MEMORANDUM

TO: Members of the Authority
FROM: Timothy Sullivan
Chief Executive Officer
DATE: October 8, 2019
SUBJECT: Agenda for Board Meeting of the Authority October 8, 2019

Notice of Public Meeting

Roll Call

Approval of Previous Month’s Minutes

CEO’s Report to the Board

Authority Matters

Office of Economic Transformation

Incentive Programs

Bond Projects

Loans/Grants/Guarantees

Board Memorandums

Executive Session

Public Comment

Adjournment
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

September 12, 2019

MINUTES OF THE ANNUAL MEETING

Members of the Authority present: Chairman Kevin Quinn, Commissioner Robert Asaro - Angelo of Department of Labor and Workforce Development; Catherine Brennan for State Treasurer Elizabeth Muoio; Richard Mumford for Commissioner Marlene Caride of the Department of Banking and Insurance; Jane Rosenblatt for Commissioner Catherine McCabe of the Department of Environmental Protection; Members: Charles Sarlo, Vice Chairman; Philip Alagia, Massiel Medina Ferrara, Fred Dumont, and John Lutz, Third Alternate Public Member.

Members present via conference call: Public Member Louis Goetting.

Absent: Public Member William Layton.

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

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

Pursuant to the Internal Revenue Code of 1986, Mr. Sullivan 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, Mr. Sullivan announced that notice of this meeting has been sent to the Star Ledger and the Trenton Times at least 48 hours prior to the meeting, and that a meeting notice has been duly posted on the Secretary of State’s bulletin board

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the August 13, 2019 meeting minutes. A motion was made to approve the minutes by Commissioner Angelo, and seconded by Mr. Dumont, and was approved by the 9 voting members present.

Public members Massiel Medina Ferrara, Lou Goetting, and Tom Scrivo abstained because they were not present.

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

ITEM: Annual Organizational Meeting
REQUEST: To approve the recommendations associated with the annual organizational meeting.
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Lutz AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

OFFICE OF ECONOMIC TRANSFORMATION

ITEM: Venture Fund Program – Policy Updates
REQUEST: To approve an update to the NJEDA’s current venture fund investment policy.
ITEM: Technology Business Tax Certificate Transfer Program (NOL) 2019
REQUEST: To approve the applicants which have met the evaluation criteria.
MOTION TO APPROVE: Mr. Lutz SECOND: Mr. Alagia AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

ITEM: Technology Business Tax Certificate Transfer Program (NOL) 2019
REQUEST: To approve the applicants which have met the evaluation criteria.
MOTION TO APPROVE: Ms. Brennan SECOND: Mr. Scrivo AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

INCENTIVES

Grow New Jersey Assistance Program – Modifications

ITEM: Princeton Tectonics (“PTEC”) APPL.#39899
REQUEST: To approve the reduction of Grow NJ eligible jobs to 174 from 215 as previously certified at project completion.
MOTION TO APPROVE: Mr. Dumont SECOND: Ms. Brennan AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

BOND PROJECTS

Bond Resolutions

PROJECT: Blackhorse EHT Urban Renewal LLC APPL.# 45415
LOCATION: Egg Harbor City, Atlantic County
PROCEEDS FOR: Construction, renovation, working capital
MOTION TO APPROVE: Mr. Lutz SECOND: Mr. Sarlo AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

Mr. Mumford recused himself because he previously worked for the parent company.
Combination Preliminary and Bond Resolutions

PROJECT: Friends of Vineland Public Charter School   APPL.# 45866
LOCATION: Vineland City, Cumberland County
PROCEEDS FOR: Refinancing
MOTION TO APPROVE: Mr. Alagia        SECOND: Mr. Lutz       AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

LOANS/GRANTS/GUARANTEES

Brownfield Development Loan Program

ITEM: Proposed Adopted Rule Amendments – Brownfields Loan Program
REQUEST: To approve a proposed notice of adoption for amendments with nonsubstantial changes not requiring additional public comment and notice; and, to authorize staff to submit the proposed notice of adoption 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.
MOTION TO APPROVE: Mr. Dumont       SECOND: Ms. Ferrara     AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

REAL ESTATE

ITEM: The Bioscience Center: Fourth Amendment to Lease Agreement with Ascendia Pharmaceuticals LLC
REQUEST: To approve the Fourth Amendment to the Lease Agreement with Ascendia Pharmaceuticals, LLC.
MOTION TO APPROVE: Commissioner Angelo       SECOND: Mr. Dumont  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

ITEM: Higher Education Public Private Partnership Program New Jersey City University - West Campus Blocks 2 and 3(Claremont Construction Group, Inc.) Third Amendment to the Application
REQUEST: To approve extending the construction completion timeline for Claremont’s phase 2 project.
MOTION TO APPROVE: Mr. Dumont       SECOND: Ms. Brennan   AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

Mr. Goetting recused himself from voting, because he works with New Jersey City University.
ITEM: State Office Building - Health Building Project: Professional Services Contract via Select Vendor between EDA and Langan Engineering and Environmental Services, Inc.
REQUEST: To approve procurement of the services of Langan Engineering and Environmental Services, Inc, of Parsippany, NJ, via a select vendor procurement for Civil and Environmental Engineering Services.
MOTION TO APPROVE: Mr. Dumont SECOND: Ms. Brennan AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Credit Underwriting projects Approved Under Delegated Authority

Direct Loan Program:

PROJECT: 102 Gray Street Holdings LLC (PROD-00187755)
LOCATION: Paterson City, Passaic County
PROCEEDS FOR: Property Acquisition
FINANCING: $524,000 NJEDA Direct Loan

Premier Lender Program:

PROJECT: Salem NJ 45 Griffith Street LLC (PROD-00187731)
LOCATION: Salem City, Salem County
PROCEEDS FOR: Property Acquisition
FINANCING: Provident Bank $2,340,000 loan with a (43%) $1,000,000 Authority participation

PROJECT: Shakti Property LLC (PROD-00187742)
LOCATION: Hamilton Township, Mercer County
PROCEEDS FOR: Property Acquisition
FINANCING: Bank of America $5,400,000 loan with a (24.07%) $1,300,000 Authority participation.

Access Pilot Program:

PROJECT: Tri State Tape & Label Co., Inc. (PROD-00187810)
LOCATION: Beverly City, Burlington County
PROCEEDS FOR: Refinancing
FINANCING: Fulton Bank $514,000 loan with a (50%) $257,000 Authority participation.

PUBLIC COMMENT

Ms. Susan Levinson, BioAegis Therapeutics Incorporated requested that the Board be more clear regarding requirements for the NOL program.
EXECUTIVE SESSION

The next item was to adjourn the public session of the meeting and enter into Executive Session to discuss matters involving lease and contract negotiations where disclosure could adversely affect the public interest and to receive attorney-client advice regarding ongoing legal inquiries.

MOTION TO APPROVE: Mr. Quinn  SECOND: Commissioner Angelo  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

The Board returned to Public Session.

AUTHORITY MATTERS

The next item was to approve funding for Research with NJ, as discussed in executive session. The minutes will be made public when the need for confidentiality no longer exists.

MOTION TO APPROVE: Commissioner Angelo  SECOND: Mr. Dumont  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

There being no further business, on a motion by Mr. Dumont, and seconded by Mr. Lutz, the meeting was adjourned at 11:45am.

Certification:

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

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

TO: Members of the Authority

FROM: Tim Sullivan

DATE: October 8, 2019

RE: Monthly Report to the Board

Last week I joined Governor Murphy at Rowan University to celebrate the one-year anniversary of the Governor’s economic plan for a stronger, fairer New Jersey economy. This plan presented a bold and comprehensive vision for New Jersey’s economic future. Of course we still have much work to do, but this anniversary is also a time to reflect on the progress we’ve made since this time last year. Some of the initiatives the Governor highlighted during last week’s event include:

Investing in People
- Establishing the Future of Work Task Force
- Creating the NJ Apprenticeship Network and increasing apprenticeships by 30%
- Launching the tuition-free community college program
- Building New Jersey’s STEM workforce by introducing Computer Science for All in all elementary schools and enacting the STEM Loan Forgiveness Program

Investing in Communities
- Pursuing a visionary Opportunity Zones strategy that will use new tools such as the Opportunity Zone Marketplace and Opportunity Zone One-Stop Shop to drive investments in underserved communities
- Launching the Innovation Challenge and Opportunity Zone Challenge to provide resources municipalities need to expand their innovation economies and take full advantage of the Opportunity Zone Program

Making New Jersey the State of Innovation
- Creating the Office of Economic Transformation to guide our efforts to grow New Jersey’s innovation economy
- Supporting startups through the expanded Angel Investor Tax Credit program and NJ Ignite
- Reviving the Offshore Wind Tax Credit and working with the Business Network for Offshore Wind to create the Offshore Wind Supply Chain Registry

Making Government Easier to do Business With
- Establishing the Office of International Trade and Investment and Small Business Unit to attract foreign direct investment and provide targeted support for small business owners
- Bringing back the Film and Digital Media tax credit to support major motion picture productions such as “Joker” and the Steven Spielberg-directed adaptation of “West Side Story”
- Supporting Community Development Financial Institutions (CDFIs) in their work providing micro-financing and other funding solutions for small businesses in underserved areas through the new CDFI Initiative
- Leading successful economic missions to Germany, Israel, and India that generated thousands of good jobs for New Jersey residents and raised the Garden State’s international profile

As we move into the plan’s second year, we are focused on several new initiatives in support of the four pillars of Governor Murphy’s plan.
INVESTING IN PEOPLE

Last Wednesday, I joined First Lady Tammy Murphy and leaders from Golden Seeds for an information session at Drumthwacket highlighting the resources Golden Seeds offers both women-led businesses and the broader investment and entrepreneurial community in New Jersey. The event was part of the NJEDA’s collaboration with Golden Seeds that launched in July.

Founded in 2005, Golden Seeds is a nation-wide angel investor network dedicated to investing in women-led startup companies. The NJEDA’s partnership with the organization will support Governor Murphy’s efforts to create a diverse innovation ecosystem in New Jersey by increasing the availability of angel capital for women-led businesses and providing mentoring opportunities for women businesses leaders. It will also foster a strong, cohesive angel investing community in New Jersey by bringing members together to identify investment opportunities, conduct due diligence, and support companies in which they choose to invest.

INVESTING IN COMMUNITIES

We took two important steps to advance Governor Murphy’s vision for revitalizing underserved communities this September. First, the NJEDA signed a memorandum of understanding (MOU) with NJ Transit establishing a partnership to identify a list of underdeveloped or underutilized sites to consider for transit-oriented development projects. Specific details on individual projects will be available as projects are proposed.

In addition to this agreement to look for opportunities to improve transit hubs, the NJEDA also recently launched the NJ Opportunity Zone Marketplace. This online portal is designed to help connect investors nationwide with business investment, real estate, and community improvement projects in New Jersey’s 75 Opportunity Zone municipalities. The NJ Opportunity Zone Marketplace includes a Project Marketplace featuring business and real estate project opportunities, and a Network that facilitates connections between investors, developers, local leaders, project sponsors, business and property owners, and service providers, to drive meaningful investments in Opportunity Zones throughout the state.

Parallel to the launch of the NJ Opportunity Zone Marketplace, New Jersey will begin to assess the impact of our whole-of-government Opportunity Zone strategy using the Impact Measurement research initiative, a long-term analysis of Opportunity Zone communities in New Jersey focused on determining our progress toward the Murphy Administration’s goals. Led by the New Jersey Department of Community Affairs, this effort launched during the summer of 2019 to analyze the impact of Opportunity Zone investments on community development activity, business growth, and other key economic indicators. This data collection will be critical to ensuring New Jersey’s Opportunity Zone program effectively advances catalytic projects that improve the targeted communities.

MAKING NEW JERSEY THE STATE OF INNOVATION

Governor Phil Murphy’s trade mission to India was certainly a highlight this past month, both for those of us who were fortunate enough to attend and for the New Jersey economy. As has been widely reported, the trip generated specific commitments from leading Indian companies to bring more than 1,250 new jobs to New Jersey. These jobs are coming without tax incentives; the companies Governor Murphy met with chose New Jersey because of the fundamentals: our talented workforce, unparalleled location, and top notch public education system.

As part of the trip, leaders from the NJEDA, Rowan University, and India’s National Research Development Corporation (NRDC) signed an MOU advancing efforts to coordinate resources and programs to support Research and Development (R&D) projects with an end goal of commercializing new inventions, patents, and processes. The MOU also contains an early-stage plan for providing financial support to approved projects, and Rowan University committed free space at its Technology Business Incubation Centre to NRDC to foster the growth of Indian startups.
There wasn’t much time to rest after we returned from the trip. A few days after we got back, thousands of entrepreneurs, investors, students, and community leaders descended on Hoboken for the fourth-annual Propelify Innovation Festival. The event showcases New Jersey’s synergistic innovation ecosystem and connects entrepreneurs with resources they need to grow and thrive in the Garden State. This year’s event featured a startup competition, an entrepreneur elevator pitch session, and drone racing. In addition, a panel discussion featured funding opportunities for female entrepreneurs that was moderated by First Lady Tammy Snyder Murphy. Panelists included Miri Park, the Chief Operating Officer of Somerset County-based Chromis Fiberoptics; Gina Tedesco, an active investor – and a Golden Seeds member, serial entrepreneur, professor, and mentor; and Kathleen Coviello, Vice President of Technology and Life Sciences Investment at the NJEDA. The NJEDA and Choose New Jersey shared a booth at the event where attendees could learn about the many benefits of growing a business in New Jersey and members of the NJEDA’s Office of Economic Transformation met with entrepreneurs to discuss the financial resources available to early-stage technology companies.

In addition, the New Jersey Manufacturing Extension Program (NJMEP) presented the NJEDA team with an award in recognition of our work on the Manufacturing Policy Academy at the 8th Annual National Manufacturing Day event. Last year, the Garden State was selected as one of four states to participate in a policy academy to identify best practices, partnerships, and policies to strengthen our manufacturing industry. Since then, the New Jersey delegation, led by the NJEDA, has drawn on lessons learned through the academy to connect manufacturing companies to the assets and resources New Jersey offers to help grow these businesses, to create new and helpful resources that will make New Jersey a hub for manufacturing innovation, and to communicate the benefits of a career in the manufacturing industry to young people looking for careers in the state.

**MAKING GOVERNMENT EASIER TO DO BUSINESS WITH**

Last week, the New Jersey Business Action Center and the State’s Office of Innovation launched a beta version of a new portal that allows anyone interested in starting or expanding their business in New Jersey to get the answers they need. First Stop, which is live now at Business.NJ.gov, incorporates direct feedback from the business community to provide one central location where business owners, entrepreneurs, and people interested in starting a business can get answers to all their questions. During the beta testing period, the Administration is gathering real-time user data and feedback on an ongoing basis to improve the site. A Spanish language version is in the works with plans to launch in the next few months.

**STATUS OF 2018 EOA PROGRAM CERTIFICATIONS**

NJEDA staff continues to review the remaining pipeline of Grow New Jersey (Grow NJ) and Economic Redevelopment and Growth (ERG) certifications for calendar year 2018. There are currently approximately 130 Grow NJ and ERG applications under review, with certifications totaling an estimated $500 million. As the certifications are processed by the NJEDA and resulting tax credits are issued by Taxation, they will appear on the “Completed and Certified” incentive activity report on the NJEDA’s website.

**EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH**

NJEDA representatives participated as speakers, attendees, or exhibitors at 31 events in September. These included the Governor’s Conference on Housing and Economic Development (multiple NJEDA speakers); the NJ Connects 2019 Garden State Minority; Women and Veteran-owned Business Summit; CIANJ 2019 Real Estate Summit; BioNJ’s Manufacturing Briefing Cell and Gene Therapy Manufacturing “Cracking the Code.”
MEMORANDUM

To: Members of the Authority
From: Tim Sullivan
Date: October 8, 2019
Subject: NewSpring Health III LP

Request:
Approval is requested to make a limited partnership investment in NewSpring Health III, L.P. for 3% of the total committed fund size, not to exceed to $3 million. Funding for the investment will be made from the Economic Recovery Fund (ERF).

Background:
NewSpring Health III, L.P. ("NSH III" or the "Fund") a Delaware limited partnership, was formed in 2018 with the objective for investors to realize long-term appreciation, generally from investments in companies operating healthcare-related businesses, including technology-enabled healthcare services companies, niche clinical providers and specialty pharmaceutical companies. The targeted fund size of NewSpring Health III, L.P. is $150 million. The fund had its first close in June 2018 and the final close is expected in Q4 2019.

NSH III is the third fund focused on Healthcare investment strategy formed by NewSpring Capital (NSC), a Radnor, PA based private equity investment firm. NSC focuses on four broad investment strategies: Growth, Healthcare, Mezzanine and Holding. NSC was formed in 1999 and has a total of $1.9 billion in assets under management over the four investment strategies in twelve funds and more than 150 businesses. Through its various investment strategies, the NSC family of funds has invested in 17 (out of more than 150 total) NJ based businesses. NewSpring Healthcare has deployed over $150 million across 24 businesses through three funds focused on Healthcare. Of note, EDA invested in NewSpring Health II with favorable returns. NSC the parent investment firm of NewSpring Health, employs more than 50 investment and operations professionals in its four offices in – Radnor, PA; Baltimore, MD; Chicago, IL and New York, NY.

NewSpring Health III L.P.
October 8, 2019
NSH II is managed by Brian G. Murphy, Kapila Ratnam, and Bruce L. Downey who have worked together for more than ten years at NewSpring Capital. They are also supported by an experienced team of private equity professionals at NSC. The team collectively has over 150 years of experience in both general investment, operations and professional services fields and the Fund's targeted areas of sourcing, structuring, monitoring and ultimately exiting transactions.

NSH III is targeting a $150 million fund to invest in 12 to 15 expansion stage companies. Per the terms of the Private Placement Memorandum, Limited Partners admitted after the Initial Closing, will be required to contribute at their respective Closing, their proportionate share of prior capital contributions as if they had been admitted as of the Initial Closing plus 8% interest on the sum of such prior capital contributions. NSH III had its first closing in June 2018 with $61 million in commitments. The Manager has identified substantial capital soft circled from current LPs of NewSpring Health II L.P. and NSH III, bringing the identified capital for NSH III to $93 million. Size of NSH II was $91 million. This is a strong statement of confidence in the management team by current investors. For fund III, as was the case with fund II, the Manager has made a best efforts commitment to invest $2 in New Jersey-based companies in addition to every $1 the Authority commits to the fund, thereby, resulting in a target of $9 million of capital invested in New Jersey-based companies. For EDA’s $5 million investment in Fund II, NSH II invested $16.5 million into NJ companies. This arrangement of leveraging the Authority’s public investment with NSH III’s private investment will be documented in a side letter agreement consistent with all prior venture fund LP investments. The side letter agreement will also document requirement for participation in NJ Founders and Funders event by a representative of the Fund, annual reporting on NJ investments, jobs and Diversity and Inclusion, and, quarterly deal sharing with the EDA.

New Jersey’s strategic plan includes assisting in the growth of Focus Sectors (life sciences, information and high tech, clean energy, offshore wind, advanced manufacturing, advanced transportation and logistics (including aviation), finance and professional services, food and beverage (non-retail), and film and digital media) companies in the State through funding direct loans and investing in venture capital funds. To date, the EDA has approved investments in sixteen venture capital funds for more than $51 million, which includes $5 million of total investments in NewSpring Health II (NSH II). The proposed $3 million investment in NSH III is consistent with the EDA’s strategic plan, as it will assist in developing employment in the State by supporting the growth of Healthcare technology companies located in New Jersey. The proposed investment is in a growth stage fund, targeting companies with revenues between $5 and $75 million dollars, with typical employment of 40-50 personnel at the time of the initial investment.

The Authority’s venture fund investment guidelines (most recently updated and approved in September 2019) prioritize funding for early stage companies with less than $3 million in revenue. The intent of the Authority’s venture capital fund investments is to support the success of emerging technology companies in New Jersey and complement EDA’s investment in Focus Sectors (listed earlier) businesses. NSH II invested $16.5 million in NJ based business against EDA’s capital contribution of $4.65 million generating a leverage of 3.55x. The NewSpring Health Platform I (NSHP I) – predecessor fund to NSH II (EDA was not an LP in the NSHP I) – invested a total of $13.3 million in NJ based businesses, 20.21% of total investment by NSHP I. NSC members have
participated in the Authority's NJ Founders and Funders event as well as other NJ based networking events. Staff is recommending commitment to Newspring Health III LP given the Manager's track record in NJ, the strong investor returns, and community engagement from NSC.

**Recommendation:**
Approval of the limited partnership investment for 3% of the total committed fund size, not to exceed $3 million - based upon NSH III's experienced management team and the strong results from the EDA's investments in previous NSH II Fund. In addition, the proposed funding will support the growth companies in a key sector industry located in the State. This approval will authorize the CEO to execute all documents required, subject to the review of the New Jersey Attorney General's office.

Tim Sullivan

Prepared by: Madhavi Bhatia
Clark Smith
MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: October 8, 2019

SUBJECT: Offshore Wind Economic Development Tax Credit Program

Request

The Members are requested to approve the proposed readoption of specially adopted new rules for the Offshore Wind Economic Development Tax Credit Program; and, to authorize staff to submit the proposed readoption for promulgation in the New Jersey Register, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law (OAL).

Background

On October 17, 2018, the NJEDA adopted new rules at N.J.A.C. 19:31-20 to implement the Offshore Wind Economic Development Tax Credit Program, which pursuant to P.L. 2010, c. 57, as amended by P.L. 2018, c. 17, became effective upon acceptance for filing by OAL to remain in effect for 12 months – October 17, 2019 – pending proposal for public comment and readoption through standard rulemaking procedures. The readoption of the specially adopted new rules (see attached), which are necessary to implement section 6 of the Offshore Wind Economic Development Act, P.L. 2010, c. 51, as amended by P.L. 2018, c. 17, authorizing the Authority to approve up to $100 million, except as may otherwise be increased, in tax credits for the development of certain qualified wind energy facilities in wind energy zones, are unchanged from the original rules approved by the Board and adopted on October 17, 2018.

Recommendation

The Members approve the proposed readoption of specially adopted new rules and authorize staff to submit the proposal 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).

Tim Sullivan
Chief Executive Officer

Prepared By: Jacob Genovay
OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Authority Assistance Programs

Offshore Wind Economic Development Tax Credit Program


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


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

Proposal Number: PRN 2019-___.

Submit written comment by January 17, 2020, to:

Jacob Genovay, Senior Legislative and Regulatory Officer
New Jersey Economic Development Authority
P.O. Box 990
Trenton, NJ 08625-0990

jgenovay@njeda.com

The agency proposal follows:

Summary

The New Jersey Economic Development Authority ("EDA" or "Authority") is proposing to readopt its rules implementing the Offshore Wind Economic Development Tax Credit Program ("Program") found at N.J.A.C. 19:31-20, which in accordance with P.L. 2018, c. 17, will expire on October 17, 2019.

The rules are necessary to implement section 6 of the Offshore Wind Economic Development Act, P.L. 2010, c. 51, as amended by P.L. 2018, c. 17, which authorizes the Authority to approve up to $100 million, except as may be increased by the Authority, in tax credits for the development of certain qualified wind energy facilities in wind energy zones. Under the Program, businesses making at least $50 million in new capital investments in a qualified wind energy facility and employing at least 300 new, full-time employees at that facility may be eligible for tax credits.
Businesses must apply for the tax credits by July 1, 2024 and satisfy the capital investment and employment conditions for award of the credits by July 1, 2027, subject to the rules in this subchapter. The tax credits are equal to 100 percent of the claimants' qualified capital investments made, except as may be limited by the net positive economic benefits test, and taxpayers may apply 10 percent of the total credit amount per year over a 10-year period against their corporation business or insurance premiums tax. Tenants in qualified wind energy facilities may also receive tax credits, if they occupy space in a qualified business facility that proportionally represents at least $17.5 million of the capital investment in the facility, at which the business, including tenants, employs at least 300 new, full-time employees in that facility. Finally, the Program is limited to wind energy zones, that is, property located in the South Jersey Port District established pursuant to The South Jersey Port District Corporation Act, P.L. 1968, c. 60 (N.J.S.A. 12:11A-1 et seq.).

The substantive provisions of the rules proposed to be readopted by the Authority are summarized below.

N.J.A.C. 19:31-20.1 addresses the statutory authority for Offshore Wind Economic Development Tax Credit Program.

N.J.A.C. 19:31-20.2 defines certain terms used in this subchapter, incorporates terms used in P.L. 2010, c. 51, as amended by P.L. 2018, c. 17 pertaining to the Program, clarifies statutory terms, and provides additional terms included in the implementation of the Program.

N.J.A.C. 19:31-20.3 outlines the criteria for a qualified business facility to be eligible for offshore wind economic development tax credits.

N.J.A.C. 19:31-20.4 provides for certain restrictions on Program eligibility, such as ineligibility with respect to the same capital investment, employees, and site that are included in a Business Employment Incentive Program grant or a Business Retention and Relocation Assistance Grant Program grant or a tax credit under the Municipal Rehabilitation and Economic Recovery Act.

N.J.A.C. 19:31-20.5 outlines the information and procedures required for submitting an application to the Authority for tax credits under the Program.

N.J.A.C. 19:31-20.6 establishes non-refundable application and other approval, servicing, modification, and extension fees intended to assist the Authority in recouping administrative costs for the Program.

N.J.A.C. 19:31-20.7 outlines a two-stage review process, with the first being a review to determine eligibility of a project, and the second being a review to determine whether the Authority accepts the business's certification of having met the capital investment and employment requirements for issuance of the tax credits. The first stage of the review process, focusing on project eligibility, entails a Board determination and notification of the business and the Division of Taxation of the determination. The second stage entails a review of the business's
certification of having completed the project and having met the requirements for the Authority to issue the tax credit certificate. If the Authority accepts the certification, it will notify the business and the Director of the Division of Taxation.

N.J.A.C. 19:31-20.8 establishes certain terms and conditions under tax credit certificates, including the starting date of the eligibility period, amount of tax credits, submission of the letter of compliance, schedule setting forth eligible affiliates, and events that would result in reduction and forfeiture of tax credits.

N.J.A.C. 19:31-20.9 addresses the total amount of tax credit allowed, the tax liabilities against which the credit may be applied, the allocation of tax credits to a business and its affiliate or affiliates for the eligibility period, and the carry forward of credit amounts for 20 successive tax periods.

N.J.A.C. 19:31-20.10 allows tax credits, upon application and approval by the Division of Taxation and the Authority, to sell or assign their credit, under the tax credit transfer certificate program for consideration received of not less than 75 percent of the transferred credit amount.

N.J.A.C. 19:31-20.11 caps the value of all credits approved and allowed under the Program at a total of $100 million, except as may be increased by the Authority as set forth in this section.

N.J.A.C. 19:31-20.12 establishes provisions for the reduction and forfeiture of tax credits in certain instances wherein a business reduces the total number of full-time employees in its Statewide workforce by more than 20 percent or the aggregate number of new full-time employees at the qualified wind energy facility and resulting from an equipment supply coordination agreement drops below 300. The section also authorizes the Authority to recoup all or a portion of the tax credits awarded if business does not maintain the project at the qualified wind energy facility for the period of years after the eligibility period that was included in the calculation of the new positive economic benefit pursuant to N.J.A.C. 19:31-20.3(c).

N.J.A.C. 19:31-20.13 requires that in the event a qualified wind energy facility or sublease of the business’s tenancy is sold during the 10-year eligibility period, the new owner shall not acquire the capital investment of the seller and the seller shall forfeit all credits for the tax period in which the sale occurs, except for credits of tenant which shall remain unaffected. The same restriction would apply to a tenant that subleases its tenancy any sublessor tenant(s).

N.J.A.C. 19:31-20.14 imposes the annual reporting requirements of the business during the term of the project agreement and outlines the provisions for issuance of the certificate of compliance by the Authority.

N.J.A.C. 19:31-20.15 provides for several appeal procedures, a discretionary informal hearing process, a formal hearing process, and the option in the event of a contested case, that the Authority retain the matter for a hearing or transmit the matter for a hearing before the Office of Administrative Law.
N.J.A.C. 19:31-20.16 states that if any portion of this subchapter is adjudged to be unconstitutional or invalid by a court of competent jurisdiction, the remaining portions of the subchapter are severable and shall not be affected by that determination.

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

Social Impact

The Offshore Wind Economic Development Tax Credit Program, which offers a powerful financial tool designed to spur private capital investment and employment growth in major, land-based offshore wind industry projects, will have a positive social impact. This investment in clean energy contributes to New Jersey’s efforts to decarbonize the State’s economy. A clean energy economy is associated with positive health and social impacts from decreased pollution, and this program helps bring the State closer to this reality.

Economic Impact

The Authority anticipates the Program will help strengthen the State’s economy by attracting offshore wind developers and supply chain manufacturers and the associated economic benefit that is generated through these productions, which includes: jobs, wages, infrastructure and community investment in port facilities, patronage of local businesses and vendors, and value from media exposure. In addition, the availability of the new credit may result in additional investments and offshore wind-related tenants in New Jersey ports, and will be an important tool in establishing New Jersey’s competitiveness in this industry across the region. Finally, the fees for the Program are intended to ensure a source of necessary administrative fee revenue for EDA to more fully cover the costs of administering the Program, including any third-party assistance where necessary.

Federal Standards Statement

A Federal standards analysis is not required because the rules proposed for readoption with amendment are not subject to any Federal requirements or standards.

Jobs Impact

The Offshore Wind Economic Development Tax Credit Program – anticipated to have a positive impact on jobs – provides tax credits to support offshore wind developers and supply chain manufacturers that require transportation, assembly, and maintenance of materials, at port facilities and warehouses, including at the Port of Paulsboro the Port of New York and New Jersey – the 3rd busiest seaport in North America and the largest maritime cargo center on the East Coast.

Regulatory Flexibility Statement
The rules proposed for readoption do not impose reporting, recordkeeping, or other compliance requirements on small businesses, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq, because the Offshore Wind Economic Development Tax Credit Program provides tax credits to large-scale businesses in the offshore wind industry.

**Housing Affordability Impact Analysis**

The rules proposed for readoption will not increase the amount of housing units, particularly multi-family rental housing and for-sale housing, in qualifying projects and redevelopment projects including residential development and mixed-use projects including residential space.

**Smart Growth Development Impact Analysis**

The rules proposed for readoption will not impact the number of housing units or result in any increase or decrease in the average cost of housing in Planning Areas 1 or 2, or in designated centers, under the State Development and Redevelopment Plan.

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

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

**Full text** of specially adopted new rules proposed for readoption follows:

**SUBCHAPTER 20. OFFSHORE WIND ECONOMIC DEVELOPMENT TAX CREDIT PROGRAM**

19:31-20.1 Applicability and scope

This subchapter is promulgated by the New Jersey Economic Development Authority (the Authority) to implement section 6 of the Offshore Wind Economic Development Act, P.L. 2010, c. 57, as amended (the Act), which authorizes the Authority to approve up to $100 million, except as may be increased by the Authority, in tax credits for the development of qualified wind energy facilities in wind energy zones.

19:31-20.2 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.


“Affiliate” means an entity that directly or indirectly controls, is under common control with, or is controlled by the business, and may include not-for-profit entities. Control exists in all cases in which the entity is a member of a controlled group of corporations as defined pursuant to
Section 1563 of the Internal Revenue Code of 1986 (26 U.S.C. § 1563) or the entity is an organization in a group of organizations under common control as defined pursuant to subsection (b) or (c) of section 414 of the Internal Revenue Code of 1986 (26 U.S.C. § 414). A taxpayer may establish by clear and convincing evidence, as determined by the Director of the Division of Taxation in the Department of the Treasury, that control exists in situations involving lesser percentages of ownership than required by those statutes. An affiliate of a business may contribute to meeting either the qualified investment or full-time employee requirements of a business that applies for a credit under this Program.

“Approval letter” means the letter sent by the Authority that sets forth the conditions to maintain the approval and to receive the tax credit, the forecasted schedule for completion and occupancy of the project, the date the 10-year eligibility period is scheduled to commence, the estimated amount of tax credits, and other such information that furthers the purposes of the Program. The approval letter will require the applicant to submit progress information by a certain date in order to preserve the approval of the tax credits.

“Authority” means the New Jersey Economic Development Authority.

“Board” means the Board of the New Jersey Economic Development Authority.

“Business” means a corporation that is subject to the tax imposed pursuant to section 5 of P.L. 1945, c. 162 (N.J.S.A. 54:10A-5), a corporation that is subject to the tax imposed pursuant to sections 2 and 3 of P.L. 1945, c. 132 (N.J.S.A. 54:18A-2 and 54:18A-3), section 1 of P.L. 1950, c. 231 (N.J.S.A. 17:32-15) or N.J.S.A. 17B:23-5, or is a partnership, an S corporation, or a limited liability corporation. A business shall include an affiliate of the business if that business applies for a credit based upon any capital investment made by the affiliate or full-time employees of an affiliate.

“Capital investment” in a qualified wind energy facility means expenses incurred for the site preparation and construction, repair, renovation, improvement, equipping, or furnishing of a building, structure, facility, or improvement to real property, including associated soft costs. Capital investment includes obtaining and installing furnishings and machinery, apparatus, or equipment for the operation of a business in a building, structure, facility, or improvement to real property, site-related utility and transportation infrastructure improvements, plantings, or other environmental components required to attain the level of silver rating or above in the LEED(R) building rating system, but only to the extent that such capital investments have not received any grant financial assistance from any other State funding source including N.J.S.A. 52:27H-80 et seq. (The United States Green Building Council has developed the Leadership in Energy & Environmental Design (LEED) Green Building Rating System for measuring the energy efficiency and environmental sustainability of buildings. The LEED Rating System is a third party certification program and the nationally accepted benchmark for the design, construction, and operation of high performance buildings.) Vehicles and heavy equipment not permanently located in the building, structure, facility, or improvement shall not constitute a capital investment. Also included is remediation of the qualified wind energy facility site, but only to the extent that such remediation has not received financial assistance from any other Federal, State, or local funding source. To be included, the capital investment must be commenced after
August 19, 2010, the effective date of the Act. For purposes of this subchapter, “commenced” shall mean that the project consisting of construction of a new building shall not have progressed beyond site preparation; the project consisting of acquisition of an existing building shall not have closed title; and the project consisting of renovation or reconstruction of an existing building shall not have commenced construction.

“Complex of buildings” means buildings that are part of the same financing plan and operational plan.

“Developer” means, with respect to a qualified wind energy facility, a business that intends to construct and lease a wind energy facility. A developer may seek to receive approval that the facility will constitute a qualified wind energy facility conditioned upon identification of tenants that will have qualifying employment and pro formas indicating that the capital investment requirements will be met.

“Eligibility period” means the 10-year period in which a business may claim an offshore wind economic development tax credit, beginning with the tax period in which the Authority accepts the certification of the business that it has met the capital investment and employment qualifications of the Program.

“Equipment supply coordination agreement” means an agreement between a business and an equipment manufacturer, supplier, installer, or operator that supports a qualified offshore wind project, or other wind energy project as determined by the Authority, and that indicates the number of new, full-time jobs to be created by the agreement participants towards the employment requirement as set forth in N.J.A.C. 19:31-20.3. “Equipment supply coordination agreement” shall not include subcontracts or agreements between the equipment manufacturer, supplier, installer, and operator and parties other than the business that has applied for a credit under this Program.

“Full-time employee” means a person employed by the business for consideration for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, as determined by the Authority, or a person who is employed by a professional employer organization pursuant to an employee leasing agreement between the business and the professional employer organization, in accordance with P.L. 2001, c. 260 (N.J.S.A. 34:8-67 et seq.) for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, as determined by the Authority, and whose wages are subject to withholding as provided in the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq. A full-time employee is also a partner of a business who works for the partnership for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as determined by the Authority as full-time employment, and whose distributive share of income, gain, loss, or deduction, or whose guaranteed payments, or any combination thereof is subject to the payment of estimated taxes, as provided in the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq. “Full-time employee” shall not include any person who works as an independent contractor or on a consulting basis for the business. “Full-time employee” shall not include an employee who is a resident of another state and whose income is not subject to the New Jersey Gross Income Tax
Act, N.J.S.A. 54A:1-1 et seq., unless that state has entered into a reciprocity agreement with the State of New Jersey, provided that any employee whose work is provided pursuant to a collective bargaining agreement with a business in the wind energy zone may be included.

“Full-time employee at the qualified wind energy facility” means a full-time employee whose primary office is at the site and who spends at least 80 percent of his or her time in New Jersey, or who spends any other period of time generally accepted by custom or practice as full-time employment in New Jersey, as determined by the Authority.

“Leasable area” means rentable area of the building as calculated pursuant to the measuring standards of the project. This standard will be defined in the lease for tenant applicants. The rentable area measures the tenant's pro rata portion of the entire office floor, including public corridors, restrooms, janitor closets, utility closets, and machine rooms used in common with other tenants, but excluding elements of the building that penetrate through the floor to areas below. The rentable area of a floor is fixed for the life of a building and is not affected by changes in corridor sizes or configuration.

“Letter of compliance” means the letter issued annually by the Authority pursuant to N.J.A.C. 19:31-20.7(d) that must accompany the use of the tax credit certificate.

“Net leasable area” means the usable area or actual occupiable area of a building, a floor, or an office suite. The amount of usable area can vary over the life of a building as corridors expand and contract and as floors are remodeled, and, thus, is not fixed for the life of a building as would be the case with leasable area.

“New full-time employee” means a position that did not previously exist in this State and that is created by the business and filled by a full-time employee at the qualified wind energy facility. A new full-time employee may also include new full-time employee resulting from an equipment supply coordination agreement, provided that the employee spends at least 80 percent of his or her time in New Jersey, or any other period of time in New Jersey generally accepted by custom or practice as full-time employment, as determined by the Authority. New full-time employee resulting from an equipment supply coordination agreement may include, but not be limited to, employees that have been hired by way of a labor union hiring hall or its equivalent. With regard to new full-time employees resulting from an equipment supply coordination agreement, one “new full-time employee” means 35 hours of employment per week dedicated to the work required under the agreement, or who renders any other standard of service generally accepted by custom or practice as determined by the Authority as full-time employment, regardless of whether or not the hours of work were performed by one or more persons. New full-time position shall also include new full-time positions that a business creates after receipt of approval, pursuant to N.J.A.C. 19:31-20.7, that are transferred to the qualified wind energy facility upon completion thereof and meet the requirements of this Program.

“Offshore wind economic development tax credit” means the tax credit permitted under section 6 of the Act, which may be applied against the tax liability otherwise due for corporation business tax or insurance premiums tax pursuant to section 5 of P.L. 1945, c. 162 (N.J.S.A.)

“Partnership” means an entity classified as a partnership for Federal income tax purposes.

“Professional employer organization” means an employee leasing company registered with the Department of Labor and Workforce Development pursuant to P.L. 2001, c. 260 (N.J.S.A. 34:8-67 et seq.).

“Program” means the Offshore Wind Economic Development Tax Credit Program created pursuant to section 6 of the Act and provided in this subchapter.

“Progress information” means the information that must be submitted pursuant to N.J.A.C. 19:31-20.7(c).

“Project” means the employment and the capital investment in a qualified wind energy facility that is at least the employment and capital investment required by the Program within a designated wind energy zone.

“Qualified offshore wind project” means the same as the term is defined in section 3 of P.L. 1999, c. 23 (N.J.S.A. 48:3-51).

“Qualified wind energy facility” means any building, complex of buildings, or structural components of buildings, including water access infrastructure, and all machinery and equipment used in the manufacturing, assembly, development, or administration of component parts that support the development and operation of a qualified offshore wind project, or other wind energy project as determined by the Authority, and that are located in a wind energy zone.

“Soft costs” means all costs associated with financing, design, engineering, legal, real estate commissions, furniture, or office equipment with a useful life of less than five years, provided they do not exceed 20 percent of total capital investment.

“Tenant” means a business that is a lessee in a qualified wind energy facility.

“Wind energy zone” means property located in the South Jersey Port District established pursuant to The South Jersey Port Corporation Act, P.L. 1968, c. 60 (N.J.S.A. 12:11A-1 et seq.).

19:31-20.3 Eligibility criteria

(a) In order to be eligible to be considered for an offshore wind economic development tax credit for a qualified wind energy facility:

1. If the business is other than a tenant, the business shall:

   i. Make or acquire capital investments in a qualified wind energy facility totaling not less than $50,000,000. A business that acquires a qualified wind energy facility after August 19,
2010, the effective date of the Act, shall also be deemed to have acquired the capital investment made or acquired by the seller, subject to the disqualifications in N.J.A.C. 19:31-20.13. The capital investments of the owner shall include capital investments made by a tenant and may include any tenant allowance provided by the owner in the lease and any tenant improvements funded by a tenant(s), but only to the extent necessary to meet the owner's minimum capital investment of $50,000,000 provided that the owner so indicate in the owner's application or certification and further provided that such tenant allowance or tenant improvements meet the definition of capital investment;

ii. Employ, in the aggregate, with tenants at the qualified wind energy facility, not fewer than 300 new full-time employees at the qualified wind energy facility or through an equipment supply coordination agreement; and

iii. Demonstrate to the Authority that the State's financial support of the proposed capital investment will yield a net positive economic benefit in the amount required in (c) below; and

2. If the business is a tenant in a qualified wind energy facility:

i. The owner of the qualified wind energy facility shall make or acquire capital investments in the facility totaling not less than $50,000,000, as calculated in accordance with (a)1i above;

ii. The tenant shall occupy a leased area of the qualified wind energy facility that represents at least $17,500,000 of the capital investment in the facility, as calculated pursuant to (b) below;

iii. Employ, in the aggregate, with other tenants at the qualified wind energy facility, at least 300 new full-time employees at the qualified wind energy facility or through an equipment supply coordination agreement;

iv. The business shall lease the qualified wind energy facility for a term of not less than 10 years; and

v. Except for tenants of a qualified wind energy facility for which the owner has previously demonstrated a net positive benefit and received approval of the qualified energy facility or approval of tax credits, the business shall demonstrate to the Authority that the State's financial support of the proposed capital investment will yield a net positive economic benefit in the amount required in (c) below. For purposes of this evaluation, the tenant may include the benefit derived from the owner's capital investment.

(b) In order to determine whether the tenant's leasable area of the qualified wind energy facility satisfies the capital investment eligibility threshold, the Authority shall multiply the owner's capital investment by the fraction, the numerator of which is the leased net leasable area and the denominator of which is the total net leasable area. Capital investments made by a tenant and not allocated to meet the owner's minimum capital investment threshold of $50,000,000 shall be added to the amount of capital investment represented by the tenant's leased area in the qualified wind energy facility.
(c) The net positive benefit required in (a)1iii and (a)2v above shall equal at least 110 percent of the approved tax credit allocation amount, to the State for the period equal to 75 percent of the useful life of the investment, not to exceed 10 years, provided that the Authority may determine, at its discretion, that the net positive economic benefit may extend to 20 years based on the length of the business's commitment to maintain the project at the qualified wind energy facility. To support the determination of a net positive benefit, the business shall submit to the Authority, prior to approval, a non-binding letter of intent executed between the Chief Executive Officer of the Authority and the chief executive officer, or equivalent officer for North American operations, of the business stating that the tax credits will yield a net positive economic benefit in the amount required in this subsection, taking into account the criteria listed at N.J.A.C. 19:31-20.7(c).

(d) Full-time employment for an accounting or privilege period, or the portion thereof after the certification of the business that it has met the capital investment and employment qualifications, shall be determined as the average of the monthly full-time employment for the period or portion thereof.

(e) Because a business may include an affiliate or affiliates, the capital investment and employment requirements may be met by the business or by one or more of its affiliates, and the entity satisfying the capital investment requirement does not need to be the same as the entity satisfying the employment requirement.

(f) A business shall be treated as owner of a qualified wind energy facility if it holds title to the facility if it ground leases the land underlying the facility for at least 50 years.

(g) A business that is investing in a qualified wind energy facility may apply for tax credits valued at less than the total amount of the capital investments in its project.

19:31-20.4 Restrictions

(a) A business shall not be allowed offshore wind economic development tax credits if:

1. The business participates in a Business Employment Incentive Program grant pursuant to P.L. 1996, c. 26 (N.J.S.A. 34:1B-124 et seq.) relating to the same capital and employees that qualify the business for the Program; or


(b) A business that is allowed a tax credit under the Program shall not be eligible for incentives authorized pursuant to the “Municipal Rehabilitation and Economic Recovery Act,” P.L. 2002, c. 43 (N.J.S.A. 52:27BBB-1 et seq.).

(c) Capital investments in a qualified wind energy facility must be incurred after the effective date of P.L. 2010, c. 57, which is August 19, 2010, but prior to its submission of documentation pursuant to N.J.A.C. 19:31-20.7(f).
(d) If a business participating in a Business Employment Incentive Program grant for the same capital investment, employees, and site or receiving assistance from the Business Retention and Relocation Assistance Grant Program, or incentives authorized by the Municipal Rehabilitation and Economic Recovery Act, seeks to qualify for offshore wind economic development tax credits, it shall first repay and terminate assistance pursuant to the rules governing the Business Employment Incentive Program, Business Retention and Relocation Assistance Grant Program, or Municipal Rehabilitation and Economic Recovery Act, as applicable.

19:31-20.5 Application submission requirements

(a) Each application to the Authority made by a business that is an owner or tenant shall include the following information in an application format prescribed by the Authority:

1. Business information, including information on all affiliates contributing either full-time employees or capital investment or both to the project, shall include the following:

i. The name of the business;

ii. The contact information of the business;

iii. Prospective future address of the business (if different);

iv. The type of the business;

v. Principal products and services and three-digit North American Industry Classification System number;

vi. The New Jersey tax identification number;

vii. The Federal tax identification number;

viii. The total number of employees in New Jersey at the time of application and in the last tax period prior to the application;

ix. The total list of New Jersey operations;

x. A written certification by the chief executive officer, or equivalent officer for North American operations, stating that the business applying for the Program is not in default with any other program administered by the State of New Jersey and that he or she has reviewed the application information submitted and that the representations contained therein are accurate;

xi. Disclosure of legal matters in accordance with the Authority debarment and disqualification rules at N.J.A.C. 19:30-2;
xii. Submission of a tax clearance certificate, pursuant to P.L. 2007, c. 101;

xiii. A list of all the development subsidies, as defined by P.L. 2007, c. 200, that the applicant is requesting or receiving, the name of the granting body, the value of each development subsidy, and the aggregate value of all development subsidies requested or received. Examples of development subsidies are tax benefits from programs authorized under P.L. 2004, c. 65, P.L. 1996, c. 26, and P.L. 2002, c. 43;

xiv. In the event that the business is a partnership and chooses to allocate the revenue realized from the sale of the tax credits other than as a proportion of the owners' distributive share of income or gain of the partnership, the business shall provide an agreement that sets forth the allocation among the owners. This agreement will be submitted to the Director of the Division of Taxation in the Department of the Treasury by such time and with such information as the Director may require; and

xv. Any other necessary and relevant information as determined by the Authority for a specific application.

2. Project information shall include the following:

i. An overall description of the proposed project;

ii. A description of the capital investments planned by the business, if other than a tenant at the proposed qualified wind energy facility, or, if the business is a tenant, represented by the leased area of the business, at the proposed qualified wind energy facility;

iii. The estimated value of the capital investment;

iv. A certification by the chief executive officer, or equivalent officer for North American operations, of the business, with supporting evidence, that the State's financial support of the proposed capital investment in a qualified wind energy facility will yield a net positive economic benefit in the amount required by N.J.A.C. 19:31-20.3(c), taking into account the criteria listed at N.J.A.C. 19:31-20.7(c). The applicant may be required to submit any other information required by the Authority to conduct an analysis of the economic impact of the project;

v. Identification of the site of the proposed qualified wind energy facility, including the block and lot of the site as indicated upon the local tax map or other documentation acceptable to the Authority;

vi. A project schedule that identifies projected move dates for the proposed qualified wind energy facility;

vii. A schedule of short-term and long-term employment projections of the business in the State, taking into account the proposed project;
viii. The terms of any lease agreements (including, but not limited to, information showing net leasable area by the business if a tenant and total net leasable area; or if the business is an owner, information showing net leasable area not leased to tenants and total net leasable area) and/or details of the purchase or building of the proposed project facility;

ix. The total number of anticipated new full-time positions that would be created in New Jersey and occupy the qualified wind energy facility, and the total number of full-time employees that would occupy the qualified wind energy facility, and the distribution of such totals identified by business entity;

x. The total number of anticipated new full-time positions that would be created in New Jersey through any equipment supply coordination agreement and the projected length of time the agreement(s) will be in effect;

xi. Any plans to hire and train local residents, including, specifically, residents of the municipality, and to contribute to the local economy and community; and

xii. Any other necessary and relevant information as determined by the Authority for a specific application.

3. Employee information shall include the following:

i. A written certification that the employees that are the subject of this application will be new full-time employees as defined in the Program;

ii. The average annual wage and benefit rates of full-time employees and new full-time positions at the qualified wind energy facility;

iii. To the extent a tenant other than the business is meeting the employment requirement in the qualified wind energy facility, a submission from the tenant relating to (a)3i above;

iv. Evidence that the applicant has provided the application information required by the State Treasurer for a development subsidy such as the tax credits, pursuant to P.L. 2007, c. 200; and

v. Any other necessary and relevant information as determined by the Authority for a specific application.

4. A list of all affiliates that are directly or indirectly controlled by the business, and the total number of full-time employees in New Jersey of each affiliate at the time of application and in the last tax period prior to the credit amount approval.

(b) A developer may apply to have a building approved as a qualified wind energy facility by submitting the information required pursuant to (a)2i, ii, iii, and v above. Any tenant seeking an approval of tax credits for a qualified wind energy facility so approved will be required to submit the information required pursuant to (a)1, 2iv, 2vi through xii, 3, and 4 above.
(c) The business applying to the Program shall submit an application fee as set forth at N.J.A.C. 19:31-20.6.

19:31-20.6 Application and servicing fees

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

(b) In addition to the application fee in (a) above, a business shall pay to the Authority, the full amount of direct costs of an analysis by a third-party retained by the Authority, if the Authority deems such retention to be necessary.

(c) A non-refundable fee of 0.5 percent of the tax credit, not to exceed $500,000, shall be paid at the time of execution of the non-binding letter of intent pursuant to N.J.A.C. 19:31-20.3(c).

(d) A non-refundable fee of 0.5 percent of the tax credit, not to exceed $500,000, shall be paid prior to the receipt of the tax credit certificate.

(e) A business shall pay to the Authority an annual servicing fee, beginning the tax accounting or privilege period in which the Authority accepts the certification that the business has met the capital investment and employment qualifications, and for the duration of the eligibility period. The annual servicing fee shall be paid to the Authority by the business at the time the business submits its annual report. For each project with tax credits of $1,000,000 or less annually, the annual servicing fee shall be two percent of the annual tax credit amount, not to exceed $20,000 per year; and for each project with tax credits in excess of $1,000,000 annually, the annual servicing fee shall be two percent of the annual tax credit amount, not to exceed $75,000 per year.

(f) A business applying for 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 shall pay to the Authority a fee of $5,000 and $2,500 for each additional request made annually.

(g) For each project with total tax credits of $5,000,000 or less, a non-refundable fee of $5,000 shall be paid for each request for any administrative changes, additions, or modifications to the tax credit; and a non-refundable fee of $7,500 shall be paid for any major changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval. For each project with total tax credits in excess of $5,000,000, a non-refundable fee of $10,000 shall be paid for each request for any administrative changes, additions, or modifications to the tax credit; and a non-refundable fee of $25,000 shall be paid for any major changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval.

(h) A non-refundable fee of $5,000 shall be paid for each request for the first six-month extension to the date by which the business shall submit the certifications with respect to the
capital investment and with respect to the employees required upon completion of the capital investment and employment requirement; and a nonrefundable fee of $10,000 shall be paid for any subsequent six-month extension.

19:31-20.7 Review of allocation and certification of project completion

(a) A business seeking an approval of tax credits for a qualified wind energy facility must apply for tax credits by July 1, 2024, and a business shall submit its documentation for approval of its credit amount by July 1, 2027.

(b) The Authority shall conduct a review of the applications commencing with the application bearing the earliest date a completed application is submitted or if interest in the Program so warrants, at its discretion and upon notice, institute a competitive application process whereby all applications submitted by a date certain will be evaluated as if submitted on that date. The Authority may require the submission of additional information to complete the application or may require the resubmission of the entire application, if incomplete. The review will determine whether the applicant:

1. Complies with the eligibility criteria;

2. Satisfies the submission requirements; and

3. Adequately provides information for the subject application.

(c) In determining whether the company meets the net economic benefits test, as certified pursuant to N.J.A.C. 19:31-20.5(a)2iv, the Authority's consideration shall include, but not be limited to, the local and State taxes paid directly by the business, property taxes, or payment in lieu of taxes paid directly by the business, and taxes paid directly by new employees. The Authority may also consider, at its discretion, local and State taxes generated indirectly by the business, property taxes or payment in lieu of taxes generated indirectly by the business, taxes generated indirectly by new employees, or peripheral economic growth caused by the business's relocation to the wind energy zone. The Authority may increase the net economic benefit, at its discretion, if the business demonstrates to the Authority's satisfaction commitment(s) to contribute to non-financial community objectives. The Authority may also consider taxes paid directly or generated indirectly by retained employees, at the Authority's discretion based on evidence satisfactory to the Authority that the employees are at risk of being lost to another state or country or eliminated. The determination shall be limited to the net economic benefits derived from the capital investment commenced after the submission of an application to the Authority and shall not include any capital investment or employees for which an incentive has been previously provided or any capital investment by a local or State governmental entity.

(d) Upon completion of the review of an application pursuant to (b) and (c) above, and receipt of a recommendation from Authority staff on the application, the Board shall determine whether or not to approve the application and the maximum amount of tax credits to be granted. The Board shall promptly notify the applicant and the Director of the Division of Taxation of the determination. The Board's award of the credits will be subject to conditions that must be met in
order to maintain the approval and to receive the tax credits. An approval letter setting forth the conditions and indemnification and insurance requirements will be sent to the applicant. Such conditions shall include, but not be limited to, the requirement that the project complies with the Authority's prevailing wage requirements, P.L. 2007, c. 245 (N.J.S.A. 34:1B-5.1) and affirmative action requirements, P.L. 1979, c. 303 (N.J.S.A. 34:1B-5.4), that the project does not violate any environmental law requirements, and that the business agrees to extend the four-year statute of limitations for the collection and assessment of corporation business tax and insurance premiums tax to the eligibility period. The approval letter shall also set forth a condition requiring the business to maintain the project at the qualified wind energy facility after the eligibility period to the extent the net positive economic benefit is calculated based on a period of years after the eligibility period pursuant to N.J.A.C. 19:31-20.3(c).

1. If the application is approved, the project approval is subject to the terms and conditions of the approval letter, and any benefits under the Program are subject to the completion of the project and satisfaction of the capital investment and employment qualifications required for the offshore wind economic development tax credits.

2. In the approval notice to the business, the Authority shall set a date by which its approval will expire.

(e) Within six months following the date of application approval by the Authority, each approved business shall submit progress information indicating that the business has site plan approval, financing for, and site control of, the qualified wind energy facility. Commencing with the date six months following the date of application approval, and every six months thereafter until completion of the project, each approved business shall submit an update of the status of the project to the Authority. Unless the Authority determines in its sole discretion that extenuating circumstances exist for extensions, the Authority's approval of the tax credits shall expire if the Authority does not timely receive the progress information or status update.

(f) Upon completion of the capital investment and employment requirements of the Program, the business shall submit a certification of a certified public accountant and any receipts or verifiable documentation requested by the Authority, which may be made pursuant to an “agreed upon procedures” letter acceptable to the Authority evidencing that the business has satisfied the conditions relating to capital investment and any employment requirements.

1. The certification with respect to the capital investment shall define the amount of the tax credits and shall not be increased regardless of additional capital investment in the qualified wind energy facility, provided; however, that in no event, will the amount of tax credits exceed the amount of tax credits previously approved by the Board. In the event the capital investment is reduced below the capital investment in the approval of the incentive grant, the Authority may reevaluate the net positive economic benefit and reduce the size of the grant accordingly. If the certification indicates that the capital investment is less than the minimum eligibility requirement, the business shall no longer be eligible for tax credits.

2. The certification with respect to employment shall include the number of full-time employees and new full-time positions employed at the qualified wind energy facility, a copy of
all equipment supply coordination agreements through which the business is meeting employment requirements under the Program, and the salary of all new full-time employees. To include a new full-time employee employed through an equipment supply coordination agreement, the business shall submit a certification from the company that is the other party to the equipment supply coordination agreement stating that its employees may be included by the business to meet the requirements of the Program, the number of new full-time employees employed through equipment supply coordination agreement, the number of hours worked by such employees pursuant to the equipment supply coordination agreement, and the salary of such employees. In the event the number of new full-time jobs or salaries in the certification is reduced below the number of new full-time jobs in the approval of the incentive grant or the salaries proposed in the application, the Authority may reevaluate the net positive economic benefit and reduce the size of the grant accordingly. If the certification indicates that the employment is less than the minimum eligibility requirement, the business shall no longer be eligible for tax credits.

3. The certification shall include the list of affiliates that contributed to the capital investment or full-time employees at the qualified wind energy facility and the number of full-time employees in New Jersey in the last tax period prior to the credit amount approval of any such affiliate that was not listed in the application.

4. The certification shall be submitted to the Authority no later than three years after the Authority’s application approval, unless the Authority determines in its sole discretion that there are extenuating circumstances for extensions, but in no event later than July 1, 2027.

5. The Authority may seek additional information from the business and/or information from the Department of Labor and Workforce Development to support the certification.

(g) Once the Authority accepts the timely certification of the business that it has satisfied the capital investment and employment requirements of the Program, and the Authority determines that other necessary conditions have been met, the Authority shall notify the business and notify the Director of the Division of Taxation, and the business shall receive its tax credit certificate. The use of the tax credit certificate shall be subject to the receipt of an annual letter of compliance.

19:31-20.8 Tax credit certificate

(a) The tax credit certificate shall set forth the following terms:

1. The starting date of the eligibility period;

2. The amount of the tax credits;

3. A requirement that any use of the tax certificate be accompanied by a letter of compliance;

4. In the event that the Board has approved an application for a business using one or more affiliates in order to satisfy the employment and/or capital investment requirements of the
Program, a schedule setting forth the eligible affiliates and a requirement by the business to notify the Authority at least seven days prior to date of filing relating to each tax accounting or privilege period, the proposed allocation of tax credits by the business among the business and the affiliates;

5. Events that would trigger reduction and forfeiture of tax credit amounts; and

6. Reporting requirements and an annual tax clearance certificate issued by the Division of Taxation pursuant to P.L. 2007, c. 101.

19:31-20.9 Tax credit amount; application and allocation of the tax credit

(a) The amount of the credit allowed pursuant to the Program shall, except as otherwise provided, be equal to the capital investment made by the business, or the capital investment represented by the business' leased area, or area owned by the business as a condominium, except as may be limited by the net positive economic benefits test and shall be taken over the eligibility period, at the rate of one-tenth of the total amount of the business' credit for each tax accounting or privilege period of the business, beginning with the tax period in which the business is first approved by the Authority as having met the investment capital and employment qualifications, subject to any reduction or disqualification provided in P.L. 2018, c. 17 and this subchapter as determined by annual review by the Authority.

(b) In no event shall the amount of tax credits exceed the amount of tax credits previously approved by Board as follows:

1. If the owner uses space in a qualified wind energy facility, in order to determine the amount of the owner's capital investment that will be attributed toward the amount of its tax credit, the Authority shall multiply the owner's capital investment by a fraction, the numerator of which is the net leaseable area of the qualified business facility not leased to tenants and the denominator of which is the total net leaseable area.

2. In order to determine the amount of the tenant's capital investment that will be attributed toward the amount of its tax credits, the Authority shall add the amount of capital investment that results from the calculation in N.J.A.C. 19:31-20.3(b) to any tenant allowance provided by the owner in the lease and any tenant improvements funded by a tenant, provided that the owner has not included such tenant allowance or tenant improvements in its calculation of capital investment and further provided that such tenant allowance or tenant improvements meet the definition of capital investment.

(c) The business may apply the credit against its corporation business tax or insurance premiums tax otherwise due pursuant to section 5 of P.L. 1945, c. 162 (N.J.S.A. 54:10A-5), sections 2 and 3 of P.L. 1945, c. 132 (N.J.S.A. 54:18A-2 and 54:18A-3), section 1 of P.L. 1950, c. 231 (N.J.S.A. 17:32-15), or N.J.S.A. 17B:23-5. The credit awarded to the business using one or more affiliates to satisfy the employment and/or capital investment requirements of the Program shall be applied on the basis of the allocation(s) submitted pursuant to the application, or as subsequently adjusted pursuant to N.J.A.C. 19:31-20.14 provided, however, that any
affiliate that receives an allocation must have contributed either capital investments to the wind 
energy facility or employees at the business facility during the tax period for which the tax 
credits are issued.

(d) The amount of credit allowed for a tax period to a business that is a tenant in a qualified 
business facility shall not exceed the business's total lease payments for occupancy for the tax 
period.

(e) A business that is a partnership shall not be allowed a credit under the Program directly, 
but the amount of credit of an owner of a business shall be determined by allocating to each 
owner of the partnership that proportion of the credit of the business that is equal to the owner of 
the partnership's share, whether or not distributed, of the total distributive income or gain of the 
partnership for its tax period ending within or at the end of the owner's tax period, or that 
proportion that is allocated by an agreement, if any, among the owners of the partnership that has 
been provided to the Director of the Division of Taxation in the Department of the Treasury by 
the time and accompanied by the additional information as the Director may require.

(f) The tax credits are not refundable and shall not result in a refund in the event that they do 
not equal or exceed a business's tax liability.

(g) The credit amount that may be taken for a tax period of the business that exceeds the final 
liabilities of the business for the tax period may be carried forward for use by the business in the 
next 20 successive tax periods, and shall expire thereafter.

19:31-20.10 Application for tax credit transfer certificate

(a) A business may apply to the Director of the Division of Taxation in the Department of the 
Treasury and the Chief Executive Officer of the Authority for a tax credit transfer certificate 
covering one or more years, in lieu of the business being allowed any amount of the credit 
against the tax liability of the business. Such application shall identify the specific tax credits to 
be sold. Once approved by the Authority and the Director of the Division of Taxation, a 
certificate shall be issued. The certificate, upon receipt thereof by the business from the Director 
and the Authority, may be sold or assigned, in full or in part, in an amount not less than $25,000 
of tax credits to any other person that may have a tax liability pursuant to section 5 of P.L. 1945, 
c. 162 (N.J.S.A. 54:10A-5), sections 2 and 3 of P.L. 1945, c. 132 (N.J.S.A. 54:18A-2 and 
certificate provided to the business shall include a statement waiving the business's right to claim 
that amount of the credit against the taxes that the business has elected to sell or assign. Any 
amount of a tax credit transfer certificate used by a purchaser or assignee against a tax liability 
shall be subject to the same limitations and conditions that apply to the use of the credit by the 
business that originally applied for and was allowed the credit.

(b) The sale or assignment of any amount of a tax credit transfer certificate allowed under 
this section shall not be exchanged for consideration received by the business of less than 75 
percent of the transferred credit amount before considering any further discounting to present 
value that shall be permitted. In order to evidence this requirement, the business shall submit to
the Authority an executed form of standard selling agreement which states that the consideration received by the business is not less than 75 percent of the transferred credit amount.

(c) In the event that the business is a partnership and chooses to allocate the revenue realized from the sale of the tax credits other than as a proportion of the owners' distributive share of income or gain of the partnership, the selling agreement shall set forth the allocation among the owners that has previously been submitted to the Director of the Division of Taxation in the Department of the Treasury pursuant to N.J.A.C. 19:31-20.5(a).

(d) In no event shall the purchaser or assignee of a tax credit transfer certificate make any subsequent transfers, assignments, or sales of a tax credit transfer certificate.

(e) The Authority shall develop and make available forms of applications and certificates to implement the transfer processes described in this section.

19:31-20.11 Cap on total credits

The value of all credits approved by the Authority may be up to $100,000,000, except as may be increased by the Authority as set forth in this section. The Authority shall monitor application and allocation activity under the Program. If the Chief Executive Officer of the Authority judges certain qualified offshore wind projects to be meritorious, the cap may, in the discretion of the Authority, be exceeded for allocation to qualified wind energy facilities in such amounts as the Authority deems reasonable, justified, and appropriate.

19:31-20.12 Reduction and forfeiture of tax credits

(a) If, in any tax period, the business reduces the total number of full-time employees in its Statewide workforce by more than 20 percent from the number of full-time employees in its Statewide workforce in the last tax accounting or privilege period prior to the credit amount approval under the Program, then the business shall forfeit its credit amount for that tax period and each subsequent tax period until the first tax period for which documentation demonstrating the restoration of the business's Statewide workforce to the threshold levels required by this section has been reviewed and approved by the Authority, for which tax period and each subsequent tax period the full amount of the credit shall be allowed. For purposes of this section, "business" shall include any affiliate that has contributed to the capital investment, received the tax credit or contributed to the required full-time employees at the qualified wind energy facility. The number of full-time employees in a business's Statewide workforce shall not include a new full-time employee at the qualified wind energy facility.

(b) If, in any tax period, the aggregate number of new full-time employees at the qualified wind energy facility and resulting from an equipment supply coordination agreement drops below 300, then the business shall forfeit its credit amount for that tax period and each subsequent tax period, until the first tax period of which documentation demonstrating the restoration of the number of full-time employees employed at the qualified wind energy facility and resulting from an equipment supply coordination agreement to 300, for which tax period and each subsequent tax period the full amount of the annual credit shall be allowed.
(c) The credit amount for any tax period ending after January 13, 2026, which is the date 18 years after the effective date of P.L. 2007, c. 346 (N.J.S.A. 34:1B-207 et seq.), during which the documentation of a business's credit amount remains unapproved shall be forfeited, although credit amounts for the remainder of the years of the eligibility period shall remain available.

(d) In the event that any certification required from the business or the other party to any equipment supply coordination agreement, including, but not limited to, the certifications required pursuant to N.J.A.C. 19:31-20.14(a)2, is found to be willfully false or that the business submitted false or misleading information or failed to submit relevant information in the application or any other submission to the Authority or the Division of Taxation, the Authority may, at its sole discretion and in addition to any other remedies available, revoke and/or terminate any award of tax credits in their entirety and may require repayment of all tax credits received by the business.

(e) The Authority may recoup all or a portion of the tax credits awarded if the business does not maintain the project at the qualified wind energy facility for the period of years after the eligibility period that was included in the calculation of the net positive economic benefit pursuant to N.J.A.C. 19:31-20.3(c).

19:31-20.13 Effect of sale or lease of qualified facilities

(a) The tax credit amount shall be forfeited in the event of sale of the qualified wind energy facility or sublease of the business's tenancy as follows:

1. If the qualified wind energy facility is sold in whole or in part during the eligibility period, the new owner shall not acquire the capital investment of the seller and the seller shall forfeit all credits for the tax period in which the sale occurs and all subsequent tax periods, except that any credits of tenants shall remain unaffected. The new owner may not apply for tax credits based upon the seller's capital investment. If the business merges with or consolidates with another entity, the resulting or transferee entity shall not be considered the new owner.

2. If a tenant subleases its tenancy in whole or in part during the eligibility period, the sublessee shall not acquire the credit of the sublessor, and the sublessee shall forfeit all credits for the tax period of its sublease and all subsequent tax periods, except that if the sublessor tenant retains sufficient capital investment and employment to remain eligible for the Program, the forfeiture shall affect only the credits attributable to the subleased portion of the facility. For the purposes of calculating the total annual lease payments of the business, the lease payments of the sublessee shall be subtracted.

19:31-20.14 Annual review reporting requirements; letter of compliance

(a) After notification pursuant to N.J.A.C. 19:31-20.7(g), the business shall furnish to the Authority an annual review report certified by a certified public accountant in a format as may be determined by the Authority, which shall contain the following information:
1. The number of full-time employees and new full-time positions employed at the qualified wind energy facility, a copy of all equipment supply coordination agreements through which the business is meeting employment requirements under the Program, the salary of all new full-time employees, the number in the business's Statewide employment, total lease payments, the list of affiliates that contributed to the full-time employees at the qualified wind energy facility, the number of full-time employees in New Jersey in the last tax period prior to the credit amount approval of any affiliate that contributed to the full-time employees and was not listed in the application, and information on any change or anticipated change in the identity of the entities comprising the business elected to claim all or a portion of the credit. To include a new full-time employee employed through an equipment supply coordination agreement, the business shall submit a certification from the company that is the other party to the equipment supply coordination agreement stating that its employees may be included by the business to meet the requirements of the Program, the number of new full-time employees employed through equipment supply coordination agreement, the number of hours worked by such employees pursuant to the equipment supply coordination agreement, and the salary of such employees. In the event the number of new full-time jobs at the qualified wind energy facility or resulting from an equipment supply coordination or salaries of these jobs in the annual review report is reduced below 10 percent or more of the number of new full-time jobs or salaries in the annual review report of the prior year or the independent certification if the annual review report is the first, the Authority may reevaluate the net positive economic benefit and reduce the size of the grant accordingly. If, in a tax period subsequent to a reduction in the size of the grant the business increases the number of new full-time jobs at the qualified wind energy facility or resulting from an equipment supply coordination or salaries of these jobs in the annual review report above 10 percent or more of the number of new full-time jobs or salaries in the annual review report of the prior year, the Authority may reevaluate the net positive economic benefit and increase the size of the grant accordingly, but in no event shall the amount of tax credit that the business may apply in a tax period be greater than one-tenth of the total tax credit amount approved by the Authority. In the event the number of new full-time jobs at the qualified wind energy facility or resulting from an equipment supply coordination or salaries of these jobs in the annual review report is reduced below 10 percent or more of the number of new full-time jobs or salaries in the annual review report of the prior year or the independent certification if the annual review report is the first, the Authority may reevaluate the net positive economic benefit and reduce the size of the grant accordingly. This reduction shall not affect any forfeiture under N.J.A.C. 19:31-20.12.

2. A certification indicating whether or not the business is aware of any condition, event, or act that would cause the business not to be in compliance with the approval, P.L. 2007, c. 346 or this subchapter.

(b) Failure to submit its annual report within 120 days after the end of the business's tax privilege period or submission of the annual report without the information required above, shall result in forfeiture of any annual tax credits to be received by the business unless the Authority determines in its sole discretion that there are extenuating circumstances excusing the business from the timely filing required.

(c) The tax credit certificate may provide for additional reporting requirements.
(d) In conducting its annual review, the Authority shall require a business to submit any information determined by the Authority to be necessary and relevant to its review and may require an audit of payroll and employment records.

(e) Annually, upon satisfactory review of all information submitted, the Authority will issue a letter of compliance. No tax credit certificate shall be valid without the letter of compliance issued for the relevant tax privilege period. The letter of compliance shall indicate whether the business may take all or a portion of the credits allocable to the tax privilege period.

19:31-20.15 Appeals

(a) The Board's action on applications shall be effective 10 business days after the Governor's receipt of the minutes, provided neither an early approval nor veto has been issued.

(b) An applicant may appeal the Board's action by submitting in writing to the Authority, within 20 calendar days from the date of the Board's action, an explanation as to how the applicant has met the Program criteria. Such appeals are not contested cases subject to the requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., or 52:14F-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

(c) Appeals that are timely submitted shall be handled by the Authority as follows:

1. The Chief Executive Officer of the Authority shall designate an employee of the Authority to serve as a hearing officer for the appeal and to make a recommendation on the merits of the appeal to the Board. The hearing officer shall perform a review of the written record and may require an in-person hearing. The hearing officer has sole discretion to determine if an in-person hearing is necessary to reach an informed decision on the appeal. The Authority may consider new evidence or information that would demonstrate that the applicant meets all of the application criteria.

2. Following completion of the record review and/or in-person hearing, as applicable, the hearing officer shall issue a written report to the Board containing his or her finding(s) and recommendation(s) on the merits of the appeal. The hearing officer's report shall be advisory in nature. The Chief Executive Officer, or equivalent officer, of the Authority may also include a recommendation to the written report of the hearing officer. The applicant shall receive a copy of the written report of the hearing officer, which shall include the recommendation of the Chief Executive Officer, if any, and shall have the opportunity to file written comments and exceptions to the hearing officer's report within five business days from receipt of such report.

3. The Board shall consider the hearing officer's report, the recommendation of the Chief Executive Officer, or equivalent officer, if any, and any written comments and exceptions timely submitted by the applicant. Based on that review, the Board shall issue a final decision on the appeal.

4. Final decisions rendered by the Board shall be appealable to the Superior Court, Appellate Division, in accordance with the Rules Governing the Courts of the State of New Jersey.
19:31-20.16 Severability

If any section, subsection, provision, clause, or portion of this subchapter is adjudged to be unconstitutional or invalid by a court of competent jurisdiction, the remaining portions of this subchapter shall not be affected thereby.
INCENTIVE PROGRAMS
FILM TAX CREDIT PROGRAM
MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan  
Chief Executive Officer

DATE: October 8, 2019

SUBJECT: Film Tax Credit Program

The following projects under the Film Tax Credit Program have been reviewed by EDA staff and recommended for approval. The films are described on the attached project summaries:

**Film Tax Credit Program Awards:**

<table>
<thead>
<tr>
<th>Project</th>
<th>Company Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>P45506</td>
<td>Event Services, Inc.</td>
<td>$2,849,160</td>
</tr>
<tr>
<td>P45612</td>
<td>Random Productions, LLC</td>
<td>$10,173,670</td>
</tr>
</tbody>
</table>

Total Film Tax Credit Awards – October 8, 2019 $13,022,830

Prepared by: David Lawyer
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - FILM TAX CREDIT PROGRAM

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

APPLICANT: Event Services, Inc.

APPLICANT BACKGROUND:
Event Services, Inc. filmed “WrestleMania XXXV” in New Jersey for the purpose of distributing the event on DVD within the United States and abroad. The DVD is planned to include the event itself, in addition to other possible features such as, another version of the event that includes pop-up facts, pre-event interviews, and extra matches from other WWE notable shows. Anticipated principal actors include: John Cena, Paul Wight, Colby Lopez, Jonathan Good, Ronda Rousey, Ashley Fliehr, among others.

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

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

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

   | A. Total Film Production Expenses after July 1, 2018 | $29,158,000 |
   | B. Total Post Production Expenses | $0 |
   | C. Total expenses for services performed and goods purchased through vendors authorized to do business in New Jersey (excluding any post-production expenses) | $9,497,200 |

   Percentage Calculation = C/(A-B) = 32.57%
   Criterion Met = No

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

<table>
<thead>
<tr>
<th>Qualified Film Production Expenses incurred in NJ after July 1, 2018</th>
<th>$9,497,200</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criterion Met</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**AWARD CALCULATION**

<table>
<thead>
<tr>
<th>Base Award Criteria</th>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% of Qualified Film Production Expenses</td>
<td>$9,497,200 x 30% =</td>
<td>$2,849,160</td>
</tr>
</tbody>
</table>

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

**Total Award** | $2,849,160 |

**APPLICATION RECEIVED DATE:** 12/20/2018 (Application #2)
**DATE APPLICATION DEEMED COMPLETE:** 02/26/2019
**PRINCIPAL PHOTOGRAPHY COMMENCEMENT:** April 4, 2019
**PRINCIPAL NJ PHOTOGRAPHY LOCATION:** MetLife Stadium–East Rutherford, NJ
**ESTIMATED DATE OF PROJECT COMPLETION:** April 7, 2019

**APPLICANT’S FISCAL YEAR END:** 12/31/2019
**TAX CREDIT VINTAGE YEAR(S):** SFY2020
**ANTICIPATED CERTIFICATION DATE:** November 30, 2019

In general, the final documentation required shall be submitted to the Authority no later than four years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed
pursuant to N.J.S.A. 54:10A-5 and three years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to the N.J.S.A. 54A:1-1 et seq.

The Garden State Film and Digital Media Jobs Act provides a total of $75 million tax credits originally available for State Fiscal Year 2020. If today’s projects are approved, $52.6 million will remain in the program for State Fiscal Year 2020. However, there are 15 additional applications in the pipeline totaling $62.9 million and therefore being over-scribed for State Fiscal Year 2020.

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

APPROVAL OFFICER: Mark Chierici
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – FILM TAX CREDIT PROGRAM

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

APPLICANT: Random Productions, LLC

APPLICANT BACKGROUND:
Random Productions, LLC is producing a six-part miniseries titled A Plot Against America based on the acclaimed Philip Roth novel which imagines an alternate American history told through the eyes of a working-class Jewish family in New Jersey, as they watch the political rise of Charles Lindbergh, an aviator-hero and xenophobic populist, who becomes president and turns the nation toward fascism.

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

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

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Total Film Production Expenses</td>
<td>$95,556,011</td>
</tr>
<tr>
<td>B. Total Post-Production Expenses</td>
<td>$7,422,969</td>
</tr>
<tr>
<td>C. Total expenses for services performed and goods purchased through vendors authorized to do business in New Jersey (excluding any post-production expenses)</td>
<td>$2,965,274</td>
</tr>
</tbody>
</table>

Percentage Calculation = C/(A-B) = 3.3%
Criterion Met: No

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

<table>
<thead>
<tr>
<th>Qualified Film Production Expenses incurred in NJ during a single privilege period after July 1, 2018.</th>
<th>$31,792,720</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Criterion Met</strong></td>
<td>Yes</td>
</tr>
</tbody>
</table>

**AWARD CALCULATION**

<table>
<thead>
<tr>
<th>Base Award Criteria</th>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% of Qualified Film Production Expenses</td>
<td>$31,792,720 x 30% =</td>
<td>$9,537,816</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bonus Criteria Met</th>
<th>Calculation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submission of Diversity Plan (attached) deemed satisfactory by EDA and NJ Taxation. 2% of Qualified Film Production Expenses.</td>
<td>$31,792,720 x 2% =</td>
<td>$635,854</td>
</tr>
<tr>
<td>5% of Qualified Film Production Expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.</td>
<td>$0 x 5% =</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Award</strong></td>
<td></td>
<td><strong>$10,173,670</strong></td>
</tr>
</tbody>
</table>

**APPLICATION RECEIVED DATE:** 03/29/19 (Application #16)

**DATE APPLICATION DEEMED COMPLETE:** 03/29/19

**PRINCIPAL PHOTOGRAPHY COMMENCEMENT:** 04/08/19

**PRINCIPAL NJ PHOTOGRAPHY LOCATION:** Jersey City

**ESTIMATED DATE OF PROJECT COMPLETION:** 09/06/19

**APPLICANT’S FISCAL YEAR END:** 12/31/19

**TAX CREDIT VINTAGE YEAR(S):** SFY2020

**ANTICIPATED CERTIFICATION DATE:** 12/01/19

In general, the final documentation required by (c) below shall be submitted to the Authority no later than four years after the Authority’s initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to N.J.S.A. 54:10A-5 and three years after the Authority’s initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to the N.J.S.A. 54A:1-1 et seq.
The Garden State Film and Digital Media Jobs Act provides a total of $75 million tax credits originally available for State Fiscal Year 2020. If today’s projects are approved, $52.6 million will remain in the program for State Fiscal Year 2020. However, there are 15 additional applications in the pipeline totaling $62.9 million and therefore being over-scribed for State Fiscal Year 2020.

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

APPROVAL OFFICER: T. Wells
BOND PROJECTS
BOND RESOLUTIONS
MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer


DATE: October 8, 2019

SUMMARY OF PROPOSED FINANCING
The Authority is currently being asked to approve the issuance of one or more series of 2019 School Facilities Construction Bonds (the “2019 New Money Bonds”), and one or more series of the 2019 School Facilities Construction Refunding Bonds (the “2019 Refunding Bonds”) and various related actions described below. The 2019 New Money Bonds (to be issued in an amount not to exceed $525 million), will be used to finance costs authorized by Section 201(1) of the Authority’s School Facilities Construction Bond Resolution. The 2019 Refunding Bonds (to be issued in an amount not to exceed $700 million), will be used to refund all or a portion of certain currently outstanding School Facilities Construction Bonds or Notes (“Prior Obligations”) contained in the attached Schedule I, including the payment of costs associated with the issuance of the 2019 Refunding Bonds. The proceeds of the 2019 Refunding Bonds will be used for refunding purposes within the meaning of the Act (as defined below) and will not count against the statutory debt issuance limitation placed on the School Facilities Construction Program.

BACKGROUND
Since April 2001, the Authority has issued prior series of tax-exempt and federally taxable School Facilities Construction Bonds and Notes in the aggregate principal amount of $11,151,804,000 for new money projects under the Educational Facilities Construction and Financing Act, L. 2000, c. 72, as amended and supplemented by L. 2007, c. 137 and L. 2008, c. 39 (the “Act”). Additionally, the Authority has issued prior series of refunding bonds and notes in the aggregate principal amount of $14,836,541,966 that restructured and refunded all or a portion of multiple Series of tax-exempt and federally taxable bonds and notes, previously issued under the Act.

As of October 1, 2019, the Authority in connection with the School Facilities Construction Program (the “School Program”) has $9,788,680,000 of tax-exempt and federally taxable bonds and notes outstanding.
PLAN OF FINANCE
The Authority is currently being asked to approve the issuance of one or more series of 2019 New Money Bonds and 2019 Refunding Bonds.

The 2019 New Money Bonds, will be used to: (i) finance authorized school facilities projects; and (ii) pay the costs of issuance of the 2019 New Money Bonds. The 2019 Refunding Bonds, will be used to (i) refund the all or a portion of certain currently outstanding Prior Obligations, and (ii) pay the costs of issuance of the 2019 Refunding Bonds.

It is expected that the refunding component of the transaction will meet the State’s three-pronged test for refunding transactions of: (i) positive gross savings; (ii) positive present value savings; and (iii) having no extension of the final maturity of the bonds being refunded.

APPROVAL REQUEST
The Authority is being requested to approve the adoption of the Forty-First Supplemental School Facilities Construction Bond Resolution (the “Forty-First Supplemental Resolution”) authorizing the issuance of one or more series of tax-exempt and/or federally taxable 2019 New Money Bonds in an amount not to exceed $525 million, and the issuance of one or more series of tax-exempt and/or federally taxable 2019 Refunding Bonds in an amount not to exceed $700 million. The 2019 New Money Bonds and 2019 Refunding Bonds will be issued for the purposes described above. The 2019 New Money Bonds and 2019 Refunding Bonds will be secured by the State Contract with the Treasurer, as amended by Amendment No. 1 to the State Contract dated April 22, 2010, to implement the funding provisions of the 2008 Amendment to the Act (the “State Contract”).

The 2019 New Money Bonds are expected to be issued as fixed rate, tax-exempt bonds, and subject to the following parameters, all as determined by an Authorized Officer of the Authority, in consultation with the Treasurer, Office of Public Finance, Attorney General’s Office and Bond Counsel:

1. The final maturity of any 2019 New Money Bonds will not exceed 30 years from the date of issuance;
2. The true interest cost of the 2019 New Money Bonds will not exceed 6%; and
3. the Redemption Price for any 2019 New Money Bonds will not exceed one hundred three percent (103%) of the principal amount of such 2019 New Money Bond; provided, further, that the Redemption Price of any 2019 New Money Bond issued as a federally taxable 2019 New Money Bond subject to optional redemption by the Authority pursuant to a “make-whole” provision may exceed one hundred three percent (103%) of the principal amount of such 2019 New Money Bond.

The 2019 Refunding Bonds are expected to be issued as both fixed rate, tax-exempt and fixed rate, federally taxable bonds, and subject to the following parameters, all as determined by an Authorized Officer of the Authority, in consultation with the Treasurer, the Office of Public Finance, the Attorney General’s Office and Bond Counsel:

1. The final maturity of any 2019 Refunding Bonds issued as tax-exempt or federally taxable Bonds for the purpose of refunding outstanding Bonds will not, in the aggregate, exceed
the final maturity of the Bonds to be refunded;

2. The final maturity of any 2019 Refunding Bonds issued as tax-exempt or federally taxable Bonds for the purpose of refunding outstanding Notes will not exceed 30 years from the date of original issuance of the Notes to be refunded;

3. The true interest cost of the 2019 Refunding Bonds will not exceed 6%; and

4. the Redemption Price for any 2019 Refunding Bond will not exceed one hundred three percent (103%) of the principal amount of such 2019 Refunding Bond; provided, further, that the Redemption Price of any 2019 Refunding Bond issued as a federally taxable 2019 Refunding Bond subject to optional redemption by the Authority pursuant to a "make-whole" provision may exceed one hundred three percent (103%) of the principal amount of such 2019 Refunding Bond.

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

1. To determine the date of issuance, sale and delivery, the maturity dates, the principal amount and the redemption provisions of each series of 2019 New Money Bonds and 2019 Refunding Bonds in accordance with the parameters set forth above;

2. To determine whether each series of the 2019 New Money Bonds and 2019 Refunding Bonds shall be issued as tax-exempt or federally taxable bonds and/or notes;

3. To select and appoint any additional co-managers and/or underwriters upon recommendation of the State Treasurer, utilizing Treasury’s RFP process in accordance with Executive Order No. 26 and Executive Order No. 37;

4. To select and appoint a firm to serve as bidding agent, upon recommendation of the Treasurer based on Treasury’s competitive RFP process, to solicit bids and to enter into or purchase Defeasance Securities (as defined in Sections 101 and 1201(2) of the Resolution) with proceeds of any Series 2019 Refunding Bonds issued to refund the Prior Obligations, in the event that such Authorized Officer of the Authority determines that it is advantageous to the Authority to invest any such proceeds in Defeasance Securities;

In exercising the Authority’s discretion to approve specific transactions authorized under the Forty-First Supplemental Resolution, it is anticipated that the Authorized Officers of the Authority will make decisions on behalf of the Authority in consultation with the Treasurer.

Professionals were selected in compliance with Executive Order No. 26. M. Jeremy Ostow, Esq. was selected as Bond Counsel through a competitive RFQ/RFP process performed by the Attorney General’s Office on behalf of Treasury for State appropriation-backed transactions. Through
Treasury’s competitive RFP process, as applicable, the following professionals were chosen: BofA Securities, Inc. as senior managing underwriter and U.S. Bank National Association as Trustee, Paying Agent, Registrar, and Escrow Agent. The Forty-First Supplemental Resolution will also authorize Authority staff to take all necessary actions incidental to the issuance of the 2019 New Money Bonds and 2019 Refunding Bonds, including without limitation, the selection of additional professionals, if any, pursuant to a competitive process utilizing Treasury’s RFP process in accordance with Executive Order No. 26 and Executive Order No. 37.

RECOMMENDATION
Based upon the above description, and subject to the criteria set forth above, the Authority is requested to: (i) approve the adoption of the Forty-First Supplemental Resolution authorizing the issuance of the 2019 New Money Bonds in the total aggregate principal amount not to exceed $525 million, the issuance of the 2019 Refunding Bonds in the total aggregate principal amount not to exceed $700 million, as well as other matters in connection with the issuance and sale thereof and otherwise described above; (ii) approve the several actions and delegation of actions to an Authorized Officer of the Authority as may be necessary or advisable in order to issue the 2019 New Money Bonds and 2019 Refunding Bonds and to undertake the other transactions described in (i) above on terms which are in the best interest of the State; (ii) authorize the use of the aforementioned professionals; and (iii) authorize Authority staff to take all necessary actions incidental to the issuance of the 2019 New Money Bonds and 2019 Refunding Bonds; subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General’s Office.

Prepared by: Teresa Wells
## Schedule I

**Bonds and Notes to be Refunded**

<table>
<thead>
<tr>
<th>School Facilities</th>
<th>Original Par</th>
<th>Dated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Construction Bonds &amp; Notes</strong></td>
<td>Amount</td>
<td>Date</td>
</tr>
<tr>
<td>2005 Series K</td>
<td>700,000,000</td>
<td>1/27/2005</td>
</tr>
<tr>
<td>2005 Series N</td>
<td>677,465,000</td>
<td>5/23/2005</td>
</tr>
<tr>
<td>2010 Series CC-1</td>
<td>104,115,000</td>
<td>5/17/2010</td>
</tr>
<tr>
<td>2010 Series DD-1</td>
<td>667,420,000</td>
<td>5/17/2010</td>
</tr>
<tr>
<td>2011 Series EE</td>
<td>777,260,000</td>
<td>1/20/2011</td>
</tr>
<tr>
<td>2011 Series GG</td>
<td>498,035,000</td>
<td>2/22/2011</td>
</tr>
<tr>
<td>2012 Series II</td>
<td>407,135,000</td>
<td>5/2/2012</td>
</tr>
<tr>
<td>2012 Series KK</td>
<td>136,880,000</td>
<td>10/3/2012</td>
</tr>
<tr>
<td>2013 Series I-SIFMA Notes</td>
<td>380,515,000</td>
<td>1/31/2013</td>
</tr>
<tr>
<td>2013 Series NN</td>
<td>1,629,710,000</td>
<td>1/31/2013</td>
</tr>
<tr>
<td>2014 Series PP</td>
<td>553,845,000</td>
<td>5/6/2014</td>
</tr>
<tr>
<td>2014 Series RR</td>
<td>60,000,000</td>
<td>5/6/2014</td>
</tr>
<tr>
<td>2014 Series SS</td>
<td>197,140,000</td>
<td>5/6/2014</td>
</tr>
<tr>
<td>2014 Series UU</td>
<td>525,000,000</td>
<td>10/17/2014</td>
</tr>
<tr>
<td>2015 Series VV (Taxable)</td>
<td>597,455,000</td>
<td>6/24/2015</td>
</tr>
<tr>
<td>2015 Series WW</td>
<td>500,000,000</td>
<td>8/31/2015</td>
</tr>
<tr>
<td>2015 Series XX</td>
<td>1,259,625,000</td>
<td>8/31/2015</td>
</tr>
<tr>
<td>2015 Series YY (Taxable)</td>
<td>375,140,000</td>
<td>8/31/2015</td>
</tr>
<tr>
<td>2016 Series AAA</td>
<td>342,850,000</td>
<td>12/8/2016</td>
</tr>
<tr>
<td>2016 Series BBB</td>
<td>553,970,000</td>
<td>12/8/2016</td>
</tr>
<tr>
<td>2016 Series CCC (Taxable)</td>
<td>180,210,000</td>
<td>12/8/2016</td>
</tr>
<tr>
<td>2017 Series DDD</td>
<td>350,000,000</td>
<td>10/5/2017</td>
</tr>
<tr>
<td>2018 Series EEE</td>
<td>350,000,000</td>
<td>11/28/2018</td>
</tr>
<tr>
<td>2018 Series FFF</td>
<td>50,505,000</td>
<td>11/28/2018</td>
</tr>
<tr>
<td>2019 Series GGG (Taxable, Convertible to Tax-Exempt)</td>
<td>434,765,000</td>
<td>6/5/2019</td>
</tr>
<tr>
<td>2019 Series HHH-1</td>
<td>21,060,000</td>
<td>6/5/2019</td>
</tr>
<tr>
<td>2019 Series HHH-2 (Taxable)</td>
<td>31,225,000</td>
<td>6/5/2019</td>
</tr>
<tr>
<td>2019 Series III</td>
<td>114,368,000</td>
<td>4/29/2019</td>
</tr>
<tr>
<td>2019 Series JJJ</td>
<td>43,450,000</td>
<td>6/6/2019</td>
</tr>
</tbody>
</table>
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: White Horse HMT Urban Renewal, LLC

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 308 South White Horse Pike

APPLICANT BACKGROUND:
White Horse HMT Urban Renewal, LLC is a recently formed entity comprised of ALFNJ, LLC, CDP Entity/Carding Group and Shelter American Holdings, Inc., as members of White Horse ALR, LLC, the managing member. Drew A. Barile, CEO of Ashore Property Management and Eric Wolf of WolfCo. formed ALFNJ to develop and own affordable assisted living projects, each owner with experience in the development and management of senior healthcare and housing related facilities. Members of CDP Entity/Carding Group have participated in the financing and development of 20 affordable assisted living communities since 2013. Shelter American Holdings will guarantee the obligation of the managing member under the operating agreement; Shelter is a privately held company responsible for the management of approx. 2.7 million sq. ft. of commercial space.

The project qualifies for tax-exempt bond financing as an Exempt Public Facility - Qualified Residential Project under Sections 142 (d) (2) and 142 (a)(7) of the Internal Revenue Code of 1986 as amended. The applicant will set aside 20% of the units in the project to individuals whose income does not exceed 50% of area median gross income.

APPROVAL REQUEST:
Authority assistance will enable the Applicant to acquire a 50,000 sq. ft. facility located on 9 acres in Hammonton, Atlantic County and construct a 45,000 sq. ft. addition to create a 162-unit assisted living facility, together with a 5,500 sq. adult medical daycare with an 80-participant capacity. The site will have lobby area, kitchen, offices, main dining room, computer room, laundry room, library as well as fitness room, beauty/barber shop, and multi-purpose lounge. Proceeds of the bonds will also be used to pay costs of issuing the 2019 Bond, fund capitalized interest and debt service reserve fund.

The Department of Health has approved the Certificates of Need for the assisted living and adult daycare projects. The Department of Community Affairs is reviewing the construction plans. The Applicant has also applied for low income housing tax credits administered by NJ Housing and Mortgage Finance Agency.

FINANCING SUMMARY:

BOND PURCHASER: UBS Financial Services Inc. (Underwriter)

AMOUNT OF BOND: $29,000,000 (estimated) Tax-exempt Series A Bond

$1,000,000 Series B Taxable Bond

TERMS OF BOND:
30 years (max.); Fixed interest rate not to exceed 9%. Estimated interest rates as of 9/23/19 range from 4.75% to 6%.

30 years; Fixed interest rates not to exceed 9%. Estimated interest rates as of 9/23/19 range from 5% to 6%.

ENHANCEMENT:
N/A

PROJECT COSTS:

Construction of new building or addition $9,292,000
Renovation of existing building $9,250,000
Engineering & architectural fees $5,412,779
<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of existing building</td>
<td>$4,200,000</td>
</tr>
<tr>
<td>Working capital</td>
<td>$4,050,000</td>
</tr>
<tr>
<td>Interest during construction</td>
<td>$2,820,000</td>
</tr>
<tr>
<td>Debt service reserve fund</td>
<td>$1,600,000</td>
</tr>
<tr>
<td>Finance fees</td>
<td>$1,160,000</td>
</tr>
<tr>
<td>Land</td>
<td>$500,000</td>
</tr>
<tr>
<td>Purchase of equipment &amp; machinery</td>
<td>$500,000</td>
</tr>
<tr>
<td>Legal fees</td>
<td>$390,000</td>
</tr>
<tr>
<td>Accounting fees</td>
<td>$30,000</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$39,204,779</strong></td>
</tr>
</tbody>
</table>

**JOBS:**
- At Application: 0
- Within 2 years: 95
- Maintained: 0
- Construction: 151

**PUBLIC HEARING:** N/A

**BOND COUNSEL:** Chiesa, Shahinian & Giantomasi,

**DEVELOPMENT OFFICER:** K. Durand

**APPROVAL OFFICER:** T. Wells
PRELIMINARY BOND RESOLUTIONS
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: United Parcel Service, Inc.  P44026

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 159 Brewster Road Newark City (T/UA) Essex

APPLICANT BACKGROUND:
United Parcel Service, Inc. ("UPS"), established in 1934, is a global package delivery company and provider of global supply chain management solutions. The Company delivers packages each business day for 1.6 million shipping customers to 8.4 million receivers in over 220 countries and territories. In 2018, the Company delivered a total of 5.2 billion packages.

The project qualifies for Authority assistance as it is an Exempt Public Facility (Airport) under Section 142 (a)(1) of the Internal Revenue Code of 1986 as amended and therefore the $20,000,000 capital expenditure limitation under Section 144 of the Code is not applicable. The project is also exempt from the volume cap limitations under Section 146(g) of the Code.

A previous request by the Applicant for a Business Retention and Relocation Grant in the amount of $1,111,500 closed on 8/26/2010.

A previous request by United Parcel Service General Services Co., a subsidiary of United Parcel Service, Inc. for a Grow New Jersey Award in the amount of $40,000,000 closed on 12/30/2014.

APPROVAL REQUEST:
Authority assistance will enable the Applicant to develop approximately 18 acres of vacant land by constructing a 38,930 square foot sorting facility, construct a container transfer caster deck and ramp space to support 6 jet aircraft and 30 trailers, lease and renovate 3 bays of an adjacent building and acquire and install new equipment and machinery. Proceeds of the bond will also pay the cost of issuance.

On 2/14/2017 the Authority approved a preliminary resolution for the Applicant which included $66,800,000 in total project costs. Delays in permitting, designs, and meeting U.S. Customs & Borders Agency requirements have increased the original costs of the project. This approval will amend the previous 2/14/2017 preliminary resolution.

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

PROJECT COSTS:

Construction of new building or addition ................................................. $49,000,000
Purchase of equipment & machinery ......................................................... $24,800,000
Renovation of existing building ................................................................. $20,800,000
Soft Costs ................................................................................................. $9,840,000
Construction of roads, utilities, etc. ............................................................ $700,000
Engineering & architectural fees ............................................................... $515,000
**APPLICANT:** United Parcel Service, Inc.  

<table>
<thead>
<tr>
<th>Technology &amp; Networking</th>
<th>$150,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$95,000</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$105,900,000</strong></td>
</tr>
</tbody>
</table>

**JOBS:** At Application 450 Within 2 years 24 Maintained 0 Construction 535

**PUBLIC HEARING:**

**BOND COUNSEL:** McCarter & English, LLP

**DEVELOPMENT OFFICER:** M Athwal

**APPROVAL OFFICER:** S. Novak
LOANS/GRANTS/GUARANTEES
MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: October 8, 2019
RE: “Access” Pilot Lending Program Renewal

Request


Background

On October 11, 2018, the Members of the EDA Board approved a pilot lending program, “Access”, that made available an aggregate of $15 million to support small business in New Jersey and delegated authority to staff to approve applicants that met all the program criteria. The effective date of the program was October 29, 2018 which represents the beginning of the next business day following the expiration of the Governor’s veto period. A copy of the board memo approving the Access program is attached for reference and background.

Since the inception of the program, EDA staff approved a total of five loans under the program aggregating total EDA exposure of $1.96 million. This dollar amount leveraged an additional $3.51 million of lending from Premier Lending partners, M&T, Investors, The Provident, and Fulton bank. The primary use of proceeds was the refinance debt from another lender. All loan approvals have an acceptable level of credit risk and were processed according to the program criteria as approved by the Board.

Recommendation

Approval to renew the “Access” Pilot Loan program for a 12-month period ending October 28, 2020 is recommended. No changes to the program as originally approved on October 11, 2018 are requested.

_____________________________
Prepared By: Business Development, Credit, Incentive, and Real Estate Underwriting, and Finance/Bond Portfolio Management.
MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: October 11, 2018

RE: “Access” Pilot Lending Program

Request

Launch a pilot lending program, “Access”, to provide an aggregate of $15 million to support small business in New Jersey and delegate authority to staff to approve applicants that meet all the program criteria.

Background

Since its inception, EDA has provided direct loans and guarantees to banks to promote job growth and capital investment in New Jersey.

Staff recommends launching a pilot lending program as part of an overall strategy to support small business.

Traditionally, EDA has independently underwritten direct loans and evaluated participations/guarantees in bank loans based on applicants’ historical financial performance, management expertise/succession planning, domestic/foreign industry trends, competition, customer sales concentrations, performance on its existing obligations and other criteria that support a credit decision. While great emphasis of the underwriting decision is based on cash flow and an applicant’s ability to repay the loan, EDA has required support from collateral resulting in a loan to value of no greater than 100% for real estate and 90% for equipment.

Based on feedback from our Premier Lender partners and understanding the current lending gap in the marketplace, EDA sees an opportunity to help small businesses by lending on a cash flow basis with less reliance on hard collateral. This will allow more flexibility to borrowers and us to be more impactful in the market.

Staff recommends introducing the “Access” program which is proposed as a pilot lending program for 12-months, limited to an overall aggregate exposure cap of $15 million which will allow us to gauge market acceptance, in particular, with regard to the Premier Lending Partner component, to gauge market acceptance across multiple banks and their respective markets. The program will provide capital access to small businesses through both the Premier Lending partners as well as directly.
Premier Lending Partner Component

Makes available up to $10 million in overall exposure with a maximum of $1.5 million per borrowing relationship. To be approved for cash flow direct loans and up to 50% participation or guarantees with Premier Lending Banks, applicants meet all the following criteria:

- The business has been in operation, generating consistent or growing sales and profitability for at least two (2) years.
- The average historical and global debt service coverage over the past two (2) years is at least 1.25x.
- Approvals will be subject to EDA’s credit underwriting policy and EDA will use the Premier Bank’s underwriting analysis to support its underwriting approval.
- Loan exposure for fixed asset financing will be capped to $1 million with a maximum term of five (5) years and a maximum amortization of 10 years for equipment and 20 years for real estate.
- Loan exposure for working capital financing will be capped to $500,000 with a maximum term of five (5) years.
- Collateral will be a lien on assets purchased for fixed financing and a lien on all business assets for working capital financing.
- EDA will take a subordinate lien on collateral.
- Loan to value may be greater than 90% on equipment and greater than 100% on real estate based on other underwriting factors.
- Loans will be risk rated using EDA’s revised risk rating model.
- All owners having a 10% or greater ownership in the business will provide personal guarantees for the duration of the loan term.
- The FICO score of 50% of the personal guarantors must be at least 700.

Direct Loans to Small Businesses

Makes available up to $5 million in aggregate exposure with a maximum of $750,000 per borrowing relationship. These will be EDA direct loans to businesses, and as above, to be approved for loans, small businesses must meet all the following criteria:

- The business has been in operation, for at least two (2) full years of operations.
- The average historical and global debt service coverage over the past two (2) years is at least 1.25x.
- Approvals will be subject to EDA’s credit underwriting policy.
- Loan exposure for fixed asset financing will be capped to $500,000 with a maximum term of five (5) years and a maximum amortization of 10 years for equipment and 20 years for real estate.
- Loan exposure for working capital financing will be capped to $250,000 with a maximum term of five (5) years.
- Collateral will be a lien on assets purchased for fixed financing and a lien on all business assets for working capital financing.
- EDA will take a subordinate lien to a senior lender on the same collateral. Should the EDA be the sole lender, our lien will be in first position.
- Loan to value may be greater than 90% on equipment and greater than 100% on real estate based on other underwriting factors.
- Loans will be risk rated using EDA’s revised risk rating model.
- All owners having a 10% or greater ownership in the business will provide personal guarantees for the duration of the loan term.
- The FICO score for 50% of the personal guarantors must be 700.
Delegated Authority

As the amounts above are within limits of delegated authority under the established Premier Lending Partner and Small Business Fund programs, staff is seeking delegated authority under this pilot program for approval. Staff will present to the Board any applicant that does not meet all the above criteria but for which staff finds reasons exist to recommend approval.

Recommendation

Approval to launching a 12-month “Access” Pilot Loan program, limited to $15 million in credit exposure, with specific maximum exposures specified above, to support New Jersey businesses with fixed asset and working capital financing based on applicants’ cash flow and demonstrated business track record, as indicated by meeting the program criteria. Approval of delegated authority for staff to approve applicants that satisfy all the program criteria.

Prepared By: Business Development, Credit, Incentive, and Real Estate Underwriting, and Finance/Bond Portfolio Management.
HAZARDOUS DISCHARGE SITE REMEDIATION FUND
MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: October 8, 2019
SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

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

**HDSRF Municipal Grants:**

<table>
<thead>
<tr>
<th>Project Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>P45521</td>
<td>Township of Bordentown (Proposed Bordentown Waterfront)</td>
<td>$356,511</td>
</tr>
<tr>
<td>P45650</td>
<td>Cumberland County Improvement Authority</td>
<td>$185,420</td>
</tr>
<tr>
<td>P45809</td>
<td>Maurice River Township (Sapello Foundry)</td>
<td>$205,183</td>
</tr>
<tr>
<td>P45952</td>
<td>Township of Plainsboro (Former Bulk Farm)</td>
<td>$192,796</td>
</tr>
<tr>
<td>P45808</td>
<td>City of Vineland (Vineland Devel – Center W. Campus)</td>
<td>$121,987</td>
</tr>
</tbody>
</table>

**Total HDSRF Funding – October 2019**

$1,061,897

Prepared by: Kathy Junghans
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT

APPLICANT: Township of Bordentown (Proposed Bordentown Waterfront) P45521
PROJECT USER(S): Same as applicant *
PROJECT LOCATION: 2691 Route 130 & Burlington Bordentown Township (N) Burlington
GOVERNOR'S INITIATIVES: () Urban () Edison (X) Core () Clean Energy

APPLICANT BACKGROUND:
In February 2018, the Township of Bordentown, received a grant in the amount of $1,174,817 under P43035 for the project site identified as Block 140 and Block 141, Lots 1-3, 5.01, 5.02, 10-16, 18 & 19; and Lot 4 which is the former North American Marine Salvage Company (NAMSCO) which has potential environmental areas of concern (AOCs). The Township of Bordentown owns the project site and has satisfied proof of site control. It is the Township's intent, upon completion of the environmental activities to redevelop the project site for recreational use.

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

According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects involving the redevelopment of contaminated property for recreation and conservation purposes, provided that the use of the property for recreation and conservation purposes is included in the redevelopment plan and is conveyed by a development easement, deed restriction for development or conservation easement for recreation and conservation purposes. The applicant will use funds provided by the developer for the balance of the costs $118,836.

APPROVAL REQUEST:
The Township of Bordentown is requesting supplemental grant funding to perform RA in the amount of $356,511 at the Proposed Waterfront Community project site. Total grant funding including this approval is $1,531,328.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: $356,511
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remedial Action</td>
<td>$475,347</td>
</tr>
<tr>
<td>EDA administrative cost</td>
<td>$500</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$475,847</strong></td>
</tr>
</tbody>
</table>

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

APPLICANT: Cumberland County Improvement Authority  
PROJECT USER(S): Same as applicant  
PROJECT LOCATION: 41 North Laurel Street Bridgeton City (T/UA) Cumberland  
GOVERNOR'S INITIATIVES: (X) Urban  ( ) Edison  ( ) Core  ( ) Clean Energy

APPLICANT BACKGROUND:
Cumberland County Improvement Authority (CCIA), identified as Blocks 84 and 85, Lots 7,9,10,11, 13.1 and 2,3,17,19 & 20 is a former dry cleaning store which has potential environmental areas of concern (AOCs). The CCIA currently owns the project site and has satisfied proof of site control. It is CCIA’s intent, upon completion of the environmental investigation activities to redevelop the project site for commercial use.

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

APPROVAL REQUEST:
Cumberland County Improvement Authority is requesting grant funding to perform PA, SI and RI in the amount of $185,420 at the Redevelopment Zone project site.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund  
AMOUNT OF GRANT: $185,420  
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remedial investigation</td>
<td>$128,238</td>
</tr>
<tr>
<td>Site investigation</td>
<td>$51,055</td>
</tr>
<tr>
<td>Preliminary assessment</td>
<td>$6,128</td>
</tr>
<tr>
<td>EDA administrative cost</td>
<td>$500</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$185,921</strong></td>
</tr>
</tbody>
</table>

APPROVAL OFFICER: K. Junghans
APPLICANT: Maurice River Township (Sapello Foundry) P45809

PROJECT USER(S): Same as applicant *

PROJECT LOCATION: 65 Broadway Street Maurice River Township (T) Cumberland

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

APPLICANT BACKGROUND:
Between October 2003 and August 2011, Township of Maurice River received a grant in the amount of $109,015 under P14040 and a supplemental grant in the amount of $99,889 under P27316 to perform Preliminary Assessment (PA) and Site Investigation (SI) at the project site. The project site, identified as Block 230, Lot 30 is a former tool and dye manufacturing facility which has potential environmental areas of concern (AOC's). The Township of Maurice River currently holds a Tax Sale Certificate on the project site and has satisfied Proof of Site Control. It is the Township's intent, upon completion of the environmental investigation activities to redevelop the project site for industrial or commercial use.

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

APPROVAL REQUEST:
The Township of Maurice River is requesting supplemental grant funding to perform RI in the amount of $205,183 at the Sapello Foundry project site. Because the aggregate supplemental funding including this request is $305,072, it exceeds the maximum staff delegation approval of $100,000 and therefore requires EDA's broad approval. Total grant funding including this approval is $414,087.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $205,183

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>$205,183</td>
</tr>
<tr>
<td>EDA administrative cost</td>
<td>$500</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$205,683</strong></td>
</tr>
</tbody>
</table>

APPROVAL OFFICER: K. Junghans
APPLICANT: Township of Plainsboro (Former Bulk Farm) P45952

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

PROJECT LOCATION: 179 Cranbury Neck Road Plainsboro Township (N) Middlesex

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

APPLICANT BACKGROUND:
Township of Plainsboro, identified as Block 3601, Lot 10 is a former agriculture and horse boarding facility which has potential environmental areas of concern (AOCs). The Township of Plainsboro owns the project site and has satisfied proof of site control. It is the Township’s intent, upon completion of the environmental activities to redevelop the project site for recreational use.

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

According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects involving the redevelopment of contaminated property for recreation and conservation purposes, provided that the use of the property for recreation and conservation purposes is included in the redevelopment plan and is conveyed by a development easement, deed restriction for development or conservation easement for recreation and conservation purposes. The applicant will use funds provided by the municipality for the balance of the costs $64,265.

APPROVAL REQUEST:
Township of Plainsboro is requesting grant funding to perform RA in the amount of $192,796 at the Former Bulk Farm project site.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: $192,796
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action $257,061
EDA administrative cost $500

TOTAL COSTS $257,561

APPROVAL OFFICER: K. Junghans
APPLICANT: City of Vineland (Vineland Dev. Center W. Campus)  P45808
PROJECT USER(S): Same as applicant  * - indicates relation to applicant
PROJECT LOCATION: 860 North Orchard Road VINELAND CITY (T/UA) Cumberland
GOVERNOR’S INITIATIVES: (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
City of Vineland, identified as Block 2101, Lot 53 is a former industrial facility which has potential environmental areas of concern (AOCs). The City of Vineland intends to acquire 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 industrial use.

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

APPROVAL REQUEST:
City of Vineland is requesting grant funding to perform PA and SI in the amount of $121,987 at the Vineland Developmental Center - West Campus project site.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: $121,987
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site investigation</td>
<td>$115,006</td>
</tr>
<tr>
<td>Preliminary assessment</td>
<td>$6,980</td>
</tr>
<tr>
<td>EDA administrative cost</td>
<td>$500</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$122,486</strong></td>
</tr>
</tbody>
</table>

APPROVAL OFFICER: K. Junghans
BOARD MEMORANDUM
MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan
Chief Executive Officer
DATE: October 8, 2019
SUBJECT: Information Update – Technical Assistance Project to Support Manufacturers in the Offshore Wind Supply Chain

The information contained in this Memorandum is provided for information purposes.

OVERVIEW
NJEDA staff would like to brief Members of the Authority on the proposed creation of an Offshore Wind Manufacturing Technical Assistance Program, which will help ensure local companies have the skills and competencies needed to participate in and benefit from New Jersey’s burgeoning offshore wind (OSW) industry.

Through this pilot program, the NJEDA would procure and contract with an experienced OSW advisory/certification company (Technical Assistance provider). The procurement is envisioned to take place in two phases; first, a 30-day Request for Qualifications (RFQ), followed by a 60- to 90-day Request for Proposals (RFP), after which staff would review proposals and bring forth a recommended contract award to the NJEDA Board for approval (see Exhibit 1).

Once the TA provider is selected, the Office of Economic Transformation (OET) team will work with the TA provider to refine the program’s ultimate structure and company selection criteria.

The TA provider will then market the program to relevant small and medium-sized businesses within the State and manage an application process. The TA provider will make recommendation of companies to participate based on the application process, and the NJEDA will make all final company selections.

Once companies are selected to participate in the program, the TA provider will administer the technical assistance and certification program for selected companies. The NJEDA envisions the program will take approximately 12 to 18 months for a company to complete (see Exhibit 2 and Exhibit 3). Given NJEDA’s current expectation for which portions of the OSW supply chain will be brought to the United States first, it is likely that this program’s initial cohort will be focused on manufacturing companies.

The cost for an initial pilot program with approximately 10 to 20 companies is estimated to be $351,000 (see Exhibit 4). The participating companies will likely be responsible for a portion of the cost to ensure their commitment to full participation and completion of the program. In
addition, NJEDA will investigate opportunities for potential corporate program sponsors. Based on evaluation and feedback from the pilot program, the program could be expanded through additional cohorts of companies.

Once a company completes the program it will have an understanding of how to participate in the OSW supply chain and be independently certified with credentials that will better position them to secure contracts.

This program aligns with the Governor Murphy and the NJEDA’s overall vision to make New Jersey a major hub for OSW.

PROGRAM PURPOSE AND POLICY ALIGNMENT

Governor Murphy’s Economic Development Strategic Plan, “The State of Innovation: Building a Stronger and Fairer Economy in New Jersey,” identifies clean energy and offshore wind as focus sectors for the State. Specifically, the plan provides a mandate to make strategic investments to make New Jersey the “home of the American offshore wind industry and maximize the job-creation impact of this critical component of our energy future.”

In addition, as laid out in the Clean Energy Act of 2018, New Jersey has a goal of achieving 3,500 megawatts of OSW energy by 2030 and 100 percent clean energy by 2050. However, the local supply chain needed to meet these goals does not currently exist. Building up this supply chain requires a coordinated effort between manufacturers and the State. According to analysis commissioned by the New Jersey Board of Public Utilities (BPU), without direct policy interventions, most OSW component manufacturing will take place outside of the State through 2028. However, with coordinate policy supports, New Jersey can dramatically accelerate the rate of content localization.

This proposed technical assistance program will help develop New Jersey’s OSW supply chain and will complement the workforce development and research and development activities that the forthcoming New Jersey WiND Institute will be leading.

This program also signals to OSW OEMs and Tier 1 suppliers that are currently evaluating multiple East Coast states for major capital investments, that New Jersey is taking steps to ensure they will have certified and capable local partners. In addition, it signals to New Jerseyans that the State is fully invested in ensuring that its working families benefit from this new industry.
PROGRAM STRUCTURE

TA Provider Scope of Work
NJEDA will procure a TA company that can provide advisory and OSW certification services to small and medium-sized New Jersey companies. The scope of work required of these companies will include:

- In conjunction with NJEDA staff, designing the TA and certification program;
- Providing input on the initial intake process and selection criteria for participants;
- Conducting marketing and outreach to potential program applicants;
- Making recommendation on which companies should be selected to participate (NJEDA staff will make final selections for company participation);
- Implementing the program by enrolling and advising eligible companies;
- Providing progress reports periodically to NJEDA on how the program and participating companies are performing; and
- Certifying companies that complete the program satisfactorily.

Potential companies interested in contracting with the NJEDA to be the TA provider will be evaluated on criteria such as:

- Proposed approach to the scope of work;
- Verifiable experience completing projects of similar scope and size;
- Qualifications of key project staff members;
- Ability to demonstrate the appropriate organizational capacity to support the program in New Jersey;
- Adequate internal controls; and
- Price per company enrolled in the program.

Description of Technical Assistance Provided to Small and Medium-sized Companies
The NJEDA has established preliminary program requirements based on similar successful models in the United Kingdom, including Fit for Offshore Renewables and Fit for Nuclear programs. In addition, NJEDA staff have conducted market study interviews with several potential service providers and other state government agencies that provide similar technical assistance programs in other states. This program design is considered preliminary may be altered based on information and market feedback received through the RFP process.

Program Design
Through this program, the TA provider will help participating small and medium-sized companies assess their current capacity to supply the OSW market, develop an action plan to get the firm up to OSW standards, and execute the plan. The TA provider will provide an independent assessment of the firm’s baseline capacity and provide technical assistance to help the firm develop and execute the action plan.
Approximately 80 percent of the TA program will be focused on Business Excellence, which includes: management systems procedures and processes, ISO standards compliances, manufacturing processes, quality assurance, and health and safety processes and procedures. The remaining 20 percent will be sector specific requirements, which include but are not limited to: International Electrotechnical Commission (IEC) requirements, and any other areas that a TA provider identifies as being necessary and important.

The envisioned program steps for participating small or medium-sized businesses are as follows:

1. **Application and Capability Questionnaire**: An applicant company completes an application and an online self-assessment covering six categories of business operation/performance and acknowledges the requirement of a 25 percent cost share. Based on a scoring system developed by the NJEDA and TA provider, applicants will be scored on these indicators with consideration to the part of the supply chain to which they belong. Firms must meet a minimum required score in order to be considered for acceptance into the program. Firms will also be evaluated on financial capacity and alignment with supply chain needs.
   a. The six categories of business excellence include: Strategy and leadership; design and project management; people excellence; process excellence; health and safety culture; and quality management.
   b. As an example, the UK-based Fit4Nuclear program has a guidance document to support firms at this step that could be adapted for this program’s scope.

2. **Verification Site Visit**: If the applicant meets the minimum required score on the questionnaire, NJEDA staff reviews for debarment and good standing with other parts of State government, and the TA provider performs a site visit to confirm applicant’s responses on the questionnaire and re-scores the applicant.

3. **Action Plan**: Firms that meet the minimum score and successfully complete a verification site visit will be accepted into and begin participating in the program, which will ultimately lead to the business developing and implementing a corrective action plan:
   a. **Development of Action Plan**: The TA provider helps the firm create an action plan to close performance gaps to compete in the OSW industry.
   b. **Implementation of Action Plan**: The TA provider meets with the firm regularly to discuss action plan progress and provide updates on OSW market, including networking and business opportunities.
      i. NJEDA may provide access to low-interest loans to assist the company in making these upgrades if needed to the extent a program is available.
   c. **OSW Checklist**: The TA provider identifies further expectations by OSW developers in addition to business standards so that the firm can assess and meet these expectations.
d. **Pre-Certification Site Visit**: As the firm reaches the conclusion of its action plan, the TA provider performs another site visit and evaluates the firm’s progress to ensure it is ready for OSW-ready status.

4. **Offshore Wind-Ready Status & Ongoing Support**: The TA provider awards the firm a certification of completion. This certification is granted for a period as determined by the TA provider, and the firm is granted access to other additional benefits, as discussed below. The TA provider will visit the firm annually to ensure standards are maintained and provide support as needed.

*Exhibit 3* provides a flow chart of this process.

**Focus of Manufacturing Program**

In this initial pilot program, applications will likely be marketed / targeted to businesses that are most likely to be able to service the needs of the first several years of East Coast OSW procurement. The supply chain will develop in phases, and the program will prioritize companies in subsectors that the industry is seeking to work with first. As such, NJEDA will work with industry experts and the TA provider to determine the subsectors to prioritize, e.g., secondary steel fabricators are considered to be an early supply chain need.

**Program Size, Timing, and Costs**

The NJEDA estimates that the TA program will require about 12 to 18 months for a small or medium-sized business to complete and is intended for companies with at least 10 employees or revenue of at least $1.5 million. Prior experience in OSW is not required.

It also envisioned that the participant companies would share in a portion of the cost for the technical assistance program (see *Exhibit 4*). For example, NJEDA’s payments to the TA provider could cover approximately 75 percent of the per company cost associated with participating in this program. The small or medium-sized business would then be expected to pay the remaining 25 percent of the program cost directly to the TA provider. This cost-sharing arrangement helps ensure that participant companies have “skin in the game” and truly value the State’s support.

According to Catapult – the company that designed and administered the program in the United Kingdom – the typical cost per participating manufacturing firm is about $20,000 in the UK, assuming they complete the program. The program costs are expected to be higher in New Jersey since OSW is newer to the United States, meaning manufacturing awareness of this industry is lower and advisory services on this industry are limited. To ensure an appropriate disbursement of NJEDA funding that aligns with continued advancement of the program, the TA provider will invoice NJEDA against the contract for services performed, with any upfront payments necessary to set the program up to be identified by potential TA providers through their responses to the RFP.
A budgetary amount of $351,000 in NJEDA funding is requested to support the program, which combined with the manufacturing cost share fee, is expected to sufficiently cover the TA provider scope of work outlined above. OET will also seek industry sponsorship for the program to offset NJEDA costs and to promote relationship between program participants and potential clients.

**Conclusion**
NJEDA staff believes a pilot Offshore Wind Manufacturing Assistance Program will support New Jersey-based manufacturers, bolster the State’s OSW industry, and help ensure that New Jersey manufacturers are able to compete for opportunities within the OSW industry – both within the state, and regionally.

Tim Sullivan
Chief Executive Officer

Prepared by: Julia Kortrey
Exhibit 1: Program Development and Execution Process

NJEDA issues 30-60 day RFQ for TA providers
QET Team leads review of RFQ responses and develops RFP

NJEDA issues a 60-90 day RFP for TA providers

NJEDA selects TA provider and goes to Board to approve TA provider selection and contract

Criteria are finalized

TA provider works with NJEDA to develop program and selection criteria

Companies are selected by NJEDA based on TA provider recommendations

TA provider assesses applications and recommends applicants for approval

Program begins with successful applicants

TA provider conducts pre-certification visit

TA provider issues competitive solicitation for program and conducts outreach and advertising

TA provider issues certifications to successful manufacturers

NJEDA evaluates and revises program

TA provider issues new competitive solicitation

TA provider sends periodic updates to NJEDA

October 8, 2019 Board Book - Board Memorandums
Exhibit 2: Program Development Process Conservative Timeline

<table>
<thead>
<tr>
<th>Date</th>
<th>Step</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2019</td>
<td>NJEDA issues 30-day RFQ for TA/certification providers and develops RFP</td>
</tr>
<tr>
<td>December 2019</td>
<td>NJEDA issues a 60-day RFP for TA/certification providers</td>
</tr>
<tr>
<td>January 2020</td>
<td>NJEDA selects TA/certification provider</td>
</tr>
<tr>
<td>February 2020</td>
<td>NJEDA goes to Board to approve TA provider selection and contract</td>
</tr>
<tr>
<td>March – April 2020</td>
<td>TA provider works with NJEDA to develop program and selection criteria</td>
</tr>
<tr>
<td></td>
<td>Criteria are finalized</td>
</tr>
<tr>
<td>May – June 2020</td>
<td>TA provider issues competitive solicitation for program participants and conducts outreach and advertising</td>
</tr>
<tr>
<td></td>
<td>TA provider provides recommendation of company selection</td>
</tr>
<tr>
<td></td>
<td>NJEDA makes final company selections</td>
</tr>
<tr>
<td>July 2020</td>
<td>Program begins with successful applicants</td>
</tr>
<tr>
<td>July 2020 – December 2022</td>
<td>TA provider sends NJEDA periodic updates</td>
</tr>
<tr>
<td>2021 – 2022</td>
<td>TA provider conducts pre-certification visit</td>
</tr>
<tr>
<td></td>
<td>TA issues certifications to successful manufacturers</td>
</tr>
<tr>
<td>2022</td>
<td>NJEDA evaluates and revises program</td>
</tr>
<tr>
<td>2022</td>
<td>TA provider issues new competitive solicitation</td>
</tr>
</tbody>
</table>
Exhibit 4: Estimated Itemized Budget

Estimated Budget for OSW Manufacturing Assistance Program

**Expenses**

<table>
<thead>
<tr>
<th>Payment to TA Providers</th>
<th>Unit Cost</th>
<th>Quantity</th>
<th>Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program design</td>
<td>$75,000</td>
<td>1</td>
<td>$75,000</td>
</tr>
<tr>
<td>Outreach and program advertising</td>
<td>$30,000</td>
<td>1</td>
<td>$30,000</td>
</tr>
<tr>
<td>Cost per company</td>
<td>$20,000</td>
<td>15</td>
<td>$300,000</td>
</tr>
<tr>
<td>Contingency costs*</td>
<td>$21,000</td>
<td>1</td>
<td>$21,000</td>
</tr>
<tr>
<td><strong>Gross Costs:</strong></td>
<td></td>
<td></td>
<td><strong>$426,000</strong></td>
</tr>
</tbody>
</table>

**Revenue**

<table>
<thead>
<tr>
<th>Manufacturing Firm Payment</th>
<th>Unit Cost</th>
<th>Quantity</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation cost per company</td>
<td>$5,000.00</td>
<td>15</td>
<td>$75,000</td>
</tr>
<tr>
<td><strong>Gross Revenue:</strong></td>
<td></td>
<td></td>
<td><strong>$75,000</strong></td>
</tr>
</tbody>
</table>

**Net Program Costs:** $351,000

*Contingency costs are 20% of program design and outreach and program advertising costs for TA providers.*
MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: October 8, 2019
SUBJECT: Projects Approved Under Delegated Authority — For Informational Purposes Only

The following project was approved under Delegated Authority in September 2019:

Small Business Fund Program:

Cilo L.L.C (PROD-00187832), located in Galloway, Atlantic County, is a real estate holding company formed to own and manage the project property. The operating company, Kids’ Choice Academy L.L.C. was formed in 2002 and operates as a preschool providing early childhood development learning, after care, and childcare services to children of Atlantic County from infant to six years of age. The EDA approved a $252,000 Small Business loan and Ocean First Bank approved a $315,000 loan. The combined proceeds will be used to purchase the project property and facilitate expansion as the company’s third location. Currently, the Company has 21 employees and plans to create 15 new positions within the next two years.

Prepared by: D. Lawyer
MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: October 8, 2019

SUBJECT: Real Estate Division Delegated Authority for Leases and Right of Entry (ROE)/Licenses for Third Quarter 2019 - For Informational Purposes Only

The following approvals were made pursuant to Delegated Authority for Leases and ROE/Licenses in July, August and September 2019:

**LEASES**

<table>
<thead>
<tr>
<th>TENANT</th>
<th>LOCATION</th>
<th>TYPE</th>
<th>TERM</th>
<th>S.F.</th>
<th>CCIT GRANT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bellerophon Therapeutics</td>
<td>Bioscience Center Incubator</td>
<td>Lease Holdover</td>
<td>Month to Month</td>
<td>1600 sf</td>
<td>N/A</td>
</tr>
<tr>
<td>Aucta Pharmaceuticals</td>
<td>Bioscience Center Incubator</td>
<td>Lease Holdover</td>
<td>Month to Month</td>
<td>1,000 sf</td>
<td>N/A</td>
</tr>
<tr>
<td>BioAegis Therapeutics</td>
<td>Bioscience Center Incubator</td>
<td>Lease Holdover</td>
<td>Month to Month</td>
<td>800 sf</td>
<td>N/A</td>
</tr>
<tr>
<td>Urigen Pharmaceuticals</td>
<td>Bioscience Center Incubator</td>
<td>Lease Holdover</td>
<td>Month to Month</td>
<td>655sf</td>
<td>N/A</td>
</tr>
<tr>
<td>TheWell Bioscience</td>
<td>Bioscience Center Incubator</td>
<td>Lease Amendment</td>
<td>6/15/19-1/30/20</td>
<td>1000sf moved from small lab into large lab</td>
<td>N/A</td>
</tr>
<tr>
<td>TheWell Bioscience</td>
<td>Bioscience Center Incubator</td>
<td>Lease Amendment</td>
<td>6/15/19 - 12/31/19</td>
<td>1,000sf</td>
<td>N/A</td>
</tr>
<tr>
<td>Pharmanest dba Genesis Imaging Services</td>
<td>Bioscience Center Incubator</td>
<td>Lease Extension</td>
<td>One Year</td>
<td>800sf</td>
<td>N/A</td>
</tr>
<tr>
<td>Innovera Pharmaceuticals</td>
<td>Bioscience Center Incubator</td>
<td>Lease Extension</td>
<td>One Year</td>
<td>1,000sf</td>
<td>N/A</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-----------------------------</td>
<td>----------------</td>
<td>----------</td>
<td>---------</td>
<td>-----</td>
</tr>
</tbody>
</table>

**RIGHT OF ENTRY/LICENSES/EXTENSIONS**

<table>
<thead>
<tr>
<th>ENTITY</th>
<th>LOCATION</th>
<th>TYPE</th>
<th>CONSIDERATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**MISCELLANEOUS**

<table>
<thead>
<tr>
<th>ENTITY</th>
<th>LOCATION</th>
<th>TYPE</th>
<th>CONSIDERATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Tim Sullivan  
Chief Executive Officer  

Prepared by: Donna T. Sullivan