MEMORANDUM

TO: Members of the Authority

FROM: Melissa Orsen
      Chief Executive Officer

DATE: October 12, 2017

SUBJECT: Agenda for Board Meeting of the Authority October 12, 2017

Notice of Public Meeting

Roll Call

Approval of Previous Month’s Minutes

Chief Executive Officer’s Monthly Report to the Board

Authority Matters

Incentive Programs

Bond Projects

Loans/Grants/Guarantees

Edison Innovation Fund

Real Estate

Board Memorandums

Executive Session

Public Comment

Adjournment
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
September 14, 2017

MINUTES OF THE ANNUAL MEETING

Members of the Authority present: Chairman Thomas Scrivo; Commissioner Richard Badolato of the Department of Banking and Insurance; State Treasurer Ford M. Scudder; Jeffrey Stoller representing Commissioner Aaron Fichtner of the Department of Labor and Workforce Development; Colleen Kokas representing Commissioner Bob Martin of the Department of Environmental Protection; Public Members: Larry Downes, Vice Chairman; Charles Sarlo, Philip Alagia, Fred B. Dumont, William Layton, and Harold Imperatore, Third Alternate Public Member.

Present via conference call: Public Members David Huber, Patrick Delle Cava, First Alternate Public; and Rodney Sadler, Non-Voting Member

Absent: Public Members: Massiel Medina Ferrara, and William J. Albanese, Sr., Second Alternate Public Member.

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

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

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the August 8, 2017 meeting minutes. A motion was made to approve the minutes by Commissioner Badolato, and seconded by Mr. Stoller, and was approved by the 11 voting members present.

FOR INFORMATION ONLY: The next item was the presentation of the Chief Executive Officer’s Monthly Report to the Board.
Mr. Alagia entered the meeting at this time.

Mr. Sarlo entered the meeting at this time.

**AUTHORITY MATTERS**

**ITEM:** Annual Organizational Meeting

**REQUEST:** To approve the recommendations associated with the annual reorganization meeting.

**MOTION TO APPROVE:** Mr. Downes **SECOND:** Treasurer Scudder **AYES:** 13

**RESOLUTION ATTACHED AND MARKED EXHIBIT:** 1

**INCENTIVE PROGRAMS**

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

**ITEM:** One Cooper Residential Urban Renewal, LLC

**APPL.#42320**

**REQUEST:** To modify the Project’s Applicant entity from One Cooper Residential Urban Renewal, LLC to CP Residential GSGZ, LLC.

**MOTION TO APPROVE:** Commissioner Badolato **SECOND:** Mr. Imperatore **AYES:** 13

**RESOLUTION ATTACHED AND MARKED EXHIBIT:** 2

**Grow New Jersey Assistance Program**

**ITEM:** Boomerang USA Inc.

**APPL.#44273**

**THIS ITEM WAS WITHHELD FROM CONSIDERATION.**

**ITEM:** Elite Decor, Inc.

**APPL.#44436**

**REQUEST:** To approve the application of Elite Decor, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Clifton City, NJ. Project location of Clifton, Passaic County qualifies as an Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development, Capital Investment in Excess of Minimum, Targeted Industry (Manufacturing). The estimated annual award is $700,300 for a 10-year term.

**MOTION TO APPROVE:** Ms. Kokas **SECOND:** Mr. Alagia **AYES:** 13

**RESOLUTION ATTACHED AND MARKED EXHIBIT:** 3
ITEM: Gourmet Nut Inc.  
REQUEST: To approve the application of Gourmet Nut Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Perth Amboy City, NJ. Project location of Perth Amboy, Middlesex County qualifies as a Distress Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Transit Oriented Development, Capital Investment in Excess of Minimum (non-Mega), Targeted Industry (Manufacturing). The estimated annual award is $1,210,000 for a 10-year term.  
MOTION TO APPROVE:  Mr. Downes  SECOND: Mr. Imperatore  AYES: 13  
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ITEM: Schuster Meat Corporation  
REQUEST: To approve the application of Schuster Meat Corporation for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Lodi Borough NJ. Project location of Lodi, Bergen County qualifies as an Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of Minimum (non-Mega), Targeted Industry (Manufacturing). The estimated annual award is $300,000 for a 10-year term.  
MOTION TO APPROVE:  Ms. Kokas  SECOND: Mr. Downes  AYES: 13  
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

Grow New Jersey Assistance Program – Modifications

ITEM: ENER-G Rudox Incorporated  
REQUEST: Consent to a second six-month extension from October 8, 2017 to April 8, 2018 to complete the capital investment and to certify costs and jobs.  
MOTION TO APPROVE:  Commissioner Badolato  SECOND: Treasurer Scudder  AYES: 13  
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

BOND PROJECTS

Bond Resolutions

ITEM: NJEDA/School Facilities Construction Bonds  
REQUEST: To approve the issuance of one or more series of 2017 School Facilities Construction Bonds.  
MOTION TO APPROVE:  Mr. Stoller  SECOND: Mr. Imperatore  AYES: 13  
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7
Amended Bond Resolutions

ITEM: Friends of Teaneck Community Charter School
LOCATION: Teaneck Township, Bergen County
PROCEEDS FOR: Refinancing, Construction, Machinery & Equipment
FINANCING: $13,500,000 Tax Exempt Bond, $500,000 Taxable Bond
MOTION TO APPROVE: Mr. Stoller SECOND: Mr. Imperatore AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

LOANS/GRANTS/GUARANTEES

Statewide Loan Pool Program

PROJECT: Middletown Bus Depot LLC
LOCATION: Middletown Twp., Monmouth County
PROCEEDS FOR: Acquisition of building
FINANCING: $4,000,000 Fulton Bank loan with a $900,000 EDA participation
MOTION TO APPROVE: Mr. Downes SECOND: Mr. Layton AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

Hazardous Discharge Site Remediation Fund

ITEM: Summary of NJDEP Hazardous Discharge Site Remediation Fund projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Imperatore AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PROJECT: 99 Chapel Street LLC
LOCATION: Newark City, Essex County
PROCEEDS FOR: Remedial Action and Investigation
FINANCING: $254,108

PROJECT: City of Elizabeth (Kull Property)
LOCATION: Elizabeth City, Union County
PROCEEDS FOR: Remedial Investigation
FINANCING: $188,102
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PROJECT: Zeus Realty Corp
LOCATION: Montclair Township, Essex County
PROCEEDS FOR: Remedial Action and Investigation
FINANCING: $201,690

Petroleum Underground Storage Tank (PUST)

ITEM: Summary of NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Imperatore AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PROJECT: The Estate of Warren Wilke
LOCATION: Passaic City, Passaic County
PROCEEDS FOR: Remediation
FINANCING: $530,346

PROJECT: George’s Friendly Service
LOCATION: Dumont Borough, Bergen County
PROCEEDS FOR: Remediation
FINANCING: $94,312

PROJECT: Patrick Meyer / Myers Service Center, Inc.
LOCATION: Nutley Township, Essex County
PROCEEDS FOR: Remediation
FINANCING: $107,321

PROJECT: Adam Roller
LOCATION: Springfield Township, Union County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $16,155

PROJECT: Anthony and Mary Ellen Ditchkus
LOCATION: Brick Township, Ocean County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $128,348
PROJECT: Paul Berkeley
LOCATION: Beachwood Borough, Ocean County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $127,000

OFFICE OF RECOVERY

Stronger New Jersey Business Loan Program - Modification

ITEM: Formica Brothers LLC
REQUEST: To consent to a 1-year principal payment moratorium.
MOTION TO APPROVE: Commissioner Badolato SECOND: Treasurer Scudder AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

REAL ESTATE

ITEM: Purchase & Sale Agreement w/ the FMERA Authority with respect to Parcel F-1 in Tinton Falls.
REQUEST: To authorize steps necessary to execute a Purchase & Sale agreement between the Authority and FMERA for approximately 36.3-acre Parcel F-1.
MOTION TO APPROVE: Mr. Stoller SECOND: Mr. Alagia AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

ITEM: Award of Abatement, Demolition and Site Improvements Contract for the Former Myer Center on Fort Monmouth property.
REQUEST: To approve the award of an abatement, demolition and site improvements services contract to Tricon Enterprises, Inc. of Keyport, NJ.
MOTION TO APPROVE: Mr. Dumont SECOND: Commissioner Badolato AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

ITEM: Property and Facilities Management Services
REQUEST: To approve the authorization to enter into a contract with ISS Facility Services, Inc. of Mount Laurel, New Jersey for property and facilities management services for Technology Centre of New Jersey, NJEDA Headquarters and additional properties throughout the State which are owned, leased, managed and/or operated by the Authority.
MOTION TO APPROVE: Mr. Imperatore SECOND: Mr. Layton AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Executive Session Items
FOR INFORMATION ONLY: Projects approved under Delegated Authority

Premier Lender Program: Tyten 1 LLC (P44292)

Small Business Fund Program: ICCG Properties LLC (P44384)

Stronger NJ Business Loan Program: Bowker’s South Beach Grill (P43882 & P44439), Ritu Berry LLC (P44223)

PUBLIC COMMENT

There was no public comment.

There being no further business, on a motion by Commissioner Badolato, and seconded by Mr. Imperatore, the meeting was adjourned at 10:39am.

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

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

TO: Members of the Authority
FROM: Melissa J. Orsen
Chief Executive Officer
DATE: October 12, 2017
RE: Monthly Report to the Board

INVESTMENT IN URBAN AREAS ENCOURAGED BY EDA SUPPORT

Investment in the State’s urban areas was highlighted at events attended by EDA staff in September, including a “topping off” at One Theater Square in Newark. The final beam was lowered into place to complete the steel frame for the 22-story glass and brick residential building, emerging across the street from the New Jersey Performing Arts Center and Military Park. Supported by the Urban Transit Hub program, One Theater Square will include 244 residential rental units, a fitness center, outdoor deck, significant retail space, and parking, all within walking distance of Prudential’s new headquarters and the downtown business district. Total investment associated with this project is estimated at $106 million. One Theater Square is slated to open in the summer of 2018.

Nearby in Irvington, EDA staff visited the new home of Flame Cut Steel, which manufactures precision cut steel components for a range of industries. Direct loans from the EDA helped the company acquire a new, larger facility, and purchase new machinery to help expand the company’s services. The EDA used the visit to also highlight its new “Look Here First” marketing campaign.

Last week, a ribbon cutting was held in Trenton at the Roebling Lofts, following the transformation of the long-vacant Roebling Steel Building into 138 residential lofts, while preserving much of the building’s architectural uniqueness and incorporating energy efficient features. Developer HHG Development Associates reports that nearly half of the units are now rented. Supported by the Economic Redevelopment and Growth program, the project brought more than $42 million in investment to the City.

CCIT CONTINUES TO NURTURE THE STATE’S UP-AND-COMING INNOVATORS

The EDA’s support of the technology and life sciences sector continued in September, including a seminar held at CCIT that offered early-stage technology and biotechnology companies seeking research and development (R&D) funding the opportunity to learn about federal programs. The seminar, which was presented by the New Jersey Small Business Development Centers (NJSBDC), provided participants an overview of programs offered by the National Institute of Health (NIH) and the National Science Foundation (NSF).

CCIT Manager Lenzie Harcum noted that eleven federal agencies, including the NIH and NSF, are obligated to commit approximately three percent of their annual extramural R&D budget to support entrepreneurs and small businesses undertaking research. This commitment translates to approximately $2.5 billion annually in competitive grants to fund small businesses.
Two college students returning to campus last month also benefited from CCIT’s commitment to developing the next generation of technology and life sciences leaders. The interns had the opportunity to experience New Jersey’s vibrant innovation economy firsthand, as they experienced real-world learning opportunities designed to prepare them for a fast-paced work environment. This includes interaction with peer mentors, networking events, workshops, and exposure to a range of financial assistance programs, including the New Jersey Angel Investor Tax Credit Program, the State’s Technology Business Tax Certificate Transfer (NOL) Program, the Edison Innovation Fund, and venture fund investments.

STATE AND INDUSTRY COLLABORATION IN SUPPORT OF ACADEMIA HIGHLIGHTED IN SEPTEMBER

The State’s commitment to investing in our institutions of higher education was illustrated last month. Governor Christie helped cut the ribbon on the New Jersey Institute of Technology’s $19 million Life Sciences and Engineering Center, which was funded with $13.5 million in state Higher Education Capital Facilities grants, including Building Our Future Bond Act (GO Bond) funds. The new Center will foster interdisciplinary collaboration in fields ranging from biomedical engineering and the biological sciences to electrical engineering and healthcare technologies. Research conducted in the new facility will help facilitate development of new applications in clinical healthcare, therapeutic interventions and pharmaceutical drug development. The GO Bond Act was the first state-backed funding for higher education construction in 25 years and authorized up to $750 million in state grants for new academic facilities.

Also supported in part by the GO Bond Act, William Paterson University completed the first phase of a $31 million renovation of key academic facilities last week as it opened its new academic building, Preakness Hall. Project costs were offset by $7 million in GO Bonds, which supported the creation of kinesiology laboratories, smart classrooms with high-definition projectors, an auditorium, and English and Philosophy faculty offices.

CLOSED PROJECTS

Through September 2017, EDA closed on more than $230 million in traditional lending assistance to support 125 projects, leveraging more than $316 million in capital investment and the creation of nearly 600 new permanent jobs and 735 construction jobs.

In addition to the assistance provided through traditional lending programs, EDA also executed agreements pending certification with 41 projects for more than $1.2 billion, leveraging $3.9 billion in capital investment, the creation of 21,350 new jobs, 17,527 construction jobs and the retention of 4,958 jobs at risk of leaving New Jersey.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees, or exhibitors at 30 events in September. These included the Passaic County Business Incentives and Grants Seminar in Wayne, the CIANJ Best Practices Conference in Belleville, and the Gloucester County Bankers and Brokers Breakfast in Almonessen.
MEMORANDUM

TO: Members of the Board

FROM: Timothy Lizura, President and Chief Operating Officer

DATE: October 12, 2017

SUBJECT: Dissolution of New Jersey Community Development Entity, LLC ("NJ CDE")

Request:
Approve the dissolution of NJCDE as this special purpose New Markets Tax Credit entity is no longer required.

Background:
In 2004, the U.S. Treasury Community Development Financial Institutions Fund awarded a $125 million New Markets Tax Credit allocation to NJCDE, an affiliate of the New Jersey Economic Development Authority, to promote economic development in low-income communities throughout New Jersey. NMTCs may be used as a credit against federal income taxes over 7 years in exchange for making qualifying capital investments in low income areas.

From 2005 to 2009, the Members and NJCDE Board approved the sub-allocation of nearly all ($124.4 million) of the NMTCs to seven qualifying projects. With each sub-allocation, a limited liability company ("LLC") was established to invest proceeds from the sale of allocated NMTCs which supplemented loan proceeds to fund each project. NJCDE served as the managing member of each LLC. NJEDA, as managing member of NJCDE, provided its guarantee to investors against certain events during the 7-year NMTC compliance period which would trigger a recapture of tax credit by IRS (i.e., loss of CDE designation, acts of fraud, and failure to meet "substantially all" requirements, and return of qualified investment for 7 years).

Below are the NMTC sub-allocations.

<table>
<thead>
<tr>
<th>NJCDE Affiliate</th>
<th>Project Description</th>
<th>Purpose / Description</th>
<th>NJCDE Investor</th>
<th>Amount</th>
<th>Closed Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NJEDA Loan Pool 1</td>
<td>Commercial Loan Fund</td>
<td>USBCDC</td>
<td>$42,000,000</td>
<td>12/28/2005</td>
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<td>2</td>
<td>Vineland Community Health and Education Center</td>
<td>Community Center</td>
<td>Fulton Bank /Al Boscov</td>
<td>$3,500,000</td>
<td>9/24/2007</td>
</tr>
<tr>
<td>3</td>
<td>NJEDA Loan Pool 2</td>
<td>Commercial Loan Fund</td>
<td>USBCDC</td>
<td>$29,500,000</td>
<td>9/26/2007</td>
</tr>
</tbody>
</table>
The projects were completed as approved, and from 2013 to 2016 at the end of the 7-year compliance periods, with the consent of the each respective NMTC investor, each project exited the NMTC structure and each sub-CDE was dissolved.

Of the total $124.4 million, $71.5 million were Loan Pool loans administered by NJEDA of which $53 million was repaid, leaving a $10 million balance to one borrower that was restructured and has paid as agreed. Two loans for $8.5 million defaulted are in process of being collected.

During September 2017, the Board of NJCDE approved the distribution of its remaining assets to NJEDA (99.99%) and to the NJ Corporation for Business Assistance, a non-managing member of NJCDE and affiliate of NJEDA, pursuant to its operating agreement, and dissolution. As of September 1, 2017, NJCDE had $1,966,266 in cash which primarily represents closing fees and interest earnings on funds held by NJCDE prior to deployment under the two Loan Pools. The total amount of the distribution would decrease by $12,500 per month reflecting the monthly administration fee paid to NJEDA. The distributed funds will be available to support other economic development activities throughout New Jersey. Legal fees associated with the dissolution, audit and related expenses will be paid by NJEDA.

Once these transactions are completed, the NJCDE will be dissolved, as there is no longer a purpose for this entity.

**Recommendation:**
Approve the dissolution of NJCDE as this special purpose entity is no longer required following the conclusion of the NMTC allocation.

Prepared by: H. O’Connell/D. Weick
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: Microsoft Software and Services Enterprise Agreement

DATE: October 12, 2017

Summary
The Members are asked to approve the purchase of Microsoft software and services, estimated to cost $922,500, per a three-year “Microsoft Enterprise Agreement”, in accordance with the New Jersey State Software License and Related Services contract. Dell Marketing L.P. is the awarded contractor for Microsoft purchases, per the contracts Method of Operation.

Background
In October 2014, the Authority entered into a three-year Enterprise Agreement contract, with Dell Marketing, L.P, in accordance with their New Jersey State Contract, to procure the Microsoft Office 365 product which transfers Exchange Email, SharePoint, Skype, data storage, and Office Suite licensing to a cloud based government platform hosted online by Microsoft as opposed to local on premises hosting by the Authority.

The bundled suite of products, as per State Contract guidelines is licensed on a three-year basis, with three annual payments required. Over the term of the agreement, the Authority may make changes to products and user counts, resulting in small increases or decreases to the second and third year payments.

Since 2014, the Authority added new services to the Enterprise Agreement. These services include Office 365 add-on components, SQL Server, desktop licensing, and online CRM, which is the backbone of the in-progress loan and incentives management replacement project.

Previously, these products were all purchased separately, which proved difficult to manage with varying terms and expiration dates.
This purchase will be made under the New Jersey State contract, M-0003 Software License and Related Services, under an Enterprise Agreement, in accordance with Dell Marketing, LP’s contract #89850. The contract term is 9/1/15 to 6/30/20.

At this time, the Authority is required to renew all Microsoft licensing for a three-year term. The cost of this agreement is estimated to be $307,500 per year, with a total estimated cost of $922,500 over the three (3) year agreement term.

**Recommendation**

The Members are asked to approve the recommendation that the Authority renew the Microsoft Enterprise Agreement in accordance with the specifications, terms and conditions of the State Contract.

The Operating Budget for the Enterprise Agreement under the three-year term will be $922,500. The initial payment is expected not to exceed $307,500. The second and third year payments are expected to be similar, but could change slightly dependent upon the addition or removal of component services under the Enterprise Agreement.

![Signature]

Timothy J. Lizura

Prepared by: Patrick McMillian
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: October 12, 2017

RE: Proposed Rule Readoption / Title 19, Chapters 30 and 31

Summary:

The Members are requested to approve the proposed readoption of the EDA’s rules, N.J.A.C. 19:30 and 31, with amendments (see attached), pursuant to Executive Order No. 66 (1978), statutory requirement for rulemaking at N.J.S.A. 52:14B-1 and Office of Administrative Law (OAL) procedures at N.J.A.C. 1:30-6.

Background:

Executive Order No. 66 provides that all shall include an expiration date to discourage excessive agency rulemaking through a reflective rulemaking review to eliminate unnecessary, redundant, confusing or unreasonable rules. N.J.S.A. 52:14B-5.1, as amended, provides that all rules shall expire seven years following the effective date, and as detailed in N.J.A.C. 1:30-6, may be readopted without changes to current rule text, with technical change, or with amendments to current rule text, new rules, and/or repeals to exiting rules.

The EDA’s rules – Title 19, Chapter 30 Administrative Rules and Chapter 31 Authority Assistance Programs – are scheduled to expire November 9, 2017. The staff has reviewed the subchapters contained in N.J.A.C. 19:30 and 19:31 and determined that they are necessary, reasonable and proper for the purpose in which they were originally promulgated, i.e., to accomplish the general purposes of the New Jersey Economic Development Authority Act, N.J.S.A. 34:1B-1 et seq., and to implement the programs and incentives administered by the EDA.

Moreover, with the extensive revisions made in the previous readoption, particularly on the Administrative Rules contained in Title 19, Chapter 30, and the on-going revisions to major EDA incentives based on statutory changes involving the rules for Authority Assistance Programs in Chapter 31, the following are proposed for readoption, without change:

Title 19, Chapter 30 – Administrative Rules
Subchapter 1 – General Provisions
Subchapter 2 – Disqualification/Debarment/Conflict of Interest
Subchapter 3 – Affirmative Action in Authority Financed Construction Projects
Subchapter 4 – Payment of Prevailing Wages in Authority Projects
Subchapter 5 – Targeting of Authority Assistance
Subchapter 6 – Fees
Subchapter 7 – Disability Discrimination Complaint Procedure
Subchapter 8 – Professional Services Contracts

**Title 19, Chapter 31 – Authority Assistance Programs**

Subchapter 1 – Bond Financing Program
Subchapter 2 – Loan Guarantee Programs
Subchapter 3 – Direct Loan Program
Subchapter 5 – Reserved
Subchapter 6 – Main Street Business Assistance Program
Subchapter 7 – Local Development Financing Fund
Subchapter 8 – Hazardous Discharge Site Remediation Fund
Subchapter 9 – Urban Transit Hub Tax Credit Program
Subchapter 11 – Petroleum Underground Storage Tank Remediation/Upgrade/Closure Fund
Subchapter 12 – Technology Business Tax Certificate Transfer Program
Subchapter 13 – Energy Sales Tax Exemption Program
Subchapter 14 – Business Retention and Relocation Assistance Grant Program
Subchapter 15 – Tax Credit Certificate Transfer Program
Subchapter 16 – Sales and Use Tax Exemption Program
Subchapter 17 – Energy Sales and Use Tax Exemption Program for Certain Counties

However, the following subchapters are proposed for readoption, with amendments, to implement statutory revisions and/or to update provisions necessary for the implementation of applicable programs, as summarized below:

**Economic Redevelopment and Growth (ERG) Program, N.J.A.C. 19:31-4** – The proposed amendments: 1) revise the term “qualified residential project” to reflect the extension in P.L. 2015, c. 252 to extend the deadline by which certain developers must submit a temporary certificate of occupancy from July 28, 2018 to July 28, 2019; and 2) modify the terms “qualifying economic redevelopment and growth grant incentive area” or “incentive area,” to allow certain existing rural development areas zoned for industrial use in the Pinelands to be eligible under the ERG Program, pursuant to P.L. 2016, c. 75.

**Business Employment Incentive Program (BEIP), N.J.A.C. 19:31-10** – The proposed amendment, at N.J.A.C. 19:31-10.10, deletes subsection (e) pertaining to refunds which shall be made payable to the State of New Jersey with notice to the Authority for deposit in the Property Tax Relief Fund, to provide administrative flexibility to the Division of Taxation in the Department of Treasury and is consistent with the rules for other EDA incentive programs.

**Grow New Jersey Assistance (Grow NJ) Program, N.J.A.C. 19:31-18** – The proposed amendments, pursuant to P.L. 2016, c. 75, redefine the term “qualified incentive area” to allow certain existing rural development areas zoned for industrial use in the Pinelands to be eligible under the Grow NJ Program. In addition, N.J.A.C. 19:31-18.2 redefines the term “withholdings” to delete an existing provision pertaining to the calculation of withholdings for certain out-of-state employees so that the definition of withholding reflects actual withholdings pursuant to the State of New Jersey and Commonwealth of Pennsylvania Reciprocal Personal Income Tax Agreement. Finally, the proposed amendments provide increased tax credit amounts for certain businesses that have collaborative research relationships with colleges or universities, pursuant to P.L. 2017, c. 221, as follows:

N.J.A.C. 19:31-18.2 establishes new definitions for “college or university,” “county college,”
“doctoral university,” “Garden State Create Zone,” “independent institution of higher education,” “public research university,” and “State college;”

N.J.A.C. 19:31-18.6 clarifies that the existing fees of $5,000 for any administrative changes, additions, or modifications to the tax credit and $7,500 for any major, changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval, shall apply for projects with total tax credits of $5,000,000 or less;

N.J.A.C. 19:31-18.8(b)1 establishes the base amount of the tax credit for each new or retained full-time job for a qualified business facility located within a Garden State Create Zone and used by an eligible business in a targeted industry to conduct a collaborative research relationship with a doctoral university within the zone, which shall be $5,000 per year;

Proposed New N.J.A.C. 19:31-18.8(c)1: 1) authorizes an increase in the tax credit for each new or retained full-time job for an eligible business in a targeted industry at a qualified business facility on the campus of a college or university other than a doctoral university, or at a qualified business facility within a three-mile radius of the outermost boundary of the campus of a college or university other than a doctoral university, which facility is used by the business to conduct a collaborative research relationship with the college or university, which shall be an increase of $1,000 per year; and 2) provides that the boundary of the campus of a college or university shall be based upon a map appearing in the college’s or university’s official catalog or other official publication on the effective date of P.L. 2017, c. 221;

N.J.A.C. 19:31-18.8(d)2 establishes the gross amount of the tax credit for an eligible business for each new or retained full-time job at a qualified business facility located within a Garden State Create Zone, which shall not exceed $12,000 per year; and

N.J.A.C. 19:31-18.8(f)3 provides that the amount of tax credits available to be applied by the business annually shall not exceed $10,000,000 in a Garden State Create Zone.

Angel Investor Tax Credit Program, N.J.A.C. 19:31-19 – The proposed amendments to the Angel Investor Tax Credit Program authorize tax credits for qualified investments in certain New Jersey emerging technology business holding companies pursuant to P.L. 2017, c. 40, as follows:

N.J.A.C. 19:31-19.3(a) is revised to clarify that, to be considered for tax credits, an investor shall make a qualified investment in a New Jersey emerging technology business or a New Jersey emerging technology business holding company;

N.J.A.C. 19:31-19.3(b) is revised to 1) provide that the Program applies to privilege periods and taxable years beginning on or after January 1, 2012, and qualified investments in New Jersey emerging technology businesses, and in New Jersey emerging technology business holding companies that make verified transfers of funds to New Jersey emerging technology businesses, that conduct technology commercialization in this State in the field of carbon footprint reduction technology for privilege periods and taxable years beginning on or after May 1, 2017; 2) set a deadline of December 31, 2017 for applicants who made qualified investments in New Jersey emerging technology business holding companies in tax years and taxable years before May 1, 2017; and 3) insert the terms “in a New Jersey emerging technology business,” pertaining to all other qualified investments and the date upon which an investor shall submit a completed application, and clarify that for all other qualified investments in New Jersey emerging technology business holding companies, an investor must submit a completed application within six months
of the date of the verified transfer of funds;

Proposed new N.J.A.C. 19:31-19.3(e) provides that for qualified investments in a New Jersey emerging company, the verified transfer of funds shall be evidenced by certain documentation, as delineated therein;

N.J.A.C. 19:31-19.4(b)2ii is revised to provide that the information required therein is required as of the time of the qualified investment and the time of application; and provide that applications for qualified investments in New Jersey emerging technology business holding companies made before May 1, 2017 shall provide certain information, as of the time of the qualified investment and the earliest of six months after the verified transfer of funds or at the time of application;

Proposed new N.J.A.C. 19:31-19.4(b)3 adds application submission requirements pertaining to New Jersey emerging technology business holding company information, which shall include certain information applicable: 1) at the time of application; 2) at the time of the verified transfer of funds; and 3) at the time of application;

N.J.A.C. 19:31-19.6(a) is revised to clarify that a taxpayer shall be allowed a credit against the tax imposed under the Corporation Business Tax or Gross Income Tax in an amount equal to 10 percent of the qualified investment made by the investor in a New Jersey emerging technology business or in a New Jersey emerging technology business holding company that makes a verified transfer of funds to a New Jersey emerging technology business; and

Proposed new N.J.A.C. 19:31-19.6(c) provides that the credit for a New Jersey S corporation may be applied by the share-holders of the S corporation against the tax liability otherwise due under the Gross Income Tax provided that the amount of credit that may be used shall be determined by allocating to each share-holder of the S corporation that proportion of the tax credit of the S corporation that is equal to the shareholder’s proportionate share of the S corporation, whether or not distributed, of the total distributive income or gain of the S corporation for its tax period ending with or within the shareholder’s tax period, and the credit may be applied by the shareholders against the tax liability otherwise due.

**Recommendation:**

The Members are requested to approve the proposed readoption, with amendments and any non-substantive changes hereafter for submission to the Office of Administrative Law (OAL) for publication in the New Jersey Register, subject to review and approval by the Office of the Attorney General, Governor’s Counsel and final comment by OAL. The expiration date of the rules will be extended for 180 days following publication in the New Jersey Register and, the proposed amendments may be adopted after the completion of the 60-day comment period.

Timothy J. Lizura  
President/Chief Operating Officer

Prepared by: Jacob Genovay  
Attachment
OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Proposed Readoptions with Amendments: N.J.A.C. 19:30 and 19:31

Administrative Rules; Authority Assistance Programs

Authorized By: New Jersey Economic Development Authority, Melissa Orsen, Chief Executive Officer.

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

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

Proposal Number: PRN 2017-___.

Submit written comments by January 19, 2010 to:

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

The agency proposal follows:

Summary

The New Jersey Economic Development Authority ("EDA" or "Authority") proposes to readopt N.J.A.C. 19:30 and 19:31 which, pursuant to N.J.S.A. 52:14B-5.1, are scheduled to expire November 9, 2017. In accordance with N.J.S.A. 52:14B-5.1c, the submission of this notice of proposal to the Office of Administrative Law extended that expiration date 180 days to ____________, 2018.

The Authority has reviewed the subchapters contained in N.J.A.C. 19:30 and 19:31, and determined that they are necessary, reasonable and proper for the purpose in which they were originally promulgated, i.e., to accomplish the general purposes of the New Jersey Economic Development Authority Act, N.J.S.A. 34:1B-1 et seq., and to implement the programs and incentives administered by the EDA.

Accordingly, the Authority proposes to readopt certain subchapters without amendments, and to readopt certain other subchapters with amendments to implement statutory revisions and/or to update provisions necessary for the implementation of applicable programs, as summarized below:
N.J.A.C. 19:30 Administrative Rules

N.J.A.C. 19:30-1, General Provisions, sets forth the mission of the Authority and its specific objectives, the organization's governing body and operating divisions and also details the method by which the public can request information of the Authority and establishes which records maintained by the Authority will not be considered public records pursuant to the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq. The subchapter is proposed for readoption without amendments.

N.J.A.C. 19:30-2, Disqualification/Debarment/Conflict of Interest, which sets forth the basis for which an applicant or contractor may be precluded from receiving Authority assistance directly or from the participation of a vendor in an Authority financed project, is proposed for readoption without amendments.

N.J.A.C. 19:30-3, Affirmative Action in Authority Financed Construction Projects, which sets forth guidelines for the application, compliance and monitoring of affirmative action standards by the Authority, is proposed for readoption without amendments.

N.J.A.C. 19:30-4, Payment of Prevailing Wages in Authority Projects, which sets forth the requirements for the payment of prevailing wages in construction contracts financed by the Authority, as well as certain construction projects receiving Authority financial assistance, is proposed for readoption without amendments.

N.J.A.C. 19:30-5, Targeting of Authority Assistance, which sets forth the priority consideration for projects in economically distressed localities and the basis upon which municipalities are selected for targeting, is proposed for readoption without amendments.

N.J.A.C. 19:30-6, Fees, which sets forth fees for various programs administered by the Authority, is proposed for readoption without amendments.

N.J.A.C. 19:30-7, Disability Discrimination Complaint Procedure, which sets forth the procedures for the assurance of the Authority's compliance with the Americans with Disabilities Act (ADA), is proposed for readoption without amendments.

N.J.A.C. 19:30-8, Professional Services Contracts, which sets forth the procurement process for professional services contracts, is proposed for readoption without amendments.

N.J.A.C. 19:31 Authority Assistance Programs

N.J.A.C. 19:31-1, Bond Financing Program, sets forth the eligibility standards and program criteria for the issuance of taxable and tax-exempt bonds, the proceeds of which can be used to provide low interest loans to businesses and certain not-for-profit organizations to finance projects which provide or maintain employment and/or tax ratables. The subchapter is proposed for readoption without amendments.
N.J.A.C. 19:31-2, Loan Guarantee Programs, sets forth the eligibility standards and program criteria for the approval of a guarantee or a portion of the principal amount of a financing for fixed assets or working capital which would increase or maintain employment and/or tax ratables in New Jersey, and which would not be made without the guarantee. The subchapter is proposed for readoption without amendments.

N.J.A.C. 19:31-3, Direct Loan Program, which sets forth the eligibility standards and program criteria for the approval of direct loans to applicants which are unable to obtain funding from conventional sources even with the assistance of an Authority guarantee, is proposed for readoption without amendments.

N.J.A.C. 19:31-4, Economic Redevelopment and Growth Program, sets forth the eligibility standards and program criteria for the Economic Redevelopment and Growth Program which offers an incentive for developers and businesses to address revenue gaps in development projects. The proposed amendments to N.J.A.C. 19:31-4.2: revise the term “qualified residential project” to reflect the extension in P.L. 2015, c. 252 to extend the deadline by which certain developers must submit a temporary certificate of occupancy from July 28, 2018 to July 28, 2019; modify the terms “qualifying economic redevelopment and growth grant incentive area” or “incentive area” to allow existing rural development areas zoned for industrial use under the comprehensive management plan prepared and adopted by the Pinelands Commission pursuant to the Pinelands Protection Act, P.L. 1979, c. 111 (N.J.S.A. 13:18A-1 et seq.) to be eligible under the ERG Program, pursuant to P.L. 2016, c. 75; and, revise the terms “developer,” “eligible revenue,” and “qualifying economic redevelopment and growth incentive area” or “incentive area” for grammatical purposes pursuant to P.L. 2016, c. 75.

N.J.A.C. 19:31-5 is reserved.

N.J.A.C. 19:31-6, Main Street Business Assistance Program, which sets forth the eligibility standards and program criteria for the Main Street Business Assistance Program to provide guarantees and loans to small and mid-size businesses, is proposed for readoption without amendments.

N.J.A.C. 19:31-7, Local Development Financing Fund, which sets forth the eligibility standards and program criteria to provide financial assistance to certain commercial and industrial projects in municipalities which qualify for aid pursuant to N.J.S.A. 52:27D-178, is proposed for readoption without amendments.

N.J.A.C. 19:31-8, Hazardous Discharge Site Remediation Fund, which sets forth the eligibility standards and program criteria for the purpose of financing remediation activities at sites where there is a suspicion or actual discharge of hazardous substances or hazardous waste, is proposed for readoption without amendments.

N.J.A.C. 19:31-9, Urban Transit Hub Tax Credit Program, sets forth the eligibility standards and program criteria for the Urban Transit Hub Tax Credit Program to provide capital investment and increased employment in targeted urban rail transit hubs to catalyze economic
development in those transit hubs. The subchapter is proposed for readoption without amendments.

N.J.A.C. 19:31-10, Business Employment Incentive Program, sets forth the eligibility standards and program criteria for the approval of grants to businesses that expand employment in New Jersey. The proposed amendment, at N.J.A.C. 19:31-10.10, deletes subsection (e) pertaining to refunds which shall be made payable to the State of New Jersey with notice to the Authority for deposit in the Property Tax Relief Fund, to provide administrative flexibility to the Division of Taxation in the Department of Treasury and is consistent with the rules for other EDA incentive programs.

N.J.A.C. 19:31-11, Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund, which sets forth provisions for the special revolving loan and grant fund for the purpose of financing the removal of underground storage tanks, is proposed for readoption without amendments.

N.J.A.C. 19:31-12, Technology Business Tax Certificate Transfer Program, which sets forth the eligibility standards and program criteria for the Technology Business Tax Certificate Transfer Program to assist new or expanding emerging technology and biotechnology companies in New Jersey, is proposed for readoption without amendments.

N.J.A.C. 19:31-13, Energy Sales Tax Exemption Program, sets forth the eligibility standards and program criteria for the Energy Sales Tax Exemption Program to provide for an exemption of sales and use tax for retail sales of electricity and natural gas and their transport to a qualified business in a New Jersey urban enterprise zone for consumption in the zone, or a vertically integrated combination of qualified businesses manufacturing a single product within a single redevelopment area within an enterprise zone, that employs at least 250 people at least 50 percent of whom are directly employed in a manufacturing process. The subchapter is proposed for readoption without amendments.

N.J.A.C. 19:31-14, Business Retention and Relocation Assistance Grant Program, sets forth the eligibility standards and program criteria for the Business Retention and Relocation Assistance Grant (BRRAG) Program to encourage economic development and to preserve jobs that currently exist in New Jersey, but which are in danger of being relocated to premises outside of the State. The subchapter is proposed for readoption without amendments.

N.J.A.C. 19:31-15, Tax Credit Certificate Transfer Program, sets for the eligibility standards and program criteria for the BRRAG Tax Credit Certificate Transfer Program to allow businesses in this State with unused amounts of BRRAG tax credit to surrender those tax credits to other corporations desiring such credits which in exchange will provide private financial assistance to assist in the funding of costs incurred by the relocating business. The subchapter is proposed for readoption without amendments.

N.J.A.C. 19:31-16, Sales and Use Tax Exemption Program, sets forth the eligibility standards and program criteria for the Sales and Use Tax Exemption Program to exempt qualifying businesses from sales and use tax for certain eligible property located or placed at a
business location for a construction and or renovation project to allow for the purchase of machinery, equipment, furniture and furnishings, fixtures and building materials other than tools and supplies until the new facility is functional. The subchapter is proposed for readoption without amendments.

N.J.A.C. 19:31-17, Energy Sales and Use Tax Exemption Program for Certain Counties, sets forth the eligibility standards and program criteria for the Energy Sales and Use Tax Exemption Program for certain counties to provide an energy sales tax exemption for retail sales of electricity and natural gas and their transport to a business in counties designated for the 50 percent tax exemption under section 1 of P.L. 1993, c. 373 that employs at least 50 people at that facility, at least 50 percent of whom are directly employed in a manufacturing process, and provided that the energy and utility services are consumed exclusively at that facility. The subchapter is proposed for readoption without amendments.

N.J.A.C. 19:31-18, Grow New Jersey Assistance Program, sets forth the eligibility standards and program criteria for the Grow New Jersey Assistance (Grow NJ) Program to encourage economic development and job creation and to preserve jobs that currently exist in New Jersey but which are in danger of being relocated outside of the State. The proposed amendments, at N.J.A.C. 19:31-18.2, redefine certain terms used in this subchapter, pursuant to P.L. 2016, c. 75, as follows: “qualified incentive area” is revised to allow existing rural development areas zoned for industrial use under the comprehensive management plan prepared and adopted by the Pinelands Commission pursuant to the Pinelands Protection Act, P.L. 1979, c. 111 (N.J.S.A. 13:18A-1 et seq.) to be eligible under the Grow NJ Program; and the terms “capital investment,” “disaster recovery project,” “full-time employee,” “mega project,” and “qualified incentive area,” are revised for grammatical purposes. In addition, the proposed amendments, at N.J.A.C. 19:31-18.2, redefine the term “withholdings” to delete an existing provision pertaining to the calculation of withholdings for certain out-of-state employees so that the definition of withholding reflects actual withholdings pursuant to the State of New Jersey and Commonwealth of Pennsylvania Reciprocal Personal Income Tax Agreement. Finally, the proposed amendments to the Grow New Jersey Assistance Program provide increased tax credit amounts for certain businesses that have collaborative research relationships with colleges or universities, pursuant to P.L. 2017, c. 221, as follows:

N.J.A.C. 19:31-18.2 establishes new definitions for “college or university,” “county college,” “doctoral university,” “Garden State Create Zone,” “independent institution of higher education,” “public research university,” and “State college.”

N.J.A.C. 19:31-18.6 clarifies that the existing fees of $5,000 for any administrative changes, additions, or modifications to the tax credit and $7,500 for any major, changes, additions, or modifications to the tax credit, such as those requiring extensive staff time and Board approval, shall apply for projects with total tax credits of $5,000,000 or less.

N.J.A.C. 19:31-18.8(a) inserts the term “the” pertaining to the total amount of tax credit for an eligible business for each new or retained full-time job.
N.J.A.C. 19:31-18.8(b)1 revises the paragraph pursuant to P.L. 2017, c. 221 to establish the base amount of the tax credit for each new or retained full-time job for a qualified business facility located within a Garden State Create Zone and used by an eligible business in a targeted industry to conduct a collaborative research relationship with a doctoral university within the zone, which shall be $5,000 per year.

N.J.A.C. 19:31-18.8(c)10 replaces the terms “is in excess of” with the term “exceeds” pertaining to certain minimum capital investment required for eligibility for a mega project or project located within a Garden State Growth Zone.

Proposed New N.J.A.C. 19:31-18.8(c)18: 1. authorizes an increase in the tax credit for each new or retained full-time job for an eligible business in a targeted industry at a qualified business facility on the campus of a college or university other than a doctoral university, or at a qualified business facility within a three-mile radius of the outermost boundary of the campus of a college or university other than a doctoral university, which facility is used by the business to conduct a collaborative research relationship with the college or university, which shall be an increase of $1,000 per year; and 2. provides that the boundary of the campus of a college or university shall be based upon a map appearing in the college’s or university’s official catalog or other official publication on the effective date of P.L. 2017, c. 221.

N.J.A.C. 19:31-18.8(d)2 establishes the gross amount of the tax credit for an eligible business for each new or retained full-time job at a qualified business facility located within a Garden State Create Zone, which shall not exceed $12,000 per year.

N.J.A.C. 19:31-18.8(f)3 provides that the amount of tax credits available to be applied by the business annually shall not exceed $10,000,000 in a Garden State Create Zone.

N.J.A.C. 19:31-19, Angel Investor Tax Credit Program, sets forth the eligibility standards and program criteria for the Angel Investor Tax Credit Program which authorizes credits against corporation business and gross income taxes for qualified investments in New Jersey emerging technology business to spur job creation and growth in New Jersey’s current and next generation of high-skill, high-wage emerging technology industries. The proposed amendments to the Angel Investor Tax Credit Program authorize tax credits for qualified investments in certain New Jersey emerging technology business holding companies pursuant to P.L. 2017, c. 40, as follows:

N.J.A.C. 19:31-19.1 revises the section on applicability and scope to reference New Jersey emerging technology business holding companies.

N.J.A.C. 19:31-19.2 redefines certain terms used in the subchapter, as follows: “eligible technology” is revised to include the term “carbon footprint technology” which is included in the proposal as a new definition; “mobile communications technology” is revised to delete the term “mp3” which is replaced with “digital audio” players; “pilot scale manufacturing” is revised to include grammatical changes; and “qualified investment” is revised to 1. include the term “New Jersey emerging technology business holding company” pertaining to the non-refundable transfer of cash by a non-related investor and 2. expand the existing reference to “a purchase, production, or research agreement” as being “between or among the taxpayer and the New Jersey emerging
technology business or the New Jersey emerging technology business holding company or both.’’ In addition, the proposed amendments establish new definitions for ‘‘carbon footprint reduction technology,’’ ‘‘New Jersey emerging technology business holding company,’’ and ‘‘verified transfer of funds.’’

N.J.A.C. 19:31-19.3(a) is revised to clarify that, to be considered for tax credits, an investor shall make a qualified investment in a New Jersey emerging technology business or a New Jersey emerging technology business holding company.

N.J.A.C. 19:31-19.3(b) is revised to 1. provide that the Angel Investor Tax Credit Program applies to privilege periods and taxable years beginning on or after January 1, 2012, except that the Program applies to qualified investments in New Jersey emerging technology businesses, and in New Jersey emerging technology business holding companies that make verified transfers of funds to New Jersey emerging technology businesses, that conduct technology commercialization in this State in the field of carbon footprint reduction technology for privilege periods and taxable years beginning on or after May 1, 2017; 2. set a deadline of December 31, 2017 for applicants who made qualified investments in New Jersey emerging technology business holding companies in tax years and taxable years before May 1, 2017; and 3. insert the terms “in a New Jersey emerging technology business,” pertaining to all other qualified investments and the date upon which an investor shall submit a completed application, and clarify that for all other qualified investments in New Jersey emerging technology business holding companies, an investor must submit a completed application within six months of the date of the verified transfer of funds.

Proposed new N.J.A.C. 19:31-19.3(e) provides that for qualified investments in a New Jersey emerging company, the verified transfer of funds shall be evidenced by certain documentation, as delineated therein.

N.J.A.C. 19:31-19.4(b)2ii is revised to provide that: 1. the information required therein is required as of the time of the qualified investment and the time of application rather than the earliest of six months after the qualified investment or the time of application; and 2) applications for qualified investments in New Jersey emerging technology business holding companies made before May 1, 2017 shall provide the information in existing N.J.A.C. 19:30-19.4(b)2ii(1), (2), (A) and B), as of the time of the qualified investment and the earliest of six months after the verified transfer of funds or at the time of application.

Proposed new N.J.A.C. 19:31-19.4(b)3 adds application submission requirements pertaining to New Jersey emerging technology business holding company information, which shall include certain information applicable: 1) at the time of the qualified investment, as provided in proposed new N.J.A.C. 19:31-19.4(b)3i(1) and (2); 2) at the time of the verified transfer of funds, as provided in proposed new 19:31-19.4(b)3ii; and 3) at the time of application, as provided in proposed new 19:31-19.4(b)3iii(1) and (2).

N.J.A.C. 19:31-19.6(a) is revised to clarify that a taxpayer shall be allowed a credit against the tax imposed under the Corporation Business Tax or New Jersey Gross Income Tax in an amount equal to 10 percent of the qualified investment made by the investor in a New Jersey
emerging technology business or in a New Jersey emerging technology business holding company that makes a verified transfer of funds to a New Jersey emerging technology business.

Proposed new N.J.A.C. 19:31-19.6(c) provides that the credit for a New Jersey S corporation may be applied by the share-holders of the S corporation against the tax liability otherwise due under the Gross Income Tax provided that the amount of credit that may be used shall be determined by allocating to each share-holder of the S corporation that proportion of the tax credit of the S corporation that is equal to the shareholder’s proportionate share of the S corporation, whether or not distributed, of the total distributive income or gain of the S corporation for its tax period ending with or within the shareholder’s tax period, and the credit may be applied by the shareholders against the tax liability otherwise due.

N.J.A.C. 19:31-19.6(c), recodified as N.J.A.C. 19:31-19.6(d), changes a reference from subsection (c) to (f) pursuant to proposed revisions to the section.

N.J.A.C. 19:31-19.7(d), which pertains to appeal of Authority’s action, is revised to reference “New Jersey emerging technology business holding company.”

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

Social Impact

The mission of the EDA is to strengthen New Jersey’s economy by retaining and growing businesses through financial assistance, by renewing communities, and by promoting the State's strategic advantages to attract domestic and international businesses. Under the New Jersey Economic Development Authority Act, N.J.S.A. 34:1B-1 et seq., the Authority creates public/private partnerships to bridge financing gaps and to increase access to capital by the State's business community with an emphasis on small and mid-size businesses and not-for-profit organizations. The Authority supports entrepreneurial development through training and mentoring programs and undertakes real estate development projects important to the State’s economic growth that will create new jobs and business opportunities and support community development and revitalization. The EDA anticipates that the proposed readoption of N.J.A.C. 19:30 and 19:31 and the proposed amendments, will have a positive social impact by enabling it to continue to provide financial assistance in those instances where the general credit market will not, and further, to stimulate new employment opportunities through the financing of job creating enterprises, as well as continue in its current role as a real estate developer and redeveloper.

Economic Impact

The programs implemented by the Authority and resultant financial assistance have a positive impact on the State's economy. From its inception in 1974, the EDA has provided over $26.5 billion in financing assistance, leveraging more than $57 billion in new business investment and supporting the creation of 352,987 estimated new, full-time jobs and 362,058 estimated construction jobs. The proposed readoption of N.J.A.C. 19:30 and 19:31 and the
proposed amendments are intended to further the Authority's efforts to meet its statutory obligation to enhance economic development, and will have a positive economic impact throughout the State.

**Federal Standards Statement**

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

**Jobs Impact**

The Authority anticipates that its' programs, through the proposed readoption of N.J.A.C. 19:30 and 19:31, will continue to have a positive impact and result in job creation and retention throughout the State. In 2016, financing provided by the EDA served as a catalyst for over $1.9 billion in new public-private investments in New Jersey that are expected to result in the creation of an estimated 8,252 additional permanent jobs and 7,511 construction jobs. This support also helped ensure the retention of approximately 14,889 existing jobs in the State. In addition, the EDA anticipates that the proposed amendments will spur an indeterminate amount of job creation through expanded potential capital investments in newly-eligible projects under the ERG and Grow NJ Programs, as well as investments in emerging technology business holding companies that make transfers of funds to New Jersey emerging technology businesses, including those that conduct technology commercialization in the field of carbon footprint reduction technology.

**Agriculture Industry Impact**

The rules proposed for readoption with amendments, repeals and new rules will have no impact on the agriculture industry of the State of New Jersey.

**Regulatory Flexibility Analysis**

The rules proposed for readoption with amendments, will not directly impact businesses as defined under the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. Generally, businesses eligible for Authority financial assistance are required to comply with the EDA’s standard, on-line application process and regular compliance guidelines; however, any costs due to reporting, recordkeeping, or other compliance requirements on qualifying small businesses are fully offset by the amount of financial assistance received. The fees and compliance requirements imposed for financial assistance, are the minimum necessary to operate efficient and effective loan, guarantee, and bond programs. Whether an applicant will require outside professional services, such as an accountant, in providing the information required will depend upon the applicant's internal records and management resources. The readoption of the rules, and amendments, will not impose any additional reporting, recordkeeping or compliance requirements. However, existing reporting, recordkeeping and compliance requirements are retained that include the monthly remittance of principal and interest payments, annual submission of financial reports and certifications, and maintenance of collateral. The EDA has determined that such requirements shall continue as they are necessary to ensure that the
financial condition of the borrower remains sound and that the physical aspects of the project remain sound in order to preserve the Authority’s collateral.

The ERG Program provides incentive grants to developers of major development and redevelopment projects, which are invariably large- and medium-sized businesses; therefore, a regulatory flexibility analysis is not required. The Grow NJ Program provides tax credits to eligible businesses that create a minimum of 10 to 35 new and 25 to 50 retained full-time jobs. The proposed amendments, as discussed in the Summary above, may indirectly benefit small businesses, but do not impose any additional compliance requirements, as outlined in N.J.S.A. 52:14B-16 et seq. Specifically, eligible businesses will be required to comply with the EDA’s standard, on-line application process and regular incentive compliance guidelines, however any costs due to reporting, recordkeeping, or other compliance requirements on qualifying businesses will be fully offset by the amount of financial assistance received and the only professional services required for such purposes are fully offset by the amount of financial assistance received; and the only professional services required for such purposes are from a certified public accountant.

The proposed amendments revising the Angel Investor Tax Credit Program will impose reporting, recordkeeping, or other compliance requirements on small business, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. should the business apply for the tax credit as a New Jersey emerging technology business holding company. Specifically, an investor would be required to comply with the EDA’s standard, on-line application process and pay a graduated application fee designed to ease the burden on applicants that may be small businesses. Finally, the New Jersey emerging technology business holding company will be required to provide general information relating to its organization and employees to support the investor application, however, professional services will not be necessary for such purposes.

**Housing Affordability Impact Analysis**

The rules proposed for readooption with amendments, will assist with the creation of affordable housing units, including multi-family rental housing and for sale housing in the State, because the ERG Program dedicates a certain amount of incentives to qualified residential projects. With certain exceptions, these qualified residential projects must set aside at least 20 percent of the residential units for occupancy by low or moderate income households. The remaining rules proposed for readooption with amendments, implement the Authority’s administrative rules and non-residential financial assistance programs.

**Smart Growth Development Impact Analysis**

The ERG Program rules proposed for readoption with amendments, will assist with the creation of additional housing units, including residential units for occupancy by low or moderate income households, and may result in an indeterminate decrease in the average cost of housing in Planning Areas 1 or 2 of the State Development and Redevelopment Plan. The remaining rules proposed for readoption with amendments, implement the Authority’s administrative rules and non-residential financial assistance programs.
Full text of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 12A:31, 19:30 and 19:31.

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

CHAPTER 31
AUTHORITY ASSISTANCE PROGRAMS

SUBCHAPTER 4. ECONOMIC REDEVELOPMENT AND GROWTH PROGRAM

19:31-4.2 Definitions

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

... “Developer” means any person who enters or proposes to enter into a redevelopment incentive grant agreement or an approval letter pursuant to the provisions of the Economic Redevelopment and Growth (ERG) Program, or its successors or [assigns] assignees, including, but not limited to, a lender that has been approved by the Authority and the State Treasurer and that completes a redevelopment project, operates a redevelopment project, or completes and operates a redevelopment project, a municipal redeveloper, or Rutgers, the State University of New Jersey.

... “Eligible revenue” means any of the incremental revenues set forth in section 6 of P.L. 2009, c. 90 (N.J.S.A. 52:27D-489f), except in the case of a Garden State Growth Zone, in which [such] the property tax increment and any other incremental revenues are calculated as those incremental revenues that would have existed notwithstanding the provisions of the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161.

... “Qualified residential project” means a redevelopment project for which a developer must submit a temporary certificate of occupancy by July 28, [2018] 2019, that is predominantly residential and includes multi-family residential units for purchase or lease, or dormitory units for purchase or lease, having a total project cost of at least $17,500,000, if the project is located in any municipality with a population greater than 200,000 according to the latest Federal decennial census, or having a total project cost of at least $10,000,000 if the project is located in any municipality with a population less than 200,000 according to the latest Federal decennial census, or is a disaster recovery project, or having a total project cost of $5,000,000 if the project is in a Garden State Growth Zone. A qualified residential project shall not include transitional or homeless units.
“Qualifying economic redevelopment and growth grant incentive area” or “incentive area” means an aviation district, a port district, a distressed municipality, or an area:

1. Designated as Planning Area 1 (Metropolitan), Planning Area 2 (Suburban), or Planning Area 3 (Fringe Planning Area), pursuant to the State Planning Act, P.L. 1985, c. 398 (N.J.S.A. 52:18A-196 et seq.); or

2. Located within:
   i. A smart growth area and planning area designated in a master plan adopted by the New Jersey Meadowlands Commission pursuant to subsection (i) of section 6 of P.L. 1968, c. 404 (N.J.S.A. 13:17-6) or subject to a redevelopment plan adopted by the New Jersey Meadowlands Commission pursuant to section 20 of P.L. 1968, c. 404 (N.J.S.A. 13:17-21);

   ii. Any land owned by the New Jersey Sports and Exposition Authority, established pursuant to P.L. 1971, c. 137 (N.J.S.A. 5:10-1 et seq.), within the boundaries of the Hackensack Meadowlands District as delineated in section 4 of P.L. 1968, c. 404 (N.J.S.A. 13:17-4), including the sports complex, that is, the 750-acre sports and exposition site located in the Borough of East Rutherford under the jurisdiction of the New Jersey Sports and Exposition Authority as of February 5, 2015, the effective date of P.L. 2015, c. 19 (N.J.S.A. 5:10A-1 et seq.), and such additional property that is owned and controlled by the New Jersey Sports and Exposition Authority as may be designated by the Meadowlands Regional Commission, as established by P.L. 1971, c. 137 (N.J.S.A. 5:10-1 et seq.), P.L. 1968, c. 404 (N.J.S.A. 13:17-1 et seq.), and section 6 of P.L. 2015, c. 19 (N.J.S.A. 5:10A-6) from time to time as part of the sports complex;

   iii. A regional growth area, a rural development area zoned for industrial use as of the effective date of P.L. 2016, c. 75, a town, a village, or a military and Federal installation area designated in the comprehensive management plan prepared and adopted by the Pinelands Commission pursuant to the Pinelands Protection Act, P.L. 1979, c. 111 (N.J.S.A. 13:18A-1 et seq.);

   iv. The planning area of the Highlands Region as defined in section 3 of P.L. 2004, c. 120 (N.J.S.A. 13:20-3) or in a highlands development credit receiving area or redevelopment area;

   v. A Garden State Growth Zone;

   vi. Land approved for closure under any Federal Base Closure and Realignment Commission action; or

   vii. Only the following portions of the areas designated pursuant to the State Planning Act, P.L. 1985, c. 398 (N.J.S.A. 52:18A-196 et seq.), as Planning Area 4A (Rural Planning Area), Planning Area 4B (Rural/Environmentally Sensitive), or Planning Area 5 (Environmentally
Sensitive). This subparagraph shall only apply if Planning Area 4A (Rural Planning Area), Planning Area 4B (Rural/Environmentally Sensitive), or Planning Area 5 (Environmentally Sensitive) is located within:

(1) A designated center under the State Development and Redevelopment Plan;

(2) A designated growth center in an endorsed plan until the State Planning Commission revises and readopts New Jersey's State Strategic Plan and adopts rules to revise this definition as it pertains to Statewide planning areas;

(3) Any area determined to be in need of redevelopment pursuant to sections 5 and 6 of P.L. 1992, c. 79 (N.J.S.A. 40A:12A-5 and 40A:12A-6) or in need of rehabilitation pursuant to section 14 of P.L. 1992, c. 79 (N.J.S.A. 40A:12A-14);

(4) Any area on which a structure exists or previously existed, including any desired expansion of the footprint of the existing or previously existing structure, provided [such] the expansion otherwise complies with all applicable Federal, State, county, and local permits and approvals;

(5) The planning area of the Highlands Region as defined in section 3 of P.L. 2004, c. 120 (N.J.S.A. 13:20-3) or a highlands development credit receiving area or redevelopment area; or

(6) Any area on which an existing tourism destination project is located.

“Qualifying economic redevelopment and growth grant incentive area” or “incentive area” shall not include any property located within the preservation area of the Highlands Region as defined in the Highlands Water Protection and Planning Act, P.L. 2004, c. 120 (N.J.S.A. 13:20-1 et seq.).

... 

SUBCHAPTER 10. BUSINESS EMPLOYMENT INCENTIVE PROGRAM

19:31-10.10 Rescission and withholding of grant payments

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

[(e) Refunds shall be made payable to the State of New Jersey with notice to the Authority for deposit in the Property Tax Relief Fund and mailed to the:

Business Employment Incentive Program
Division of Taxation
PO Box 248
Trenton, NJ 08625]

SUBCHAPTER 18. GROW NEW JERSEY ASSISTANCE PROGRAM
19:31-18.2 Definitions

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

“Capital investment” in a qualified business facility means expenses by a business or any affiliate of the business incurred after application for: site preparation and construction, repair, renovation, improvement, equipping, or furnishing on real property or of a building, structure, facility, or improvement to real property; obtaining and installing furnishings and machinery, apparatus, or equipment, including, but not limited to, material goods subject to bonus depreciation under sections 168 and 179 of the Federal Internal Revenue Code (26 U.S.C. §§ 168 and 179), for the operation of a business on real property in a building, structure, facility, or improvement to real property, including associated soft costs; and receiving Highlands Development Credits under the Highlands Transfer Development Rights Program authorized pursuant to section 13 of P.L. 2004, c. 120 (N.J.S.A. 13:20-13); or any of the preceding. 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 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 business facility, but only to the extent that such remediation has not received financial assistance from any other Federal, State, or local funding source. In a Garden State Growth Zone, the following qualify as a capital investment: any [and all] development, redevelopment and relocation costs, including, but not limited to, site acquisition if made within 24 months of application to the Authority, engineering, legal, accounting, and other professional services required; and relocation, environmental remediation, and infrastructure improvements for the project area, including, but not limited to, on- and off-site utility, road, pier, wharf, bulkhead, or sidewalk construction or repair. A business that acquires or leases a qualified business facility shall also be deemed to have acquired the capital investment made or acquired by the seller or landlord if pertaining primarily to the premises of the qualified business facility, and, if pertaining generally to the qualified business facility being acquired or leased, shall be allocated to the premises of the qualified business facility on the basis of the gross leasable area of the premises in relation to the total gross leasable area in the qualified business facility. The capital investment described in this definition may include any capital investment made or acquired within 24 months prior to the date of application, so long as the amount of capital investment made or acquired by the business, any affiliate of the business,
or any owner after the date of application equals at least 50 percent of the amount of capital investment, allocated to the premises of the qualified business facility being acquired or leased on the basis of the gross leasable area of [such] the premises in relation to the total gross leasable area in the qualified business facility made or acquired prior to the date of application.

“College or university” means a county college, an independent institution of higher education, a public research university, or a State college.

... 

“County college” means an educational institution established by one or more counties, pursuant to chapter 64A of Title 18A of the New Jersey Statutes.

... 

“Disaster recovery project” means a project located on property that has been wholly or substantially damaged or destroyed as a result of a Federally declared disaster which, after utilizing all disaster funds available from Federal, State, county, and local funding sources, demonstrates to the satisfaction of the Authority that access to additional funding authorized pursuant to the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161, is necessary to complete [such] the redevelopment project, and which is located within the qualified incentive area.

... 

“Doctoral university” means a university located within New Jersey that is classified as a doctoral university under the Carnegie Classification of Institutions of Higher Education’s Basic Classification methodology on the effective date of P.L. 2017, c. 221.

... 

“Full-time employee” means a person: who is employed by a 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, or 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, 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., or who is a resident of another state but whose income is not subject to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., or who is 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 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. and who, except for purposes of the Statewide workforce, is provided, by the
business, with employee health benefits under a health benefits plan authorized pursuant to State or Federal law. With respect to a logistics, manufacturing, energy, defense, aviation, or maritime business, excluding primarily warehouse or distribution operations, located in a port district having a container terminal; the requirement that employee health benefits are to be provided shall be deemed to be satisfied if [such] the benefits are provided in accordance with industry practice by a third party obligated to provide such benefits pursuant to a collective bargaining agreement; full-time employment shall include, but not be limited to, employees that have been hired by way of a labor union hiring hall or its equivalent; 35 hours of employment per week at a qualified business facility shall constitute one “full-time employee,” regardless of whether or not the hours of work were performed by one or more persons. For any project located in a Garden State Growth Zone that qualifies under the Municipal Rehabilitation and Economic Recovery Act, P.L. 2002, c. 43 (N.J.S.A. 52:27BBB-1 et seq.), or any project located in the Atlantic City Tourism District as established pursuant to section 5 of P.L. 2011, c. 18 (N.J.S.A. 5:12-219) and regulated by the Casino Reinvestment Development Authority, and which will include a retail facility of at least 150,000 square feet, of which at least 50 percent will be occupied by either a full-service supermarket or grocery store, 30 hours of employment per week at a qualified business facility shall constitute one “full-time employee,” regardless of whether or not the hours of work were performed by one or more persons, and the requirement that employee health benefits are to be provided shall be deemed to be satisfied if the employees of the business are covered by a collective bargaining agreement. “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 also not include any person who at the time of project application works in New Jersey for consideration for at least 35 hours per week, or who renders any other standard of service generally accepted by custom or practice as full-time employment but who prior to project application was not provided, by the business, with employee health benefits under a health benefits plan authorized pursuant to State or Federal law.

“Garden State Create Zone” means the campus of a doctoral university, and the area within a three-mile radius of the outermost boundary of the campus of a doctoral university, according to a map appearing in the doctoral university’s official catalog or other official publication on the effective date of P.L. 2017, c. 221.

“Independent institution of higher education” means a college or university incorporated and located in New Jersey, which by virtue of law or character or license is a nonprofit educational institution authorized to grant academic degrees and which provides a level of education which is equivalent to the education provided by the State's public institutions of higher education, as attested by the receipt of and continuation of regional accreditation by the Middle States Association of Colleges and Schools, and which is eligible to receive State aid under the provisions of the Constitution of the United States and the Constitution of the State of New Jersey, but does not include any educational institution dedicated primarily to the education or training of ministers, priests, rabbis or other professional persons in the field of religion.
“Mega project” means:

1. A qualified business facility located in a port district housing a business in the logistics, manufacturing, energy, defense, or maritime industries, either:
   
   i. Having a capital investment in excess of $20,000,000, and at which more than 250 full-time employees of [such] the business are created or retained; or

   ii. At which more than 1,000 full-time employees of [such] the business are created or retained;

2. A qualified business facility located in an aviation district housing a business in the aviation industry, in a Garden State Growth Zone, or in a priority area housing the United States headquarters and related facilities of an automobile manufacturer, either:

   i. Having a capital investment in excess of $20,000,000, and at which more than 250 full-time employees of [such] the business are created or retained; or

   ii. At which more than 1,000 full-time employees of [such] the business are created or retained;

3. A qualified business facility located in an urban transit hub housing a business of any kind, having a capital investment in excess of $50,000,000, and at which more than 250 full-time employees of [a] the business are created or retained;

4. A project located in an area designated in need of redevelopment, pursuant to P.L. 1992, c. 79 (N.J.S.A. 40A:12A-1 et seq.), prior to the enactment of P.L. 2014, c. 63, within Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem counties having capital investment in excess of $20,000,000, and at which more than 150 full-time employees of [a] the business are created or retained; or

5. For applications submitted after July 1, 2016, a qualified business facility primarily used by a business principally engaged in research, development, or manufacture of a drug or device, as defined in N.J.S.A. 24:1-1, or primarily used by a business licensed to conduct a clinical laboratory and business facility pursuant to the “New Jersey Clinical Laboratory Improvement Act,” P.L. 1975, c. 166 (N.J.S.A. 45:9-42.26 et seq.), either:

   i. Having a capital investment in excess of $20,000,000, and at which more than 250 full-time employees of [such] the business are created or retained; or

   ii. At which more than 1,000 full-time employees of [such] the business are created or retained.
“Public research university” means a public research university as defined in section 3 of P.L. 1994, c. 48 (N.J.S.A. 18A:3B-3).

... 

“Qualified incentive area” means an aviation district, a port district, a distressed municipality, urban transit hub municipality, or an area:

1. Designated as Planning Area 1 (Metropolitan), Planning Area 2 (Suburban), or Planning Area 3 (Fringe Planning Area), pursuant to the State Planning Act, P.L. 1985, c. 398 (N.J.S.A. 52:18A-196 et seq.); or

2. Located within:
   
i. A smart growth area and planning area designated in a master plan adopted by the New Jersey Meadowlands Commission pursuant to subsection (i) of section 6 of P.L. 1968, c. 404 (N.J.S.A. 13:17-6) or subject to a redevelopment plan adopted by the New Jersey Meadowlands Commission pursuant to section 20 of P.L. 1968, c. 404 (N.J.S.A. 13:17-21);

   ii. Any land owned by the New Jersey Sports and Exposition Authority, established pursuant to P.L. 1971, c. 137 (N.J.S.A. 5:10-1 et seq.), within the boundaries of the Hackensack Meadowlands District as delineated in section 4 of P.L. 1968, c. 404 (N.J.S.A. 13:17-4), including the sports complex, that is, the 750-acre sports and exposition site located in the Borough of East Rutherford under the jurisdiction of the New Jersey Sports and Exposition Authority as of the effective date of P.L. 2015, c. 19 (N.J.S.A. 5:10A-1 et seq.) and such additional property that is owned and controlled by the New Jersey Sports and Exposition Authority as may be designated by the Meadowlands Regional Commission, as established by P.L. 1971, c. 137 (N.J.S.A. 5:10-1 et seq.), P.L. 1968, c. 404 (N.J.S.A. 13:17-1 et seq.), and section 6 of P.L. 2015, c. 19 (N.J.S.A. 5:10A-6) from time to time as part of the sports complex;

   iii. A regional growth area, a rural development area zoned for industrial use as of the effective date of P.L. 2016, c. 75, a town, a village, or a military and Federal installation area designated in the comprehensive management plan prepared and adopted by the Pinelands Commission pursuant to the Pinelands Protection Act, P.L. 1979, c. 111 (N.J.S.A. 13:18A-1 et seq.);

   iv. The planning area of the Highlands Region as defined in section 3 of P.L. 2004, c. 120 (N.J.S.A. 13:20-3) or in a Highlands development credit receiving area or redevelopment area;

   v. A Garden State Growth Zone;

   vi. Land approved for closure under any Federal Commission on Base Realignment and Closure action; or

   vii. Areas designated pursuant to the State Planning Act, P.L. 1985, c. 398 (N.J.S.A. 52:18A-196 et seq.), as Planning Area 4A (Rural Planning Area), Planning Area 4B
(Rural/Environmentally Sensitive), or Planning Area 5 (Environmentally Sensitive) only if such areas are located within:

(1) A designated center under the State Development and Redevelopment Plan;

(2) A designated growth center in an endorsed plan until the State Planning Commission revises and readopts New Jersey's State Strategic Plan and adopts rules to revise this definition as it pertains to Statewide planning areas;

(3) Any area determined to be in need of redevelopment pursuant to sections 5 and 6 of P.L. 1992, c. 79 (N.J.S.A. 40A:12A-5 and 40A:12A-6) or in need of rehabilitation pursuant to section 14 of P.L. 1992, 40 c. 79 (N.J.S.A. 40A:12A-14);

(4) Any area on which a structure exists or previously existed, including any desired expansion of the footprint of the existing or previously existing structure, provided [such] the expansion otherwise complies with all applicable Federal, State, county, and local permits and approvals;

(5) The planning area of the Highlands Region as defined in section 3 of P.L. 2004, c. 120 (N.J.S.A. 13:20-3) or a highlands development credit receiving area or redevelopment area; or

(6) Any area on which an existing tourism destination project is located.

“Qualified incentive area” shall not include any property located within the preservation area of the Highlands Region as defined in section 3 of P.L. 2004, c. 120 (N.J.S.A. 13:20-3).

... 

“State college” means a State college or university established pursuant to chapter 64 of Title 18A of the New Jersey Statutes.

...

“Withholdings” means the amount withheld by a business from the wages of full-time employees or estimated taxes paid by, or on behalf of, partners that are full-time employees, or any combination thereof, pursuant to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., and, if the full-time employee is an employee whose position has moved to New Jersey but whose income is not subject to the New Jersey gross income tax pursuant to N.J.S.A. 54A:1-1 et seq., the amount of withholding that would occur if the employee were to move to New Jersey.] Withholdings shall not include amounts withheld by a business from stock options or from stock options, money, or other payments given to a full-time employee pursuant to the termination of employment of the full-time employee. Withholdings shall include amounts withheld by a business from money or other payments given to a full-time employee pursuant to a bonus for commencing employment or for services rendered by the full-time employee.
19:31-18.6 Fees

(a)-(f) (No change.)

(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)-(i) (No change.)

19:31-18.8 Determination of grant amount; bonus award

(a) The total amount of the tax credit for an eligible business shall be for each new or retained full-time job as set forth in this section. The total tax credit amount shall be calculated and credited to the business annually for each year of the eligibility period; however, except as set forth in N.J.A.C. 19:31-18.11(e), the total tax credit amount credited annually to the business shall not exceed the maximum amount determined by the Board under N.J.A.C. 19:31-18.7(d) and the amount calculated pursuant to N.J.A.C. 19:31-18.7(g), divided by the number of years in the eligibility period. The total amount of tax credit shall be calculated by combining the jobs in buildings that have the same factors set forth in this section that affect the tax credit calculation. The total amount of tax credit shall be calculated separately for jobs in a building with factors that are different than the factors affecting the calculation for jobs in the other buildings in a complex of buildings. Notwithstanding that the total tax credit for jobs in different buildings may be calculated separately, forfeitures pursuant to N.J.A.C. 19:31-18.15 and defaults and recaptures included in the incentive agreement pursuant to N.J.A.C. 19:31-18.10(b) shall be based on the aggregate capital investment and eligible full-time jobs.

(b) The base amount of the tax credit for each new or retained full-time job shall be as follows:

1. For a qualified business facility located within an urban transit hub municipality [or], located within in a Garden State Growth Zone, located within a Garden State Create Zone and used by an eligible business in a targeted industry to conduct a collaborative research relationship with a doctoral university within the zone, or which is a mega project, $5,000 per year;

2.4 (No change.)

(c) In addition to the base amount of the tax credit, the amount of the tax credit to be awarded for each new or retained full-time job shall be increased if the qualified business facility meets
any of the following priority criteria or other additional or replacement criteria determined by the Authority from time to time in response to evolving economic or market conditions, provided that (c)5, 6, 8, and 10 below shall not apply to a qualified incubator facility:

1.-9. (No change.)

10. For a mega project or a project located within a Garden State Growth Zone at which the capital investment in industrial premises for industrial use by the business [is in excess of] exceeds the minimum capital investment required for eligibility pursuant to subsection b. of section 3 of P.L. 2011, c. 149 (N.J.S.A. 34:1B-244), an increase of $1,000 per year for each additional amount of investment, as measured in square feet of measured gross leasable area, that exceeds the minimum amount by 20 percent, with a maximum increase of $5,000 per year;

11.-15. (No change.)

16. For a project that generates solar energy on site for use within the project of an amount that equals at least 50 percent of the project’s annual electric supply service needs, an increase of $250.00 per year; [and]

17. For a qualified business facility in a vacant commercial building or campus having over 1,000,000 square feet of office or laboratory space available for occupancy for a period of over one year that the Authority designates, as listed on the Authority’s website at www.njeda.com, an increase of $1,000 per year[.]; and

(18) For an eligible business in a targeted industry at a qualified business facility on the campus of a college or university other than a doctoral university, or at a qualified business facility within a three-mile radius of the outermost boundary of the campus of a college or university other than a doctoral university, which facility is used by the business to conduct a collaborative research relationship with the college or university, an increase of $1,000 per year. The boundary of the campus of a college or university shall be based upon a map appearing in the college’s or university’s official catalog or other official publication on the effective date of P.L. 2017, c. 221.

(d) The gross amount of the tax credit for an eligible business for each new or retained full-time job shall be the sum of the base amount as set forth pursuant to (b) above and the various additional bonus amounts for which the business is eligible pursuant to (c) above, subject to the following limitations:

1. (No change.)

2. For a qualified business facility located within an urban transit hub municipality or a Garden State Create Zone, the gross amount for each new or retained full-time job shall not exceed $12,000 per year;

3.-6. (No change.)
(e) (No change.)

(f) For each application approved by the Board, the amount of tax credits available to be applied by the business annually shall not exceed:

1.-2. (No change.)

3. Ten million dollars ($10,000,000) and provides a net positive economic benefit to the State with respect to a qualified business facility in an urban transit hub municipality or a Garden State Create Zone;

4.-6. (No change.)

(g)-(h) (No change.)

SUBCHAPTER 19. ANGEL INVESTOR TAX CREDIT PROGRAM

19:31-19.1 Applicability and scope

The rules in this subchapter are promulgated by the New Jersey Economic Development Authority (Authority) to implement the New Jersey Angel Investor Tax Credit Act, P.L. 2013, c. 14 (the Act). The Act authorizes credits against corporation business and gross income taxes for qualified investments in New Jersey emerging technology businesses or in New Jersey emerging technology holding companies to spur job creation and growth in New Jersey's current and next generation of high-skill, high-wage emerging technology industries.

19:31-19.2 Definitions

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

... “Carbon footprint reduction technology” means a technology using equipment for the commercial, institutional, and industrial sectors that: increases energy efficiency; develops and delivers renewable or non-carbon-emitting energy technologies; develops innovative carbon emissions abatement with significant carbon emissions reduction potential; or promotes measurable electricity end-use energy efficiency.

... “Electronic device technology” means a technology involving microelectronics, semiconductors, electronic equipment [,] and instrumentation, radio frequency, microwave [,] and millimeter electronics, and optical and optic-electrical devices, or data and digital communications and imaging devices.
“Eligible technology” means advanced computing, advanced materials, biotechnology, carbon footprint reduction technology, electronic device technology, information technology, life sciences, medical device technology, mobile communications technology, or renewable energy technology.

... 

“Mobile communications technology” means a technology involving the functionality and reliability of the transmission of voice and multimedia data using a communication infrastructure via a computer or a mobile device, that shall include, but [shall] not be limited to, smartphones, electronic books and tablets, [mp3] digital audio players, motor vehicle electronics, home entertainment systems, and other wireless appliances, without having to be connected to any physical or fixed link.

... 

“New Jersey emerging technology business holding company” means any corporation, association, firm, partnership, trust, or other form of business organization, but not a natural person, which directly or indirectly, owns, has the power or right to control, or has the power to vote, a controlling share of the outstanding voting securities of a corporation or other form of a New Jersey emerging technology business.

... 

“Pilot scale manufacturing” means the design, construction, and testing of preproduction prototypes and models in an eligible technology other than for commercial sale, excluding sales of prototypes or sales for market testing if the total gross receipts, as calculated in the manner provided in section 6 of P.L. 1945, c. 162 (N.J.S.A. 54:10A-6), from [such] the sales of the product, service, or process do not exceed $1 million.

... 

“Qualified investment” means the non-refundable transfer of cash to a New Jersey emerging technology business or to a New Jersey emerging technology business holding company by an investor that is not a related person of the New Jersey emerging technology business or the New Jersey emerging technology business holding company, at the time of the transfer of cash, the transfer of which is in exchange for:

1. Stock, interests in partnerships or joint ventures, licenses (exclusive or non-exclusive), right to use technology, marketing rights, warrants, options, or any assets similar to those included in this definition, including but not limited to, options or rights to acquire any of the assets; or

2. A purchase, production, or research agreement between or among the taxpayer and the New Jersey emerging technology business or the New Jersey emerging technology business holding company or both.
For the transfer of cash to be considered non-refundable, the assets received by the investor in the exchange referred to in paragraph 1 above and the agreements entered into by the investor referred to in paragraph 2 above must be held or not expire for at least two calendar years from the date of the exchange, with the exception of initial public offerings (IPOs), mergers and acquisitions, damage awards for the New Jersey emerging technology business's default of an agreement, or other return of initial cash outlay beyond the investor's control.

“Verified transfer of funds” means a non-refundable transfer of funds equal to 100 percent of the taxpayer’s qualified investment in the New Jersey emerging technology business holding company to a New Jersey emerging technology business by the New Jersey emerging technology business holding company that is accompanied by documentation, as required by the Authority, which provides proof of a cash transaction originating with a taxpayer and concluding with a New Jersey emerging technology business, provided that the transactions from origin to destination occur within the same tax year.

19:31-19.3 Eligibility criteria

(a) In order to be considered for tax credits under the Angel Investor Tax Credit Program, an investor shall make a qualified investment in a New Jersey emerging technology business or a New Jersey emerging technology business holding company.

(b) The Program applies to privilege periods and taxable years beginning on or after January 1, 2012, except that the Program applies to qualified investments in New Jersey emerging technology businesses, and in New Jersey emerging technology business holding companies that make verified transfers of funds to New Jersey emerging technology businesses, that conduct technology commercialization in this State in the field of carbon footprint reduction technology for privilege periods and taxable years beginning on or after May 1, 2017. For qualified investments made on or before July 1, 2013, an investor must submit a completed application by July 1, 2014, except that a completed application for qualified investments in New Jersey emerging technology business holding companies made before May 1, 2017 must be submitted by December 31, 2017. For all other qualified investments in a New Jersey emerging technology business, an investor must submit a completed application within six months of the date of the qualified investment, and for all other qualified investments in a New Jersey emerging technology business holding company, within six months of the date of the verified transfer of funds.

(c)-(d) No change.

(e) For qualified investments in a New Jersey emerging technology business holding company, the verified transfer of funds shall be evidenced by documentation, which provides proof of a cash transaction originating with a taxpayer and concluding with a
New Jersey emerging technology business, provided that the transactions from origin to destination occur within the same tax year

19:31-19.4 Application submission requirements

(a) (No change.)

(b) A completed application shall include, but not be limited to, the following:

1. Investor information, which shall include the following:

   i.-ii. (No change.)

2. New Jersey emerging technology business information, which shall include:

   i. At the time of the qualified investment:

      (1)-(2) (No change.)

     ii. At the time of the qualified investment and at [the earliest of six months after the qualified investment or] the time of application, except that applications for qualified investments in New Jersey emerging technology business holding companies made before May 1, 2017 shall provide the following information as of the time of the qualified investment and at the earliest of six months after the verified transfer of funds or the time of application:

       (1) A description of the business, which demonstrates that such business meets the definition of New Jersey emerging technology business;

       (2) A list of all employees filling a position in New Jersey, whether any employee is related, as defined in Section 152(d)(2) of the Internal Revenue Code, to any other employee, shareholder, or investor, if so known, and either:

          (A) Copies of the most recent year's Federal and New Jersey W-3 forms for the business and all entities other than the investor with control over the business or in the same controlled group as the business; or

          (B) Documentation from a professional employer organization or any other entity providing common law employees summarizing W-2 forms issued for full-time employees on behalf of the business, and all entities other than the investor with control over the business or in the same controlled group as the business, for the calendar year prior to the year in which the company files its application and at the time of the application; and

     iii. At the time of application, submission of a tax clearance certificate, pursuant to P.L. 2007, c. 101 (N.J.S.A. 54:50-39); [and]
3. New Jersey emerging technology business holding company information, if applicable, which shall include:

   i. At the time of the qualified investment:

      (1) The name, address, and Federal tax identification number; and

      (2) A list of 100 percent of ownership of the holding company by percentage; and

   ii. At the time of the verified transfer of funds, evidence of the verified transfer of funds, including the documentation demonstrating that the verified transfer of funds was made, as required in N.J.A.C. 19:31-19.3(e), which shall include bank statements from the New Jersey emerging technology business holding company showing the funds flow from holding company to emerging technology company; and

   iii. At the time of application:

      (1) Submission of a tax clearance certificate, pursuant to P.L. 2007, c. 101 (N.J.S.A. 54:50-39); and

      (2) Certification from the chief executive officer of the New Jersey emerging technology business holding company that the verified transfer of funds is a permanent transfer of cash to the New Jersey emerging technology business; and

   [3.] 4. Any other supplemental information required by the Authority to decide on the approval of the application or required by the Division of Taxation to administer the credit.

19:31-19.6 Tax credit amount; overpayment and carryforward of tax credits

   (a) A taxpayer, upon eligibility review and approval of the investor's application by the Authority in consultation with the Director, and upon issuance of a tax credit certificate by the Division of Taxation, shall be allowed a credit against the tax imposed under the Corporation Business Tax, section 5 of P.L. 1945, c. 162 (N.J.S.A. 54:10A-5) or New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., in an amount equal to 10 percent of the qualified investment made by the investor in a New Jersey emerging technology business or in a New Jersey emerging technology business holding company that makes a verified transfer of funds to a New Jersey emerging technology business, up to a maximum allowed credit of $500,000 for the tax credit vintage year for each qualified investment made by the investor.

   (b) (No change.)

   (c) The credit for a corporation that has made a valid election as a New Jersey S corporation pursuant to section 3 of P.L.1993, c.173 (N.J.S.A. 54:10A-5.22) may be applied by the shareholders of the S corporation against the tax liability otherwise due under the “New Jersey Gross Income Tax Act,” N.J.S.A. 54A:1-1 et seq., provided that the amount of credit that may be used by a shareholder of the S corporation shall be determined by
allocating to each shareholder of the S corporation that proportion of the tax credit of the S corporation that is equal to the shareholder’s proportionate share of the S corporation, whether or not distributed, of the total distributive income or gain of the S corporation for its tax period ending with or within the shareholder’s tax period, and the credit may be applied by the shareholders against the tax liability otherwise due pursuant to the “New Jersey Gross Income Tax Act,” N.J.S.A. 54A:1-1 et seq.

Recodify (c)-(f) as (d)-(g) (No change in text.)

19:31-19.7 Evaluation process; award of tax credits; appeals

   (a)-(c) (No change.)

   (d) An applicant investor may appeal the Authority’s action by submitting in writing to the Authority, within 20 days from the date of the Authority’s action, an explanation as to how the investor, [or] the New Jersey emerging technology business, and/or the New Jersey emerging technology business holding company has met the program criteria. Appeals will be handled by the Authority as follows:

   1.-3. (No change.)
INCENTIVE PROGRAMS
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: Bauer Media Group USA, LLC
PROJECT LOCATION: 270 Sylvan Avenue Englewood Cliffs Borough Bergen County
Suite 2220, 2240 and 2255

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

APPLICANT BACKGROUND:
Bauer Media Group USA, LLC, established in 1979, is a U.S retail publishing company. The company has a portfolio of 13 magazines, five special interest publications and 16 websites across several distinct consumer segments including celebrity and entertainment, women’s, teen and science and technology. The applicant has demonstrated the financial ability to undertake the project. The company is currently located in Englewood Cliffs, NJ.

MATERIAL FACTOR/NET BENEFIT:
Bauer Media Group USA, LLC is seeking to update and consolidate its office space. The company is considering leasing a 33,041 Sq. Ft. facility at its existing location in Englewood Cliffs, NJ or leasing a 32,000 Sq. Ft. facility in Pearl River, NY. The project involves the retention of 165 employees.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Bauer Media Group USA, LLC has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Steven Kotok, the CEO of Bauer Media Group USA, LLC, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $49 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 165 New Jersey jobs listed in the application are at risk of being located outside the State on or before July 31, 2018. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.
ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program’s rules, N.J.A.C. 19:31-18, the applicant must:

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$1,321,640</td>
<td>$2,197,227</td>
</tr>
<tr>
<td>New Jobs</td>
<td>35</td>
<td>0</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>50</td>
<td>165</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Base Grant</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority Area</td>
<td>Base award of $3,000 per year for projects located in a designated Priority Area</td>
<td>Englewood Cliffs Borough is a designated Priority Area</td>
</tr>
</tbody>
</table>
The Grow New Jersey Statute and the program’s rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td><strong>All other projects</strong></td>
<td>The Retained Full-Time Jobs will receive the lesser of:</td>
</tr>
<tr>
<td></td>
<td>- ½ of the Grant Calculation for New Full-Time Jobs ( \frac{1}{2} \ast $3,000 = $1,500 ) or</td>
</tr>
<tr>
<td></td>
<td>- The estimated eligible Capital Investment divided by 10 ( \frac{$2,197,227}{10} / (0 + 165) = $1,331 )</td>
</tr>
</tbody>
</table>

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

BASE GRANT PER EMPLOYEE:
  Priority Area $ 3,000

INCREASES PER EMPLOYEE:
  $ 0

INCREASE PER EMPLOYEE:
  $ 0

PER EMPLOYEE LIMIT:
  Priority Area $10,500

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

AWARD:
  New Jobs: 0 Jobs X $3,000 X 100% = $ 0
  Retained Jobs: 165 Jobs X $1,331 X 100% = $219,615

  Total: $219,615

ANNUAL LIMITS:
  Priority Area (Est. 90% Withholding Limit) $ 4,000,000/($515,309)

TOTAL ANNUAL AWARD $219,615
Bauer Media Group USA, LLC  Grow New Jersey  Page 5

PROJECT IS:  (X) Expansion  ( ) Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:  $2,197,227
EXPECTED PROJECT COMPLETION:  March 30, 2018
SIZE OF PROJECT LOCATION:  33,041 sq. ft.
NEW BUILDING OR EXISTING LOCATION?  Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?  Non-Industrial
CONSTRUCTION:  (X) Yes  ( ) No

NEW FULL-TIME JOBS:  0
RETAINED FULL-TIME JOBS:  165
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):  165
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:  N/A
MEDIAN WAGES:  $69,000

NET BENEFIT MODEL:  2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):  $51,265,558
TOTAL AMOUNT OF AWARD:  (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS)  $2,196,150
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):  $49,069,408

ELIGIBILITY PERIOD:  10 years

CONDITIONS OF APPROVAL:
1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within 12 months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

APPROVAL REQUEST:
The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before July 31, 2018; 2) approve the proposed Grow New Jersey grant to encourage Bauer Media Group USA, LLC to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

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

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

APPLICANT: Kontos Foods, Inc. P44224

PROJECT LOCATION: 100 6th Avenue
16-34 Wait Street
132-142 Peel Street Paterson City Passaic County

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

APPLICANT BACKGROUND:
Kontos Foods, Inc. ("Kontos”) was founded 1987 in Paterson, N.J., to manufacture the flatbread of the Mediterranean cultures. The introduction of the hand-stretched Kontos Pocket-Less Pita was so successful that Kontos Foods began to expand production to include Greek “Gyro” Bread, Asian Nans, Paninis, and other flavored flatbreads. Today, the Kontos Flatbread product line has expanded to approximately 50 varieties, and is distributed to restaurants, hotels, country clubs, business and industry cafeterias, and to world-wide retail specialty food stores and supermarkets. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Kontos Foods, Inc., through its affiliates, currently own the facilities located at 100 6th Ave, Paterson and 16-34 Wait St., Paterson. Kontos currently occupies approximately 64,422 square feet in 100 6th Ave and 52,518 square feet at 16-34 Wait St. Kontos plans to purchase an adjacent lot of just over 2 acres, and build a 25,000 square foot stand-alone cold storage unit on it, thereby expanding the footprint in Paterson to 141,940 square feet. It also plans to add some new machinery and make a few updates to its current space to expand production. Kontos plans to add 46 additional employees to handle the increased production. Improvements to existing buildings will include a new floor for the current production facility, parking lot resurfacing, and stucco of buildings. New equipment will include upgrades to a pita bread line. The alternate location is a 123,140-square foot site in Bethlehem, PA. Per the Applicant, the PA location is in better condition, has plenty of room for expansion, is located in a less congested area and is one building as opposed to the operation being split between several buildings. If Kontos was to move to the alternate location in PA, it would still maintain a presence in NJ.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option, and the management of Kontos Foods, Inc. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Steven Kontos, the CEO of Kontos Foods, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or
Kontos Foods, Inc. Grow New Jersey Page 2

retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $3.9 million over the 30-year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 166 New Jersey jobs listed in the application are at risk of being located outside the State on or before May 31, 2018. This certification, coupled with the economic analysis of the potential locations submitted to the Authority, has allowed Staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

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

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

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<thead>
<tr>
<th>Minimum Capital Investment Requirements</th>
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<td>Industrial/Warehouse/Logistics/R&amp;D - New Construction Projects</td>
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<td>$ 40</td>
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<tr>
<td>Non-Industrial/Warehouse/Logistics/R&amp;D – New Construction Projects</td>
<td>$120</td>
</tr>
</tbody>
</table>

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

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

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

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$1,892,534</td>
<td>$8,490,230</td>
</tr>
<tr>
<td>New Jobs</td>
<td>8</td>
<td>46</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>19</td>
<td>166</td>
</tr>
</tbody>
</table>

The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for New Full-Time Jobs. This project has been deemed eligible for a Base Award and Increases based on the following:
<table>
<thead>
<tr>
<th>Base Grant Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden State Growth Zone</td>
<td>Base award of $5,000 per year for projects located in a Garden State Growth Zone</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase(s) Criteria</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deep Poverty Pocket or Choice Neighborhood</td>
<td>An increase of $1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood</td>
<td>100 Sixth Avenue is located in a Deep Poverty Pocket.</td>
</tr>
<tr>
<td>Transit Oriented Development</td>
<td>An increase of $2,000 per job for a project locating in a Transit Oriented Development</td>
<td>100 Sixth Avenue is located in a Transit Oriented Development by virtue of being 1 mile (GSGZ project) of the midpoint of a New Jersey Transit Corporation bus station.</td>
</tr>
<tr>
<td>Targeted Industry</td>
<td>An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business</td>
<td>The applicant is a Manufacturing business.</td>
</tr>
<tr>
<td>Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min</td>
<td>An increase of $1,000 per job for a Mega Project or a project located in a Garden State Growth Zone for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $5,000</td>
<td>The proposed project is in a Garden State Growth Zone. The proposed capital investment of $8,490,230 is 348.6% above the minimum capital investment resulting in an increase of $5,000 per year.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>Kontos Foods, Inc.</td>
<td>Grow New Jersey</td>
</tr>
<tr>
<td>-------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>All other projects</td>
<td>The Retained Full-Time Jobs will receive the lesser of:</td>
</tr>
<tr>
<td></td>
<td>- $1/2$ of the Grant Calculation for New Full-Time Jobs ($1/2 \times 14,000 = 7,000$) or</td>
</tr>
<tr>
<td></td>
<td>- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($8,490,230 / 10 / (46 + 166) = 4,004$)</td>
</tr>
</tbody>
</table>

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

BASE GRANT PER EMPLOYEE:
Garden State Growth Zone $ 5,000

INCREASES PER EMPLOYEE:
Deep Poverty Pocket: $ 1,500
Transit Oriented Development: $ 2,000
Targeted Industry (Manufacturing): $ 500
GSGZ Ind. Project w/ Cap. Inv. In Excess of Min: $ 5,000

INCREASE PER EMPLOYEE: $ 9,000

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

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $ 14,000

AWARD:
New Jobs: 46 Jobs X $14,000 X 100% = $ 644,000
Retained Jobs: 166 Jobs X $14,000 X 100% = $2,324,000
Total: $2,968,000

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

TOTAL ANNUAL AWARD $2,968,000
PROJECT IS:   (X) Expansion  (  ) Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: $ 8,490,230
EXPECTED PROJECT COMPLETION: December 31, 2020
SIZE OF PROJECT LOCATION: 141,940 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Industrial
CONSTRUCTION:  (X) Yes  (  ) No

NEW FULL-TIME JOBS: 46
RETAINED FULL-TIME JOBS: 166
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016): 218
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
MEDIAN WAGES: $ 24,960

NET BENEFIT MODEL: 2017
GROSS BENEFIT TO THE STATE (OVER 30 YEARS, PRIOR TO AWARD): $ 33,593,568
TOTAL AMOUNT OF AWARD $ 29,680,000
NET BENEFIT TO THE STATE (OVER 30 YEARS, NET OF AWARD): $ 3,913,568

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:
1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval.
   Applicant has 3 years plus two six-month extensions to submit its CPA certification, but in no event can the
tax credit be issued more than 4 years from the date of board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other
   NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other
   NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New
   Jersey.
5. Within 12 months following approval, the applicant will submit progress information indicating that the
   business has site plan approval, committed financing for, and site control of the qualified business facility.
6. If the number of employees, salaries or capital investment to be counted in the Net Benefit Test (NBT) falls by
   more than 10% from the amounts contained herein, the net benefit to the state will need to be recalculated
   under the then current NBT model, which may reduce the amount of the Grow NJ Award.

APPROVAL REQUEST:
The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are
at risk of being located outside New Jersey on or before May 31, 2018; 2) approve the proposed Grow New Jersey
grant to encourage Kontos Foods, Inc. to increase employment in New Jersey. The recommended grant is
contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the
recommended award. If the criteria met by the company differs from that shown herein, the award amount and
the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER:  Christina Fuentes  APPROVAL OFFICER:  Mark Chierici
MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President and Chief Operating Officer
DATE: October 12, 2017
SUBJECT: Kuehne-Nagel International, AG

Purpose:

This memorandum addresses the legal matters of Kuehne-Nagel International, AG, the parent company of Kuehne Nagel, Inc. related to the company’s pending Grow New Jersey application.

Background:

Kuehne-Nagel International, AG (K+N), a Swiss based company, together with its subsidiaries, provides integrated logistics services worldwide. The company operates through four segments: Seafreight, Airfreight, Overland, and Contract Logistics.

Analysis of Litigation as Grounds for Possible Disqualification:

Pursuant to the Authority’s regulations, N.J.A.C. 19:30-2-1 et seq., criminal convictions, violations of certain laws and guilty pleas can serve as the basis for disqualification or debarment.

Listed below are the relevant actions relating to the applicant and penalties as reviewed by staff with guidance from the Attorney General’s Office:

Guilty Plea – 11/15/2011

Pursuant to a U.S. government investigation, six international freight forwarders - K+N among them - agreed to plead guilty and to pay criminal fines totaling $50.27 million for their roles in several conspiracies to fix a variety of fees and charges in connection with the provision of freight forwarding services for international air cargo shipments.

For its part, K+N agreed to plead guilty to five counts of conspiracy to restrain trade in violation of the Sherman Anti-Trust Act, paid a $9,865,044 fine, and served a 2-year period of probation.

According to charges filed in U.S. District Court for the District of Columbia, the six companies conspired by, among other things, agreeing during meetings and discussions to impose certain charges
or fees on customers purchasing international freight forwarding services for cargo freight destined for air shipment to the United States during various periods between 2002 and 2007.

As a result of the K+N’s guilty plea, the United States Air Force (USAF) briefly debarred K+N on February 16, 2012. The company met with the USAF in early March 2012 and the debarment was lifted the next day after the meeting.

**Mitigating Factors**

Several mitigating factors provided by the applicant regarding the conduct described in this memorandum are worthy of consideration.

- Beginning in 2010, all K+N employees globally (over 70,000 employees) must undergo a mandatory live (i.e., classroom setting) Code of Conduct training session. The training places heavy emphasis on antitrust and anti-bribery/anti-corruption ("ABC") training.
- All K+N employees with access to a computer must complete computer-based training of K+N’s Code of Conduct Policy.
- Employees are required to certify electronically that they have read and understand K+N’s Code of Conduct.
- Employees with functions that raise a heightened risk for antitrust and/or anticorruption matters must also undergo live ABC training or live Antitrust Training.
- Employee training is supplemented by written policies, guidelines, and internal controls surrounding compliance matters, such as participation at trade events, the giving and receiving of gifts and entertainment, and other compliance initiatives.
- Following the antitrust investigation, K+N invested in the hiring of dedicated Compliance Officers, starting with a Chief Compliance Officer at the parent company in Switzerland, and then with similarly dedicated Regional Compliance Officers across all K+N regions globally. The primary role of K+N's Compliance Officers is to ensure the effective rollout of, and employees' compliance with, both Company policies and the law.

**Recommendation:**

Staff performed a review of this matter with guidance from the Attorney General’s office and weighed the seriousness of the offenses in conjunction with the mitigating factors. Staff does not believe disqualification is warranted.

[Signature]

Timothy J. Lizura, President and COO

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

APPLICANT: Kuehne + Nagel Inc. P44559

PROJECT LOCATION: 10 Exchange Place Jersey City Hudson County

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

APPLICANT BACKGROUND:
Kuehne + Nagel Inc. (or “K+N”), part of the Kuehne + Nagel Group headquartered in Switzerland and founded in 1890, has grown into an international logistics provider with more than 1,300 offices in over 100 countries and over 70,000 employees. Its key business activities include seafreight, airfreight, contract logistics and overland businesses, with focus on providing IT-based integrated logistics solutions. The company currently maintains its North American Headquarters and a Northeast Branch Office in Jersey City, NJ with approximately 227 headquarter employees and 116 branch office employees. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
In connection with a January 2019 lease expiration on its Jersey City Headquarters and Branch Office operations together with its continued growth, Kuehne + Nagel commenced a comprehensive review of its long-term occupancy strategy evaluating several alternative markets along the East Coast for the NJ operations. Under consideration is maintaining the current NJ operations (headquarters and branch office) in Jersey City by extending its lease of 70,531 sq. ft. Alternately, the company would relocate the headquarters positions to Atlanta, Georgia, where the company would build-out a 48,500 sq. ft. office facility in a 406,000 sq. ft. warehouse facility it currently leases; together with relocating the branch office employees to a leased space of 24,440 sq. ft. in Newark, NJ. Under either scenario, the company would maintain the Branch Office operations in New Jersey. Therefore the 227 headquarters employees are at risk of leaving the State and 116 branch office employees are not at risk. The company also expects to create 50 jobs.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Kuehne + Nagel Inc. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Radoslav Mihok the CEO of Kuehne + Nagel Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $64 million over the 20 year period required by the Statute.
FINDING OF JOBS AT RISK:
The applicant has certified that the 227 New Jersey jobs listed in the application are at risk of being located outside the State on or before December 31, 2018, to relocate workforce before the lease at the current facility expires on February 1, 2019. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

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

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$2,821,240</td>
<td>$12,016,643</td>
</tr>
<tr>
<td>New Jobs</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>35</td>
<td>227</td>
</tr>
</tbody>
</table>

The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for New Full-Time Jobs. This project has been deemed eligible for a Base Award and Increases based on the following:
<table>
<thead>
<tr>
<th>Base Grant</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Transit Hub Municipality</td>
<td>Base award of $5,000 per year for projects located in a designated Urban Transit Hub Municipality</td>
<td>10 Exchange Place is a designated Urban Transit Hub Municipality</td>
</tr>
</tbody>
</table>

**Increase(s) Criteria**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit Oriented Development</td>
<td>An increase of $2,000 per job for a project locating in a Transit Oriented Development</td>
<td>10 Exchange Place is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a New Jersey Transit Corporation rail station.</td>
</tr>
<tr>
<td>Jobs with Salary in Excess of County/GSGZ Average</td>
<td>An increase of $250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500</td>
<td>The proposed median salary of $120,132 exceeds the Hudson County median salary by 137% resulting in an increase of $750 per year.</td>
</tr>
<tr>
<td>Large Number of New/Retained Full-Time Jobs</td>
<td>An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs</td>
<td>The applicant is proposing to create/retain 277 Full-Time Jobs at the project location resulting in an increase of $500.</td>
</tr>
<tr>
<td>Targeted Industry</td>
<td>An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business</td>
<td>The applicant is a Logistics business.</td>
</tr>
</tbody>
</table>
The Grow New Jersey Statute and the program’s rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>All other projects</td>
<td>The Retained Full-Time Jobs will receive the lesser of:</td>
</tr>
<tr>
<td></td>
<td>- ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $8,750 = $4,375) or</td>
</tr>
<tr>
<td></td>
<td>- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($12,016,643 / 10 / (50 + 227) = $4,338)</td>
</tr>
</tbody>
</table>

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

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

**INCREASES PER EMPLOYEE:**
- Transit Oriented Development: $2,000
- Jobs with Salary in Excess of County Average: $750
- Large Number of New/Retained F/T Jobs: $500
- Targeted Industry (Logistics): $500

**INCREASE PER EMPLOYEE:**
- $3,750

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

**LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:**
- $8,750

**AWARD:**
- New Jobs: 50 Jobs X $8,750 X 100% = $437,500
- Retained Jobs: 227 Jobs X $4,338 X 100% = $984,726
- Total: $1,422,226

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

**TOTAL ANNUAL AWARD:**
- $1,422,226

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

**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** $12,016,643

**EXPECTED PROJECT COMPLETION:** October 1, 2019

**SIZE OF PROJECT LOCATION:** 70,531 sq. ft.

**NEW BUILDING OR EXISTING LOCATION?** Existing

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

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

**NEW FULL-TIME JOBS:** 50

**RETAINED FULL-TIME JOBS:** 227

**STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):** 539

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

**MEDIAN WAGES:** $120,132
NET BENEFIT MODEL:
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): $ 78,220,832
TOTAL AMOUNT OF AWARD: $ 14,222,260
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): $ 63,998,572

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:
1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within 12 months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. The applicant will maintain the 116 Branch Office positions it has at the project site for the duration of the Grow NJ award. The number of new positions that are subject to this Grow NJ award will only be counted above and beyond the 227 headquarter positions plus the 116 Branch Office positions employed by the applicant at the project site.

APPROVAL REQUEST:
The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before December 31, 2018; 2) approve the proposed Grow New Jersey grant to encourage Kuehne + Nagel Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

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

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

APPLICANT: Tumi, Inc. P44551

PROJECT LOCATION: 499 Thornall Street Edison Township Middlesex County

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

APPLICANT BACKGROUND:
Tumi, Inc. (Tumi) was founded in 1975 and is a leading global premium lifestyle brand offering a comprehensive line of business bags, travel luggage, and accessories. Its products are sold in the US (two-thirds of revenue) and in more than 75 other countries through roughly 177 of its own retail stores, websites, and upscale department and specialty stores. In August of 2016 Tumi Holdings, Inc. and its Subsidiaries were consolidated into its wholly owned subsidiary Tumi, Inc. following its acquisition by Samsonite International S.A. (Samsonite). The Applicant has demonstrated the financial ability to undertake the project through the support of the Parent.

MATERIAL FACTOR/NET BENEFIT:
Following the Samsonite acquisition Tumi is evaluating the relocation of its US headquarters, currently located in South Plainfield, NJ. Tumi is considering a nearly 25,000 sq. ft. space in Edison, NJ at Metro Park and a nearly 20,000 sq. ft. space in Mansfield, MA, which is where Samsonite has its US headquarters. Locating in Mansfield would allow for a reduced footprint and buildout through the ability to utilize meeting and conference space, IT infrastructure, and mail room facilities at the current Samsonite facility. The New Jersey project would represent a capital investment of $4.3 million and the retention of 110 positions that would otherwise be relocated to Massachusetts.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Tumi, Inc. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Robert Cooper the President of Tumi, Inc. and its highest ranking U.S. employee, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $22.1 million over the 20 year period required by the Statute.
FINDING OF JOBS AT RISK:
The applicant has certified that the 110 New Jersey jobs listed in the application are at risk of being located outside the State on or before March 1, 2018 as this is the date upon which the alternate facility will be operational. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

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

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$1,000,000</td>
<td>$4,299,964</td>
</tr>
<tr>
<td>New Jobs</td>
<td>35</td>
<td>0</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>50</td>
<td>110</td>
</tr>
</tbody>
</table>
The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for **New Full-Time Jobs**. This project has been deemed eligible for a Base Award and Increases based on the following:

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

### Increase(s) Criteria

| Transit Oriented Development | An increase of $2,000 per job for a project located in a Transit Oriented Development | 499 Thornall Street is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a New Jersey Transit Corporation rail station. |

| Jobs with Salary in Excess of County/GSGZ Average | An increase of $250 per job for each 35% the applicant’s median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500 | The proposed median salary of $93,328 exceeds the Middlesex County median salary by 60.9% resulting in an increase of $250 per year. |

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

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
</tbody>
</table>
| **All other projects** | The Retained Full-Time Jobs will receive the lesser of:  
- ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $5,250 = $2,625) or  
- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($4,299,964 / 10 / (0 + 110) = $3,909)  |

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

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

**INCREASES PER EMPLOYEE:**
- Transit Oriented Development: $2,000
- Jobs with Salary in Excess of County Average: $250

**INCREASE PER EMPLOYEE:**
- $2,250

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

**LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:**
- $5,250

**AWARD:**
- New Jobs: 0 Jobs × $5,250 × 100% = $0
- Retained Jobs: 110 Jobs × $5,250 × 50% = $288,750
- Total: $288,750

**ANNUAL LIMITS:**
- Priority Area (Est. 99% Withholding Limit): $4,000,000/($452,863)

**TOTAL ANNUAL AWARD**
- $288,750

**PROJECT IS:** ( ) Expansion (X) Relocation
**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** $4,299,964
**EXPECTED PROJECT COMPLETION:** March 1, 2018
**SIZE OF PROJECT LOCATION:** 25,000 sq. ft.
**NEW BUILDING OR EXISTING LOCATION?**
- Existing
**INDUSTRIAL OR NON-INDUSTRIAL FACILITY?**
- Non-Industrial
**CONSTRUCTION:** (X) Yes ( ) No

**NEW FULL-TIME JOBS:**
- 0

**RETAINED FULL-TIME JOBS:**
- 110

**STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):**
- 139

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

**MEDIAN WAGES:**
- $93,328
Tumi, Inc.                           Grow New Jersey                Page 5

NET BENEFIT MODEL:                         2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):  $25,032,161
TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT
90% OF WITHHOLDINGS)                          $2,887,500
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):  $22,144,661

ELIGIBILITY PERIOD:                        10 years

CONDITIONS OF APPROVAL:
1. Applicant has not entered into a lease or purchase contract without a valid Grow NJ incentive contingency or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

APPROVAL REQUEST:
The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before March 1, 2018; 2) approve the proposed Grow New Jersey grant to encourage Tumi, Inc., to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: D. Ubinger                     APPROVAL OFFICER: K. DeSmedt
BOND PROJECTS
PRELIMINARY BOND RESOLUTIONS
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Port Newark Container Terminal L.L.C.  P44597
PROJECT USER(S): Same as applicant *
PROJECT LOCATION: 241 Calcutta St  Newark City (T/UA) Essex
GOVERNOR'S INITIATIVES: (X) Urban  () Edison  () Core  () Clean Energy

APPLICANT BACKGROUND:
Port Newark Container Terminal L.L.C. (PNCT) was incorporated in 2000 as a Delaware limited liability company. PNCT is owned by its two members, each owning a fifty percent membership interest. The two members are Ports America, Inc. (Ports America), having its address at 525 Washington Blvd., Jersey City, New Jersey and Terminal Investment Limited S.a.r.l. (TIL), having an address at 12-14 Chemin Riev 1208 Geneva, Switzerland. PNCT leases from the Port Authority of New York and New Jersey the land and facility known as the Port Newark Container Terminal (Terminal) located at 241 Calcutta Street in the City of Newark, New Jersey. The facility currently comprises 267 acres handling 700,000 containers annually.

In February 2003, the Authority issued $125,000,000 in tax-exempt bonds that in February 2012 were bifurcated into the Series 2003A and Series 2003B bonds each in the principal amount of $62,500,000. The original bond issuance allowed PNCT to redevelop an abandoned terminal for the purpose of operating a common user facility providing stevedoring and terminal services to container shipping lines, with the Terminal at the time comprising 154 acres of container yard. In conjunction with the issuance of new tax-exempt bonds to fund an expansion project, PNCT is intending to also refund these Series 2003A and Series 2003B bonds.

PNCT plans to continue investing in the large-scale, long-term expansion plan to increase container handling capacity from a current annual lift total of 700,000 to a 1.2 million annual lift total by 2019, capable of handling ultra-large container vessels (ULCVs), and significantly improving road and rail capabilities. The project will include construction and installation of new truck gate facilities and equipment, acquisition and installation of new customs and security technology, construction and installation of new comfort and customer service stations for truckers, construction and installation of new back-up power generation facilities, demolition of two existing warehouses, expansion of the terminal yard by 48 acres and renovation of approximately 34 acres of terminal yard, expansion and improvements to the yard electrical and lighting systems, expansion and improvements to the existing wharf and berths, acquisition and installation of new gantry cranes and straddle carriers, construction and equipping of an offsite depot, and various paving and improvements to existing facilities.

This project is qualified for Authority assistance because it is an Exempt Public Facility (Docks/Wharves) under Section 142(a)(2) of the Internal Revenue Code of 1986 as amended and additionally exempted from the Volume Cap Limitation under Sections 144 and 146(g) of the Code.
APPLICANT: Port Newark Container Terminal L.L.C.

APPROVAL REQUEST:
Authority assistance will enable the Applicant to finance a portion of the costs of expansion, renovation, construction, and equipping of the expanded facility. Proceeds will also be used to pay costs incurred at issuance, fund a debt service reserve, and pay interest on a portion of the bonds during construction.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of equipment &amp; machinery</td>
<td>$58,800,000</td>
</tr>
<tr>
<td>Construction of roads, utilities, etc.</td>
<td>$54,000,000</td>
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<tr>
<td>Debt service reserve fund</td>
<td>$15,500,000</td>
</tr>
<tr>
<td>Interest during construction</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Technology &amp; Networking</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Engineering &amp; architectural fees</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Legal fees</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Finance fees</td>
<td>$775,000</td>
</tr>
<tr>
<td>Envirn Investigation &amp; Remediation Costs</td>
<td>$200,000</td>
</tr>
<tr>
<td>Accounting fees</td>
<td>$100,000</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$155,000,000</strong></td>
</tr>
</tbody>
</table>

JOBS: At Application 80 Within 2 years 291 Maintained 0 Construction 410

PUBLIC HEARING: 10/12/17 (Published 09/27/17)  
BOND COUNSEL: McCarter & English, LLP

DEVELOPMENT OFFICER: M. Athwal  
APPROVAL OFFICER: K. DeSmedt
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Schuster Meat Corporation

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 60 Industrial Road Lodi Borough (T/UA) Bergen

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

APPLICANT BACKGROUND:
Schuster Meat Corporation, established in 1941, is a USDA-approved meat manufacturer specializing in boneless bull meat, cow meat, tied and trimmed top rounds and ground beef. The company produces over 23,000 pounds of ground beef per hour and has expanded into prepacked retail case ready products. Howard Siegel is the Chief Executive Officer.

Schuster Meat Corporation was approved in September of 2017 for a $3 million Grow New Jersey Award related to the relocation of its operations from Bronx, NY to Lodi, NJ.

Project costs related to equipment and machinery have increased $3 million post Grow NJ Award approval.

APPROVAL REQUEST:
Authority assistance will enable the applicant to purchase and renovate an existing 53,000 sq. ft. industrial building, purchase machinery, equipment, furniture and fixtures and pay for engineering, architectural and relocation costs.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renovation of existing building</td>
<td>$8,050,000</td>
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<tr>
<td>Acquisition of existing building</td>
<td>$4,550,580</td>
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<td>Purchase of equipment &amp; machinery</td>
<td>$3,000,000</td>
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<tr>
<td>Engineering &amp; architectural fees</td>
<td>$800,000</td>
</tr>
<tr>
<td>Relocation Costs</td>
<td>$200,000</td>
</tr>
<tr>
<td>Furniture &amp; Fixtures</td>
<td>$91,324</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$16,691,904</strong></td>
</tr>
</tbody>
</table>

JOBS: At Application

PUBLIC HEARING:

DEVELOPMENT OFFICER: M. Athwal

BOND COUNSEL: Chiesa, Shahinian & Giantomasi,

APPROVAL OFFICER: S. Novak
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT:  UMM Energy Partners, LLC  
PROJECT USER(S):  Same as applicant  
PROJECT LOCATION: 1 Yogi Berra Drive Little Falls Township (N) Passaic  
GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
UMM Energy Partners, LLC is a special purpose entity formed to design, develop, construct, own, operate and maintain the Montclair State University Energy Project. In September of 2013, UMM Energy Partners, LLC (UMM) under a 30 year public private partnership arrangement, funded, designed, built, commissioned and now operates a 15,000 sq. ft. Central Energy Center (CEC) and associated 1.6 mile Thermal Distribution Loop (TDL), which provides Montclair State University (MSU) the majority of its campus energy, the CEC steam, chilled water and electricity for campus power consumption, heating and air conditioning needs. UMM Energy Partners is wholly owned by DCO Energy, LLC.

In 2012, the Authority issued a $51,265,000 Tax-exempt Series A Bond and a $28,140,000 Series B Taxable Bond (Appl. P36870) to fund the CEC project described above. The 2012 Bonds were underwritten by Raymond James & Associates, Inc. The Series A Bonds are serial bonds ranging in interest rates from 4.75% to 5.12% with a final maturity in 2043; Series B Bonds are also serial bonds ranging in interest rates from 5% to 7% with a final maturity in 2030. The CEC project also received a Large Scale Fuel Cell Energy Grant of $2,380,000, closed in June 2013 (Appl. P37739).

APPROVAL REQUEST:
Authority assistance will enable the Applicant to fund the construction of the Microgrid Expansion Project which will integrate the following three additional projects into the established Central Energy Center (CEC) and Thermal Distribution Loop (TDL) footprint to provide the additional energy needs of the growing Montclair State College Campus: 1) a Peak Shaving Generation Facility of 28,000 sq. ft. directly adjacent to the current CEC and Load Management System providing on demand power significantly lowering MSU’s energy charges during critical periods; 2) TDL expansion to provide chilled water and steam services to the campus student recreation center; and 3) the construction of a utility bridge connecting the campus parking garage to Webster Road, where the majority of the campus buildings reside.

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

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of new building or addition</td>
<td>$7,515,215</td>
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<tr>
<td>Construction of roads, utilities, etc.</td>
<td>$6,604,115</td>
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<tr>
<td>Engineering &amp; architectural fees</td>
<td>$3,791,204</td>
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<tr>
<td>Purchase of equipment &amp; machinery</td>
<td>$3,614,155</td>
</tr>
<tr>
<td>Contingency</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Interest during construction</td>
<td>$992,000</td>
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<tr>
<td>Debt service reserve fund</td>
<td>$708,813</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>APPLICANT:</td>
<td>UMM Energy Partners, LLC</td>
</tr>
<tr>
<td>Finance fees</td>
<td>$391,998</td>
</tr>
<tr>
<td>Legal fees</td>
<td>$105,000</td>
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<tr>
<td>Working capital</td>
<td>$77,500</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>$24,800,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>JOBS:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At Application</td>
<td>72</td>
<td>2</td>
</tr>
<tr>
<td>Within 2 years</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>Maintained</td>
<td>Construction</td>
</tr>
<tr>
<td>0</td>
<td>114</td>
<td></td>
</tr>
</tbody>
</table>

| PUBLIC HEARING:| BOND COUNSEL:  |                |
| DEVELOPMENT OFFICER: M. Athwal | Obermayer, Rebmann, Maxwell |                |
| APPROVAL OFFICER: T. Wells      |                |                |
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: October 12, 2017

SUBJECT: Uncommon Properties, LLC
$7,145,000 Taxable Qualified Zone Academy Bonds
North Star Academy Charter School of Newark, Inc.
P41792

Request:
Consent to change in project location from 571 18th Avenue, Newark, New Jersey to 108 South
9th Street, Newark, New Jersey, and 43 Alexander Street, Newark, New Jersey.

Background:

Uncommon Schools, Inc. (USI) is a not for profit entity that starts and manages public charter
schools and through its subsidiaries, owns real estate that is leased to the school for use as public
school facilities. Uncommon Properties, LLC is a wholly owned subsidiary of Uncommon
Schools, Inc. (USI) formed in 1997 to provide real estate services and hold title of real estate
projects for the benefit of the schools within the USI network, including North Star Academy
Charter School of Newark, Inc. (NSA). NSA is a network of eleven public charter schools
serving over 4,000 students in grades K-12 in Newark, NJ.

Since 2009, Uncommon Properties and its affiliates have closed on approximately eight bond
financings with the Authority for the benefit of NSA and as a conduit issuer the Authority has no
credit exposure.

In December 2015, the Authority issued $7.1 million taxable Qualified Zone Academy Bonds
(QZAB) that were directly purchased by Uncommon NSA Lender, LLC (“Purchaser”) with the
funding from Low Income Investment Fund (“Bondholder Representative”). The current
outstanding principal balance of the Bonds is approximately $7.8 million. The Bonds along with
proceeds from the $26.5 million tax-exempt bond to NSA 18th Avenue, LLC, (P44147) approved
by the Members in April 2017, were expected to fund a portion of the acquisition and
renovations to a facility on 18th Avenue in Newark, for use as a new North Star Academy
Charter School. To ensure compliance with QZAB requirements to renovate school buildings,
the Borrower has agreed to fund this project with other sources.

Currently the Borrower has identified two new locations and requests EDA’s consent to change
the project location to 43 Alexander Street, Newark and 108 South 9th Street, Newark. The bond proceeds, along with proceeds from EDA’s 2012 7.8 million QZAB (P37823), which modification is being presented to the Members concurrently, will be used to renovate the location on Alexander Street, and to fund additional planned work at the 9th Street location. Both Purchaser and Bondholder Representative have consented to the change in location.

Chiesa, Shahinian, and Giantomasi, PC, Bond Counsel to the Authority, has advised that the new project location will not adversely affect the federal income tax credit allocable to the Borrower. The request is being presented at the Board meeting for public hearing.

**Recommendation:**
Consent to change in project location from 571 18th Avenue, Newark, New Jersey to 108 South 9th Street, Newark, New Jersey, and 43 Alexander Street, Newark, New Jersey.

Prepared By: Angus Comly
MEMORANDUM

TO:          Members of the Authority

FROM:        Timothy J. Lizura
             President and Chief Operating Officer

DATE:        October 12, 2017

SUBJECT:     Uncommon Properties, LLC
             $7,806,000 Taxable Qualified Zone Academy Bonds
             North Star Academy Charter School of Newark, Inc.
             P37823

Request:
Consent to change in project location from 571 18th Avenue, Newark, New Jersey to 108 South
9th Street, Newark, New Jersey, and 43 Alexander Street, Newark, New Jersey.

Background:

Uncommon Schools, Inc. (USI) is a not for profit entity that starts and manages public charter
schools and through its subsidiaries, owns real estate that is leased to the school for use as public
school facilities. Uncommon Properties, LLC is a wholly owned subsidiary of Uncommon
Schools, Inc. (USI) formed in 1997 to provide real estate services and hold title of real estate
projects for the benefit of the schools within the USI network, including North Star Academy
Charter School of Newark, Inc. (NSA). NSA is a network of eleven public charter schools
serving over 4,000 students in grades K-12 in Newark, NJ.

Since 2009, Uncommon Properties and its affiliates have closed on approximately eight bond
financings with the Authority for the benefit of NSA and as a conduit issuer the Authority has no
credit exposure.

In December 2012, the Authority issued $7.8 million taxable Qualified Zone Academy Bonds
(QZAB) that were directly purchased by Uncommon NSA Lender, LLC (“Purchaser”) with the
funding from Low Income Investment Fund (“Bondholder Representative”). The current
outstanding principal balance of the Bonds is approximately $7.8 million. The Bonds were
expected to fund a portion of the acquisition and renovations to a facility on 15th Avenue in
Newark. NSA however was not able to acquire the 15th Avenue property within the IRS’s 3-year
timeline and requested IRS’s agreement for additional time to use the funds.

In December 2015, the IRS issued a private letter ruling granting the Borrower an additional two
years to spend the bond proceeds due to the unexpected obstacles obtaining ownership of the 15th
Avenue facility.
In June 2016, the Members approved a change of project location to 571 18th Avenue, Newark where the QZAB funds, along with proceeds from the $26.5 million tax-exempt bond to NSA 18th Avenue, LLC, (P44147) approved by the Members in April 2017, would be used to rehabilitate a commercial building for use as a new North Star Academy Charter School. To ensure compliance with QZAB requirements to renovate school buildings, the Borrower has agreed to fund this project with other sources.

Currently the Borrower has identified an alternative qualified project and requests EDA’s consent to change the project location, to 108 South 9th Street, Newark, as originally approved, and add 43 Alexander Street, Newark as an additional location. The bond proceeds will be used to renovate the school on Alexander Street, and to fund additional renovations needed at the 9th Street location. Both Purchaser and Bondholder Representative have consented to the change in location.

Chiesa, Shahinian, and Giantomasi, PC, Bond Counsel to the Authority, has advised that the new project location will not adversely affect the federal subsidy on the QZAB. The request is being presented at the Board meeting for public hearing.

**Recommendation:**
Consent to change in project location from 571 18th Avenue, Newark, New Jersey to 108 South 9th Street, Newark, New Jersey, and 43 Alexander Street, Newark, New Jersey.

Prepared By: Angus Comly
PUBLIC HEARING ONLY
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - REFUNDING BOND PROGRAM

APPLICANT: Port Newark Container Terminal L.L.C.  P44598
PROJECT USER(S): Same as applicant  * - indicates relation to applicant
PROJECT LOCATION: 241 Calcutta St  Newark City (T/UA)  Essex
GOVERNOR'S INITIATIVES: (X) Urban  () Edison  () Core  () Clean Energy

APPLICANT BACKGROUND:
Port Newark Container Terminal L.L.C. (PNCT) was incorporated in 2000 as a Delaware limited liability company. PNCT is owned by its two members, each owning a fifty percent membership interest. The two members are Ports America, Inc. (Ports America), having its address at 525 Washington Blvd., Jersey City, New Jersey and Terminal Investment Limited S.a.r.l. (TIL), having an address at 12-14 Chemin Riev 1208 Geneva, Switzerland. PNCT leases from the Port Authority of New York and New Jersey the land and facility known as the Port Newark Container Terminal (Terminal) located at 241 Calcutta Street in the City of Newark, New Jersey. The facility currently comprises 267 acres handling 700,000 containers annually.

In February 2003, the Authority issued $125,000,000 in tax-exempt bonds that in February 2012 were bifurcated into the Series 2003A and Series 2003B bonds each in the principal amount of $62,500,000. The original bond issuance allowed PNCT to redevelop an abandoned terminal for the purpose of operating a common user facility providing stevedoring and terminal services to container shipping lines, with the Terminal at the time comprising 154 acres of container yard.

This project is qualified for Authority assistance because it is an Exempt Public Facility (Docks/Wharves) under Section 142(a)(2) of the Internal Revenue Code of 1986 as amended and additionally exempted from the Volume Cap Limitation under Sections 144 and 146(g) of the Code.

REFUNDING REQUEST:
Authority assistance will enable the Applicant to refund $125,000,000 in outstanding principal associated with Series 2003A and Series 2003B bonds. Proceeds will also be used to pay costs incurred at issuance and fund a debt service reserve.

This project is being presented for public comment only at the October 12, 2017 Authority Board Meeting.

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

PROJECT COSTS:
- Principal amount of bond(s) to be refund: $125,000,000
- Debt service reserve fund: $14,500,000
- Other: $4,275,000
- Finance fees: $725,000
- Legal fees: $400,000
- Accounting fees: $100,000
APPLICANT: Port Newark Container Terminal L.L.C.

TOTAL COSTS

$145,000,000

PUBLIC HEARING: 10/12/17 (Published 09/27/17)  BOND COUNSEL: McCarter & English, LLP
DEVELOPMENT OFFICER: M. Athwal  APPROVAL OFFICER: K. DeSmedt
LOANS/GRANTS/GUARANTEES
HAZARDOUS DISCHARGE SITE REMEDIATION FUND
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: October 12, 2017

SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

The following grant projects have been approved by the Department of Environmental Protection to perform Supplemental 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>P44253</td>
<td>City of Newark (Scientific Chemical Corp)</td>
<td>$304,686</td>
</tr>
<tr>
<td>P44174</td>
<td>City of Paterson (BDA Paterson Steam Plant)</td>
<td>$420,308</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

**Total HDSRF Funding – October 2017**

$724,994

Prepared by: Reneé M. Krug
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT  

APPLICANT: City of Newark (Scientific Chemical Processing)  
PROJECT USER(S): Same as applicant  
PROJECT LOCATION: 411-413 Wilson Avenue Newark City (T/UA) Essex  
GOVERNOR'S INITIATIVES: (X) Urban ( ) Edison ( ) Core ( ) Clean Energy  

* indicates relation to applicant  

APPLICANT BACKGROUND:  
Between May 1997 and August 2011, The City of Newark had received an initial grant funding in the amount of $83,440 under P09178 and supplemental grants totaling $438,675 under P14490 and P32257 to perform Preliminary Assessment (PA), Site Investigation (SI) and Remedial Investigation (RI). The property site, identified as Block 5020, Lot 98 is an abandoned industrial facility suspected of groundwater being contaminated by volatile organics and the soil being contaminated with metal, semi-volatile organic and PCB. The City of Newark has foreclosed on 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 truck storage and warehouse use.  
NJDEP has approved the request for supplemental RI grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF Program.  

APPROVAL REQUEST:  
The City of Newark is requesting aggregate supplemental grant funding to perform RI $304,686 at the Scientific Chemical Processing property site. Because the aggregate supplemental funding including this request is $743,361, it exceeds the maximum aggregate staff delegation approval of $100,000 and therefore requires EDA's board approval. Total grant funding including this approval is $826,801.  

FINANCING SUMMARY:  
GRANTOR: Hazardous Discharge Site Remediation Fund  
AMOUNT OF GRANT: $304,686  
TERMS OF GRANT: No Interest; No Repayment  

PROJECT COSTS:  
Remedial investigation $304,686  
EDA administrative cost $500  
TOTAL COSTS $305,186  

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

APPLICANT: City of Paterson (BDA Paterson Steam Plant) P44174
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 76-108 McBride Street Paterson City (T/UA) Passaic
GOVERNOR'S INITIATIVES: (X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:
City of Paterson is requesting a grant for the Paterson Steam Plant/Overlook Park project site, identified as Block 4601, Lots 1&2 which is a former steam plant and has potential environmental areas of concern (AOCs). The City 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 recreational use.

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 within a BDA. The grant has been calculated off 75% of the RA costs $560,410. The remaining 25% of funding is being provided by the issuance of a bonds.

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.

APPROVAL REQUEST:
City of Paterson is requesting grant funding to perform RA in the amount of $420,308 at the Paterson Steam Plant/Overlook Park project site.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: $420,308
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Remedial Action</td>
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<td>EDA administrative cost</td>
<td>$500</td>
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<td><strong>TOTAL COSTS</strong></td>
<td><strong>$420,808</strong></td>
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</table>

APPROVAL OFFICER: K. Junghans
PETROLEUM UNDERGROUND STORAGE TANK (PUST)
TO: Members of the Authority
FROM: Timothy J. Lizura, President/Chief Operating Officer
DATE: October 12, 2017
SUBJECT: NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

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

**UST Commercial Grants:**
P39408 Walter & Jean Putz $101,858

**UST Residential Grants:**
P44324 Fern Bliss - Morgan $289,357
P44354 Lucille Virgilio Trust $86,600

$375,957

**Total UST Funding – October 2017** $477,815

___________________________
Timothy Lizura

Prepared by: Reneé M. Krug
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT: Walter Putz and Jean Putz  P39408
PROJECT USER(S): Same as applicant  * - indicates relation to applicant
PROJECT LOCATION: 4344 Tuckahoe Road  Franklin Township (T)  Gloucester
GOVERNOR'S INITIATIVES: ( ) Urban  ( ) Edison  ( ) Core  ( ) Clean Energy

APPLICANT BACKGROUND:
In December 2010, Walter Putz and Jean Putz, owners of the project site, which includes their former gasoline station and grocery store, received a grant in the amount of $59,581 under P31643 to perform remediation for the closure of the underground storage tanks (USTs) at the project site. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

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

APPROVAL REQUEST:
The applicants are requesting supplemental grant funding in the amount of $101,858 to perform the approved scope of work at the project site. Because the supplemental funding request exceeds the maximum staff delegation approval of $100,000, it requires EDA's board approval. Total grant funding including this approval is $161,439.

The NJDEP oversight fee of $10,186 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:
GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund
AMOUNT OF GRANT: $101,858
TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act.

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Upgrade, Closure, Remediation</td>
<td>$101,858</td>
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<tr>
<td>NJDEP oversight cost</td>
<td>$10,186</td>
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<td>EDA administrative cost</td>
<td>$250</td>
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<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$112,294</strong></td>
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APPROVAL OFFICER: K. Junghans
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT: Fern Bliss-Morgan
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 1576 Park Blvd Camden City (T/UA) Camden
GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
In November 2010, Fern Bliss-Morgan received a grant in the amount of $43,719 under P32075 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

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

APPROVAL REQUEST:
The applicant is requesting supplemental grant funding in the amount of $289,357 to perform the approved scope of work at the project site. Because the supplemental funding request exceeds the maximum staff delegation approval of $100,000 it requires EDA's board approval. Total grant funding including this approval is $333,076.

The NJDEP oversight fee of $28,936 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:
GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund
AMOUNT OF GRANT: $289,357
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Remediation</td>
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<td>$28,936</td>
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<td>EDA administrative cost</td>
<td>$250</td>
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APPROVAL OFFICER: K. Junghans
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT: Lucille Virgilio Trust
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 1 Orange Heights Avenue West Orange Township (N) Essex
GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Between March 2014 and November 2015, Lucille Virgilio Trust received an initial grant in the amount of $92,197 under P38644 and a supplemental grant in the amount of $49,740 under P41163 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

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

APPROVAL REQUEST:
The applicant is requesting aggregate supplemental grant funding in the amount of $86,600 to perform the approved scope of work at the project site. Because the aggregate supplemental grant funding is $136,340, it exceeds staff delegation approval of $100,000 and therefore requires EDA’s board approval. Total grant funding including this approval is $228,537.

The NJDEP oversight fee of $8,660 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:
GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund
AMOUNT OF GRANT: $86,600
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
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<tr>
<th>Item</th>
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<tbody>
<tr>
<td>Remediation</td>
<td>$86,600</td>
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<td>EDA administrative cost</td>
<td>$250</td>
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<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$95,510</strong></td>
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APPROVAL OFFICER: K. Junghans
TECHNOLOGY BUSINESS TAX CERTIFICATE
TRANSFER PROGRAM
MEMORANDUM

TO: Melissa Orsen, Chief Executive Officer
    Members of the Authority

FROM: Marcus Saldutti
    Hearing Officer

DATE: October 12, 2017

SUBJECT: Technology Business Tax Certificate Transfer Program - Appeals

Request:

Consent of the members to the Hearing Officer’s recommendation to reverse the declination of NOL application for EOS Energy Storage, LLC, and to uphold the declination of NOL applications for doForms NJ, Inc. and Myos Rens Technology, Inc.

Background:

Pursuant to the enabling legislation, the Authority administers the Technology Business Tax Certificate Transfer Program ("Program"), including the review of each application to insure the applicants met the requirements of the Program. Staff recommendations are then presented to the Members for consideration. As requested by the CEO, I am fulfilling the role of Hearing Officer to independently review the appeals, and have completed that review of the appeals with legal guidance from the Attorney General’s Office.

At the August 8, 2017 Board Meeting, the Members considered 44 requests from companies to participate in the Technology Business Tax Certificate Transfer Program. A total of 38 requests were recommended for approval and 4 requests were disapproved. Two companies withdrew their applications. Average estimated benefits were calculated to be $1.34 million per approved company based on this year’s budget allocation of $60 million. If the Board agrees with the recommendation to approve a company previously disapproved or disagrees with any of the decisions of the Hearing Officer to uphold all of the declinations, the benefit amount will be recalculated based on the total new number of approvals, with the reduction to the amount of benefit received by the companies expected to be de minimus.

Following the August Board meeting, the 4 companies that were disapproved were sent written notice of the Board’s action along with the reasons for the disapproval. In that letter, applicants
were notified of the decision and were provided 20 days to appeal. Of the 4 disapproved, 3 filed appeals by the appeal deadline of August 28, 2017.

Over the past several weeks, each appeal was reviewed in light of all supporting documentation submitted.

**Recommendation of Reversal:**

Based on the review of the appeals submitted by the applicants and the analyses prepared by the initial review team from the Authority, I am recommending that the following one company be approved for participation in the Program:

**EOS Energy Storage, LLC**

Based on the clarifying final documentation received, the Hearing Officer is persuaded that the Board’s August 8, 2017 declination of Eos Energy Storage, LLC (“Eos”) should be reversed as the appropriate financial statements were received and demonstrated net operating losses for 2015 and 2016.

Eos provided audited financial statements for 2015 but only draft financial statements for 2016 on the application deadline of June 30, 2017. Subsequently, Eos submitted with its appeal audited 2016 financial statements prepared by an outside CPA. The final 2016 financial statements were not materially inconsistent with the draft financials initially submitted. Both the 2015 and 2016 financial statements showed net operating losses as required by N.J.S.A. 34:1B-7.42a(b)5. The post-deadline audited final financial statement was accepted by TLS as a permitted clarification rather than new information by the appeal deadline pursuant to N.J.A.C. 19:31-12.6(d) and the Frequently Asked Questions on the EDA website for the Program as set forth on page 3/14.

Notwithstanding the foregoing, this recommended approval by itself will not permit Eos to participate in the Program this year. N.J.A.C. 19:31-12.4(e) provides that “[T]he Division of Taxation, Department of the Treasury separately reviews applicants and may make recommendations regarding program eligibility”. Applicants are required to file Corporation Business Taxes (“CBT”) by June 30, 2017. According to Taxation, Eos failed to file its 2016 CBT return by the application deadline of June 30, 2017.

The Division of Taxation’s review and decision regarding the CBT filings is beyond the scope of this appeal and is provided here for informational purposes.

**Recommendations to Uphold:**

Based on the review of the appeals and the analyses prepared by the initial review team from the Authority, I am recommending the following two declinations be upheld as the applicants have not demonstrated they meet all of the eligibility criteria of the Program:
Myos Rens Technology, Inc.

The Hearing Officer is persuaded that Myos Rens Technology, Inc. ("Myos Rens") failed to meet the definition of being a new or expanding technology or biotechnology company by not having a minimum of 10 full-time employees as of June 30, 2017 as required by N.J.S.A.34:1B-7.42(b).

The evidence received does establish that the employee in question was indeed a full-time employee of Myos Rens. However, N.J.A.C. 19:31-12.2, requires "a full-time employee whose primary office is in New Jersey and who spends at least 80 percent of his or her time in New Jersey..."

Myos Rens failed to present any credible evidence that the employee spends at least 80% of his time in New Jersey. In fact, the evidence received set forth that the employee in question is a resident of Massachusetts who commutes to work in New Jersey for a period of three days a week.

doForms NJ, Inc.

The Hearing Officer is persuaded that doForms NJ, Inc. ("doForms") failed to have (i) the required 10 full-time employees working in New Jersey by the application submission deadline of June 30, 2017; (ii) submitted the 2016 financial statements by the application deadline; and (iii) submitted its certificate of incorporation/formation documents for its earliest predecessor by the application deadline.

Although doForms submitted audited financial statements for 2014 and 2015, it did not provide in any form - including draft statements - prior to the deadline the required compiled, reviewed or audited financial statements for the most recent calendar year of 2016. N.J.A.C. 19:31-12.4 (c)3 requires that applications submitted to the Program shall include “[T]he financial statements for the two most recent full years of operation”. doForms failed to do so. Its later submission cannot be considered clarifying information as no 2016 statement in any form was received by the June 30, 2017 deadline.

doForms did file with its application a copy of its most recent incorporation; however, it failed to timely submit any certificate of formation for its earliest predecessor entity in order to participate in the Program an applicant business must provide by the application deadline a copy of the certificate of incorporation/formation of its earliest predecessor entity per N.J.A.C. 19:31-12.4 (c) 12." As such, its later submission cannot be considered clarifying information and its late submission is new evidence, which is proscribed from consideration as per N.J.A.C. 19:31-12.6 (d).

Finally, doForms was also required to have ten full-time employees working in this State by June 30, 2017. The evidence indicates that the employee was considered to be a temporary employee for the summer who was a college student in South Carolina. There was no documentation
supplied that would demonstrate he qualifies as a "[F]ull-time employee working in this State" who would be able to spend 80% of his time in New Jersey, as defined in N.J.A.C. 19:31-12.2 while attending school out of state.

**Recommendation:**

As a result of careful consideration of the above appeals in consultation with the Attorney General's Office, EOS Energy Storage is recommended for approval. Myos Rens Technology, Inc. and doForms NJ, Inc. are recommended for denial.

Prepared by: Marcus Saldutti, Hearing Officer
NJ CoVEST FUND PROGRAM
APPLICANT: Reflik, Inc.

PROJECT USER(S): Reflik Inc.  
* - indicates relation to applicant

PROJECT LOCATION: 285 Davidson Ave Franklin Township (N) Somerset

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

APPLICANT BACKGROUND:
Reflik has developed a Talent Crowdsourcing Platform that finds top candidates for the position in significantly less time and for less cost, through its extensive network of recruiters and industry professionals.

APPROVAL REQUEST:
Approval is recommended for a loan up to $250,000 from the NJ CoVest Fund as proposed.

FINANCING SUMMARY:
LENDER: NJEDA

AMOUNT OF LOAN: Up to $250,000

TERMS OF LOAN: 10-Year Term. The proposed loan will have a rate of 3% with no payments for the first 84 months. Interest during this period will accrue and will be capitalized. Beginning month 85 principal plus interest payments will begin for the remaining three-year term to fully amortize the loan.

PROJECT COSTS:

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

JOBS:  
At Application 9 Within 2 years 10 Maintained 0 Construction 0

DEVELOPMENT OFFICER: C. Smith  
APPROVAL OFFICER: M. Bhatia
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: October 12, 2017

RE: 2017 NJ Founders & Funders All-Stars Program Award

Summary
The members of the Board are requested to approve an award of up to $50,000 for a selected registered, presenting company of the 2017 NJ Founders & Funders All-Stars program. The award is structured as a forgivable loan with warrants to support an early-stage New Jersey technology or biotechnology company.

Background
NJ Founders & Funders is a community resource program organized by the NJEDA on a semi-annual basis (Spring and Fall) to facilitate collaborative discussions between product-focused, emerging NJ Technology & Life Science (“TLS”) companies and sophisticated angel & institutional investors.

Since inception in June 2014, more than 200 companies and 75 investors have participated in the program. Structured as a half-day event, featuring up to twelve 10-minute one-on-one introductory sessions between each attending company and investors, the event has facilitated more than 1,200 formal meetings and countless other informal conversations. Following from the success of this program to date, NJ Founders & Funders All-Stars is being organized to recognize the connections made through this program, resulting in investment, insight and inspiration to help fuel New Jersey’s Technology & Life Science ecosystem.

For the first-time, all 200+ past NJ Founders & Funders attendee companies are being offered the opportunity to re-connect with investors in this single forum. Each past event has seen an over-subscribed level of demand by the entrepreneurial community. As a result, NJ Founders & Funders guidelines prohibit a single company from attending more than one regular event. The NJ Founders & Funders All-Stars event offers the opportunity for all previously attending companies to update investors with their progress and showcase their cumulative innovation with the community.

As with the regularly-recurring NJ Founders & Funders events, this event will feature organized
one-on-one introductions between NJ-based companies and investors. In addition, we are proud to feature a special New Jersey Entrepreneur panel sharing their insights on fundraising, maximizing the relationship with investors and the path to exit. Returning companies may send up to two representatives to attend the event. There will be ample networking among entrepreneurs, investors and, for the first time, admission to other private sector community members who support this sector of the market.

All companies previously participating at a regular NJ Founders & Funders event are invited to attend NJ Founders & Funders All-Stars and/or to separately register to participate in the one-on-one investor meetings. A subset of 20 companies will be selected from the pool of returning company registrants in advance of the event, by an independent outside panel, to participate in the one-on-one sessions. The panel is comprised of the Authority’s existing Technology Advisory Board (TAB). The event will be capped-off with lightning presentations by five investor favorite companies selected from those 20 participating in the one-on-one meetings. The winner of the five presenting companies will be determined by crowd participation, subject to NJEDA’s authority to review and make any determination based on non-delegable requirements. The selected winner will receive a proposed award of up to $50K in the form of a forgivable loan, conditioned upon receipt of a minimum 1:1 matching of outside, third party investor equity.

**Loan Award**
The proposed NJ Founders & Funders All-Stars Loan will provide one-time funding (under the requirements and structure, herein) to support the growth of a technology or life science company and encourage further investment in the State, while recognizing the achievements of an early-stage NJ entrepreneurial business. Investment made from this award will align with the EDA’s ongoing strategy of supporting New Jersey’s entrepreneurial ecosystem in the industries of technology and life sciences. The object company must meet the guidelines specified below.

Consistent with other already existing NJEDA TLS loan programs (Edison Loan Program, NJ CoVest program) the Company must secure matching funds from a qualified, unrelated third party which the EDA will match on a 1:1 basis. The NJ Founders & Funders All-Stars loan commitment will be offered to the selected company contingent on verified receipt of outside equity within 12 months after the December 6, 2017 event date.

Proposed 2017 NJ Founders & Funders All-Stars Award guidelines:

- **Award (Forgivable Loan)** of up to $50,000 will be offered based on match funding amount and program selection process. Forgivable Loan will have a 0% interest rate accompanied by 50% warrant coverage, with a warrant strike price aligning with the investor match. Forgivable Loan will have a 5-year principal moratorium followed by a 2-year amortization if the loan forgiveness conditions are not met.

- **Company eligibility and selection** will be validated according to a prescribed multi-stage process, as follows:
  - The Company, which is registered to conduct business in New Jersey is:
    - Registered, attended and met with scheduled investors during 1-on-1 meeting sessions at a regular NJ Founders & Funders event between the period of June 2014 and April 2017;
Registered to attend the 2017 NJ Founders & Funders All-Stars event seeking to participate in 1-on-1 meetings at the event;

Submitted a 1-2-page executive summary for review and selection by an independent panel comprised of the NJEDA’s Technology Advisory Board (“TAB”);

Is selected from a full compilation of the aforementioned executive summaries by TAB, as one of the 20 NJ entrepreneurial businesses to participate in the 1-on-1 investor meetings at the 2017 NJ Founders & Funders All-Stars event. Selection at this stage will be determined on the basis of several criteria as outlined for the selection panel and scored using a specified rubric. Important considerations will include:

- Target market
- Identification, definition and solution of problem/need
- Team, board, advisors
- Traction
- Competitive advantage
- NJ strategic value and job growth

Attended 2017 NJ Founders & Funders All-Stars and actively participated at a majority of their scheduled 1-on-1 investor meetings;

Is selected as one of five award finalists through an independent determination by investors participating in 1-on-1 sessions with the Company at NJ Founders & Funders All-Stars, leveraging the aforementioned criteria;

Delivered a five-minute presentation of the business as a finalist at NJ Founders & Funders All-Stars, and subsequently is selected according to a full audience vote. The audience will be comprised of members of the NJ technology & life science community. Each audience member will have a single vote.

Subsequently, received a qualified third-party equity investment to serve as matching funds from a party unrelated to the Company within 12 months of the December 6, 2017 event date.

- EDA funds matched to outside investments (in the form of equity) by a minimum ratio $1 (EDA) to $1 (Qualified Investment).
- The Company must have received funding prior to this proposed matching round which can include founders’ contributions, friends and family, crowd sourcing, grants, or accelerator awards.

Company requirements:

- Product-based companies, in the technology and life sciences industries which meet the requirements described herein.
- Company must be registered to do business in New Jersey and be in good standing.
- Post award - Management prepared financials, payroll reporting and tax returns must be delivered to the Authority on an annual basis within 90 days of filing/completion.

Loan structure:

- The loan will have 0% interest and a principal payment moratorium for the first 5 years, followed by a 24-month amortization if the company does not meet each of the following conditions for loan forgiveness:
  - The company’s management speaks at a future NJ Founders & Funders event.
The company’s management participates in a feature article issued by the NJEDA.

○ The company grows at least five (5) W2 employees in 5 years (verified by NJ WR30) unless there is a merger or stock acquisition of the company resulting in an exit by existing investors.

Conditions of Default:

• The Company must remain headquartered in NJ for 7 years after receipt of funds except in the event of a merger or stock acquisition resulting in an exit by existing investors.

• Failure to maintain employment, including headquarters commitment to NJ will result in full repayment of the award.

• Non-compliance with required reporting as detailed above.

The Authority will have the right to demand full repayment of the loan in the event of a default.

The event and award determination are scheduled to occur December 6, 2017.

Recommendation

The Members are requested to approve the creation and implementation of the 2017 NJ Founders & Funders All-Stars Award from EDA funding resources as substantially described above.

Timothy J. Lizura
President/Chief Operating Officer

Prepared by: Timothy B. Rollender
REAL ESTATE
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: October 12, 2017

RE: Award of Demolition Contract
Tech VI Building, Technology Centre of New Jersey, North Brunswick, NJ

Summary
The Members are asked to approve the authorization to award a demolition services contract to Tricon Enterprises, Inc ("Tricon") of Keyport, New Jersey for the demolition of the Tech VI Building located at the Technology Centre of New Jersey in North Brunswick, New Jersey.

Background
The Tech VI building is a 36,500 square foot office building constructed in the 1960s. It was formerly occupied by Premier, a privately-owned career training organization, and has been vacant since May of this year. The building is past its useful life and is being demolished to create a development parcel.

The Real Estate Division publicly advertised a Request for Building Demolition Bids on behalf of the Authority. The Real Estate Division received five (5) bids, which were publicly opened on September 25, 2017. The Bid Totals ranged from $440,000 to $664,000 as listed on the attached chart and, as shown, Tricon submitted the lowest responsible bid.

Final approval of the selection of Tricon will be subject to receipt of all required compliance documentation. In the alternative, if Tricon is found to be non-compliant, approval is requested to enter into a contract with the next lowest responsible bidder, subject to receipt of all required compliance documentation, as listed on the attached chart.

Based on the total Lump Sum Bid, approval is requested to establish a budget of $506,000 which includes a 15% contingency in the amount of $66,000 for unforeseen conditions.

Recommendation
In summary, the Members’ approval is requested to enter into a demolition services contract with the lowest responsible bidder, Tricon Enterprises, Inc. of Keyport, New Jersey, for a Lump Sum contract amount of $440,000 with a separate $66,000 contingency, if required, for the demolition
of the Tech VI Building located at the Technology Centre of New Jersey in North Brunswick, New Jersey.

Timothy J. Lizura
President and Chief Operating Officer

Attachment
Prepared by: Thomas P. Catapano
Bid Summary
Demolition of Tech VI Building located at the Technology Centre of New Jersey

<table>
<thead>
<tr>
<th>Firm</th>
<th>Lump Sum Bid</th>
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<tbody>
<tr>
<td>Tricon Enterprises Inc.</td>
<td>$440,000.00</td>
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<tr>
<td>Two Brothers Contracting Inc.</td>
<td>$533,400.00</td>
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<tr>
<td>Total Wrecking &amp; Environmental Inc.</td>
<td>$588,680.00</td>
</tr>
<tr>
<td>Caravella Demolition Inc.</td>
<td>$596,160.00</td>
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<tr>
<td>KM Construction Corp.</td>
<td>$664,000.00</td>
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</table>
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Litura
President/Chief Operating Officer

RE: Update to Operating Authority
Real Estate Division

DATE: October 12, 2017

Summary
I am requesting the Members modify the Real Estate Division Operating Authority by Level to: (i) clarify authority for staff to enter into settlement agreements or final dispositions of litigation matters; (ii) clarify signatory requirements and delegate authority for staff to enter into recorded/permanent easement agreements (as outlined on the attached chart entitled Real Estate Division Operating Authority By Level); (iii) update the Real Estate Division Operating Authority chart to reflect TLS staff’s administration of Lease Agreements for the BDC Leases in accordance with the prior Board approval of the BDC program at its Board meeting in August 2017; (iv) clarify TLS Program Manager ability to recommend CCIT tenants to the CCIT Advisory Board; and (v) to clarify CCIT Leasing Operating Authority regarding leases to professional service provider tenants (i.e. accountants, attorneys, consultants, etc.).

Background

Litigation Matters: The Real Estate Division may be required to enter into Settlement Agreements or agreements regarding either potential litigation or final disposition of lawsuits as part of active litigation for EDA owned, leased or other properties in which EDA is considered to have an interest. In some cases, execution of this documentation is time sensitive and delay of same may jeopardize a previously agreed to settlement between all parties. It is recommended that staff be assigned the delegated authority (with Senior Vice President or above signatory) to sign Settlement Agreements and/or other final disposition documentation regarding litigation matters as follows: (i) for pretitigation and active litigation agreements with third parties, where payment is being made by EDA or its insurance carrier, up to $75,000; and (ii) for pretitigation and active litigation agreements with third parties where a third party or the third party insurance company has tendered defense of EDA in the litigation matter and neither EDA nor its insurance carrier are required to remit any payment directly. Settlement Agreements and final disposition documentation requiring payment by EDA or its insurance carrier in excess of $75,000, that impose any new non-monetary obligation, or that concede any liability will be subject to the prior approval of the EDA Board. Final terms of all Settlement Agreements and/or final disposition documentation will be subject to the prior approval of the President/Chief Operating Officer and the Attorney General’s Office.

Recorded Permanent Easement Agreements: In October 2008 and August 2016, the Board authorized staff to enter into Right of Entry/License Agreements, executed by the Director, for EDA owned property for standard utility, communications, infrastructure use between EDA and utility companies, communications companies, companies providing public utility, other governmental entities requiring access to provide EDA or its tenants services. That previous approval did not specifically address the ability of EDA to enter into routine, standard permanent recorded easement agreements at the request of a public utility company. Since that time, several requests have been received from third party utility companies, for permanent,
recorded easement agreements. It is recommended that staff be assigned the delegated authority (with Vice President—Real Estate signatory or above) to execute a routine, standard easement agreement with a public utility where payment to EDA is up to and including $300,000 as the logical companion to the Board’s prior delegation of the Right of Entry approvals involving utility companies. Easement agreements with a consideration in excess of $300,000 or easements to be sought by EDA over adjacent property(ies) would be subject to the prior approval of the EDA Board. Under this delegation, easement agreements will be granted by EDA only when the grantee provides adequate proof of valuation of the easement area satisfactory to EDA and the proposed easement will not reduce the value of the EDA property by more than 10% of the current appraised or book value of the property, whichever is more current. If EDA does not have an appraisal on file dated within 18 months of the easement request, the requestor will be requested to provide a valuation of the full property as well as a valuation of the easement area. In any case, standard public utility easements will be granted only when the other party enters into a form of agreement acceptable to the Attorney General’s Office. Final terms of the document will be subject to the prior approval of the President/Chief Operating Officer and the Attorney General’s Office.

BDC Leases: In August 2017, the Board authorized the creation of the Biotechnology Development Center program (“BDC”) to be operated by TLS staff on the Second Floor of Tech IV. The BDC is a “step out” expansion space for CCIT graduates as well as space for well funded start up companies that are beyond the CCIT stage as a tenant. TLS administration of the BDC leases, as outlined in the August 2017 Board Approval, has been added to the update to this Operating Authority.

CCIT Leases: In order to further clarify the existing TLS authority regarding the administration of CCIT Leases, it is recommended that the TLS operating authority for CCIT be updated to reflect the Program Manager’s ability to recommend CCIT tenants to the CCIT Advisory Board (but with no execution authority). Additionally, the current chart indicates the ability to allow service provider tenants to lease up to 500 square feet of office space and high tech tenants to lease up to 2,000 square feet of office or dry lab space at CCIT. It is recommended that the chart be changed to clarify that TLS staff is authorized to allow only professional business service provider tenants (e.g. accountants, consultants, attorneys, etc) up to 500 sq. ft. of office space; high tech tenants up to 2,000 sq. ft. of office space only (i.e. no longer inclusive of dry lab space) at CCIT.

Recommendation
In summary, I am asking the Members to: (i) clarify authority for staff to enter into settlement agreements or final dispositions of litigation matters; (ii) clarify signatory requirements and delegate authority for staff to enter into recorded/permanent easement agreements (as outlined on the attached chart entitled Real Estate Division Operating Authority By Level); (iii) update the Real Estate Division Operating Authority chart to reflect TLS staff’s administration of Lease Agreements for the BDC Leases in accordance with the prior Board approval of the BDC program in August 2017; (iv) clarify TLS Program Manager ability to recommend CCIT tenants to the CCIT Advisory Board; and (v) to clarify CCIT Leasing Operating Authority regarding leases to professional service provider tenants (i.e. accountants, attorneys, consultants, etc.).

Timothy J. Eizura

Prepared by: Cathleen A. Hamilton
<table>
<thead>
<tr>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
<th>Level 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO/CDO</td>
<td>SVP</td>
<td>Vice President, Real Estate Development, Only (&quot;VP-RE&quot;)</td>
<td>Senior Project Officer and Project Officers - Real Estate Development, Only (&quot;PO&quot;)</td>
<td></td>
</tr>
<tr>
<td>OPERATING SCOPE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**POTENTIAL AND ACTIVE LITIGATION**

- **Pre Litigation and Active Litigation Settlement Agreements or Release Agreements (excluding Arbitration or Mediation Awards):**
  - with third parties payments by EDA insurance carrier is in excess of $75,000 (for EDA settlement and final disposition of pending litigation or active litigation against EDA resulting in dismissal of claim).
  - Subject to 10/19/17 Board Approval.

- **Pre Litigation and Active Litigation Settlement Agreements or Release Agreements (excluding Arbitration or Mediation Awards):**
  - with third parties (payments by EDA insurance carrier is in excess of $75,000) (for EDA settlement and final disposition of pending litigation or active litigation against EDA resulting in dismissal of claim).
  - Subject to 10/19/17 Board Approval.

- **Pre Litigation and Active Litigation Settlement Agreements, Release Agreements (including Arbitration or Mediation Awards):**
  - with third parties (payments by EDA insurance carrier is in excess of $75,000) (for EDA settlement and final disposition of pending litigation or active litigation against EDA resulting in dismissal of claim).
  - Subject to 10/19/17 Board Approval.

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**REVISIONS**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entirely new section of operating authority</td>
<td>Allow division to actively and expediently resolve potential and active litigation matters.</td>
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**NOTE 1:** Level 2 has been revised from "SVP Operations" to "SVP". Level 3 has been revised from "Director, "Vice President, Real Estate (VP-RE)" to "Vice President, Technology and Life Sciences" to reflect current staff and titles.

**NOTE 2:** Level 4 authority to attest or execute contracts up to $25,000 is in accordance with existing NJEDA Administrative Operating Authority.

**NOTE 3:** All procurements approved are subject to compliance with NJEDA Procurement and Policy Procedures and public bidding requirements, where applicable.

**NOTE 4:** All tenders are approved in accordance with the COT Amissison Policy and Procedures.

**NOTE 5:** Direct procurements are subject to Section 16 (a) through (g) of Executive Order 37 (2006).

**NOTE 6:** All actions taken pursuant to this delegation will be reported to the Real Estate Committee at the next meeting and to the Board at quarterly intervals.

**NOTE 7:** President/CDO area added in 2012 to reflect that title
<table>
<thead>
<tr>
<th>BDC LEASE OPERATING SCOPE ONLY</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
<th>Level 5</th>
<th>BOARD APPROVAL REQUIREMENT</th>
<th>RATIONALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorized to select Tech IV, 2nd Floor BDC tenants to lease up to 8,000 sq. ft. of wet lab and related office space as per rental package. Subject to 10/12/17 Board Approval</td>
<td>Any 1 of Level 1, 2, 3 or 4 are authorized to select BDC tenants to lease up to 8,000 sq. ft. of wet lab and related office space (Lease signatory must be Level 3 or above; Level 4 authorized to attest)</td>
<td>Any 1 of Level 1, 2, 3 or 4 are authorized to select BDC tenants to lease up to 8,000 sq. ft. of wet lab and related office space (Lease signatory must be Level 3 or above; Level 4 authorized to attest)</td>
<td>Any 1 of Level 1, 2, 3 or 4 are authorized to select BDC tenants to lease up to 8,000 sq. ft. of wet lab and related office space (Lease signatory must be Level 3 or above; Level 4 authorized to attest)</td>
<td>Authorized to attest Lease Agreement</td>
<td>NO BOARD APPROVAL REQUIRED IF LEASE IS UNDER 8,000 sq. ft.</td>
<td>Entirely new lease package program approved at 8/8/17 Board meeting for leasing of Tech IV, 2nd Floor, Biotechnology Development Center space.</td>
<td></td>
</tr>
<tr>
<td>Authorized to amend Lease to reduce Tech IV, 2nd Floor BDC tenant space or increase BDC tenant space of up to and including 8000 sq. ft. of wet lab and related office space during lease term, inclusive of any extensions. Subject to 10/12/17 Board Approval</td>
<td>Any 1 of Level 1, 2 or 3 are authorized to amend Lease to reduce Tech IV, 2nd Floor BDC tenant space or increase Tech IV, 2nd Floor BDC tenant space of up to and including 8000 sq. ft. of wet lab and related office space during the lease term, inclusive of any extensions (Lease signatory must be Level 3 or above, Level 4 authorized to attest)</td>
<td>Any 1 of Level 1, 2 or 3 are authorized to amend Lease to reduce Tech IV, 2nd Floor BDC tenant space or increase Tech IV, 2nd Floor BDC tenant space of up to and including 8000 sq. ft. of wet lab and related office space during the lease term, inclusive of any extensions (Lease signatory must be Level 3 or above, Level 4 authorized to attest)</td>
<td>Any 1 of Level 1, 2 or 3 are authorized to amend Lease to reduce Tech IV, 2nd Floor BDC tenant space or increase Tech IV, 2nd Floor BDC tenant space of up to and including 8000 sq. ft. of wet lab and related office space during the lease term, inclusive of any extensions (Lease signatory must be Level 3 or above, Level 4 authorized to attest)</td>
<td>Authorized to attest Lease Amendment Agreement</td>
<td>NO BOARD APPROVAL REQUIRED IF TOTAL AMOUNT OF LEASED SPACE IS UNDER 8,000 sq. ft.</td>
<td>Entirely new lease package program approved at 8/8/17 Board meeting for leasing of Tech IV, 2nd Floor, Biotechnology Development Center space.</td>
<td></td>
</tr>
</tbody>
</table>

BDC OA1
<table>
<thead>
<tr>
<th>Authorized to reduce or waive late payment fees upon Tenant request up to 90 days</th>
<th>Authorize to reduce or waive late payment fees upon Tenant request up to 90 days (1 member must be Level 3 or above).</th>
<th>Any 3 of Level 1, 2, 3 or 4 are authorized to reduce or waive late payment fees upon Tenant request up to 90 days (1 member must be Level 3 or above).</th>
<th>Any 3 of Level 1, 2, 3 or 4 are authorized to reduce or waive late payment fees upon Tenant request up to 90 days (1 member must be Level 3 or above).</th>
<th>Authorized to make recommendation of reduction or waiver with any 2 of Level 1, 2, 3 or 4 (1 member must be Level 3 or above).</th>
<th>Entirely new lease package program approved at 8/8/17 Board meeting for leasing of Tech IV, 2nd Floor, Biotechnology Development Center space.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorize to reduce or waive rent payments upon Tenant request up to 90 days or up to $50,000, whichever is less, for operational, CAM adjustments (if applicable) or other financial hardship</td>
<td>Any 3 of Level 1, 2, 3 or 4 are authorized to reduce or waive rent payments upon Tenant request up to 90 days or up to $50,000, whichever is less (1 member must be Level 3 or above).</td>
<td>Any 3 of Level 1, 2, 3 or 4 are authorized to reduce or waive rent payments upon Tenant request up to 90 days or up to $50,000, whichever is less (1 member must be Level 3 or above).</td>
<td>Authorized to make recommendation of reduction or waiver with any 2 of Level 1, 2, 3 or 4 (1 member must be Level 3 or above).</td>
<td>Entirely new lease package program approved at 8/8/17 Board meeting for leasing of Tech IV, 2nd Floor, Biotechnology Development Center space.</td>
<td></td>
</tr>
<tr>
<td>Authorized to waive or reduce holdover rent premium up to 180 days upon Tenant request to encourage continued occupancy or facilitate Tenant's transition.</td>
<td>Any 3 of Level 1, 2, 3 or 4 are authorized to waive or reduce holdover rent premium up to 180 days upon Tenant request (1 member must be Level 3 or above).</td>
<td>Any 3 of Level 1, 2, 3 or 4 are authorized to waive or reduce holdover rent premium up to 180 days upon Tenant request (1 member must be Level 3 or above).</td>
<td>Authorized to make recommendation of waiver or reduction with any 2 of Level 1, 2, 3 or 4 (1 member must be Level 3 or above).</td>
<td>Entirely new lease package program approved at 8/8/17 Board meeting for leasing of Tech IV, 2nd Floor, Biotechnology Development Center space.</td>
<td></td>
</tr>
<tr>
<td>Authorized to waive or reduce holdover rent premium upon Tech IV, 2nd Floor BDC tenant request from 181 days up to 1 year to encourage continued occupancy or facilitate Tenant's transition. Subject to 10/12/17 Board Approval [Refer to Note 6]</td>
<td>Any 3 of Level 1, 2, 3, or 4 are authorized to waive or reduce holdover rent premium upon tenant request up to 1 year (1 member must be Level 2).</td>
<td>Any 3 of Level 1, 2, 3, or 4 are authorized to waive or reduce holdover rent premium upon tenant request up to 1 year (1 member must be Level 2).</td>
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<td>Any 3 of Level 1, 2, 3, or 4 are authorized to waive or reduce holdover rent premium upon tenant request up to 1 year (1 member must be Level 2).</td>
<td>Authorized to make recommendation of waiver or reduction with any 2 of Level 1, 2, 3 or 4 (1 member must be Level 3 or above).</td>
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<tr>
<td>Authorized to terminate a lease or reduce space and rent proportionately upon Tech IV, 2nd Floor BDC tenant request during last six months of lease term up to $50,000 Subject to 10/12/17 Board Approval [Refer to Note 6]</td>
<td>Any 3 of Level 1, 2, 3 or 4 are authorized to terminate a lease or reduce space and rent proportionately during last six months of lease term (1 member must be Level 2 or above).</td>
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<td>Authorized to make recommendation of termination and rent reduction with any 2 of Level 1, 2, 3 or 4 (1 member must be Level 2 or above).</td>
</tr>
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**NOTE 1:** Level 2 has been revised from "SVP Operations" to "SVP"; Level 3 has been revised from "Director" to "Vice President - Real Estate (VP-RE)"; Level 3 TLS has been revised from "Director" to "Vice President - Technology and Life Sciences" to reflect current staff and titles.

**NOTE 2:** Level 4 authority to attest or execute contracts up to $25,000 is in accordance with existing NJEDA Administrative Procedures and public bidding requirements, where applicable.

**NOTE 3:** All procurement approvals are subject to compliance with NJEDA Procurement and Policy Procedures.

**NOTE 4:** All tenants are approved in accordance with the CCIT Admission Policy and Procedures.

**NOTE 5:** Direct procurements are subject to Section 16 (a) through (g) of Executive Order 37 (2006).

**NOTE 6:** All actions taken pursuant to this delegation will be reported to the Real Estate Committee at the next meeting and to the Board at quarterly intervals.

**NOTE 7:** President/COO was added in 2012 to reflect that title.
<table>
<thead>
<tr>
<th>Level</th>
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<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
<th>Level 5</th>
<th>ADVISORY BOARD APPROVAL REQUIREMENT</th>
<th>BOARD APPROVAL REQUIREMENT</th>
<th>RATIONALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>Chief Executive Officer (&quot;CEO&quot;) and President/COO (&quot;President&quot;)</td>
<td>Level 2</td>
<td>SVP</td>
<td>Level 3</td>
<td>Program Manager - Technology and Life Sciences, Only (&quot;VP-TLS&quot;)</td>
<td>Program Officer (&quot;PO&quot;)</td>
<td>CCIT ONLY</td>
<td>Corrected to reflect updated title</td>
</tr>
<tr>
<td>Authorized to select CCIT tenants to lease up to 6,000 sq. ft. of wet lab and related office space</td>
<td>Any 1 of Level 1, 2, 3 or 4 are authorized to select CCIT tenants to lease up to 6,000 sq. ft. of wet lab and related office space (Lease signatory must be Level 3 or above; Level 4 authorized to attest)</td>
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<td>ADVISORY BOARD APPROVAL REQUIRED</td>
<td>NO BOARD APPROVAL REQUIRED IF LEASE IS UNDER 6,000 sq. ft.</td>
<td>Clarifies that Program Manager is authorized to recommend tenants to CCIT Advisory Board.</td>
<td></td>
</tr>
</tbody>
</table>

Authorized to amend Lease to reduce CCIT tenant space or increase CCIT tenant space to include 6000 sq. ft. of wet lab and related office space during the first 4 year of lease term, inclusive of any extensions. Subject to 8/9/16 Board Approval. (Refer to Notes 4 and 6)
<table>
<thead>
<tr>
<th>Level 1</th>
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<tr>
<td><strong>CCIT LEASE OPERATING SCOPE ONLY</strong></td>
<td><strong>Chief Executive Officer</strong> (<em>CEO</em>) and President/COO (<em>President</em>)</td>
<td>SVP</td>
<td>Vice President - Technology and Life Sciences-only (<em>VP-TLS</em>)</td>
<td>Program Manager - Technology and Life Sciences, Only (<em>PM-TLS</em>)</td>
</tr>
<tr>
<td>Authorized to allow professional business service provider tenants (i.e., accountants, attorneys, consultants, etc.) up to 500 sq. ft. of office space, High tech tenants up to 2,000 sq. ft. of office space at CCIT. Subject to 2/18/03, 10/15/06, 9/13/12, 8/9/16 and 10/12/17 Board Approvals. [Refer to Note 4]</td>
<td>Any 1 of Level 1, 2 or 3 authorized to allow related professional business service provider tenants to lease up to 500 sq. ft. of office space at CCIT. Subject to 2/18/03, 10/15/06, 9/13/12, 8/9/16 and 10/12/17 Board Approvals. [Refer to Note 4]</td>
<td>Any 1 of Level 1, 2 or 3 authorized to allow related professional business service provider tenants to lease up to 500 sq. ft. of office space at CCIT. Subject to 2/18/03, 10/15/06, 9/13/12, 8/9/16 and 10/12/17 Board Approvals. [Refer to Note 4]</td>
<td>Authorized to allow tenant space in a lease at the CCIT. Program Manager - Technology and Life Sciences, Only (<em>PM-TLS</em>)</td>
<td>DAVID BOARD APPROVAL REQUIRED</td>
</tr>
<tr>
<td>Authorized to extend term and reduce space and rent proportionately after the fourth year of annual lease term on a month to month basis on an average of 12 one month renewals but not to exceed 18 one month renewals to facilitate tenant graduation from CCIT. Subject to 8/10/10, 9/13/12, 8/9/16 and 10/12/17 Board Approval. [Refer to Note 6]</td>
<td>Any 2 of Level 1, 2, 3, 4 are authorized to continue or reduce space and rent proportionally up to 18 months (1 member must be Level 3 or above).</td>
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<td>SVP</td>
<td>Vice President-Technology and Life Sciences-only (&quot;VP-TLS&quot;) Corrected to reflect updated title</td>
<td>Program Manager-Technology and Life Sciences, Only (&quot;PM-TLS&quot;)</td>
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**NOTE 1:** Level 2 has been revised from "SVP Operations" to "SVP"; Level 3 has been revised from "Director" to "Vice President-Real Estate (VP-RE)"; Level 3 TLS has been revised from "Director" to "Vice President-Technology and Life Sciences" to reflect current staff and titles.

**NOTE 2:** Level 4 authority to attest or execute contracts up to $25,000 is in accordance with NJEDA Administrative Operating Authority.

**NOTE 3:** All procurement approvals are subject to compliance with NJEDA Procurement and Policy Procedures and public bidding requirements, where applicable.

**NOTE 4:** All tenants are approved in accordance with the CCIT Admission Policy and Procedures.

**NOTE 5:** Direct procurements are subject to Section 21(a) through (g) of Executive Order 37 (2006).

**NOTE 6:** All actions taken pursuant to this delegation will be reported to the Real Estate Committee at the next meeting and to the Board at quarterly intervals.

**NOTE 7:** President/COO was added in 2012 to reflect that title.
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
    President/Chief Operating Officer

DATE: October 12, 2017

SUBJECT: Incentives Modifications – 3rd Quarter 2017
(For Informational Purposes Only)

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

Attached is a list of the incentive modifications and Salem/UEZ renewal extensions that were
approved in the 3rd quarter ending September 30, 2017.

Prepared by: M. Maurio
## ACTIONS APPROVED UNDER DELEGATED AUTHORITY
### QUARTER ENDING SEPTEMBER 30, 2017

### BUSINESS EMPLOYMENT INCENTIVE GRANT PROGRAM

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Modification Action</th>
<th>Approved Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loreal USA Products</td>
<td>Consent to adjusted award percentage.</td>
<td>$1,477,920</td>
</tr>
</tbody>
</table>

### GROW NEW JERSEY ASSISTANCE PROGRAM

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Modification Action</th>
<th>Approved Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP&amp;G Co., Inc.</td>
<td>Consent to six-month extension</td>
<td>$11,250,000</td>
</tr>
<tr>
<td>Charles Komar &amp; Sons, Inc.</td>
<td>Consent to remove affiliates</td>
<td>$37,200,000</td>
</tr>
<tr>
<td>Express Scripts Pharmacy, Inc.</td>
<td>Consent to add affiliates</td>
<td>$40,000,000</td>
</tr>
<tr>
<td>LI 2000 d/b/a/ Century 21 Department Stores</td>
<td>Consent to six-month extension</td>
<td>$39,957,500</td>
</tr>
<tr>
<td>New York Life Insurance Company</td>
<td>Consent to six-month extension</td>
<td>$33,895,750</td>
</tr>
<tr>
<td>Nobel Biocare Procera, LLC</td>
<td>Consent to shorten tax credit term</td>
<td>$1,961,568</td>
</tr>
<tr>
<td>Princeton Tectonics</td>
<td>Consent to six-month extension</td>
<td>$18,315,000</td>
</tr>
<tr>
<td>RAB Lighting, Inc.</td>
<td>Consent to six-month extension</td>
<td>$24,650,000</td>
</tr>
<tr>
<td>TR U.S. Inc.</td>
<td>Consent to remove affiliate</td>
<td>$25,987,500</td>
</tr>
</tbody>
</table>

### SALEM/UEZ ENERGY SALES TAX EXEMPTION RENEWALS

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Extend to Date</th>
<th>Location</th>
<th>#/% Employees</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>B&amp;B Poultry Co., Inc.</td>
<td>August 31, 2018</td>
<td>Norma, NJ</td>
<td>172/91.3%</td>
<td>$55,000</td>
</tr>
<tr>
<td>Durand Glass Manufacturing Co., Inc.</td>
<td>May 26, 2018</td>
<td>Millville, NJ</td>
<td>969/95%</td>
<td>$900,000</td>
</tr>
<tr>
<td>Renaissance Lakewood, LLC</td>
<td>August 11, 2018</td>
<td>Lakewood, NJ</td>
<td>473/55%</td>
<td>$123,000</td>
</tr>
</tbody>
</table>
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

DATE: October 12, 2017

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

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

Premier Lender Program:

1) 2 Municipal LLC (P44535) located in Fredon Township, Sussex County, is the real estate holding company formed to purchase the project property. The operating company, Olde Grandad Industries, Inc. was founded in 1990 as a wholesaler of automobile accessories, namely; car mats, seat cushions, seat covers, steering wheel covers, air fresheners, etc. M&T Bank approved a $1,190,000 loan with a 47.90% ($570,000) Authority participation. Proceeds will be used to purchase the project property and relocate the business from Passaic. Currently, the Company has 13 employees.

2) 1245 Virginia St NJ LLC (P44545) located in Elizabeth City, Union County, is a recently formed entity established to purchase the project property. The operating company, Posh Perfumes & Cosmetics Inc. is a wholesaler of brand name perfumes, cosmetics and skin care products to U.S. and international off-price retailers. Valley National Bank approved a $2,385,000 loan with a 27.78% ($662,500) Authority participation. Proceeds will be used to purchase the project property. The Company plans to create twenty new jobs over the next two years. SSBCI funds were utilized for this project.

Small Business Fund Program:

1) Northwood Avenue LLC (P44547) located in Linden City, Union County, purchased the project property in 2016. The operating company, Ammon Analytical Laboratories, LLC, is a state-of-the-art toxicology laboratory that provides specialty screening, drug testing and other services related to hospitals, substance abuse clinics and behavioral health problems. The Company was approved for a $500,000 direct loan to renovate the existing building. Provident Bank is also providing a $2,560,000 loan to finance renovations and refinance an existing mortgage. Currently, the Company has 120 employees and plans to create 30 new jobs over the next two years.
NJ Main Street Program - Modification:

1) Patella Construction Corp. d/b/a Patella Woodworking (P44574), located in Passaic City, Passaic County, was formed in 1987 as a fabricator of premium grade architectural woodwork for Fortune 500 firms, law practices, financial institutions, upscale restaurants and high-end residences. Valley National Bank approved a renewal of a $1,000,000 line of credit with a one year, 50% Authority guarantee of principal outstanding, not to exceed $500,000. Proceeds will be used for working capital. The Company currently has 70 employees.

Prepared by: G. Robins
/gvr
MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President and Chief Operating Officer
DATE: October 12, 2017
SUBJECT: Post Closing Credit Delegated Authority Approvals for 3rd Quarter 2017

For Informational Purposes Only

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

<table>
<thead>
<tr>
<th>Name</th>
<th>EDA Credit Exposure</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Maritime Services of New Jersey, Inc. (Integrated Industries Corp.)</td>
<td>$1,309,905</td>
<td>Consent to additional senior debt and subordination of the EDA’s junior lien on business assets securing this Stronger NJ business loan to a new senior lender.</td>
</tr>
<tr>
<td>Thomas Tweer &amp; Robert Tweer (Hobby Lobby Marine)</td>
<td>$1,266,209</td>
<td>Approve a six-month principal and interest moratorium to provide cash flow relief to this Stronger NJ business borrower.</td>
</tr>
<tr>
<td>Prazas Learning, Inc</td>
<td>$845,522</td>
<td>Consent to a six-month payment moratorium on the Edison Innovation VC Growth Fund Loan due to financial hardship.</td>
</tr>
<tr>
<td>Antonio Real Estate, LLC (Antonio Mozzarella Factory, Inc.)</td>
<td>$338,453</td>
<td>Extend the LDFF loan term five years to allow time to fully amortize the balance.</td>
</tr>
<tr>
<td>Respond, Inc.</td>
<td>$238,584</td>
<td>Extend the EDA’s participation loan maturity for one year to allow time to find replacement financing.</td>
</tr>
<tr>
<td>Parra &amp; Berry, LLC (M&amp;S Produce Outlet)</td>
<td>$198,804</td>
<td>Extend the EDA’s participation loan maturity six months to allow time for the borrower to refinance.</td>
</tr>
<tr>
<td>R.C.J., Inc.</td>
<td>$74,462</td>
<td>Extend the matured HAZ loan by twenty-two months to allow time to complete remediation.</td>
</tr>
<tr>
<td><strong>Conduit Bonds</strong> (EDA has no credit exposure)</td>
<td></td>
<td>Consent to modify the loan to value ratio</td>
</tr>
<tr>
<td><strong>Yeshiva Orchos Chaim</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
and negative pledge covenants on the $5,098,750 stand-alone bond.

Egenolf Early Childhood Center Association of Elizabeth, NJ  
Consent to waive prior defaults and modify financial and reporting covenants on the $2,475,000 stand-alone bond.

<table>
<thead>
<tr>
<th>Camden Economic Recovery Board Grants (EDA has no credit exposure)</th>
<th>Grant Amount Available for Disbursement</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Camden Redevelopment Agency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mixed Site Acquisition and Cooper Plaza Acquisition</td>
<td>$382,666</td>
<td>Consent to grant maturity extension for twelve months to meet the City’s ongoing land assembly efforts.</td>
</tr>
<tr>
<td>Building 8/Radio Lofts</td>
<td>$315,029</td>
<td>Consent to grant maturity extension for twelve months to close on additional grant funding through US EPA.</td>
</tr>
<tr>
<td>Neighborhood &amp; Redevelopment Planning Grants I &amp; II</td>
<td>$124,576</td>
<td>Consent to grant maturity extension for twelve months to meet the City’s evolving planning priorities.</td>
</tr>
<tr>
<td>Central Waterfront Housing &amp; Temporary Parking</td>
<td>$83,577</td>
<td>Consent to grant maturity extension for six months to acquire properties for surplus parking areas.</td>
</tr>
<tr>
<td>Tire and Battery Remediation</td>
<td>$8,541</td>
<td>Consent to grant maturity extension for six months to allow time to acquire additional funding.</td>
</tr>
<tr>
<td>Cooper’s Ferry Partnership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooper’s Ferry Partnership</td>
<td>$4,038,694</td>
<td>Consent to grant maturity extension for twelve months to allow for continuation of improvement projects.</td>
</tr>
</tbody>
</table>

Prepared by: Mansi Naik
TO:  Members of the Authority  
FROM:  Timothy J. Lizura  
        President/Chief Operating Officer  
DATE:  October 12, 2017  
SUBJECT:  Hazardous Discharge Site Remediation Fund - Delegated Authority 3rd Quarter 2017 Approvals (For Informational Purposes Only)  

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

Attached is a summary of the Delegated Authority approvals for the third quarter ending September 30, 2017. During this quarter, seven grants were approved totaling $270,308.

Prepared by: Reneé M. Krug
<table>
<thead>
<tr>
<th>PROJECT</th>
<th>APPLICANT</th>
<th>DESCRIPTION</th>
<th>GRANT AMOUNT</th>
<th>AWARDED TO DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>P44259</td>
<td>1500 Main Avenue Associates</td>
<td>50% Innocent Party Grant for remedial investigations</td>
<td>$68,878</td>
<td></td>
</tr>
<tr>
<td>P44099</td>
<td>Wayne &amp; Paula Whitefleet</td>
<td>Initial grant to perform Remedial Investigation</td>
<td>$6,090</td>
<td></td>
</tr>
<tr>
<td>P44269</td>
<td>Elizabeth City (Former Exact Anodizing)</td>
<td>Supplemental grant to perform Site Assessment &amp; Investigation</td>
<td>$32,070</td>
<td>$404,013</td>
</tr>
<tr>
<td>P44357</td>
<td>Milford Borough (A&amp;L Oil Co Inc)</td>
<td>Supplemental grant to perform Site Investigation</td>
<td>$9,105</td>
<td>$33,800</td>
</tr>
<tr>
<td>P44353</td>
<td>NJ Comm Development Corp (Michaels Energy Factory)</td>
<td>Initial grant for Preliminary Assessment</td>
<td>$34,581</td>
<td></td>
</tr>
<tr>
<td>P44383</td>
<td>Oxford Township (Former Oxwall Tool Company)</td>
<td>Supplemental grant to perform Remedial Investigation</td>
<td>$113,116</td>
<td>$86,060</td>
</tr>
<tr>
<td>P44356</td>
<td>Sandyston Township (Tri-State Steel Fabricators)</td>
<td>Initial grant for Assessment and Site Investigation</td>
<td>$6,468</td>
<td></td>
</tr>
</tbody>
</table>

7 Grants
Total Delegated Authority for Second Qtr - HDSRF Applications $270,308

*Includes cumulative awards to date (initial & supplemental). Supplemental grant awards do not exceed $100,000 the delegation permitted.
TO: Members of the Authority  
FROM: Timothy Lizura  
President/Chief Operating Officer  
DATE: September 28, 2017  
SUBJECT: Petroleum Underground Storage Tank Program – Delegated Authority Approvals (For Informational Purposes Only)

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

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

Below is a summary of the Delegated Authority approvals processed by Finance & Development for the period July 01, 2017 to September 30, 2017

<table>
<thead>
<tr>
<th>Summary:</th>
<th># of Grants</th>
<th>$ Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leaking tank grants awarded</td>
<td>125</td>
<td>$2,495,425</td>
</tr>
<tr>
<td>Non-leaking tank grants awarded</td>
<td>0</td>
<td>$0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Description</th>
<th>Grant Amount</th>
<th>Awarded to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ahern, Brian and Kelly (P43603)</td>
<td>Partial initial grant for upgrade, closure and remediation</td>
<td>$6,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>Anoona, Carol Ann (P43488)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$45,000</td>
<td>$45,000</td>
</tr>
<tr>
<td>Arnold III, Paul R. (P43607)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$55,799</td>
<td>$55,799</td>
</tr>
<tr>
<td>Baglieri, Richard and Terry (P43396)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$8,393</td>
<td>$8,393</td>
</tr>
<tr>
<td>Balasubramanian, Sriram (P43548)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$5,038</td>
<td>$5,038</td>
</tr>
<tr>
<td>Bazai, Alena (P43563)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$12,332</td>
<td>$12,332</td>
</tr>
<tr>
<td>Barkas, Vasiliki (P43733)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$12,872</td>
<td>$12,872</td>
</tr>
<tr>
<td>Beatty, Donna Salter (P43456)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$7,800</td>
<td>$7,800</td>
</tr>
<tr>
<td>Benko, Victor (P44231)</td>
<td>Supplemental grant for site remediation</td>
<td>$42,142</td>
<td>$125,996*</td>
</tr>
<tr>
<td>Bhatt, Achyut and Jagruti</td>
<td>Initial grant for upgrade,</td>
<td>$53,586</td>
<td>$53,586</td>
</tr>
<tr>
<td>Applicant</td>
<td>Description</td>
<td>Grant Amount</td>
<td>Awarded to Date</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>---------------------------------------------------</td>
<td>--------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>(P43276)</td>
<td>closure and remediation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biancone, Rosa (P43251)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$12,415</td>
<td>$12,415</td>
</tr>
<tr>
<td>Bigden, Robert and Fengqin Liu-Bigden (P42440)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$14,685</td>
<td>$14,685</td>
</tr>
<tr>
<td>Bitner, Walter (P43831)</td>
<td>Partial initial grant for upgrade, closure and remediation</td>
<td>$3,527</td>
<td>$3,527</td>
</tr>
<tr>
<td>Borg, Oona (P44016)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$25,408</td>
<td>$25,408</td>
</tr>
<tr>
<td>Bove, Maria (P43538)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$21,607</td>
<td>$21,607</td>
</tr>
<tr>
<td>Brodman, Howard (P43530)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$15,413</td>
<td>$15,413</td>
</tr>
<tr>
<td>Bumpus, Kimberly (P43684)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$62,269</td>
<td>$62,269</td>
</tr>
<tr>
<td>Burke, Darlene (P43619)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$23,138</td>
<td>$23,138</td>
</tr>
<tr>
<td>Burns, Brian (P43504)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$51,925</td>
<td>$51,925</td>
</tr>
<tr>
<td>Burton, James (P44451)</td>
<td>Supplemental grant for site remediation</td>
<td>$10,220</td>
<td>$92,085</td>
</tr>
<tr>
<td>Butterfield, Walter (P44018)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$9,191</td>
<td>$9,191</td>
</tr>
<tr>
<td>Cameron, Lisa (P43364)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$17,203</td>
<td>$17,203</td>
</tr>
<tr>
<td>Carlson, Richard and Kathleen (P43057)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$4,465</td>
<td>$4,465</td>
</tr>
<tr>
<td>Chambers, William (P43625)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$11,199</td>
<td>$11,199</td>
</tr>
<tr>
<td>Chwazik, Paul (P43334)</td>
<td>Partial initial grant for upgrade, closure and remediation</td>
<td>$4,522</td>
<td>$4,522</td>
</tr>
<tr>
<td>Clark, Carolyn E. (P42894)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$47,277</td>
<td>$47,277</td>
</tr>
<tr>
<td>Clason, Melissa (P43458)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$13,951</td>
<td>$13,951</td>
</tr>
<tr>
<td>Colangelo, Robert (P43487)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$20,355</td>
<td>$20,355</td>
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<tr>
<td>Connelly, Tamara (P43215)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$11,080</td>
<td>$11,080</td>
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<tr>
<td>Costello, Monica (P43451)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$10,819</td>
<td>$10,819</td>
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<tr>
<td>Couzzo, Robert (P43610)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$10,980</td>
<td>$10,980</td>
</tr>
<tr>
<td>Crawford, Rupert and Jean</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$13,783</td>
<td>$13,783</td>
</tr>
<tr>
<td>Applicant</td>
<td>Description</td>
<td>Grant Amount</td>
<td>Awarded to Date</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>-----------------------------------------------</td>
<td>--------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>(P43605)</td>
<td>closure and remediation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cucci, Nick (P43355)</td>
<td>Partial initial grant for upgrade, closure and remediation</td>
<td>$2,602</td>
<td>$2,602</td>
</tr>
<tr>
<td>Cukar, John (P43253)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$8,904</td>
<td>$8,904</td>
</tr>
<tr>
<td>Cuneo, Ernest and Pamela (P43305)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$17,832</td>
<td>$17,832</td>
</tr>
<tr>
<td>D’Amore, Frank and Theresa (P43760)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$8,199</td>
<td>$8,199</td>
</tr>
<tr>
<td>DeLura, Paul (P43218)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$20,128</td>
<td>$20,128</td>
</tr>
<tr>
<td>DeSantis, Nancy (P43532)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$20,841</td>
<td>$20,841</td>
</tr>
<tr>
<td>DiProspero, Michael (P44340)</td>
<td>Supplemental grant for site remediation</td>
<td>$8,681</td>
<td>$71,152</td>
</tr>
<tr>
<td>Dixon-Brockington, Minnetta (P44300)</td>
<td>Supplemental grant for site remediation</td>
<td>$38,692</td>
<td>$82,110</td>
</tr>
<tr>
<td>Dziopa, Euginia (P43657)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$5,776</td>
<td>$5,776</td>
</tr>
<tr>
<td>Elsamara, Nabhan (P43257)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$24,942</td>
<td>$24,942</td>
</tr>
<tr>
<td>Elsesy, Enayat (P44229)</td>
<td>Supplemental grant for site remediation</td>
<td>$21,391</td>
<td>$34,069</td>
</tr>
<tr>
<td>Emstage, Arthur and Joan (P43631)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$11,117</td>
<td>$11,117</td>
</tr>
<tr>
<td>Estate of Frances Siracusa (P43435)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$23,114</td>
<td>$23,114</td>
</tr>
<tr>
<td>Fearick, Timothea (P43447)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$20,900</td>
<td>$20,900</td>
</tr>
<tr>
<td>Forner, Curt (P43827)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$19,026</td>
<td>$19,026</td>
</tr>
<tr>
<td>Fortino, Len (P43764)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$10,165</td>
<td>$10,165</td>
</tr>
<tr>
<td>Forty Five North Kingston Avenue, Inc. (P43793)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$70,245</td>
<td>$70,245</td>
</tr>
<tr>
<td>Frabizio, William (P43134)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$11,625</td>
<td>$11,625</td>
</tr>
<tr>
<td>Ganopoulos, Helyn (P43743)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$20,052</td>
<td>$20,052</td>
</tr>
<tr>
<td>Gatdula, Melvin and Caledonia (P43788)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$45,682</td>
<td>$45,682</td>
</tr>
<tr>
<td>Gibby, William (P43464)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$10,666</td>
<td>$10,666</td>
</tr>
<tr>
<td>Gilligan, Dan (P43814)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$12,854</td>
<td>$12,854</td>
</tr>
<tr>
<td>Applicant</td>
<td>Description</td>
<td>Grant Amount</td>
<td>Awarded to Date</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-------------------------------------------------------</td>
<td>--------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Gomes, Joaquim Maria (P44232)</td>
<td>closure and remediation</td>
<td>$22,772</td>
<td>$32,227</td>
</tr>
<tr>
<td>Gonzalez, Luis (P43572)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$11,981</td>
<td>$11,981</td>
</tr>
<tr>
<td>Grabau, Alfred and Catherine (P43801)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$16,785</td>
<td>$16,785</td>
</tr>
<tr>
<td>Handler, Scott (P43740)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$91,759</td>
<td>$176,624*</td>
</tr>
<tr>
<td>Hanley, James (P43497)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$23,253</td>
<td>$23,253</td>
</tr>
<tr>
<td>Hannan, Catherine (P43569)</td>
<td>Initial grant for upgrade, closure and remedation</td>
<td>$21,614</td>
<td>$21,614</td>
</tr>
<tr>
<td>Harrop, Jeffrey (P44322)</td>
<td>Supplemental grant for site remediation</td>
<td>$3,330</td>
<td>$19,044</td>
</tr>
<tr>
<td>Hengler, Thomas (P44339)</td>
<td>Supplemental grant for site remediation</td>
<td>$3,397</td>
<td>$36,547</td>
</tr>
<tr>
<td>Jenkelowitz, David (P43209)</td>
<td>Initial grant for upgrade, closure and remedation</td>
<td>$8,743</td>
<td>$8,743</td>
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<td>Applicant</td>
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<td>Awarded to Date</td>
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125 Grants

Total Delegated Authority funding for Leaking applications. $2,495,425

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

Prepared by: Kathy Junghans, Finance Officer
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura, President and Chief Operating Officer

DATE: October 12, 2017

SUBJECT: Technology & Life Sciences - Delegated Authority Approvals for Q3 2017

For Informational Purposes, Only

Angel Investor Tax Credit Program – 2017 Q3 Review

On January 31, 2013, the New Jersey Angel Investor Tax Credit Act was signed into law with Regulations approved by the Members of the Board in June 2013. The New Jersey Angel Investor Tax Credit Program (ATC) establishes credits against corporate business tax or New Jersey gross income tax in the amount of 10% of a qualified investment made into New Jersey emerging technology businesses.

In the third quarter of 2017, 33 Angel Tax Credit applications for $830,611.80 in tax credits were approved. This represented $8,306,118 in private investments in 11 unique technology and life science companies.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Investment amount</th>
<th>Applications</th>
<th>% of total investments</th>
<th>% of total applications</th>
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<tr>
<td>Clean Technology</td>
<td>$191,115</td>
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<td>Life Sciences</td>
<td>$6,540,000</td>
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<td>67%</td>
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<td>Technology</td>
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<td>8</td>
<td>19%</td>
<td>24%</td>
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<td>Total</td>
<td>$8,306,118</td>
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Attached please find a list of all ATC applications that were approved under delegated authority during the third quarter of 2017 along with a list of declinations from the period.

Prepared by:
Kathleen Coviello
Alec Tripodi
<table>
<thead>
<tr>
<th>Investor</th>
<th>Technology Company</th>
<th>Investment Amount</th>
<th>Tax Credit amount</th>
<th>Calendar Year</th>
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<td>Michael McCarthy</td>
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<td>Vinayak Potti</td>
<td>Nevakar, LLC</td>
<td>$75,000</td>
<td>$7,500</td>
<td>2017</td>
</tr>
<tr>
<td>8</td>
<td>Nevakar, LLC</td>
<td>$3,240,000</td>
<td>$324,000</td>
<td>2017</td>
</tr>
<tr>
<td>33</td>
<td></td>
<td>$8,306,118</td>
<td>$830,611.80</td>
<td>Q3 2017 Total</td>
</tr>
</tbody>
</table>
Q3 2017 Declinations

The following 3 Angel Investor Tax Credit (ATC) applications were declined under delegated authority in the third quarter of 2017. The appeal deadline has passed for all three applications.

<table>
<thead>
<tr>
<th>Investor</th>
<th>Application Number</th>
<th>Technology Company</th>
<th>Tax Credit Amount</th>
<th>Reason for Declination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Darco Investments LLC</td>
<td>208796</td>
<td>Inspirit Group, LLC</td>
<td>$10,000</td>
<td>A*</td>
</tr>
<tr>
<td>Robert W. Croce</td>
<td>209705</td>
<td>Svelte Medical Systems</td>
<td>$20,000</td>
<td>B*</td>
</tr>
<tr>
<td>Sudhir Patel</td>
<td>209960</td>
<td>Quagen Pharmaceuticals</td>
<td>$40,000</td>
<td>A*</td>
</tr>
</tbody>
</table>

A* The investor failed to provide required documentation by the requested deadline.

B* The investment does not meet the definition of “Qualified investment” because the stock ownership was transferred to another entity before being held for at least two calendar years from the date of the exchange (N.J.A.C. 19:31-19.2).

Post-closing actions approved under delegated authority during Q3 2017:

<table>
<thead>
<tr>
<th>Borrower (Operating Company)</th>
<th>EDA Exposure</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prazas Learning, Inc.</td>
<td>$800,000</td>
<td>Approved company’s request for a six-month interest and principal payment moratorium (starting July 2017) on the Edison Innovation VC Growth Fund loan.</td>
</tr>
</tbody>
</table>
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: October 12, 2017

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

For Informational Purposes Only

The following approvals were made pursuant to Delegated Authority for Leases and ROE/Licenses in July, August, and September 2017.

<table>
<thead>
<tr>
<th>TENANT</th>
<th>LOCATION</th>
<th>TYPE</th>
<th>TERM</th>
<th>S.F.</th>
<th>CCIT GRANT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ascendia Pharmaceuticals</td>
<td>CCIT</td>
<td>Lease Holdover</td>
<td>Month to Month</td>
<td>3,925 sf</td>
<td>N/A</td>
</tr>
<tr>
<td>Hudson BioPharma</td>
<td>CCIT</td>
<td>Lease Holdover</td>
<td>Month to Month</td>
<td>2,000 sf</td>
<td>N/A</td>
</tr>
<tr>
<td>SkinAxis</td>
<td>CCIT</td>
<td>Lease Holdover</td>
<td>Month to Month</td>
<td>800 sf</td>
<td>N/A</td>
</tr>
<tr>
<td>Aucta Pharmaceuticals</td>
<td>CCIT</td>
<td>Lease Extension</td>
<td>One Year</td>
<td>2,250 sf</td>
<td>N/A</td>
</tr>
<tr>
<td>Genomic Prediction Inc.</td>
<td>CCIT</td>
<td>New Lease</td>
<td>One Year</td>
<td>925 sf</td>
<td>N/A</td>
</tr>
<tr>
<td>PDS Biotechnology</td>
<td>CCIT</td>
<td>Lease Holdover and Amendment for Space Reduction</td>
<td>Month to Month</td>
<td>2,775 sf to 1,975sf</td>
<td>N/A</td>
</tr>
<tr>
<td>Aucta Pharmaceuticals</td>
<td>CCIT</td>
<td>Lease Amendment</td>
<td>7 ½ months</td>
<td>3,125 sf (increased 875 sf)</td>
<td>N/A</td>
</tr>
<tr>
<td>Innovera Pharmaceuticals</td>
<td>CCIT</td>
<td>New Lease</td>
<td>1 year</td>
<td>1,000 sf</td>
<td>N/A</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>One State Street Square Urban Renewal, LLC</td>
<td>Plaza outside NJEDA Headquarters</td>
<td>License -- Dedication Ceremony</td>
<td>$0</td>
</tr>
</tbody>
</table>

Prepared by: Donna T. Sullivan

Timothy J. Latura
President and Chief Operating Officer