, contributions in excess of three hundred ($300.00) dollars during a reporting period are deemed “reportable” under these laws.

      ii. **“Business Entity”** means:

          1. A for-profit entity as follows:
a. In the case of a corporation: the corporation, any officer of the corporation, and any person or business entity that owns or controls ten (10%) percent or more of the stock of corporation;

b. In the case of a general partnership: the partnership and any partner;

c. In the case of a limited partnership: the limited partner and any partner;

d. In the case of a professional corporation: the professional corporation and any shareholder or officer;

e. In the case of any limited liability company: the limited liability company and any member;

f. In the case of a limited liability partnership: the limited liability partnership and any partner;

g. In the case of a sole proprietorship: the proprietor; and

h. In the case of any other form of entity organized under the laws of this State or other state or foreign jurisdiction: the entity and any principal, officer, or partner thereof;

2. Any subsidiary directly or indirectly controlled by the Business Entity;

3. Any political organization organized under Section 527 of the Internal Revenue Code that is directly or indirectly controlled by the Business Entity, other than a candidate committee, election fund, or political committee;

4. Principals who own or control more than ten (10%) percent of the profits or assets of a Business Entity or ten (10%) percent of the stock in the case of a Business Entity that is a corporation for profit (“Principals”); and

5. With respect to an individual who is included within the definition of Business Entity, the individual’s spouse or civil union partner, and any child residing with the individual, provided, however, that, P.L. 2005, c. 51 shall not apply to a contribution made by such spouse, civil union partner, or child to a candidate for whom the contributor is entitled to
vote or to a political party committee within whose jurisdiction the 
contributor resides unless such contribution is in violation of Section 9
of P.L. 2005, c. 51 (C.19:44A-20.1 et. seq.) (“Chapter 51”)

C. 19:44A-20.25, inclusive) as expanded by Executive Order 117 (Gov. 
Corzine, September 24, 2008).

b. The terms, restrictions, requirements and prohibits set forth in P.L. 2005, c. 51 are 
icorporated into this Agreement by reference as material terms of this Agreement 
with the same force and effect as if P.L. 2005, c. 51 were stated herein its entirety. 
Compliance with P.L. 2005, c. 51 by Purchaser shall be a material term of this 
Agreement.

c. Purchaser hereby certifies to FMERA that commencing on and after October 15, 
2004, Purchaser (and each of its Principals, subsidiaries and political organizations 
included within the definition of Business Entity) has not solicited or made any 
Contribution of money, pledge of Contribution, including in-kind Contributions, that 
would bar a contract agreement between Purchaser and Seller pursuant to P.L. 2005, 
c. 51. Purchaser hereby further certifies to the Seller that any and all certifications 
and disclosures delivered to the Seller by Purchaser (and each of its Principals, 
subsidiaries and political organization included within the definition of Business 
Entity) are accurate, complete and reliable. The certifications made herein are 
intended to and shall be a material term of this Agreement and if the Treasurer of the 
State of New Jersey determines that any Contribution has been made in violation of 
P.L. 2005, c. 51, the Seller shall have the right to declare this Agreement to be in 
default.

d. Purchaser hereby covenants that Purchaser (and each of its Principals, subsidiaries 
and political organizations included within the definition of Business Entity) shall not 
knowingly solicit or make any Contributions of money, or pledge of a Contribution, 
including in-kind Contributions, to a candidate, committee or election fund of any 
candidate or holder of the public office of Governor of New Jersey or to any New 
Jersey state or county political party committee prior to the expiration or earlier 
termination of this Agreement. The provisions of this Section 44 are intended to and
shall be a material term of this Agreement and if the Treasurer of the State of New Jersey determines that any Contribution has been made by Purchaser (and each of its Principals, subsidiaries and political organizations included within the definition of Business Entity) in violation of P.L., c. 51, the Seller shall have the right to declare this Agreement to be in default.

e. In addition to any other Event of Default specified in this Agreement, the Seller shall have the right to declare an event of default under this Agreement if: (i) Purchaser (or any of its Principals, subsidiaries and political organization included within the definition of Business Entity) makes or solicits a Contribution in violation of P.L. 2005, c. 51, (ii) Purchaser (or any of its Principals, subsidiaries and political organizations included within the Definition of Entity) knowingly conceals or misrepresents a Contribution given or received; (iii) Purchaser (or any of its Principals, subsidiaries and political organizations included within the definition of Business Entity) makes or solicits Contributions through intermediaries for the purpose of concealing or misrepresenting the source of the Contribution; (iv) Purchaser (or any of its Principals, subsidiaries and political organizations included within the definition of Business Entity) makes or solicits any Contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or to any State or County party committee; (v) Purchaser (or any of its Principals, subsidiaries and political organizations included within the definition of Business Entity) engages or employs a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any Contribution, which if made or solicits by Purchaser (or any of its Principals, subsidiaries and political organizations included within the definition of Business Entity) directly would violate the restrictions of P.L. 2005, c. 51; (vi) Purchaser (or any of its Principals, subsidiaries and political organizations included within the definition of Business Entity) funds Contributions made by third parties, including consultants, attorneys, family members, and employees; (vii) Purchaser (or any of its Principals, subsidiaries and political organizations included within the definition of Business Entity) engages in any exchange of Contributions to circumvent the intent of P.L. 2005, c. 51; (viii) Purchaser (or any of its Principals,
subsidiaries and political organizations included within the definition of Business Entity) directly or indirectly through or by any other person or means, does any act which would violate the restrictions of P.L. 2005, c. 51 or (ix) any material misrepresentations exists in any Political Campaign Contribution Certification and Disclosure which was delivered by Purchaser to the Seller in connection with this Agreement.

f. The Parties agree that on May 30, 2014 FMERA received confirmation from the Department of Treasury’s Chapter 51 Review Unit that Purchaser was approved for 2 year Chapter 51/EO117 certification. Purchaser hereby acknowledges and agrees that pursuant to P.L. 2005, c. 51, Purchaser shall have a continuing obligation to report to the Office of the State Treasurer, Political Campaign Contribution Review Unit of any Contributions it makes during the term of this Agreement. If after the effective date of this Agreement and before the entire Purchase Price is paid to FMERA, any Contribution is made by Purchaser and the Treasurer of the State of New Jersey determines such Contribution to be a conflict of interest in violation of P.L. 2005, c. 51, FMERA shall have the right to declare this Agreement to be in default.

46. Notices: Any notices required to be given under this Agreement must be in writing and shall be addressed as follows:

TO: Fort Monmouth Economic Revitalization Authority
    502 Brewer Avenue
    Oceanport, New Jersey 07757
    Attention: Bruce Steadman, Executive Director

CC: Florio Perrucci Steinhardt & Fader, LLC
    235 Broubalow Way
    Phillipsburg, NJ 08865
    Attention: Michael DiMarco, Esq.

AND

TO: AP Development Partners, LLC
    601 Bangs Avenue
    Asbury Park, NJ 07712
    Attention: Fuller H. Brooks, President/Managing Member
a. All notices which must be given under this Agreement are to be given either by:
   i. personal service,
   ii. certified mail, return receipt requested, addressed to the other party at their address specified above, or
   iii. overnight delivery service, addressed to the other party at their address specified above (e.g. Federal Express, United Parcel Service, DHL, United State Postal Service Next Day Mail).

b. Either party may change the address to which notice must be provided pursuant to this Agreement by providing notice, in accordance with this provision, to the other party at that party’s last-identified address, provided that such change of address shall not take effect until five (5) days following the date of such notice.

c. Each party authorizes the other to rely in connection with their respective rights and obligations under this Agreement upon approval by the parties named above or any person designated in substitution or addition hereto by notice, in writing, to the party so relying.

47. Brokerage Commissions. FMERA’s broker is Cushman & Wakefield of New Jersey, Inc. Seller and Purchaser represent to each other that each has had no dealings with any other broker, salesperson or agent in connection with the sale of the Property. In no event shall Seller be responsible for any commission to a broker other than Cushman & Wakefield arising from this transaction. The provisions of this Section shall survive Closing and/or any termination of this Agreement.

48. Counterparts. This Agreement may be simultaneously executed in several counterparts, or with counterpart signature pages, and may be delivered by facsimile or electronic mail, it being understood that all such counterparts or counterpart signature pages, taken together, shall constitute one and the same instrument.
49. **Exhibits.** By execution of this Agreement, Purchaser acknowledges receipt of all Exhibits described in this Agreement, which have been delivered previously to Purchaser in a package separate from this Agreement.

50. **Recitals.** The Recitals are incorporated herein as if restated at length.

51. **Right of Entry.**
   a. Provided that Purchaser has not terminated this Agreement or is in default hereunder, at any time subsequent to Purchaser’s completion of Due Diligence, Purchaser may request that Seller grant, or, if Seller has not yet acquired title to the Property from the Army, seek to obtain the Army’s consent to grant Purchaser a license to use and enter the Property prior to Closing for the purposes of initiating demolition or renovation of the Improvements. The license will be for one ($1.00) dollar and will be on an absolutely triple net basis.
   b. The parties agree that the license for right of entry is not intended and will not create a leasehold interest in the Property, and that Purchaser will be precluded from sub-licensing or sub-leasing the Property during the license term. The license will terminate upon Closing or earlier termination of this Agreement.
   c. Seller will not, under any circumstance, reimburse the Purchaser for undertaking any improvements to the property and seller will own any fixtures that the Purchaser installs until title closing occurs.
   d. Purchaser agrees that any work undertaken by Purchaser and its consultants and/or contractors will comply with all applicable permits, approvals, ordinances, statutes, regulations, building codes and other applicable laws.
   e. Purchaser covenants and agrees to, at all times, indemnify, protect and save harmless FMERA and the Army from and against all cost or expense resulting from any and all losses, damages, detriments, suits, claims, demands, costs and charges, which FMERA or the Improvements may directly or indirectly suffer, sustain or be subject to by reason or on account of Purchasers entry upon the Premises or the conduction of the Activities by Purchaser, its contractors, subcontractors, agents, officers, employees or invitees. In addition, Purchaser shall require its respective contractors, consultants, agents, and representatives to defend, indemnify, and hold harmless FMERA and the Army from and against any and all claims, actions, suits, complaints,
and proceedings, including but not limited to any attorney's fees, costs of defense, judgments and damages which arise from or are in any way connected with the contractors', consultants', agents', or representatives' entrance upon the Property.

f. All consultants, agents, assignees, contractors, subcontractors, officers, or employees of Purchaser shall be covered by adequate Workers' Compensation.

g. Purchaser agrees that any claims asserted against FMER A based in contract law in connection with this permit shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. and that any claims asserted against FMER A based in tort law in connection with this permit shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq.

h. Purchaser agrees that it:

i. will not create any condition during its use and occupancy of the Property, which violates any municipal, state or other regulatory agency or is dangerous.

ii. will not permit the creation of any liens affecting the Property during the pendency of this Agreement and shall promptly pay and discharge any claims or liabilities which may become a lien against the Premises.

iii. will maintain in force and effect, insurance for liability and property damage in the minimum amounts of one million ($1,000,000.00) dollars per occurrence and three million ($3,000,000.00) dollar aggregate naming the FMER A as an additional insured and provide proof of same to the FMER A prior to entry on the Property.

52. Utilities.

a. Seller shall provide interim access to the water, sewer and electric service over the existing systems at cost or arrange for the same through the Army.

b. Seller shall ensure future access to public water and sewer at the property line at no cost to the Purchaser; Purchaser is responsible for reconnection to new water and sewer mains.

c. Purchaser shall be responsible for replacement, repair, maintenance and/or relocation of all utilities within the Property, subject to Seller's review and approval, which approval shall not be unreasonably withheld.
53. Cooperation. Purchaser and Seller agree to cooperate with each other and to that end agree, when necessary, to consent to the filing of applications and to execute other documents, declarations and or maps required to be signed by either of the parties and returned within seven (7) calendar days of delivery to the other Party. This time period is deemed to be a reasonable opportunity to review any document required in connection with this Agreement. The parties will otherwise cooperate with, assist and support each other in connection with any application for Approvals.

Seller agrees to reasonably cooperate with Purchaser and use diligent and commercially reasonable efforts to obtain any required Seller signatures or consents in a commercially reasonably manner in connection with Purchaser’s efforts to obtain the Approvals for the development of the Project on the Property. Any land use applications which are consistent with the Concept Plan that Purchaser requests Seller to execute, shall be returned by Seller to Purchaser: signed within ten (10) days of the date that Purchaser submits them to Seller (other than as to the mandatory conceptual review and any requested amendments to the Plan that require approval of Seller’s Board). With respect to all other requests for signatures or consents, (such as mandatory conceptual review and any requested amendments to the Plan that require approval of Seller’s Board), Seller shall obtain same, where applicable, from its Executive Director, within one week or presentation; from Seller’s Real Estate Committee, within thirty (30) days from presentment; and for items requiring approval from Seller’s Board, within forty five (45) days from presentation by Purchaser, subject to the Governor’s ten (10) day veto period. Where required by law, Seller will sign as owner or applicant on applications made by Purchaser so as not to cause a delay or disruption in Purchaser’s efforts to pursue and obtain the Approvals. At Closing, Seller shall assign any permits or approval related to the Project to Purchaser.

54. Miscellaneous.

a. Purchaser agrees to renovate the exterior of Building 552 to complement the architectural and design styles of the adjacent National Register historic district. Purchaser agrees that the renovations shall include upgrading the first floor of Building 552 with a brick exterior, and adding charcoal grey hardy concrete boards
on the second floor. Purchaser will renovate Building 552 utilizing appropriately colored asphalt shingles.

b. Purchaser may either retain ownership of Van Kirk Park, maintaining the majority of the land as open space and providing access to its two existing memorials while using some of the park area for possible outdoor dining, summer stage and/or garden space, or seek to convey the park to a public entity that agrees to maintain the area as a public park.

c. Seller reserves the right to retain the development rights to the portion of the Property lying West of Brewer Avenue for the purpose of establishing a shared parking arrangement with the developers of the adjacent properties. Seller’s ability to exercise this development right shall be subject to its obligation to provide the Purchaser with temporary parking accommodations that are located in a reasonably close proximity to the Property until such time that the new parking facility is complete. Seller shall have the unfettered right to assign such reserved development rights to any purchaser of other Fort Monmouth property.

d. Purchaser will be required to maintain the portion of the Property known as Brewer Avenue as a public roadway and agrees to convey and dedicate the roadway and adjacent right-of-way at a later date to the Borough of Oceanport without the payment of any price or other consideration to the Purchaser.
Wherefore the Seller and Purchaser have signed this Agreement as of the date first written above.

ATTEST: FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY, Seller

____________________________
By: __________________________
Bruce Steadman
Executive Director

ATTEST: AP DEVELOPMENT PARTNERS, LLC, Purchaser

____________________________
By: __________________________
Fuller H. Brooks
President/Managing Member
STATE OF NEW JERSEY  

COUNTY OF Monmouth  

The foregoing instrument was acknowledged before me this ___ day of ______, 2016, by AP Development Partners, LLC, a Limited Liability Corporation, (the “Purchaser”), by Fuller H. Brooks, the President/Managing Member, on behalf of the Purchaser.

__________________________
Attorney
STATE OF NEW JERSEY  

COUNTY OF MONMOUTH  

The foregoing instrument was acknowledged before me this _____ day of _____ 2016, by Fort Monmouth Economic Revitalization Authority, a public body corporate and political constituted as an independent authority and instrumentality of the State of New Jersey, pursuant to P.L. 2010, c. 51 (the “Company”), by Bruce Steadman, its Executive Director, on behalf of the Company.

Michael DiVarco, Esq.
MEMORANDUM

TO: Members of the Authority

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

RE: New Health and Agriculture Building in Trenton
Funding of Project Costs, Memorandum of Understanding and Budget

DATE: September 9, 2016

SUMMARY
I request that the Members approve the following:

- The funding of predevelopment services ("Predevelopment Costs"), from Authority unrestricted funds, in the amount not to exceed $1,609,492, for the Health and Agriculture Building in Trenton under the Memorandum of Understanding (MOU), which will either be repaid in full from bond proceeds, or repaid by one-half from by the Treasurer to be sought by appropriation if the State does not approve State-lease bond financing for the Proposed Project (as hereinafter defined), under the conditions outlined in the MOU

- The predevelopment services budget in the amount not to exceed $1,609,492

- The Memorandum of Understanding between EDA and DPMC for the Authority to provide predevelopment services only for the Health and Agriculture Building

BACKGROUND
1. Feasibility Study
In 2014, Treasury requested the Authority to prepare a Feasibility Study to build on the assumptions in the Lammey & Giorgio report and to recommend the most cost effective solution for the relocation of the departments that currently occupy the Health, Agriculture and Taxation buildings.

The Members have taken the following actions:

- In June 2014, the Members approved Memorandum of Understanding and funding for the Feasibility Study

- In December 2014, the Members approved a bond reimbursement resolution to reimburse the cost of the Feasibility Study upon issuance of the bond to construct the Health,
Taxation and Agriculture buildings and the hiring of KSS Architect as the consultant to assist Real Estate staff with the Feasibility Study.

The Authority expended ±$291,000 on the Feasibility Study.

The Feasibility Study was completed in May 2015, and recommended in part that the best alternative would be to replace the Health and Agriculture buildings with one new building and to demolish the existing Health and Agriculture buildings.

EDA presented the Feasibility Study to DPMC and the City of Trenton Department of Economic Development ("City") and DPMC and the City selected the following new construction alternative of new construction of a ±5 story (±135,000 SF) building on an existing State parking lot on the southwest corner of North Willow and West Hanover Streets.¹

2. Proposed Project

The "Proposed Project" will consist of three (3) phases. The first phase will involve the predevelopment services which is before the Members today for consideration. The Authority will provide:

- Site cue diligence, which will include an appraisal, title and environmental review to determine the suitability of the Parcel for the Proposed Project
- Design development services which will include preliminary plans through the design development phase, a project schedule, and a construction cost estimate that will include the cost to demolish the existing Health and Agriculture Buildings
- Budgets, which includes the DPMC approved Predevelopment Services budget (attached to this memo as Exhibit A and the MOU as Exhibit B) and the preparation of the preliminary comprehensive development budget

Phase Two will consist of required State approvals and consents while the bond financing and construction would occur in Phase Three. The Proposed Project in its entirety will include the following:

- Treasury will authorize State-Lease bonds to fund the final design and construction of the new building ("Improvements")
- Treasury will lease the Parcel ("Parcel Lease") on which the proposed Improvements will be constructed to EDA for one dollar ($1.00)
- The Authority will obtain the necessary permits and approvals for the Improvements

¹ In this memo, this location will be referred to as the "Parcel."
The Authority will complete the Improvements and demolish the existing Health and Agriculture buildings.

The Authority will lease the Parcel and Improvements back ("Improvements Lease") to Treasury.

At the end of the bond term, or early termination of the bond financing, the Parcel Lease and Improvements Lease will terminate and the State will receive title to the Improvements.

The Parcel Lease will require the approval of the State House Commission. If the value of the Parcel exceeds $500,000, special legislation may be required to authorize the Parcel Lease. Thereafter, the Improvements Lease will require approval from the State Leasing and Space Utilization Committee.

The Improvements Lease will include the following terms:

- The Authority will lease the constructed building to Treasury for a period equal to the State-Lease bond financing term or earlier repayment by Treasury.

- Treasury, subject to appropriation, will make lease payments equivalent to the bond debt service for the Project and will pay for the building's operating expenses.

- At the end of the State-Lease bond, or earlier repayment of the State-Lease bond by Treasury, the Parcel Lease and Improvements Lease will terminate and Treasury will receive title to the Improvements.

3. Funding of Project Costs, MOU and Budget

In June of this year, as part of an economic development initiative in the City, Treasury authorized the Authority to proceed with further development of the new Health and Agriculture building. Treasury currently anticipates issuing State-Lease bonds for the Project sometime in the first or second quarter of State fiscal year 2018. The bond proceeds may be used to pay for Proposed Project Costs that will include the reimbursement of Authority funds for the Feasibility Study and for the proposed predevelopment services in the MOU that the Members are considering in this memo.

To move the Proposed Project forward, Real Estate staff proposes that the Authority provide funding in the amount not to exceed $1,609,492 ("Funding of Predevelopment Costs") to complete the design development phase, which will include: architectural/engineering design development drawings and specifications, a construction cost estimate, a project schedule, the comprehensive development budget, and site due diligence tasks, i.e., title, survey and the required environmental reports (collectively "Plans"). A predevelopment services budget detailing the proposed use of the $1,609,492 is attached as Exhibit A to this memo.

Pursuant to the MOU, within 90 days of receiving the Plans, DPMC will need to authorize the issuance of State-Lease bonds and execute the lease or terminate the Project's development. In
the event DPMC does not authorize proceeding with the final design and construction of the Project, the Treasurer will seek an appropriation in the next State Fiscal Year budget to repay one-half (1/2) of the Funding of Predevelopment Costs and one-half (1/2) of the accrued interest.

The MOU between DPMC and the Authority outlines the tasks that will be performed by the Authority and DPMC is attached as Exhibit B to this memo and is in substantially final form. The final document may be subject to revision, although the basic terms and conditions will remain consistent with the attachment. The final terms of the MOU will be subject to the approval of the Chief Executive Officer, President/Chief Operating Officer and the Attorney General’s Office, as well as DPMC.

Staff recommends that the Members approve the Funding of Predevelopment Costs, predevelopment services budget and MOU. The Authority views development of state offices vital to redevelopment of the City of Trenton, and previously developed the Trenton State Office Complex, which includes state offices and ground floor retail at 225 E. State Street. In addition, a potential state office building would complement other activity that may occur under the Garden State Growth Zone Incentive program which includes Trenton as a targeted municipality.

**Recommendation**

In summary, I request the Members:

- Authorize the funding predevelopment services, with Authority unrestricted funds, in the amount not to exceed $1,609,492
- Approve a predevelopment services budget of $1,609,492
- Consent to enter into the Memorandum of Understanding with DPMC generally consistent with the form attached.

![Signature]

Timothy J. Lizura  
President and Chief Operating Officer

**Attachments**

Prepared by: Juan Burgos
EXHIBIT A:  PREDEVELOPMENT SERVICES BUDGET
# MEMORANDUM OF UNDERSTANDING EXHIBIT B

**Predevelopment Services Budget (Uses and Sources Statement)**

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<thead>
<tr>
<th>Uses of Funds</th>
<th>Health &amp; Agriculture</th>
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## Sources

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EXHIBIT B:   MEMORANDUM OF UNDERSTANDING
MEMORANDUM OF UNDERSTANDING
REGARDING THE HEALTH AND AGRICULTURE BUILDINGS

This Memorandum of Understanding ("MOU") dated the [day] day of [month], 2016, will confirm the mutual understanding and intention between the New Jersey Department of the Treasury, Division of Property Management & Construction ("DPMC") and the New Jersey Economic Development Authority ("EDA") regarding predevelopment services for the lease, design, bond financing, and construction of certain facilities for DPMC. DPMC and EDA are collectively referred to herein as the "Parties."

Pursuant to a separate Memorandum of Understanding dated July 22, 2014, DPMC engaged EDA to complete a Feasibility/Basis of Design Study ("Feasibility Study") for the Health, Taxation and Agriculture State office buildings in Trenton, which considered the alternatives of new construction replacement buildings, rehabilitation of the existing buildings, and/or leasing new space in the open market, with a comparison of the alternatives on a present value basis. EDA expended the sum of approximately $291,000 to complete the Feasibility Study.

The Feasibility Study concluded that the best alternative would be to replace the Health and Agriculture buildings with one new building and demolish the existing Health and Agricultural buildings. EDA presented the Feasibility Study to DPMC and the City of Trenton Department of Economic Development ("City") and DPMC and the City selected the following alternative of new construction of an approximately 5 story (approximately 135,000 square foot) building on an existing State of New Jersey ("State") parking lot on the southwest corner of North Willow and West Hanover Streets. A map that includes the site on which the building will be developed is attached as Exhibit A to this MOU.

The “Proposed Project” would include the following:

- DPMC’s ground leasing the land consisting of the building footprint ("Parcel") to EDA
- DPMC providing a right of entry license to all portions of the Parcel and surrounding lands owned by DPMC to EDA to facilitate the construction of the building and ancillary improvements requested by DPMC
- EDA’s final design and construction of the building on the Parcel and ancillary improvements on the land on which EDA has a license ("Improvements")
- EDA’s leasing back of the Parcel and Improvements to DPMC
- EDA’s demolition of the existing Health and Agriculture buildings

This Proposed Project will consist of three (3) phases as follows:

(i) Phase One-Predevelopment Services (as hereinafter defined)
(ii) Phase Two-Required State approvals and consents
(iii) Phase Three-Bond financing/Construction
This MOU will authorize EDA to proceed with the Phase One Predevelopment Services outlined in Section 1 of this MOU.

The Parties enter into this Memorandum of Understanding as an inter-departmental governmental agreement pursuant to N.J.S.A. 52:14-1 et seq.

1. **Predevelopment Services.** EDA will provide the following services collectively referred to herein as the “Predevelopment Services”:

   a. **Site Due Diligence.** The site due diligence will include, but not be limited to the following:

      i. Obtaining the appraisal for the Parcel

      ii. Obtaining title information for the Parcel

      iii. Analyzing the suitability of the existing Parcel for the construction of the Proposed Project but only to the extent of the Phase One Predevelopment Services; the diligence investigations may also include, but will not be limited to, financial analysis, review of potential legal issues, and environmental conditions

      iv. Investigating the feasibility of developing the Proposed Project on an alternate site at the request of DPMC (subject to the availability of Funding of Predevelopment Costs (as such term is defined below)), should the Parties determine that the Parcel is not suitable for the Proposed Project

   b. **Design Development Services.** EDA is authorized to proceed with the design plans and specifications for the Proposed Project, which will include, but not be limited to, the following:

      i. Preparing the preliminary plans through the design development phase,

      ii. Preparing and updating the Proposed Project schedule; and

      iii. Preparing the construction cost estimate that will be used to prepare the preliminary comprehensive development budget, which budget will include the costs of the demolition of the Health and Agriculture buildings.

   c. **Budgets.** A Predevelopment Services budget has been prepared by EDA, which is hereby approved by DPMC. This budget is attached as Exhibit B to this MOU. Upon
completion of the design development services, EDA will also prepare a preliminary comprehensive development budget for DPMC’s review and approval.

d. **Plans.** EDA’s final work product under the Predevelopments Services will include the items listed in Section 1.a. through 1.e and will be referred to as the “Plans.”

2. **Funding of Predevelopment Costs.**

a. **Funding.** EDA will provide up to $1,609,492 (the “Funding of Predevelopment Costs”) to pay for the Predevelopment Services detailed in the predevelopment services budget.

b. **Interest on Funding of Predevelopment Costs** The actual amount of Funding of Predevelopment Costs disbursed by EDA will earn three-quarters of one percent (0.75%) interest, accruing until the Funding of Predevelopment Costs is repaid as set forth in Section 2.c.

c. **Repayment of Funding of Predevelopment Costs and Accrued Interest.** If the State Treasurer approves proceeding forward with Phases Two and Three of the Proposed Project all of the Predevelopment Costs will be paid out of the proceeds of the State-Lease Bonds (as hereinafter defined). In the event the State Treasurer determines not to proceed with Phases Two and Three then the State Treasurer agrees to pay fifty (50%) per cent of the Predevelopment Costs and fifty (50%) per cent of the accrued interest subject to appropriation and the availability of funds.

d. **Reimbursement Resolution.** EDA will seek approval from the EDA Board of a reimbursement bond resolution that will authorize the repayment of the Funding of Predevelopment Costs used to pay for the Predevelopment Services to produce the Plans, and EDA’s administrative fee as set forth in Section 5 of this MOU if DPMC decides to proceed with the final design and specifications and the construction of the Proposed Project and the EDA issues bonds paid for by a lease of the Proposed Project from the EDA to the State (“State-Lease Bonds”).

e. **Required Approvals.** The Parties understand that EDA’s issuance of the State-Lease Bonds for the Proposed Project will be subject to the approval of the State Treasurer (or designee) and EDA’s Board Members in their sole discretion, the opinion of bond counsel, and market conditions (the “Proposed Project Approval”).

f. **No Agreement to Issue State-Lease Bonds.** Nothing in this MOU shall be construed as an agreement or indication of intent of the Parties that EDA shall proceed to sell or issue by competitive or negotiated sale, via public offering or private sale, any bonds because the Parties recognize that no assurance can be given that the State Treasurer or EDA’s Board Members will authorize the issuance of bonds for the Proposed Project.
3. **DPMC’s Responsibilities.** DPMC will be responsible for the following:

   a. Providing reasonable information, as requested by EDA, to complete the design of the building on the Parcel.

   b. Coordinating with EDA to develop the use and space programming for the Proposed Project.

   c. Participating in the selection of Predevelopment Services consultants and contractors to the extent permitted by EDA’s policies and procedures.

   d. Approving the preliminary comprehensive development budget.

   e. Approving the Plans.

The Parties acknowledge that if the State Treasurer approves proceeding with Phase Two DPMC will also be responsible for the following and any other responsibilities to which the parties agree with respect to Phase Two:

   f. With EDA’s assistance, presenting the Proposed Project to the State House Commission for approval of the ground lease of the Parcel from DPMC to EDA on or about March 2017 or at such time the Parties determine it is appropriate to present the ground lease to the State House Commission.

   g. If necessary, with EDA’s assistance, requesting the State Legislature to adopt legislation in order to authorize DPMC to ground lease the Parcel to EDA for one-dollar ($1.00) for the Proposed Project.

   h. With EDA’s assistance, presenting the Proposed Project to the State Leasing and Space Utilization Committee for approval of the lease back of the Proposed Project from EDA to DPMC for one ($1.00) dollar on or about March 2017 or at such time as the Parties determine it is appropriate to present the lease of the Proposed Project from EDA to DPMC to the Committee.

4. **EDA’s Responsibilities.** EDA will be responsible for the following:

   a. **Predevelopment Services.** EDA will provide the Predevelopment Services outlined in Section 1 of this MOU.

   b. **Funding of Predevelopment Costs.** EDA will provide Funding of Predevelopment Costs for an amount as outlined in Section 2 of this MOU.
c. **Consultants and Contractors.** EDA will engage contractors and consultants as follows:
   
   i. **EDA’s Authority to Hire Consultants and Contractors.** The Parties agree that EDA may retain and enter into agreements and contracts with consultants and contractors (including other State agencies) to assist EDA in connection with the Predevelopment Services subject to DPMC approval as set forth herein.

   ii. **Commencement of Services.** The Parties intend and DPMC authorizes EDA to contract for services required for the Predevelopment Services upon full execution of this MOU. These services shall be performed under the direction of EDA.

   iii. **Procurement Process.** Any and all contracts with consultants or contractors entered into by EDA in connection with the Predevelopment Services shall be advertised, solicited and selected by EDA in accordance with EDA applicable procurement requirements with DPMC participating in the selection of Predevelopment Services consultants and contractors to the extent permitted by EDA’s policies and procedures.

   iv. **Form of Contracts and Agreements.** The general terms and conditions of such contracts shall be consistent with agreements typically entered into by EDA and shall provide for the termination by EDA at any time. Prior to termination of a contract EDA will consult and receive the consent of DPMC.

   v. **Additional Services.** If funding is available, providing additional services as requested by DPMC and approved by the State Treasurer or his/her designee.

   d. **Paying Consultants and Contractors.** EDA will use the Funding of Predevelopment Costs to pay consultants, contractors and other vendors for work to complete the Predevelopment Services.

   The Parties acknowledge that if the State Treasurer approves proceeding with Phase Two EDA will also be responsible for the following and any other responsibilities to which the parties agree with respect to Phase Two:

   e. **State House Commission.** Assisting DPMC with the presentation to the State House Commission for approval of the ground lease of the Parcel from DPMC to EDA.

   f. **Legislation.** If necessary, assisting DPMC with its request to the State Legislature to adopt legislation in order to ground lease the Parcel to EDA for one dollar ($1.00).

   g. **State Leasing and Space Utilization Committee.** Assisting DPMC with the presentation
to the State Leasing and Space Utilization Committee for approval of the lease back for the Proposed Project from EDA to DPMC.

5. **Compensation and Payment**

   a. **EDA’s Administrative Fee.**

      i. **EDA’s Administrative Fee for Predevelopment Services.** To perform the Predevelopment Services, EDA’s fee will be three-percent (3%) of the approved Predevelopment Services Budget.

      ii. **Additional Services.** EDA’s fee for additional services requested by DPMC and approved by the State Treasurer or his/her designee will be three-percent (3%) of the cost of the additional services.

   b. **Payment of EDA’s Administrative Fee and Expenses.**

      i. **EDA’s Administrative Fee and Expenses for Predevelopment Services.** EDA’s Administrative Fee and Expenses are part of the Predevelopment Services budget and shall be paid in accordance with Section 2.c. of this MOU. EDA shall promptly provide DPMC with copies of all invoices and evidence of payment related to EDA’s Administrative Fees and Expenses related to the Predevelopment Services.

      ii. **EDA’s Administrative Fee for Additional Services.** These fees and expenses shall be paid in accordance with Section 2.c. of this MOU.

6. **Additional Provisions.**

   a. **Environmental Liability.** The State will be the responsible party for the Parcel’s environmental condition. It is expressly understood that this MOU and all subsequent, associated agreements will not obligate EDA to incur any liability for any known or unknown pre-existing environmental conditions of the Parcel.

   b. **Sufficient Funds.** It is agreed that nothing in this MOU shall obligate or require EDA or DPMC to enter into or continue any agreement or contract for the Proposed Project or to expend EDA or DPMC personnel time or other administrative costs for the Proposed Project unless sufficient funds are readily available to such Party for their respective expenses and fees that would be incurred in connection with the Predevelopment Services. Notwithstanding Section 4 (c) (iv) EDA shall at all times have the right to terminate or discontinue any agreement, contract or work for Predevelopment Services if EDA determines that sufficient funds are not readily

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*MOU Between EPMC and EDA*

*Funding of Predevelopment Costs and Predevelopment Services for the Health and Agriculture Building in Trenton*

*Page 6*
available and approved under the Predevelopment Services Budget for the EDA expenses and fees that would be incurred in connection with the Proposed Project.

c. **Right of Entry.** This MOU constitutes a right of entry license from DPMC to EDA, its employees, officers, agents, consultants and contractors, for access to all portions of the Parcel in order to carry out the Predevelopment Services.

d. Any and all consultants and contractors hired by EDA who enters upon the Parcel shall:

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

   ii. Maintain adequate insurance coverage as reasonably determined by DPMC and EDA.

   iii. Be aware of and comply with all federal, state and local laws, ordinances, rules and regulations that affect those engaged or employed on the Proposed Project, or that affect the conduct of the work on the Proposed Project.

e. **Required State Approvals.** This MOU is not intended to create a binding agreement to lease the Parcel or obtain bond financing for the Proposed Project. The Parties acknowledge that the following steps will need to be taken if the Proposed Project proceeds to Phases Two and/or Three:

   i. The final forms of documents have been approved by the EDA Members, DPMC, and the Department of the Treasury and executed and delivered by the Parties

   ii. The State House Commission approves the ground leasing of the Parcel by DPMC to EDA for one dollar ($1.00).

   iii. If necessary, DPMC, with EDA’s assistance, will request the State Legislature to adopt legislation in order to authorize DPMC to ground lease the Parcel to EDA for one dollar ($1.00) for the Proposed Project.

   iv. The State Leasing and Space Utilization Committee approves the lease of the Proposed Project from EDA to DPMC.

f. **Other Approvals.** Each Party will obtain all applicable governmental approvals, permits, and authorizations necessary to effectuate their respective responsibilities under this MOU.
g. **Commencement and Duration.** Subject to EDA providing Funding of Predevelopment Costs in accordance with the approved Predevelopment Services Budget, this MOU will commence immediately upon execution by the Parties. This MOU shall remain in effect for eighteen (18) months from the date and year first written above.

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

i. **Termination.** Any Party shall have the right to terminate this MOU upon written notice to the other party. Upon termination, EDA shall make reasonable efforts not to incur any additional expenses or administrative costs; provided, however, EDA shall be permitted to continue to use the Funding of Predevelopment Costs to pay for any expenses or fees actually incurred in connection with Predevelopment Services.

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

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

   **If to DPMC:**
   
   New Jersey Department of the Treasury
   Division of Property Management & Construction
   33 W. State Street
   P.O. Box 229
   Trenton, New Jersey 08625-0990
   Attention: [insert name], Director
   
   Division of Property Management & Construction

k. **Good Faith.** DPMC and EDA will act with reasonable diligence and in good faith for the purpose of satisfying the conditions set forth herein.

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

The foregoing correctly reflects the Parties' understanding and intent.
IN WITNESS WHEREOF, the Parties have caused this Memorandum of Understanding to be duly executed and delivered as of the date and year first above written and by so executing, represent and warrant they have the authority to do so.

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

[insert name]
Director
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Timothy J. Lizura
Chief Operating Officer and President

AGREED AND CONSENTED TO BY:

Ford M. Scudder, Acting Treasurer
State of New Jersey

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

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY

By:
Gary A. Kotler, Deputy Attorney General
EXHIBIT A: BUILDING SITE LOCATION
EXHIBIT B:  PREDEVELOPMENT SERVICES BUDGET
MEMORANDUM OF UNDERSTANDING EXHIBIT B
Predevelopment Services Budget (Uses and Sources Statement)

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MEMORANDUM

TO: Members of the Authority

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

RE: New Taxation Building in Trenton
Funding of Project Costs, Memorandum of Understanding and Budget

DATE: September 9, 2016

SUMMARY
I request that the Members approve the following:

- The funding of predevelopment services ("Predevelopment Costs"), from Authority unrestricted funds, in the amount not to exceed $1,993,448, for the Taxation Building under the Memorandum of Understanding (MOU), which will either be repaid in full from bond proceeds, or repaid by one-half from by the Treasurer to be sought by appropriation if the State does not approve State-lease bond financing for the Proposed Project (as hereinafter defined), under the conditions outlined in the MOU.

- The predevelopment services budget in the amount not to exceed $1,993,448

- The Memorandum of Understanding between EDA and DPMC for the Authority to provide predevelopment services only for the Taxation Building

BACKGROUND
1. Feasibility Study
In 2014, Treasury requested the Authority to prepare a Feasibility Study to build on the assumptions in the Lammey & Giorgio report and to recommend the most cost effective solution for the relocation of the departments that currently occupy the Health, Agriculture and Taxation buildings.

The Members have taken the following actions:

- In June 2014, the Members approved Memorandum of Understanding and funding for the Feasibility Study

- In December 2014, the Members approved a bond reimbursement resolution to reimburse the cost of the Feasibility Study upon issuance of the bond to construct the Health,
Taxation and Agriculture buildings and the hiring of KSS Architect as the consultant to assist Real Estate staff with the Feasibility Study.

The Authority expended ±$291,000 on the Feasibility Study.

The Feasibility Study was completed in May 2015, and recommended in part that the best alternative would be to replace the Taxation building with one new building and either to demolish, rehabilitate at a later date, or sell through a competitive bid process, the existing Taxation building at DPMC’s sole discretion.

EDA presented the Feasibility Study to DPMC and the City of Trenton Department of Economic Development (“City”) and DPMC and the City selected the following new construction alternative of new construction of a ±7 story (±175,000 SF) building on an existing State parking lot on the southwest corner of John Fitch Plaza and North Warren Street.¹

2. Proposed Project

The “Proposed Project” will consist of three (3) phases. The first phase will involve the predevelopment services which is before the Members today for consideration. The Authority will provide:

- Site due diligence, which will include an appraisal, title and environmental review to determine the suitability of the Parcel for the Proposed Project
- Design development services which will include preliminary plans through the design development phase, a project schedule, and a construction cost estimate that will include the cost to demolish the existing Taxation building
- Budgets, which includes the DPMC approved Predevelopment Services budget (attached to this memo as Exhibit A and the MOU as Exhibit B) and the preparation of the preliminary comprehensive development budget

Phase Two will consist of required State approvals and consents while the bond financing and construction would occur in Phase Three. The Proposed Project in its entirety will include the following

- Treasury will authorize State-Lease bonds to fund the final design and construction of the new building (“Improvements”)
- Treasury will lease the Parcel (“Parcel Lease”) on which the proposed Improvements will be constructed to EDA for one dollar ($1.00)
- The Authority will obtain the necessary permits and approvals for the Improvements

¹ In this memo, this location will be referred to as the “Parcel.”
• The Authority will complete the Improvements and demolish the existing Taxation buildings

• The Authority will lease the Parcel and Improvements back (“Improvements Lease”) to Treasury

• At the end of the bond term, or early termination of the bond financing, the Parcel Lease and Improvements Lease will terminate and the State will receive title to the Improvements.

The Parcel Lease will require the approval of the State House Commission. If the value of the Parcel exceeds $500,000, special legislation may be required to authorize the Parcel Lease. Thereafter, the Improvements Lease will require approval from the State Leasing and Space Utilization Committee.

The Improvements Lease will include the following terms:

• The Authority will lease the constructed building to Treasury for a period equal to the State-Lease bond financing term or earlier repayment by Treasury

• Treasury, subject to appropriation, will make lease payments equivalent to the bond debt service for the Project and will pay for the building’s operating expenses

• At the end of the State-Lease bond, or earlier repayment of the State-Lease bond by Treasury, the Parcel Lease and Improvements Lease will terminate and Treasury will receive title to the Improvements

3. Funding of Project Costs, MOU and Budget

In June of this year, as part of an economic development initiative in the City, Treasury authorized the Authority to proceed with further development of the new Taxation building. Treasury currently anticipates issuing State-Lease bonds for the Project sometime in the first or second quarter of State fiscal year 2018. The bond proceeds may be used to pay for Proposed Project Costs that will include the reimbursement of Authority funds for the Feasibility Study and for the proposed predevelopment services in the MOU that the Members are considering in this memo.

To move the Proposed Project forward, Real Estate staff proposes that the Authority provide funding in the amount not to exceed $1,993,448 (“Funding of Predevelopment Costs”) to complete the design development phase, which will include: architectural/engineering design development drawings and specifications, a construction cost estimate, a project schedule, the comprehensive development budget, and site due diligence tasks, i.e., title, survey and the required environmental reports (collectively “Plans”). A predevelopment services budget detailing the proposed use of the $1,993,448 is attached as Exhibit A to this memo.

Pursuant to the MOU, within 90 days of receiving the Plans, DPMC will need to authorize the issuance of State-Lease bonds and execute the lease or terminate the Project’s development. In Taxation Building Funding Predevelopment Services, MOU and Budget Page 3
the event DPMC does not authorize proceeding with the final design and construction of the Project, the Treasurer will seek an appropriation in the next State Fiscal Year budget to repay one-half (1/2) of the Funding of Predevelopment Costs and one-half (1/2) of the accrued interest.

The MOU between DPMC and the Authority outlines the tasks that will be performed by the Authority and DPMC is attached as Exhibit B to this memo and is in substantially final form. The final document may be subject to revision, although the basic terms and conditions will remain consistent with the attachment. The final terms of the MOU will be subject to the approval of the Chief Executive Officer, President/Chief Operating Officer and the Attorney General’s Office, as well as DPMC.

Staff recommends that the Members approve the Funding of Predevelopment Costs, predevelopment services budget and MOU. The Authority views development of state offices vital to redevelopment of the City of Trenton, and previously developed the Trenton State Office Complex, which includes state offices and ground floor retail at 225 E. State Street. In addition, a potential state office building would complement other activity that may occur under the Garden State Growth Zone Incentive program which includes Trenton as a targeted municipality.

**Recommendation**

In summary, I request the Members:

- Authorize the funding predevelopment services, with Authority unrestricted funds, in the amount not to exceed $1,993,448
- Approve a predevelopment services budget of $1,993,448
- Consent to enter into the Memorandum of Understanding with DPMC generally consistent with the form attached.

Timothy J. Lizura  
President and Chief Operating Officer

Attachments
Prepared by: Juan Burgos
EXHIBIT A:  PREDEVELOPMENT SERVICES BUDGET
MEMORANDUM OF UNDERSTANDING EXHIBIT B
Predevelopment Services Budget (Uses and Sources Statement)

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<thead>
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<th>Uses of Funds</th>
<th>Trenton SOB: Taxation</th>
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<td>Professional Services</td>
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<tr>
<td>Architect Engineer - Design</td>
<td>$1,506,311</td>
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<td>Construction Manager - Pre-Construction</td>
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<tr>
<td>Environmental Consultation</td>
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<td>Subtotal Professional Services</td>
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<td>Administrative Expenses (e.g., procurement, other)</td>
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<td>Administrative Fee</td>
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</tr>
<tr>
<td>Total Uses</td>
<td>$1,993,448</td>
</tr>
</tbody>
</table>

Sources

| Summary of Sources            | Taxation |
|                              |          |
| EDA Interim Financing         | $1,993,448 |
| Total Sources                 | $1,993,448 |
EXHIBIT B: MEMORANDUM OF UNDERSTANDING
MEMORANDUM OF UNDERSTANDING
REGARDING THE TAXATION BUILDING

This Memorandum of Understanding ("MOU") dated the [day] day of [month], 2016, will confirm the mutual understanding and intention between the New Jersey Department of the Treasury, Division of Property Management & Construction ("DPMC") and the New Jersey Economic Development Authority ("EDA") regarding predevelopment services for the lease, design, bond financing, and construction of certain facilities for DPMC. DPMC and EDA are collectively referred to herein as the "Parties."

Pursuant to a separate Memorandum of Understanding dated July 22, 2014, DPMC engaged EDA to complete a Feasibility/Basis of Design Study ("Feasibility Study") for the Health, Taxation and Agriculture State office buildings in Trenton, which considered the alternatives of new construction replacement buildings, rehabilitation of the existing buildings, and/or leasing new space in the open market, with a comparison of the alternatives on a present value basis. EDA expended the sum of approximately $291,000 to complete the Feasibility Study.

The Feasibility Study concluded that the best alternative would be to replace the Taxation building with one new building and either demolish, rehabilitate at a later date, or sell the existing Taxation building through a competitive process, at DPMC’s sole discretion. EDA presented the Feasibility Study to DPMC and the City of Trenton Department of Economic Development ("City") and DPMC and the City selected the alternative of new construction of an approximately 7 story (approximately 175,000 square foot) building on an existing State of New Jersey ("State") parking lot on the southwest corner of John Fitch Plaza and North Warren Street. A map that includes the site on which the building will be developed is attached as Exhibit A to this MOU.

The “Proposed Project” would include the following:

- DPMC’s ground leasing the land consisting of the building footprint (“Parcel”) to EDA
- DPMC providing a right of entry license to all portions of the Parcel and surrounding lands owned by DPMC to EDA to facilitate the construction of the building and ancillary improvements requested by DPMC
- EDA’s final design and construction of the building on the Parcel and ancillary improvements on the land on which EDA has a license (“Improvements”)
- EDA’s leasing back of the Parcel and Improvements to DPMC
- EDA’s either demolishing, rehabilitating at a later date, or selling the existing Taxation building at DPMC’s sole discretion

This Proposed Project will consist of three (3) phases as follows:

(i) Phase One-Predevelopment Services (as hereinafter defined)
(ii) Phase Two-Required State approvals and consents
(iii) Phase Three-Bond financing/Construction

This MOU will authorize EDA to proceed with the Phase One Predevelopment Services outlined in Section 1 of this MOU.

The Parties enter into this Memorandum of Understanding as an inter-departmental governmental agreement pursuant to N.J.S.A. 52:14-1 et seq.

1. Predevelopment Services. EDA will provide the following services collectively referred to herein as the “Predevelopment Services”:

a. Site Due Diligence. The site due diligence will include, but not be limited to the following:

   i. Obtaining the appraisal for the Parcel

   ii. Obtaining title information for the Parcel

   iii. Analyzing the suitability of the existing Parcel for the construction of the Proposed Project but only to the extent of the Phase One Predevelopment Services; the diligence investigations may also include, but will not be limited to, financial analysis, review of potential legal issues, and environmental conditions

   iv. Investigating the feasibility of developing the Proposed Project on an alternate site at the request of DPMC (subject to the availability of Funding of Predevelopment Costs as such term is defined below), should the Parties determine that the Parcel is not suitable for the Proposed Project

b. Design Development Services. EDA is authorized to proceed with the design plans and specifications for the Proposed Project, which will include, but not be limited to, the following:

   i. Preparing the preliminary plans through the design development phase,

   ii. Preparing and updating the Proposed Project schedule; and

   iii. Preparing the construction cost estimate that will be used to prepare the preliminary comprehensive development budget, which budget will include the costs of the demolition of the Taxation building.

c. Budgets. A Predevelopment Services budget has been prepared by EDA, which is

MOU Between DPMC and EDA
Funding of Predevelopment Costs and Predevelopment Services for the Health and Agriculture Building in Trenton
Page 2
hereby approved by DPMC. This budget is attached as Exhibit B to this MOU. Upon completion of the design development services, EDA will also prepare a preliminary comprehensive development budget for DPMC’s review and approval.

d. **Plans.** EDA’s final work product under the Predevelopments Services will include the items listed in Section 1.a. through 1.c and will be referred to as the “Plans.”

2. **Funding of Predevelopment Costs.**

a. **Funding.** EDA will provide up to $1,993,448 (the “Funding of Predevelopment Costs”) to pay for the Predevelopment Services detailed in the predevelopment services budget.

b. **Interest on Funding of Predevelopment Costs.** The actual amount of Funding of Predevelopment Costs disbursed by EDA will earn three-quarters of one percent (0.75%) interest, accruing until the Funding of Predevelopment Costs is repaid as set forth in Section 2.e.

c. **Repayment of Funding of Predevelopment Costs and Accrued Interest.** If the State Treasurer approves proceeding forward with Phases Two and Three of the Proposed Project all of the Predevelopment Costs will be paid out of the proceeds of the State-Lease Bonds (as hereinafter defined). In the event the State Treasurer determines not to proceed with Phases Two and Three then the State Treasurer agrees to pay fifty (50%) per cent of the Predevelopment Costs and fifty (50%) per cent of the accrued interest subject to appropriation and the availability of funds.

d. **Reimbursement Resolution.** EDA will seek approval from the EDA Board of a reimbursement bond resolution that will authorize the repayment of the Funding of Predevelopment Costs used to pay for the Predevelopment Services to produce the Plans, and EDA’s administrative fee as set forth in Section 5 of this MOU if DPMC decides to proceed with the final design and specifications and the construction of the Proposed Project and the EDA issues bonds paid for by a lease of the Proposed Project from the EDA to the State (“State-Lease Bonds”).

e. **Required Approvals.** The Parties understand that EDA’s issuance of the State-Lease Bonds for the Proposed Project will be subject to the approval of the State Treasurer (or designee) and EDA’s Board Members in their sole discretion, the opinion of bond counsel, and market conditions (the “Proposed Project Approval”).

f. **No Agreement to Issue State-Lease Bonds.** Nothing in this MOU shall be construed as an agreement or indication of intent of the Parties that EDA shall proceed to sell or issue by competitive or negotiated sale, via public offering or private sale, any bonds because the Parties recognize that no assurance can be given that the State Treasurer or EDA’s Board Members will authorize the issuance of bonds for the Proposed Project.
3. **DPMC’s Responsibilities.** DPMC will be responsible for the following:

   a. Providing reasonable information, as requested by EDA, to complete the design of the building on the Parcel.
   
   b. Coordinating with EDA to develop the use and space programming for the Proposed Project.
   
   c. Participating in the selection of Predevelopment Services consultants and contractors to the extent permitted by EDA’s policies and procedures.
   
   d. Approving the preliminary comprehensive development budget.
   
   e. Approving the Plans.

The Parties acknowledge that if the State Treasurer approves proceeding with Phase Two DPMC will also be responsible for the following and any other responsibilities to which the parties agree with respect to Phase Two:

   f. With EDA’s assistance, presenting the Proposed Project to the State House Commission for approval of the ground lease of the Parcel from DPMC to EDA on or about March 2017 or at such time the Parties determine it is appropriate to present the ground lease to the State House Commission.
   
   g. If necessary, with EDA’s assistance, requesting the State Legislature to adopt legislation in order to authorize DPMC to ground lease the Parcel to EDA for one-dollar ($1.00) for the Proposed Project.
   
   h. With EDA’s assistance, presenting the Proposed Project to the State Leasing and Space Utilization Committee for approval of the lease back of the Proposed Project from EDA to DPMC for one ($1.00) dollar on or about March 2017 or at such time as the Parties determine it is appropriate to present the lease of the Proposed Project from EDA to DPMC to the Committee.

4. **EDA’s Responsibilities.** EDA will be responsible for the following:

   a. **Predevelopment Services.** EDA will provide the Predevelopment Services outlined in Section 1 of this MOU.
   
   b. **Funding of Predevelopment Costs.** EDA will provide Funding of Predevelopment Costs for an amount as outlined in Section 2 of this MOU.
c. **Consultants and Contractors.** EDA will engage contractors and consultants as follows:

i. **EDA’s Authority to Hire Consultants and Contractors.** The Parties agree that EDA may retain and enter into agreements and contracts with consultants and contractors (including other State agencies) to assist EDA in connection with the Predevelopment Services subject to DPMC approval as set forth herein.

ii. **Commencement of Services.** The Parties intend and DPMC authorizes EDA to contract for services required for the Predevelopment Services upon full execution of this MOU. These services shall be performed under the direction of EDA.

iii. **Procurement Process.** Any and all contracts with consultants or contractors entered into by EDA in connection with the Predevelopment Services shall be advertised, solicited and selected by EDA in accordance with EDA applicable procurement requirements with DPMC participating in the selection of Predevelopment Services consultants and contractors to the extent permitted by EDA’s policies and procedures.

iv. **Form of Contracts and Agreements.** The general terms and conditions of such contracts shall be consistent with agreements typically entered into by EDA and shall provide for the termination by EDA at any time. Prior to termination of a contract EDA will consul and receive the consent of DPMC.

v. **Additional Services.** If funding is available, providing additional services as requested by DPMC and approved by the State Treasurer or his/her designee.

d. **Paying Consultants and Contractors.** EDA will use the Funding of Predevelopment Costs to pay consultants, contractors and other vendors for work to complete the Predevelopment Services.

The Parties acknowledge that if the State Treasurer approves proceeding with Phase Two EDA will also be responsible for the following and any other responsibilities to which the parties agree with respect to Phase Two:

e. **State House Commission.** Assisting DPMC with the presentation to the State House Commission for approval of the ground lease of the Parcel from DPMC to EDA.

f. **Legislation.** If necessary, assisting DPMC with its request to the State Legislature to adopt legislation in order to ground lease the Parcel to EDA for one dollar ($1.00).

g. **State Leasing and Space Utilization Committee.** Assisting DPMC with the presentation to the State Leasing and Space Utilization Committee for approval of the lease back for the Proposed Project from EDA to DPMC.
5. **Compensation and Payment.**

   a. **EDA’s Administrative Fee.**

      i. **EDA’s Administrative Fee for Predevelopment Services.** To perform the Predevelopment Services, EDA’s fee will be three-percent (3%) of the approved Predevelopment Services Budget.

      ii. **Additional Services.** EDA’s fee for additional services requested by DPMC and approved by the State Treasurer or his/her designee will be three-percent (3%) of the cost of the additional services.

   b. **Payment of EDA’s Administrative Fee and Expenses.**

      i. **EDA’s Administrative Fee and Expenses for Predevelopment Services.** EDA’s Administrative Fee and Expenses are part of the Predevelopment Services budget and shall be paid in accordance with Section 2.c. of this MOU. EDA shall promptly provide DPMC with copies of all invoices and evidence of payment related to EDA’s Administrative Fees and Expenses related to the Predevelopment Services.

      ii. **EDA’s Administrative Fee for Additional Services.** These fees and expenses shall be paid in accordance with Section 2.c. of this MOU.

6. **Additional Provisions.**

   a. **Environmental Liability.** The State will be the responsible party for the Parcel’s environmental condition. It is expressly understood that this MOU and all subsequent, associated agreements will not obligate EDA to incur any liability for any known or unknown pre-existing environmental conditions of the Parcel.

   b. **Sufficient Funds.** It is agreed that nothing in this MOU shall obligate or require EDA or DPMC to enter into or continue any agreement or contract for the Proposed Project or to expend EDA or DPMC personnel time or other administrative costs for the Proposed Project unless sufficient funds are readily available to such Party for their respective expenses and fees that would be incurred in connection with the Predevelopment Services. Notwithstanding Section 4 (c) (iv) EDA shall at all times have the right to terminate or discontinue any agreement, contract or work for Predevelopment Services if EDA determines that sufficient funds are not readily available and approved under the Predevelopment Services Budget for the EDA expenses and fees that would be incurred in connection with the Proposed Project.
c. **Right of Entry.** This MOU constitutes a right of entry license from DPMC to EDA, its employees, officers, agents, consultants and contractors, for access to all portions of the Parcel in order to carry out the Predevelopment Services.

d. Any and all consultants and contractors hired by EDA who enters upon the Parcel shall:

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

ii. Maintain adequate insurance coverage as reasonably determined by DPMC and EDA.

iii. Be aware of and comply with all federal, state and local laws, ordinances, rules and regulations that affect those engaged or employed on the Proposed Project, or that affect the conduct of the work on the Proposed Project.

e. **Required State Approvals.** This MOU is not intended to create a binding agreement to lease the Parcel or obtain bond financing for the Proposed Project. The Parties acknowledge that the following steps will need to be taken if the Proposed Project proceeds to Phases Two and/or Three:

i. The final forms of documents have been approved by the EDA Members, DPMC, and the Department of the Treasury and executed and delivered by the Parties

ii. The State House Commission approves the ground leasing of the Parcel by DPMC to EDA for one dollar ($1.00).

iii. If necessary, DPMC, with EDA’s assistance, will request the State Legislature to adopt legislation in order to authorize DPMC to ground lease the Parcel to EDA for one dollar ($1.00) for the Proposed Project.

iv. The State Leasing and Space Utilization Committee approves the lease of the Proposed Project from EDA to DPMC.

f. **Other Approvals.** Each Party will obtain all applicable governmental approvals, permits, and authorizations necessary to effectuate their respective responsibilities under this MOU.

g. **Commencement and Duration.** Subject to EDA providing Funding of Predevelopment
Costs in accordance with the approved Predevelopment Services Budget, this MOU will commence immediately upon execution by the Parties. This MOU shall remain in effect for eighteen (18) months from the date and year first written above.

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

i. Termination. Any Party shall have the right to terminate this MOU upon written notice to the other party. Upon termination, EDA shall make reasonable efforts not to incur any additional expenses or administrative costs; provided, however, EDA shall be permitted to continue to use the Funding of Predevelopment Costs to pay for any expenses or fees actually incurred in connection with Predevelopment Services.

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

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

If to DPMC: New Jersey Department of the Treasury Division of Property Management & Construction 33 W. State Street P.O. Box 229 Trenton, New Jersey 08625-0990 Attention: [insert name], Director Division of Property Management & Construction

k. Good Faith. DPMC and EDA will act with reasonable diligence and in good faith for the purpose of satisfying the conditions set forth herein.

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

The foregoing correctly reflects the Parties’ understanding and intent.

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

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

[insert name]
Director
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Timothy J. Lizura
Chief Operating Officer and President

AGREED AND CONSENTED TO BY:

Ford M. Scudder, Acting Treasurer
State of New Jersey

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

CHRISTOPHER S. PORRINO
ATTORNEY GENERAL OF NEW JERSEY

By:
Gary A. Koiler, Deputy Attorney General
EXHIBIT A: BUILDING SITE LOCATION
EXHIBIT B: PREDEVELOPMENT SERVICES BUDGET
**MEMORANDUM OF UNDERSTANDING EXHIBIT B**

**Predevelopment Services Budget (Uses and Sources Statement)**

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<thead>
<tr>
<th>Uses of Funds</th>
<th>Taxation</th>
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<tbody>
<tr>
<td>Acquisition</td>
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**Sources**

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MEMORANDUM

To: Members of the Board

From: Timothy J. Lizura
President and Chief Operating Officer

Date: September 9, 2016

Subject: Executive Session Items
For Informational Purposes Only

As the Members are aware, from time to time board items are presented for consideration in Executive Session when it is determined that discussion in public session could adversely impact the public interest and the topic of discussion qualifies for exemption under the NJ Open Public Meetings Act.

In compliance with the Act, the Board adopts a resolution at its public meeting indicating matters to be discussed in Executive Session and when these items will be disclosed to the public.

Beginning in January of 2010, it has become the practice of the Authority to publicly release details of items considered in Executive Session on an annual basis. Many items remain confidential or unresolved and therefore cannot be made public at this time; however, after a review by staff, the following items have been resolved and are attached for the Board’s information.

Staff will continue to review executive session items on an annual basis and present an update to the Board at its annual meeting each September listing these matters. As is the current practice, if a request is made for information on an Executive Session item in the interim, staff, in consultation with the Attorney General’s Office, will review the request to determine if the item can be made public at that time.

Attachment

Prepared by: Patience Purdy
RESOLVED EXECUTIVE SESSION ITEMS

The following were discussed and/or approved in executive session:

<table>
<thead>
<tr>
<th>Date of Action</th>
<th>Item</th>
<th>Description</th>
<th>Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>December-2012</td>
<td>New Jersey Technology Council Venture Fund</td>
<td>Approve Delegated Authority for sale of SBA position in NJTC Venture Fund.</td>
<td>The sale was approved and has occurred.</td>
</tr>
<tr>
<td>January-2013</td>
<td>New Jersey Technology Council Venture Fund</td>
<td>Approve an update to the December 2012 memo regarding Delegated Authority for sale of SBA position in NJTC Venture Fund.</td>
<td>The sale was approved and has occurred.</td>
</tr>
<tr>
<td>May-2013</td>
<td>Revel Atlantic City, LLC, Revel Entertainment Group, LLC</td>
<td>Discussion regarding the Amended and Restated Economic Redevelopment and Growth Grant (ERG) Agreement with Revel Entertainment Group, LLC that will facilitate Revel and related companies’ emergence from bankruptcy and continued operation.</td>
<td>All contracts not assumed through the bankruptcy were rejected and are now terminated, including the ERG.</td>
</tr>
<tr>
<td>December-2013</td>
<td>Sale of Property to Cooper’s Ferry Partnership/1 &amp; 11 Federal Street, Camden, NJ L-3 Project</td>
<td>Approval to execute any and all documents required to effectuate the transaction.</td>
<td>The sale of property was approved and has occurred.</td>
</tr>
<tr>
<td>December-2013</td>
<td>Paramount Bakeries, Inc.</td>
<td>$1,026,042 Statewide Loan Pool Participation</td>
<td>Loan has been paid in full.</td>
</tr>
<tr>
<td>June-2014</td>
<td>Purchase of Property from the Parking Authority of the City of Camden and Ground Lease with SPF Owner LLC for the Redevelopment of Block 139.01, Lot 1 in Camden, New Jersey</td>
<td>Approval to execute any and all documents required to effectuate the transaction.</td>
<td>The purchase of property was approved and has occurred.</td>
</tr>
<tr>
<td>Date</td>
<td>Description</td>
<td>Approved Actions</td>
<td>Status</td>
</tr>
<tr>
<td>------------</td>
<td>------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>July-2014</td>
<td>Camden Baseball, LLC (Camden Riversharks)</td>
<td>$1,999,943 LDFF Loan $1,235,617 ERB Loan</td>
<td>LDFF loan was settled. ERB loan was released without further recourse to support the transfer of the stadium to CCIA.</td>
</tr>
<tr>
<td>July-2014</td>
<td>Sale of Property to Cooper's Ferry Partnership Revision to Partial Repayment of Subordinate Debt L-3 Project</td>
<td>Approval to execute any and all documents required to effectuate the transaction.</td>
<td>The sale of property was approved and has occurred.</td>
</tr>
<tr>
<td>September-2014</td>
<td>Second Amendment to Agreement of Sale with Cooper's Ferry Partnership and Ratification of Emergency Procurement of Building Exterior and Sealant Repairs L-3 Project</td>
<td>Approval to execute any and all documents required to effectuate the transactions.</td>
<td>Work has been completed.</td>
</tr>
<tr>
<td>December-2014</td>
<td>Technology Centre of New Jersey, LLC Liquidation</td>
<td>Approval to execute any and all documents required to effectuate the transactions.</td>
<td>Liquidation of LLC is complete.</td>
</tr>
<tr>
<td>December-2015</td>
<td>Waterfront Technology Center at Camden Accept the County of Camden’s Unsolicited Offer to Purchase WTCC Leasehold Improvements and Assignment of Seller’s Leasehold Interest in Property</td>
<td>Approval to execute any and all documents required to effectuate the transactions.</td>
<td>Transfer of WTCC to County complete.</td>
</tr>
</tbody>
</table>
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

DATE: September 9, 2016

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

The following projects were approved under Delegated Authority in August 2016:

Small Business Fund Program:

1) BROT Firm LLC (P43016), located in Weymouth Township, Atlantic County, is a real estate holding company formed to purchase the project property. The operating company, Beginners First Academy, leases the project property and has been in operation for six years as a full service early learning/child care center. The company provides care and education for children six weeks old through thirteen years of age and is seeking to purchase the building to expand the business to include more classrooms and capacity by converting the 2nd floor into three classrooms. First National Bank of Absecon approved a $354,500 mortgage to partially finance the purchase. The NJEDA approved a $354,500 second mortgage. Currently, the Company has ten employees and plans to create six new positions over the next two years.

Premier Lender Program:

1) 251 S 31st Street LLC (P42727), located in Kenilworth Borough, Union County, is a real estate holding company, which will acquire and own the project property. The operating company, Kalustyan Corporation, was founded in 1948 as an importer of spices, capsicums, herbs and aromatics and is the sole occupant of the project property. M & T Bank approved a $9,850,000 bank loan contingent upon a 10.15% ($1,000,000) Authority participation. Proceeds will be used to purchase the commercial property in which the company will expand its business. The Company currently has 20 employees and plans to create ten new jobs over the next two years. SSBCI funds will be utilized for this project.

Prepared by: D. Lawyer
DL/gvr