MEMORANDUM

TO: Members of the Authority
FROM: Melissa Orsen
    Chief Executive Officer
DATE: December 12, 2017
SUBJECT: Agenda for Board Meeting of the Authority December 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

Office of Recovery

Real Estate

Board Memorandums

Public Comment

Adjournment
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

November 14, 2017

MINUTES OF THE MEETING

Members of the Authority present: Chairman Thomas Scriver; Commissioner Richard Badolato of the Department of Banking and Insurance; Shannon McManus representing State Treasurer Ford M. Scudder; Jeffrey Stoller representing Commissioner Aaron Fichtner of the Department of Labor and Workforce Development; Public Members: Massiel Medina Ferrara; Louis Goetting, and John Lutz, Third Alternate Public Member.

Present via conference call: Colleen Kokas representing Commissioner Bob Martin of the Department of Environmental Protection; Public Members Charles Sarlo, Philip Alagia, Fred B. Dumont, and Patrick Delle Cava, First Alternate Public.

Absent: Public Members: Larry Downes, Vice Chairman, William Layton, William J. Albanese, Sr., Second Alternate Public Member, and Rodney Sadler, Non-Voting 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. Scriver 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 October 12, 2017 meeting minutes. A motion was made to approve the minutes by Commissioner Badolato, and seconded by Mr. Lutz, and was approved by the 12 voting members present.

The next item of business was the approval of the October 12, 2017 executive session meeting minutes. A motion was made to approve the minutes by Mr. Lutz, and seconded by Commissioner Badolato, and was approved by the 12 voting members present.

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

ITEM: Fort Monmouth Economic Revitalization Authority (FMERA)
REQUEST: Approval for a credit facility for up to $5 million to FMERA for General working capital purposes.
MOTION TO APPROVE: Mr. Goetting SECOND: Mr. Lutz AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

INCENTIVE PROGRAMS

Economic Redevelopment and Growth (ERG) Grant Program- Modification

ITEM: Camden Hotel Partners, LLC APPL.#44079
REQUEST: Approval to modify the applicant name and ownership; and change in the physical location of the project.
MOTION TO APPROVE: Commissioner Badolato SECOND: Ms. Ferrera AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Grow New Jersey Assistance Program

ITEM: Corporate Synergies Group, LLC APPL.#44616
REQUEST: To approve the finding of a material factor in the decision to make a capital investment and locate in municipality for GROW New Jersey Assistance program project.
MOTION TO APPROVE: Mr. Stoller SECOND: Mr. McManus AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

ITEM: Corporate Synergies Group, LLC APPL.#44616
REQUEST: To approve the application of Corporate Synergies Group, LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Camden, NJ. Project location of Camden, Camden County qualifies as a Garden State Growth Zone under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Transit Oriented Development, Jobs with Salary in Excess of GSGZ Average, Targeted Industry of Finance, 2007 Revit. Index>465 in Camden. The estimated annual award is $1,562,000 for a 10-year term.
MOTION TO APPROVE: Mr. Stoller SECOND: Commissioner Badolato AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ITEM: Hollister Construction Services, LLC APPL.#44614
THIS ITEM WAS WITHHELD FROM CONSIDERATION.
ITEM: Konica Minolta Business Solutions U.S.A., Inc.
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Lutz SECOND: Ms. Ferrier AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

ITEM: Konica Minolta Business Solutions U.S.A., Inc.
REQUEST: To approve the application of Konica Minolta Business Solutions U.S.A., Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Ramsey Borough, NJ. Project location of Ramsey Borough, Bergen County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Large Number of New/Retained F/T Jobs, Targeted Industry of Technology. The estimated annual award is $2,939,866 for a 10-year term.
MOTION TO APPROVE: Commissioner Badolato SECOND: Mr. Stoller AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: Laboratory Corporation of America Holdings dba LabCorp
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Ms. Ferrara SECOND: Commissioner Badolato AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

ITEM: Laboratory Corporation of America Holdings dba LabCorp
REQUEST: To approve the application of Laboratory Corporation of America Holdings dba LabCorp for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Raritan Borough, NJ. Project location of Raritan Borough, Somerset County qualifies as a Mega Project under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development, Large Number of New/Retained F/T Jobs, Targeted Industry of Life Sciences. The estimated annual award is $3,998,478 for a 10-year term.
MOTION TO APPROVE: Mr. McManus SECOND: Mr. Stoller AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

ITEM: Lonza America Inc.
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Ms. Ferrara SECOND: Mr. Lutz AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9
ITEM: Lonza America Inc.  APPL.#44632
REQUEST: To approve the application of Lonza America Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Morris Township, NJ. Project location of Morris Township, Morris County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Jobs with Salary in Excess of County Average, Targeted Industry of Health. The estimated annual award is $326,250 for a 10-year term.
MOTION TO APPROVE: Mr. Stoller  SECOND: Mr. Goetting  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

ITEM: Mars Wrigley Confectionery US LLC  APPL.#44618
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. Stoller  SECOND: Ms. Ferrara  AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

Mr. Lutz recused himself because his law firm represents the applicant.

ITEM: Mars Wrigley Confectionery US LLC  APPL.#44646
REQUEST: To approve the application of Mars Wrigley Confectionery US LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Hackettstown, NJ. Project location of Hackettstown, Warren County qualifies as an Other Eligible Area under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Jobs with Salary in Excess of County Average, Targeted Industry of Manufacturing. The estimated annual award is $115,000 for a 10-year term.
MOTION TO APPROVE: Commissioner Badolato  SECOND: Mr. Stoller  AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

Mr. Lutz recused himself because his law firm represents the applicant.

ITEM: Quest Diagnostics Incorporated  APPL.#44573
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Ms. Ferrara  SECOND: Mr. Lutz  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13
ITEM: Quest Diagnostics Incorporated

REQUEST: To approve the application of Quest Diagnostics Incorporated 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 City, Passaic County qualifies as a Mega Project under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Large Number of New/Retained F/T Jobs, Targeted Industry of Health, Exceeds LEEDs Silver or Substantial Env. Remed. The estimated annual award is $5,517,250 for a 10-year term.

MOTION TO APPROVE: Mr. Stoller SECONd: Commissioner Badolato AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

ITEM: Quest Diagnostics Incorporated

LOCATION: Clifton City, Passaic County

ESTIMATED ELIGIBLE EXPENSES: $106,587,315

ESTIMATED AWARD: $5,862,302 Sales and Use Tax Exemption

MOTION TO APPROVE: Mr. Lutz SECONd: Commissioner Badolato AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

ITEM: Ralph Lauren Corporation

REQUEST: To approve the finding of jobs at risk.

MOTION TO APPROVE: Mr. Stoller SECONd: Mr. Lutz AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

ITEM: Ralph Lauren Corporation

REQUEST: To approve the application of Ralph Lauren Corporation for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Nutley Township, NJ. Project location of Nutley Township, Essex County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Jobs with Salary in Excess of County Average, Large Number of New/Retained F/T Jobs, Vacant Commercial Building in excess of 1,000,000 sq. ft. The estimated annual award is $3,308,500 for a 10-year term.

MOTION TO APPROVE: Mr. Goetting SECONd: Ms. Ferrara AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17
ITEM: RSM US LLP
APPL.#44615
REQUEST: To approve the application of RSM US LLP for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Edison Township, NJ. Project location of Edison Township, Middlesex County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Jobs with Salary in Excess of County Average. The estimated annual award is $210,000 for a 7-year term.
MOTION TO APPROVE: Commissioner Badolato SECOND: Mr. Lutz AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

ITEM: Vineland Poultry, LLC
APPL.#44625
REQUEST: To approve the application of Vineland Poultry, LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Vineland City, NJ. Project location of Vineland City, Cumberland County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Targeted Industry of Manufacturing, 2007 Revit. Index>465 in Cumberland. The estimated annual award is $220,000 for a 10-year term.
MOTION TO APPROVE: Mr. Stoller SECOND: Mr. McManus AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

ITEM: Yoland Corporation
APPL.#44623
REQUEST: To approve the application of Yoland Corporation for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Paterson City, NJ. Project location of Paterson City, Passaic County qualifies as a Garden State Growth Zone under N.J.S.A. 34:1B-242 et seq and the program’s rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Targeted Industry of Manufacturing, GSGZ Ind. Project w/ Cap. Inv. In Excess of Min. The estimated annual award is $386,900 for a 10-year term.
MOTION TO APPROVE: Mr. McManus SECOND: Mr. Lutz AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

BOND PROJECTS

Board member Louis Goetting acted as Chairman of the Board for the next item.
Bond Resolutions

ITEM: UMM Energy Partners, LLC
LOCATION: Little Falls Township, Passaic County
PROCEEDS FOR: Machinery & Equipment, Construction, Working Capital
TOTAL COSTS: $19,840,000 (Federally Taxable Bond)
motion to approve: Mr. Stoller    second: Mr. McManus    AYES: 11
resolution attached and marked exhibit: 21

Chairman Scrivo recused himself because his firm represents the applicant.

Combination Preliminary and Bond Resolutions

ITEM: Masonic Charity Foundation of New Jersey
LOCATION: Burlington City, Burlington County
PROCEEDS FOR: Refinancing
TOTAL COSTS: $55,000,000 (Tax-Exempt Bond)
motion to approve: Ms. Ferrara    second: Mr. Stoller    AYES: 12
resolution attached and marked exhibit: 22
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

Hazardous Discharge Site Remediation Fund

ITEM: Summary of NJDEP Hazardous Discharge Site Remediation Fund Program projects approved by the Department of Environmental Protection.
motion to approve: Commissioner Badolato    second: Mr. McManus    AYES: 12
resolution attached and marked exhibit: 23

PROJECT: Township of Montclair (Southern Pyramid)
LOCATION: Montclair Township, Essex County
PROCEEDS FOR: Remedial Action
FINANCING: $41,022
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PROJECT: City of Perth Amboy (2nd Street Park)  APPL.#44253
LOCATION: Perth Amboy City, Middlesex County
PROCEEDS FOR: Remedial Action
FINANCING: $718,869

Petroleum Underground Storage Tank (PUST)

ITEM: Summary of NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Mr. Stoller   SECOND: Mr. McManus   AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

PROJECT: John R. Johnson  APPL.#41900
LOCATION: Hackensack City, Bergen County
PROCEEDS FOR: Remediation
FINANCING: $53,684

PROJECT: T&J Service Center Inc.  APPL.#44422
LOCATION: Madison Borough, Morris County
PROCEEDS FOR: Remediation
FINANCING: $191,240

PROJECT: Antionette Iorio  APPL.#43596
LOCATION: Jersey City, Hudson County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $116,086

PROJECT: Gladys Moreira  APPL.#43774
LOCATION: Weehawken Township, Hudson County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $129,577

PROJECT: Herman Conklin and Anna Conklin  APPL.#43620
LOCATION: Franklin Borough, Sussex County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $125,870
OFFICE OF RECOVERY

Energy Resilience Bank (ERB)

ITEM: University Hospital-Newark Power Plant Repowering Project
REQUEST: Approval for 1. Deem the Project preliminarily eligible for ERB funding; 2. Approve moving the project to the next phase of program review and approval process; 3. Reserve $36,267,500 of ERB funds for the project; 4. Authorize execution of ERB program funding documents
MOTION TO APPROVE: Commissioner Badolato SECOND: Mr. Goetting AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

Energy Resilience Bank (ERB)- Modifications

ITEM: Hunterdon Medical Center Project
REQUEST: Modify the reserved amount of ERB funding from $10,930,000 to $9,527,715 due to a reconfiguration in preliminary project design
MOTION TO APPROVE: Mr. Goetting SECOND: Ms. Ferrara AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 26

REAL ESTATE

ITEM: FMERa Purchase and Sale & Redevelopment Agreement and Ground Lease
REQUEST: To consent to FMERa entering into the redevelopment agreement with Fort Monmouth B.E.C., LLC for the sale of the Bowling Center and lease of its underlying land in the Eatontown Reuse Area.
MOTION TO APPROVE: Mr. Goetting SECOND: Ms. Ferrara AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 27

ITEM: 609 Commercial Master Tenant LLC
LOCATION: Newark City, Essex County
PROCEEDS FOR: Renovations
FINANCING: $1,000,000
MOTION TO APPROVE: Ms. Ferrara SECOND: Mr. Stoller AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 28

ITEM: State Lease Revenue Bonds

THIS ITEM WAS WITHHELD FROM CONSIDERATION.
ITEM: New Health & Taxation Buildings in Trenton, Mercer County

THIS ITEM WAS WITHHELD FROM CONSIDERATION.

ITEM: Lease Amendment with Ascendia Pharmaceuticals, Inc., The Technology Centre of New Jersey
REQUEST: To approve entering into a Second Amendment to the Lease Agreement for occupancy of approx. 825 sq. ft. in the Phase II Premises for storage use
MOTION TO APPROVE: Commissioner Badolato SECOND: Ms. Ferrara AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 29

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Projects approved under Delegated Authority
Premier Lender Program: 78 Apple Associates, L.L.C. (44602)

FOR INFORMATION ONLY: PUST and HDSRF Program Funding Status

PUBLIC COMMENT

There was no public comment.

There being no further business, on a motion by Commissioner Badolato, and seconded by Mr. Lutz, the meeting was adjourned at 10:55am.

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
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

November 28, 2017

MINUTES OF THE SPECIAL MEETING

Members of the Authority present: Commissioner Richard Badolato of the Department of Banking and Insurance; and Public Member Louis Goetting.

Members of the Authority present via conference call: Larry Downes, Vice Chairman; Colleen Kokas representing Commissioner Bob Martin of the Department of Environmental Protection; James Kelly representing State Treasurer Ford M. Scudder; Jeffrey Stoller representing Acting Commissioner Aaron Fichtner of the Department of Labor and Workforce Development; Public Members: Charles Sarlo, Massiel Medina Ferrara, Patrick Delle Cava, First Alternate Public Member; and John T. Lutz, Third Alternate Public Member.

Absent: Public Members Thomas P. Scrivo, Chairman; Philip Alagia, Fred B. Dumont, William Layton, William J. Albanese, Sr., Second Alternate Public Member and Rodney Sadler, Non-Voting Member.

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

Mr. Downes called the meeting to order at 10am.

In accordance with the Open Public Meetings Act, 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

BOND PROJECTS

ITEM: Port Newark Container Terminal L.L.C. APPL.#44597
LOCATION: Newark City, Essex County
PROCEEDS FOR: Expansion, renovation, construction, equipment
FINANCING: $155,000,000 Tax-Exempt and Taxable Bonds
MOTION TO APPROVE: Commissioner Badolato SECOND: Mr. Goetting AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1
PUBLIC HEARING: Yes
PUBLIC COMMENT: None
ITEM: Port Newark Container Terminal L.L.C.  APPL.#44598
LOCATION: Newark City, Essex County
PROCEEDS FOR: Refunding
FINANCING: $145,000,000 Tax-Exempt and Taxable Bonds
MOTION TO APPROVE: Mr. Goetting SECOND: Commissioner Badolato  AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PUBLIC COMMENT

There were no public comments.

There being no further business, on a motion by Mr. Goetting, and seconded by Commissioner Badolato, the meeting was adjourned at 10:07am.

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: December 12, 2017

RE: Monthly Report to the Board

SMALL BUSINESS PROJECTS HIT MILESTONES IN NOVEMBER

November presented opportunities to showcase the successes of EDA-supported small businesses. Notably, two food industry companies used assistance from the Premier Lender Program to expand in New Jersey. Staff visited family-owned Buon’Italia, a fixture at lower Manhattan’s Chelsea Market, which has offered its imported Italian staples to downtown foodies since 1997, and has been wholesaling and distributing to New York restaurants for nearly four decades prior to that. In 2015, the company expanded its wholesale distribution capabilities, choosing to locate to a 27,500-square-foot warehouse in Jersey City. A Fulton Bank loan with a nearly 26 percent EDA participation helped the company with its expansion, which was completed earlier this year.

EDA staff also visited family-owned Snack Innovations, a manufacturer, distributor, and wholesaler of healthy snack foods. Snack Innovations recently relocated to Middlesex County, supported by a Provident Bank loan with a 35 percent EDA participation. The company’s new facility in Piscataway better meets its operational needs after it had outgrown the antiquated building it had occupied in Brooklyn since 2009. Since moving to Piscataway, Snack Innovations has grown from 30 to 75 employees.

These companies join many other food companies that have recognized New Jersey as an ideal place to locate and grow. Today, New Jersey boasts a thriving $105 billion food industry, including more than 1,900 food manufacturing companies employing nearly 44,000 people in total.

EDA’S DEVELOPMENT FINANCE LEADERSHIP FRONT AND CENTER AT NOVEMBER EVENTS

EDA leadership was called on in November to moderate a panel on Repurposing Vacant Suburban Offices at the New Jersey League of Municipalities event in Atlantic City. The panel featured speakers from academia, local government, and the development community discussing major development initiatives throughout the State and the importance of private investment to municipalities.

EDA’s expertise in developing partnerships and fostering collaboration was highlighted in November as staff moderated a panel on the importance of partnerships toward advancing economic development in Trenton at a Princeton Regional Chamber of Commerce quarterly breakfast. Panelists included representatives of Greater Trenton, Jones Lang LaSalle, and the Mercer County Office of Economic Development.

The EDA was honored in November with the Distinguished State Development Finance Agency Award at the Council of Development Finance Agencies (CDF) National Summit. The CDFA is a national association dedicated to the advancement of development finance concerns and interests, and its annual awards program recognizes excellence in the use of financing tools for economic development, as well as the individuals who champion these efforts. According to the CDFA, the Distinguished State Development
Finance Agency Award is bestowed on an agency that has tackled particularly complex and challenging financing concerns, revolutionized financing tools or affected the development finance markets. The award was accepted on behalf of the EDA by Senior Vice President Maureen Hassett, who also serves as Vice Chair of the CDFA Board.

**NEW JERSEY RESEARCH ASSET DATABASE ADVANCES**

Last week at its inaugural meeting, the New Jersey Research Asset Database (RAD) Board of Advisors formally announced it has selected Elsevier, a global information and analytics company, to create an online portal that will facilitate access to research expertise and other assets at the State’s higher education institutions. The RAD, which is currently under development and is expected to launch early next year, will serve to increase innovation exchange, establish greater collaboration between academia and industry, aid universities in managing research enterprise, and help to market New Jersey as a center of innovation.

RAD Advisory Board Chair and Secretary of Higher Education Rochelle Hendricks noted that by aligning businesses and academic institutions to grow New Jersey’s economy, the RAD will serve as a gateway to innovation, enabling the State to better market commercial ideas and products and attract more federal funds to ensure groundbreaking research can continue at New Jersey’s world-class institutions.

Members of the RAD Advisory Board include representatives from the five research universities selected to participate in the initial pilot version of the database – Princeton University, Rutgers, The State University of New Jersey, the New Jersey Institute of Technology, Rowan University, and Stevens Institute of Technology; and, industry representatives from the New Jersey Business & Industry Association, Choose New Jersey, BioNJ, the Healthcare Institute of New Jersey, the Research and Development Council of New Jersey, and the New Jersey Tech Council. The New Jersey Office of the Secretary of Higher Education (OSHE) and EDA will serve as staff to the Board.

**CLOSED PROJECTS**

Through November 2017, EDA closed on more than $281 million in traditional lending assistance to support 146 projects, leveraging more than $395 million in capital investment and the creation of 800 new permanent jobs and 987 construction jobs.

In addition to the assistance provided through traditional lending programs, EDA also executed agreements pending certification with 48 projects for more than $1.3 billion, leveraging more than $4 billion in capital investment, the creation of 22,149 new jobs, 5,130 construction jobs, and the retention of 18,378 jobs at risk of leaving New Jersey.

**EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH**

EDA representatives participated as speakers, attendees, or exhibitors at 17 events in November. These included the NAIOP Hall of Fame Awards in Short Hills, the NJTC Awards Celebration in Somerset, and the MCEDC 1st Annual Innovation Forum in Parsippany.
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
       President and Chief Operating Officer

RE: 2018 Strategic Business Plan

DATE: December 12, 2017

We are pleased to share with the members the 2018 Strategic Business Plan, which was reviewed by the Audit Committee on November 17, 2017.

The 2018 Strategic Business Plan continues the Authority’s focus on leveraging opportunities to support growth in targeted industries and communities, while ensuring a sustainable business platform grounded by strong financial resources, staff capacity and delivery mechanisms that best meet the needs of our diverse customer base.

The 2018 Strategic Business Plan includes tangible objectives and goals to:

- Maximize business and community development opportunities in targeted municipalities through a cross-organizational approach focused on consistent engagement and communication;
- Identify new and innovative opportunities for collaboration with public and private stakeholders to catalyze economic growth and job creation;
- Advance real estate development initiatives to support holistic revitalization in Trenton;
- Increase access to direct funding sources and enhance existing products to better meet the needs of the technology and life sciences industry;
- Promote greater collaboration between academia and industry;
- Complete implementation of the multi-year Enterprise Resource Planning/Loan Management System project; and,
- Strengthen staff capacity through targeted leadership and professional development efforts.

The EDA remains committed to achieving our objectives and continuing efforts to expand job opportunities for state residents and encourage investment in communities across New Jersey.
2018 Strategic Business Plan
Introduction

The New Jersey Economic Development Authority (EDA) is an independent State agency dedicated to broadening New Jersey’s economic base by building vibrant, diverse communities, creating and maintaining jobs, and providing small businesses and not-for-profits with the necessary financial and technical support to grow and succeed. The EDA fulfills its mission by increasing access to capital and bridging financing gaps, administering State tax incentives to retain and grow jobs, revitalizing communities through redevelopment initiatives, and supporting entrepreneurial development through training and mentoring programs.

The EDA’s strategic imperatives provide a mission–based framework to guide decision-making and investments in the year ahead. These imperatives shape the EDA’s annual strategic planning process and drive the Authority’s business forward. The 2018 Strategic Business Plan includes specific actions that are designed to strengthen partnerships and advance effective capacity building to maximize EDA’s impact in the marketplace, facilitating the growth of important industry sectors and promoting investment in targeted locations. Complementing these actions are the EDA’s enterprise initiatives related to information technology and human resources, which will ensure the Authority remains able to meet the needs of its employees and broad customer base.

The EDA is committed to growing and strengthening New Jersey’s economy and filling gaps in the market through advancement of the key objectives outlined in the Strategic Business Plan. The companion Fiscal Plan that is presented alongside the Strategic Business Plan will allow the Authority to manage and sustain its operations and activities.
Objective 1

Grow New Jersey’s economy through financial assistance and capacity building, leveraging and enhancing delivery models and partnerships to encourage economic growth and revitalization.
Strategy

The EDA will leverage opportunities presented by the New Jersey Economic Opportunity Act (EOA) to encourage investment and growth in targeted industries and locations, encouraging the expansion of key employment clusters and catalyzing greater urban activity and impact.

Initiatives:

- Advance projects in targeted communities and industries, as defined by the EOA.
- Identify opportunities to cross-sell products to help make projects feasible.
- Ensure products are right-sized to maximize resources and leverage private investment.

Actions:

- EDA will maintain consistent engagement and communication with targeted communities and to targeted industries to maximize business development opportunities.
- EDA will advance communication and marketing tactics in targeted communities to further leverage business development outreach.
- EDA will work cross-organizationally to identify opportunities to utilize additional EDA products to move EOA-supported projects forward.

Key Performance Indicators:

1. 75% of approved Grow NJ projects located in a targeted location.
2. 75% of approved Grow NJ projects in a targeted industry.
3. Approve 10 EOA-supported projects for assistance utilizing other EDA products (i.e. Grow NJ and tax-exempt bonds) by year-end.
4. Facilitate stakeholder meetings in all New Jersey counties that include distressed municipalities.
5. Approve four projects in each Garden State Growth Zone under the Business Lease Incentive or Business Improvement Incentive programs by year-end.
6. Advance monthly pitches to publications covering distressed municipalities, as well as weekly social media postings.
The EDA will align its financial resources, staff capacity, and delivery mechanisms to meet the needs of businesses and communities, ensuring flexibility and agility to effectively address changes in the economy.

**Initiatives:**

- Focus resources on active premier lenders/local community banks and increase impact to small businesses through Community Development Financial Institutions and other collaborative relationships.
- Enhance product and strategic initiatives to meet the diverse needs of EDA’s customer base.
- Align small business financial assistance with innovative place-based revitalization strategies.

**Key Performance Indicators:**

1. Provide $100 million in assistance to small and mid-sized businesses and not-for-profits through traditional financing by year-end.
2. Host two accreditation sessions with centers of influence by year-end.
3. Issue a call to the marketplace for ideas related to technical assistance in Q1.
4. Create plan of action related to new “agri-tourism” lending program/s by Q2.

**Actions:**

- EDA will generate small and mid-sized business inquiries via the Product Matcher Tool showcased through the Look Here First marketing campaign.
- EDA will hold sessions with centers of influence to showcase value of Authority programs and cross market products.
- EDA will issue a call to the marketplace for ideas aimed at effective collaborations to enhance the Authority’s ability to fill technical assistance, training and capital needs.
- EDA will explore “agri-tourism” lending programs to optimize land-based local assets through discussions with the NJ Department of Agriculture, local economic development agencies and existing agricultural lenders.
Strategy

The EDA will advance community development in targeted areas through capacity building and the introduction of new innovative and relevant delivery models to provide greater impact and help ensure the long-term sustainability and growth of communities.

Initiatives:
- Utilize EDA development capabilities to address real estate needs of other state agencies.
- Apply existing EDA products to move projects forward, targeting municipalities in strategic urban locations.
- Implement a comprehensive approach to support the revitalization of the Capital City, including partnering with Greater Trenton and other public and private entities to facilitate mixed-use development and private investment.

Actions:
- EDA will advance the Trenton State Office Building project to consolidate state employees in the downtown and catalyze complementary mixed-use private investment through the Redevelopment Sites Inventory.
- EDA will routinely engage with Trenton stakeholders, including as staff to the Capital City Redevelopment Corporation, to advance outcomes related to the Trenton Stakeholder Memorandum of Understanding.
- EDA will maintain regular engagement and communication with industry leaders and public officials to encourage legislation to establish a pilot program to foster development of privately-funded and -constructed State-owned properties.
- EDA will explore the viability of Real Estate-based direct investments in strategic assets in the five Garden State Growth Zone cities.
- EDA will identify new opportunities to partner with foundations and corporate philanthropic arms to support targeted, community-centered investments.

Key Performance Indicators:
1. Review four applications under the Real Estate Impact Fund by year-end.
2. Pursue approval for construction of the Trenton State Office Building project by Q3.
3. Create a plan of action related to a product to support Real Estate-based direct investments by Q2.
4. Support advancement of Trenton parking garage redevelopment.
5. Release and market the Redevelopment Sites Inventory by year-end.
6. Identify and advance two new partnerships with foundations or corporate philanthropic arms by year-end.
Strategy

The EDA will support the growth of New Jersey’s burgeoning technology industry by providing resources to meet the financial and real estate needs of the life sciences, technology and clean energy sectors, with a focus on supporting and leveraging strategic partners and filling market gaps.

Initiatives:

- In EDA’s role as staff, develop recommendations of Biotech Task Force, including review of funding sources for early stage life sciences companies.
- Work with partners to increase awareness of investment opportunities and help promote greater collaboration between academia and industry.
- Advance real estate-based initiatives to meet industry needs, complementing the existing ecosystem.
- Explore initiatives that support New Jersey’s Energy Master Plan and utilize Energy Resilience Bank experience to inform decision-making.

Actions:

- EDA will complete Phase I – III of the Research Asset Database (RAD) initiative and advance Phase IV through ongoing outreach to participating universities and industry stakeholders.
- EDA will work with industry leaders and public officials to advance products that address financial, technical assistance and real estate gaps.
- EDA will host semi-annual Founders & Funders events to directly connect investors with businesses.
- EDA will market leasable vacant space on the Technology Centre of New Jersey campus, including the Biotechnology Development Center (BDC), by leveraging its contract with JLL to raise awareness of successful campus tenants and graduates through public relations and marketing strategies.
- EDA will identify opportunities to support the growth of the clean energy supply chain based on Administration priorities and availability of funding.

Key Performance Indicators:

1. Launch the RAD and complete long-term sustainability plan by Q2, including hosting one meeting with Advisory Board per quarter.
2. Approve six projects through the NJ CoVest Fund.
4. Achieve occupancy of at least 30% at the BDC by year-end.
5. Initiate lease negotiations to reduce existing vacancies on the Technology Centre of New Jersey campus.
6. Complete and distribute an Economic Impact Study of CCIT.
7. Create a plan of action related to product/s to support the clean energy supply chain.
Strategy

The EDA will manage and administer HUD funded programs related to recovery and resiliency in the aftermath of Superstorm Sandy.

Initiatives:

- Continue the winddown of HUD funded programs through rigorous compliance monitoring and strong working relationships with partners at DCA, DEP, and BPU.

Actions:

- EDA will support development of distributed energy resources technologies at critical facilities in New Jersey through the Energy Resilience Bank.
- EDA will prepare for the close-out of Stronger New Jersey programs by finalizing loans related to small business recovery, and construction related to community revitalization projects.
- EDA will showcase the resiliency of New Jersey businesses and communities and best practices in program administration through an EDA-issued report of Superstorm Sandy-related assistance.

Key Performance Indicators:

1. Advance all Energy Resilience Bank projects to the Board by year-end, with 75% executing subrecipient agreements.
2. Disburse 90% of approved Stronger New Jersey Business loans by year-end.
3. Complete substantial construction of all “legacy” Stronger New Jersey Neighborhood and Community Revitalization (NCR) Streetscape and D&I projects and execute subrecipient agreements related to four new Streetscape projects.
4. Complete five final monitoring visits for fully-funded NCR projects.
5. Complete all job reports of Stronger NJ Grant projects, as well as all fully-funded Loan projects.
6. Prepare and distribute EDA report on Sandy recovery and resiliency in Q1.
Objective 2

Advance a financially sustainable business platform while focusing on mission driven investments
Strategy

The EDA will generate new and increased funding sources and revenues and minimize increases in operating expenses to support long-term sustainability and ensure program costs and expenses are met while maintaining the Authority’s mission.

Initiatives:

• Continue efforts to seek alternate sources of revenue and capital.
• Continue efforts to minimize the increase to unanticipated asset management costs.

Actions:

• EDA will complete the purchaser RFP process related to the Tech Expansion sale.
• EDA will advance the repositioning of the Technology Centre of New Jersey.
• EDA will limit increases of controllable asset management costs.
• EDA will manage new loan approvals to more than offset portfolio runoff.

Key Performance Indicators:

1. Control expenses and costs to be within 3% of budgeted amounts for each department and program.
2. Execute contract for sale of the Tech Expansion parcel by year-end.
3. Issue broker RFP to market for sale development parcels at the Technology Centre of New Jersey by end of Q2.
Strategy

The Fort Monmouth Economic Revitalization Authority (FMERA) was created to guide the investment, growth and integration of Fort Monmouth through implementation of the Reuse and Redevelopment Plan authored by FMERA’s predecessor agency, the Fort Monmouth Economic Revitalization Planning Authority. As staff to FMERA, the EDA will support continuing redevelopment efforts and help ensure FMERA becomes financially self-sufficient.

Initiatives:

- Support FMERA’s objective of financial self-sufficiency.

Actions:

- EDA will ensure fiduciary compliance related to the Monmouth County Improvement Authority’s guarantee of $35 million in notes and bonds to support FMERA’s purchase of the Phase 2 EDC property.
- EDA will approve and close on a working capital credit facility for FMERA.
- EDA will help to advance the redevelopment of Parcel F-1.

4. Limit increases of controllable asset management costs to 3.5% over 2017 actual, net of asset disposition.
5. Manage new loan approvals at a risk reserve no greater than 13.3%.
6. Close on working capital credit facility for FMERA in Q1.
Objective 3

Support the effectiveness of the EDA through enhanced resources, infrastructure, processes, and compliance monitoring.
Strategy

The EDA will strengthen existing staff capacity and leadership effectiveness to ensure the Authority has the human resources required to meet its strategic goals and operational plans.

Initiatives:

• Create and implement a two-year HR strategy to assess organizational competency and performance improvement management.
• Continue to attract and retain high quality talent.
• Enhance HR-related operations to increase efficiencies.

Actions:

• EDA will deliver targeted leadership and professional development sessions and maintain a long-term focus on learning agility.
• EDA will review and enhance policies and align marketing strategies to greater support retention and attraction efforts.
• EDA will continue its internship recruitment program, with a focus on hiring and retaining high potential personnel.
Strategy

The EDA will enhance operations by identifying increased efficiencies related to information technology and internal process management to benefit employees and customers.

Initiatives:

• Continue implementation of the multi-year Enterprise Resource Planning (ERP) / Loan Management System project (Project Enable).
• Continue implementation of cyber security measures, including intrusion detection prevention.
• Examine existing internal department operations with an emphasis on process improvement.

Actions:

• EDA will finalize user testing and training on ERP system and go live.
• EDA will implement processes and systems identified by the Project Enable initiative that need to be addressed post cutover.
• EDA will continue to advance user training related to cyber security measures.
• EDA will continue to implement improvements and enhancements to procurement functions, with an emphasis on enhanced user experience.
Strategy

The EDA will ensure it is meeting its core mission in alignment with statutory and regulatory obligations, and continue efforts related to due diligence, oversight and reporting.

Initiatives:

- Collaborate with outside auditors to ensure Grow NJ applicants are certifying to their job and capital investment numbers as defined in the rules and regulations.
- Provide best practices to business units to improve efficiency, while maintaining statutorily mandated compliance across all EDA products.
- Continue to work with Rutgers to finalize statutorily-required report of incentive programs for submission to Governor and Legislature.

Actions:

- EDA will ensure data integrity as the Authority transitions to Enable.
- EDA will perform full compliance reviews of EOA Grow NJ projects that certified for their overall tax certificate.
- EDA will oversee completion of external audits completed by Mercadien.
- EDA will provide best practices for AUPs for future Grow NJ projects.
- EDA will submit Rutgers analysis of the EOA Grow NJ and ERG programs.

Key Performance Indicators:

1. Finalize user testing and training on ERP system by Q1 and go live by end of Q2.
2. Provide quarterly user training sessions related to cyber security measures.
3. Validate data points across all programs with information that is populated within LMS and cross reference this data with Enable to the extent such data is available.
4. Perform full compliance reviews of 25% of EOA Grow NJ projects by year-end.
5. Oversee completion of four external audits of approved EOA Grow NJ projects by year-end.
The New Jersey Economic Development Authority (EDA) is an independent State agency that finances small and mid-sized businesses, administers tax incentives to retain and grow jobs, revitalizes communities through redevelopment initiatives, and supports entrepreneurial development by providing access to training and mentoring programs.
TO: Members of the Authority

FROM: Timothy Lizura,
President and Chief Operating Officer

DATE: December 12, 2017

SUBJECT: FY18 Fiscal Plan

Enclosed for your review, discussion and approval is the proposed FY18 Fiscal Plan. It is the result of a collaborative effort by management and staff. Collectively, we believe our planning process has yielded a fiscally responsible plan that supports the proposed FY18 Strategic Business Plan.

The 2018 Strategic Business Plan details imperatives in support of the following key business objectives: 1) to grow New Jersey’s economy, 2) advance a financially sustainable business platform, and 3) support our effectiveness through enhanced resources, infrastructure and compliance. The first objective is primarily reflected within the Fiscal Plan’s revenue and program cost projections; the second, with fiscally responsible expense and cost constraints; and the third, through targeted investments in the Authority’s infrastructure and personnel.

The proposed Fiscal Plan reflects a deliberative approach in the projection of operating revenues, expenses and costs. With the Administration’s prioritized initiatives, such as incentive financing, as well as ongoing Authority programs and opportunities, we are projecting total revenue to be in line with 2017 Plan. Relative to administrative expenses, the Authority is committed to accomplishing its strategic objectives in the most efficient manner possible. To that end, EDA core headcount will reflect an increase from 159 planned for FY17 to 163 for FY18, including positions related to internal review and audit of Incentives program activity. Associated G&A expenses reflect an increase of 6% above FY17 Plan, and are largely attributable to the 3-year Microsoft enterprise agreement contract, approved by the Board in October, and related to the cloud based platform that helps support the Authority’s loan and incentives programs.
At $4,100,000, FY18 Planned NOE is lower than FY17 Planned and 2017 Projected activity, as venture fund distributions are expected to taper from the high volume received in the prior year, while still providing an important revenue source in 2018. Other significant revenue categories in 2018 include approval and issuance fees for the Grow NJ program; closing fees for the Economic Redevelopment & Growth (ERG) program; and annual servicing fees for both initiatives. The Plan also reflects steady volume in lease revenue generated by our Real Estate Development Division. Since the Fiscal Plan is a metric of performance, management is pleased to report that the FY18 Plan continues to align with the Authority’s fundamental asset allocation premise that current year revenues will fund current year operational expenses, and will not rely on prior period earnings to do so.

At present, aggregate headcount is expected to be 155 by year-end, against Plan of 159, while the FY 18 Plan provides for 4 new positions above the FY17 Plan, at an average fully-loaded cost of roughly $127,500 each. As noted, many of these vacancies have been tailored to reflect anticipated increases in specific activity.

Also reflected are the following benefit expense items:

- The EDA contribution to PERS reflects an increase of $290,000 over 2017 and is based on billing information received from the Division of Pensions. Any amount that can be attributable to dedicated Office of Recovery staff will be sought as a reimbursable fringe item;
- Estimated post-employment benefit obligation of $1,400,000 is actuarially established;
- Health insurance premiums are generally flat for 2018, depending on plan and level of coverage selected, however, approx 28% of total premiums are expected to be paid by employees, enabling the Authority to recapture approximately $720,000 of this cost.

Program Costs represent expenditures that align with specific programs, projects, and initiatives. At $6,772,000, the FY18 Plan provides for an increase of 7.8% over FY17 Plan, and is attributable largely to asset management costs related to the start-up and fit-out of the Authority’s new Biotech Development Center in New Brunswick, while also providing for the development of small business incentives programs and new real estate development opportunities. Anticipated program outreach expenditures and property & liability insurance premiums are consistent with the prior year Plan.

Consistent with prior years, the Plan also includes cash transactional items that may or may not be reimbursable; do not represent costs and expenses related specifically to current year production, or may not be within the scope of what the Authority typically does. These items are presented for informational purposes. Included here are all reimbursable expenses related to the administration of both Fort Monmouth and Office of Recovery activity. Also reflected here are pre-development costs associated with the Myer Center property at Fort Monmouth, as well as investments in infrastructure, including replacement of the Authority’s existing loan management system.
In summary, management believes the compilation of the FY18 Fiscal Plan has been a collective process that interrelates with and supports the FY18 Business Plan. At its meeting of November 17th, the Plan was reviewed by the Audit Committee which concurred it is fiscally responsible and aligns with the FY18 Business Plan; accordingly, Board’s approval is requested.

Prepared by:

Richard LoCascio, CPA
Controller
Operating Revenue:

<table>
<thead>
<tr>
<th></th>
<th>2017 Fiscal Plan</th>
<th>2017 Projected Actual</th>
<th>2017 Actual Over/(Under)</th>
<th>% Variance</th>
<th>2018 Fiscal Plan</th>
<th>% Variance</th>
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<tr>
<td>Financing Fees</td>
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<td>Interest from Notes</td>
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<td>20,000</td>
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<td>Venture Fund Distributions/Warrants</td>
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<td>Real Estate Development Fees</td>
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<td>Sale of Assets</td>
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<td>Total Operating Revenue</td>
<td>33,823,000</td>
<td>40,809,500</td>
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Non Operating Revenue:

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<th>2017 Fiscal Plan</th>
<th>2017 Projected Actual</th>
<th>2017 Actual Over/(Under)</th>
<th>% Variance</th>
<th>2018 Fiscal Plan</th>
<th>% Variance</th>
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<tbody>
<tr>
<td>Interest from Cash Investments</td>
<td>3,200,000</td>
<td>3,128,000</td>
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<td>Total Non Operating Revenue</td>
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Total Revenue

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<th>2018 Fiscal Plan</th>
<th>% Variance</th>
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<tbody>
<tr>
<td>Total Operating Revenue</td>
<td>37,023,000</td>
<td>43,937,500</td>
<td>6,914,500</td>
<td>35,588,000</td>
<td>-3.9%</td>
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Administrative Expenses

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<tr>
<th></th>
<th>2017 Fiscal Plan</th>
<th>2017 Projected Actual</th>
<th>2017 Actual Over/(Under)</th>
<th>% Variance</th>
<th>2018 Fiscal Plan</th>
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<tr>
<td>Personnel and Benefits</td>
<td>19,640,000</td>
<td>18,784,000</td>
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<tr>
<td>General and Administrative</td>
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<td>(420,400)</td>
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<tr>
<td>Total Administrative Expenses</td>
<td>22,989,000</td>
<td>21,712,600</td>
<td>(1,276,400)</td>
<td>24,640,000</td>
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Program Costs

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<th>2017 Fiscal Plan</th>
<th>2017 Projected Actual</th>
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<th>2018 Fiscal Plan</th>
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<tr>
<td>Cost of Assets Sold Program</td>
<td>6,284,000</td>
<td>6,443,900</td>
<td>159,900</td>
<td>6,772,000</td>
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<tr>
<td>Total Costs</td>
<td>6,284,000</td>
<td>6,443,900</td>
<td>159,900</td>
<td>6,848,000</td>
<td>9.0%</td>
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Total Expenses & Costs

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<th>2017 Fiscal Plan</th>
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<tr>
<td>Total Operating Revenue</td>
<td>37,023,000</td>
<td>43,937,500</td>
<td>6,914,500</td>
<td>35,588,000</td>
<td>-3.9%</td>
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<tr>
<td>Total Non Operating Revenue</td>
<td>3,200,000</td>
<td>3,128,000</td>
<td>(72,000)</td>
<td>3,000,000</td>
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<tr>
<td>Net Operating Earnings</td>
<td>$7,750,000</td>
<td>$15,781,000</td>
<td>$8,031,000</td>
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<td>-3.9%</td>
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CASH TRANSACTIONAL ITEMS

Operating Revenue:

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<td>FMERO Staff Reimbursement</td>
<td>$1,463,000</td>
<td>$1,420,400</td>
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<td>Sale of Assets</td>
<td>$6,000,000</td>
<td>(6,000,000)</td>
<td>(6,000,000)</td>
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<tr>
<td>Loss recoveries</td>
<td>$1,600,000</td>
<td>(1,600,000)</td>
<td>(1,600,000)</td>
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<td>Total Operating Revenue</td>
<td>7,463,000</td>
<td>3,020,400</td>
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Administrative Expenses

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<th>2018 Fiscal Plan</th>
<th>% Variance</th>
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<tbody>
<tr>
<td>FMERO Personnel &amp; Benefits</td>
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<td>1,420,400</td>
<td>(42,600)</td>
<td>1,393,000</td>
<td></td>
<td></td>
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<tr>
<td>Office of Recovery Personnel &amp; Benefits</td>
<td>5,025,000</td>
<td>3,906,600</td>
<td>(1,118,400)</td>
<td>3,258,000</td>
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<tr>
<td>OSHE Interagency Project</td>
<td>(5,025,000)</td>
<td>(3,906,600)</td>
<td>(1,118,400)</td>
<td>(3,258,000)</td>
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<tr>
<td>ERP Procurement</td>
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<td>440,000</td>
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<tr>
<td>Procurement System Upgrade</td>
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<td></td>
<td>150,000</td>
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<tr>
<td>Total Administrative Expenses</td>
<td>12,196,000</td>
<td>8,745,600</td>
<td>(3,450,400)</td>
<td>5,306,800</td>
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Net Cash Transactional Items

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<thead>
<tr>
<th></th>
<th>2017 Fiscal Plan</th>
<th>2017 Projected Actual</th>
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<th>2018 Fiscal Plan</th>
<th>% Variance</th>
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</thead>
<tbody>
<tr>
<td>Total Operating Revenue</td>
<td>12,196,000</td>
<td>8,745,600</td>
<td>(3,450,400)</td>
<td>5,306,800</td>
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<td>Total Non Operating Revenue</td>
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<tr>
<td>Net Cash Transactional Items</td>
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<td>($5,725,200)</td>
<td>($992,200)</td>
<td>($3,913,800)</td>
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*Note: 10/31 YTD Reimbursement due for Core EDA staff devoting time to OR activity is $419,700, and will be reflected as an increase to net assets upon receipt, as will full reimbursement for dedicated OR personnel & benefits.
## New Jersey Economic Development Authority

### 2018 Fiscal Plan

#### Revenue Detail

<table>
<thead>
<tr>
<th>Description</th>
<th>2017 Fiscal Plan</th>
<th>2017 Projected</th>
<th>Actual</th>
<th>Over/(Under) %</th>
<th>2018 Fiscal Plan</th>
<th>'17 Plan</th>
<th>% Variance</th>
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## NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

### 2018 Fiscal Plan

#### Administrative Expenses

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Total Salaried Employees: 159 (155) (4) 163
# NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

## 2018 Fiscal Plan

### Administrative Expenses

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<tr>
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<th>2017 Plan</th>
<th>2017 Projected</th>
<th>2017 Actual</th>
<th>% Variance</th>
<th>2018 Plan</th>
<th>2018 % Variance</th>
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<td>(48,000)</td>
<td></td>
<td>48,000</td>
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<tr>
<td>Major Projects</td>
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<td>25,000</td>
<td>(95,000)</td>
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<td>190,000</td>
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<td>CRMS</td>
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<td>107,000</td>
<td>87,000</td>
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<td>Online Subscriptions</td>
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<td>115,000</td>
<td>(1,000)</td>
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<td>Communications</td>
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<td>External Services Providers</td>
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<td>(5,000)</td>
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<td><strong>TOTAL INFORMATION SYSTEMS</strong></td>
<td>1,047,000</td>
<td>901,000</td>
<td>(146,000)</td>
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<tr>
<td><strong>OFFICE OPERATIONS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>265,000</td>
<td>252,300</td>
<td>(12,700)</td>
<td></td>
<td>266,000</td>
<td></td>
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<tr>
<td>Postage &amp; Delivery</td>
<td>21,000</td>
<td>16,400</td>
<td>(4,600)</td>
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</tr>
<tr>
<td>Rent</td>
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<td>(2,700)</td>
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<td>Insurance-liability &amp; property</td>
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<td>240,500</td>
<td>(33,500)</td>
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<td>265,000</td>
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<td>Equipment Maintenance</td>
<td>17,000</td>
<td>18,000</td>
<td>1,000</td>
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<td>19,000</td>
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<td>Furniture/Equipment lease/purchase</td>
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<td>153,400</td>
<td>(58,600)</td>
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<td>282,000</td>
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<tr>
<td>Stationary &amp; Supplies</td>
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<td>49,300</td>
<td>(40,700)</td>
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<td>76,000</td>
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<tr>
<td><strong>TOTAL OFFICE OPERATIONS</strong></td>
<td>986,000</td>
<td>834,200</td>
<td>(151,800)</td>
<td>-15.4%</td>
<td>1,038,000</td>
<td>5.3%</td>
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<tr>
<td><strong>BUILDING MANAGEMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Facility Management</td>
<td>130,000</td>
<td>137,300</td>
<td>7,300</td>
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<td>Building Security Guard</td>
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<td>109,800</td>
<td>(5,200)</td>
<td></td>
<td>116,000</td>
<td></td>
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<td>Janitorial</td>
<td>137,000</td>
<td>133,500</td>
<td>(3,500)</td>
<td></td>
<td>135,000</td>
<td></td>
</tr>
<tr>
<td>Taxes/PILOT</td>
<td>61,000</td>
<td>60,800</td>
<td>(200)</td>
<td></td>
<td>63,000</td>
<td></td>
</tr>
<tr>
<td>Grounds</td>
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<td>77,500</td>
<td>(2,500)</td>
<td></td>
<td>90,000</td>
<td></td>
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<tr>
<td>Parking Lot</td>
<td>34,000</td>
<td>34,700</td>
<td>700</td>
<td></td>
<td>34,000</td>
<td></td>
</tr>
<tr>
<td>Mechanical Maintenance</td>
<td>114,000</td>
<td>95,400</td>
<td>(18,600)</td>
<td></td>
<td>134,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL BUILDING MANAGEMENT</strong></td>
<td>671,000</td>
<td>649,000</td>
<td>(22,000)</td>
<td>-3.3%</td>
<td>601,000</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>GENERAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>36,000</td>
<td>34,800</td>
<td>(1,200)</td>
<td>-3.3%</td>
<td>38,000</td>
<td>5.6%</td>
</tr>
<tr>
<td><strong>TOTAL GEN'1 &amp; ADMIN. EXPENSE</strong></td>
<td>$3,349,000</td>
<td>$2,928,600</td>
<td>($420,400)</td>
<td>-12.6%</td>
<td>$3,547,000</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

**TOTAL ADMINISTRATIVE (Excl FM/OR)** $22,989,000 $21,712,600 ($1,276,400) -5.6% $24,640,000 7.2%
## NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

### 2018 FISCAL PLAN

#### Program Cost Detail

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Asset Management</strong></td>
<td></td>
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<td></td>
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<tr>
<td>Environmental Fees</td>
<td>$15,000</td>
<td>($15,000)</td>
<td>$10,000</td>
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<td>Maintenance and Repair</td>
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<td>1,435,000</td>
<td>86,000</td>
<td>1,484,000</td>
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<td>Property Management</td>
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<td>257,600</td>
<td>600</td>
<td>256,000</td>
<td>-0.4%</td>
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<tr>
<td>Taxes and PILOT</td>
<td>1,181,000</td>
<td>1,184,400</td>
<td>3,400</td>
<td>1,116,000</td>
<td>-5.7%</td>
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<tr>
<td>Tenant Billing System</td>
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<td>9,500</td>
<td>1,000</td>
<td>9,000</td>
<td></td>
</tr>
<tr>
<td>Furniture/Fixtures/Equip - Biotech Dev Center</td>
<td>273,600</td>
<td>273,600</td>
<td></td>
<td>233,000</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>1,181,000</td>
<td>1,184,400</td>
<td>3,400</td>
<td>1,116,000</td>
<td>-5.7%</td>
</tr>
<tr>
<td><strong>Total Asset Management</strong></td>
<td>3,610,500</td>
<td>4,039,900</td>
<td>429,400</td>
<td>4,048,000</td>
<td>12.1%</td>
</tr>
</tbody>
</table>

|                      |                  |                       |                          |                  |                               |
| **Outreach**         |                  |                       |                          |                  |                               |
| Contracts            | 400,000          | 400,000               | 300,000                 |                  |                               |
| Outreach Support     | 25,000           | 33,000                | 8,000                   | 25,000           |                               |
| Events & Sponsorship | 75,000           | 69,500                | (5,500)                 | 75,000           |                               |
| **Total Outreach**   | 500,000          | 502,500               | 2,500                   | 400,000          | -20.0%                        |

|                      |                  |                       |                          |                  |                               |
| **Consultation/Legal** |                |                       |                          |                  |                               |
| Deputy AG Contracted Fees (Excl. FMERO) | 850,000 | 875,000 | 25,000 | 900,000 |                               |
| Other Litigation (Special Counsel) | 25,000 | 20,000 | (5,000) | 25,000 |                               |
| BEIP dMIS Programming | 40,000         | 85,000                | 45,000                  | 18,000           |                               |
| Camden Waterfront Survey | 20,000 | 20,000 | (20,000) | 20,000 |                               |
| DEP/Licensed Site Remediation | 75,000 | 10,000 | (65,000) | 15,000 |                               |
| Incentive Programs Audit | 100,000 | 100,000 | | 100,000 |                               |
| GSGZ/Small Bus. Incentives/RE Feasibility | 300,000 | (300,000) | | 400,000 |                               |
| Rutgers University Study | 30,000 | (30,000) | | |                               |
| Tech Centre Space Planning |                  | | | |                               |
| Tech Centre Repositioning | 25,000 | 56,000 | 31,000 | |                               |
| Real Estate Advisory Services | 100,000 | 75,000 | (25,000) | 100,000 |                               |
| **Total Feasibility Consultation** | 1,565,000 | 1,221,000 | (344,000) | 1,678,000 | 7.2%                         |

|                      |                  |                       |                          |                  |                               |
| **Services**         |                  |                       |                          |                  |                               |
| Appraisals of Collateral | 30,000 | 18,500 | (11,500) | 30,000 |                               |
| Credit Reporting Services | 8,000 | 3,000 | (5,000) | 5,000 |                               |
| Realtor Commissions  | 175,000          | 295,000               | 120,000                 | 250,000          |                               |
| **Total Services**   | 213,000          | 316,500               | 103,500                 | 285,000          | 33.8%                        |

|                      |                  |                       |                          |                  |                               |
| **Insurance**        |                  |                       |                          |                  |                               |
| Property & Liability Insurance | 263,000 | 230,000 | (33,000) | 245,000 |                               |
| **Total Insurance**  | 263,000          | 230,000               | (33,000)                | 245,000          | -6.8%                        |

|                      |                  |                       |                          |                  |                               |
| **Other**            |                  |                       |                          |                  |                               |
| Camden Waterfront Landscaping | 22,000 | 21,000 | (1,000) | |                               |
| Debt Servicing       | 32,500           | 32,500                | | 32,500 |                               |
| Filing Fees          | 6,000            | 8,500                 | 2,500                   | 8,000            |                               |
| Program Related Travel & Meetings | 42,000 | 42,000 | | 44,500 |                               |
| Searches-Titles, Leins, Property | 15,000 | 15,500 | 500 | 16,000 |                               |
| Other                | 15,000           | 14,500                | (500)                   | 15,000           |                               |
| **Total Other**      | 132,500          | 134,000               | 1,500                   | 116,000          | -12.5%                        |

|                      |                  |                       |                          |                  |                               |
| **Total Program Costs** | $6,284,000 | $6,443,900 | $159,900 | $6,772,000 | 7.8%                         |
INCENTIVE PROGRAMS
ECONOMIC REDEVELOPMENT AND GROWTH (ERG) PROGRAM
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: December 12, 2017

SUBJECT: One Journal Square Partners Urban Renewal Company, LLC (“1JS”), Economic Redevelopment and Growth Grant Program (“ERG”) – Modification P #40469

Request:

Consent to the following:

1. A change in tenant and associated changes in space to accommodate this change; and
2. A six-month extension of time until May 13, 2018 to meet the conditions of this proposed amended approval.

As a result of these changes, the approved $34MM ERG award amount will be capped at to $32.9MM due to the projected reduction in tax revenues generated over 20 years.

Background:

1JS was approved on November 13, 2015 to receive an ERG award of 17.22% of total eligible costs, not to exceed $34,000,000 to construct a nine-story podium building with two floors of building amenities in Jersey City. The 1JS structure is part of a multi-phase mixed-use development project by the developer with total costs of $595,594,279. The approved project was based on the inclusion of WeWork (“WW”) as an owner and tenant. The WW space, specifically 75,000 sf of the total 101,000 sf of office space, was reserved for high tech incubators and innovation technology businesses.

The commitment letter provided for conditions to have been satisfied by November 13, 2016. An extension was allowed through May 13, 2017. A second extension request was allowed through November 13, 2017 at which time the developer presented updates to the project scope and tenants for modification.

1JS notified the NJEDA that WeWork, as both an owner and tenant, would be exiting the project and that 1JS managing member would acquire the 50% ownership of WeWork. Retail space will be added to include 60,000 sf fitness club. Also, amenity space will be increased. The building has been shortened from 11 floors to 10 floors which will now consist of 8 floors of useable
office space and 2 floors of amenity space. Also, the number of parking spaces has increased from 388 to 869.

**Summary of Project Changes:**

The proposed changes would increase the total square footage by 35% from 491,820 sf to 663,728 sf. The composition of the aggregate change would come from: a shift in retail space by 25% from 78,120 sf to 97,480 sf, an increase in amenity space by 69% from 43,640 sf to 73,908 sf, and a 136% increase of parking space from 118,240 sf to 278,686 sf. There is no change to useable office space.

Total Project Costs will increase slightly from $205,371,000 to $214,060,000, with Total Eligible Costs increasing from $197,422,098 to $202,945,000.

Staff requested an updated IRR to fully understand the impact of these changes as compared to the original approval. An updated grant calculator and net benefit test was also performed.

**Gap Analysis**

EDA staff has reviewed the application to determine if there is a shortfall in the project development economics pertaining to the return on the investment for the developer and their ability to attract the required investment for this project. Staff analyzed the pro forma and projections of the project and compared the returns with and without the ERG over 13 years (three years to build and 10 years of cash flow).

<table>
<thead>
<tr>
<th>Return without ERG</th>
<th>Return with ERG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity IRR 5.82%</td>
<td>Equity IRR 6.81%</td>
</tr>
</tbody>
</table>

As indicated in the chart above, the project would not otherwise be completed without the benefit of the ERG. With the benefit of the ERG, the Equity IRR is 6.81% which is below the Standard Hurdle Rate Model provided by EDA’s consultant Jones Lang LaSalle which indicates a maximum IRR of 13.87% for a retail & office real estate project located in Jersey City.

As of the November 13, 2015 Board Approval, EDA staff reviewed the application to determine if there is a shortfall in the project development economics pertaining to the return on the investment for the developer and their ability to attract the required investment for this project. Staff analyzed the pro forma and projections of the project and compared the returns with and without the ERG over 11 years (one year to build and 10 years of cash flow).

<table>
<thead>
<tr>
<th>Without ERG</th>
<th>With ERG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity IRR 10.45%</td>
<td>Equity IRR 11.84%</td>
</tr>
</tbody>
</table>
**Recommendation:**

Authority staff has reviewed the proposed modification and finds that it is consistent with eligibility requirements of the Act. It is recommended that the Members approve and authorize the Authority to modify the applicant’s request for change in tenant composition; decrease the number of total floors, increase amount of parking spaces and addition of retail space for gym and grant a 6-month extension through May 13, 2018.

Prepared By: T. Armento
GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: December 12, 2017

RE: Proposed Grow NJ Policy Guidelines – Collaborative Research Agreements

Summary:

The Members are requested to approve:

1. proposed policy guidelines for the administration of Grow NJ tax credits for certain businesses that will engage in collaborative research relationships with New Jersey colleges or universities, pursuant to P.L. 2017, c. 221.

2. the attached proposed rule amendments and to authorize staff to submit the proposed amendments to the program rules for promulgation in the New Jersey Register, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law.

Background:

P.L. 2017, c. 221, enacted August 7, 2017, amends the "Grow New Jersey Assistance Act," N.J.S.A. 34:1B-242 et seq., to encourage businesses to enter into collaborative research relationships with New Jersey colleges and universities.

Under the amended statute, a targeted industry business may qualify for the highest base tax credit amount under the Grow NJ Program ($5,000 per job, per year), if the business locates a qualified business facility in a Garden State Create Zone (GSCZ), i.e., at or within three miles of a New Jersey doctoral university, and the facility is used by the business to conduct a collaborative research relationship with that university. This $5,000 base amount (per job, per year) is currently only applicable to qualified business facilities within an Urban Transit Hub municipality or Garden State Growth Zone, or those projects which meet the definition of Mega Projects (and the deadline for applications for a Mega Project was September 18, 2017).

Additionally, P.L. 2017, c. 221 establishes a new tax credit bonus that increases the amount of a Grow NJ tax credit by $1,000 per job, per year, if a targeted industry business is in a targeted
industry, locates a qualified business facility at or within three miles of the campus of a college or university other than a doctoral university, and the facility is used by the business to conduct a collaborative research relationship with the college or university.

Finally, the Authority is required, through regulation and in consultation with the Secretary of Higher Education, to establish standards for collaborative research relationships between businesses in targeted industries and colleges and universities that will be utilized by the NJEDA to qualify a business for an enhanced base or bonus tax credit amount under the statute. Along with the policy guidelines recommended below, staff has reviewed the current regulations and attached are proposed rule amendments to clarify certain provisions pertaining to implementation of P.L. 2017, c. 221, as necessary.

Project Review Process

For projects seeking increased tax credit awards under the collaborative research agreement classification, the Authority will first review the project against the underlying Grow NJ eligibility criteria, including the requirement that the incentive is a material factor to the company’s decision to advance a New Jersey project. Authority staff will evaluate applications based on the following criteria:

Qualified Business Location/Base Tax Credit – Doctoral Universities

To be eligible for the increased base tax credit ($5000 per job, per year), the qualified business facility must be located within a GSCZ, defined as a three-mile radius of the outermost boundary of the campus of a New Jersey doctoral university. According to the amended statute, the area comprising the “campus” is defined according to the map that appears in the doctoral university’s official catalog or other official publication on August 7, 2017 - the effective date of the legislation. For New Jersey doctoral universities that have multiple campuses located in various areas of the state, the qualified business facility must be located within a three-mile radius of the campus at which the collaborative research is occurring.

The statute uses the Carnegie Classification of Institutions of Higher Education’s Basic Methodology to define the New Jersey doctoral universities at which projects must be located within a three-mile radius to qualify for the maximum base amount. Based on this methodology, the following eight institutions are considered New Jersey doctoral universities:

- Montclair State University
- New Jersey Institute of Technology
- Princeton University
- Rowan University
- Rutgers University-New Brunswick
- Rutgers University-Newark
- Seton Hall University
- Stevens Institute of Technology
Qualified Business Location/Bonus Tax Credit – Non-Doctoral Colleges and Universities

To be eligible for the collaborative research bonus credit ($1,000 per job, per year), a project will be evaluated based on the same qualified business location criteria listed above. However, the difference is that the facility must be located within a three-mile radius of a New Jersey college or university other than a doctoral university to be in an eligible area.

For projects within three miles of New Jersey colleges or institutions other than New Jersey doctoral universities, the bonus category would apply to the following forty institutions:

- Atlantic Cape Community College
- Bergen Community College
- Bloomfield College
- Brookdale Community College
- Caldwell University
- Camden County College
- Centenary University
- College of Saint Elizabeth
- County College of Morris
- Cumberland County College
- Drew University
- Essex County College
- Fairleigh Dickinson University-College at Florham
- Fairleigh Dickinson University-Metropolitan Campus
- Felician University
- Georgian Court University
- Hudson County Community College
- Kean University
- Mercer County Community College
- Middlesex County College
- Monmouth University
- New Jersey City University
- Ocean County College
- Passaic County Community College
- Pillar College
- Ramapo College of New Jersey
- Raritan Valley Community College
- Rider University
- Rowan College at Burlington County
- Rowan College at Gloucester County
- Rutgers University-Camden
- Saint Peter’s University
- Salem Community College
- Stockton University
- Sussex County Community College
- The College of New Jersey
- Thomas Edison State University
- Union County College
- Warren County Community College
- William Paterson University of New Jersey

Under the Grow NJ Program, the amount of tax credits to be applied by the business in largely non-urban areas is typically limited by the existing 90 percent cap on withholdings of the business’s employees from the qualified business facility. P.L. 2017, c. 221 provides that the limitation shall not apply to Garden State Create Zone projects, i.e., projects located in 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. The proposed amendments clarify this provision.
Targeted Industry

P.L. 2017, c. 221 requires that the business be in a targeted industry to be eligible for the collaborative research project designation. The "Grow New Jersey Assistance Act" currently defines the term “targeted industry” as an industry identified from time to time by the EDA, but including initially the following industries: transportation, manufacturing, defense, energy, logistics, life sciences, technology, health, and finance. To date, EDA has not made any changes to this list. Consistent with our current Grow NJ program administration, the Authority will verify that the applicants are within one of the identified targeted industries.

Furthermore, to ensure alignment between the business and research being conducted, the Authority will also verify that the research being conducted is also related to a targeted industry, and will advance science or application in the field.

Collaborative Research Agreement

In addition to the project location requirements and required targeted industries, the statute requires that the business enter into a collaborative research agreement with the qualified institution within its three-mile proximity to qualify for the collaborative research base or bonus tax credit amount.

In determining specific criteria that would define a qualifying research relationship and meet the legislative intent, the Authority, in consultation with the Secretary of Higher Education, is utilizing standards and requirements for academic/industry collaborative models as outlined in the NJ Policy Research Organization (NJPRO) 2010 Building Bridges report. Specifically, the Authority will evaluate prospective collaborative research relationships based on the ability to meet one of the four following categories:

1. Direct university collaboration or joint initiative or participation wherein the college or university partners with the business, and may include other business in a similar field of science, to advance an area of science.

2. Sponsored research wherein the eligible business directly funds a college or university and pays for research to solve a specific problem.

3. Grants or fellowships wherein funding is provided directly by a business to a professor or graduate student to advance a specific area of science.

4. Corporate sponsored awards for entrepreneurship wherein a business sponsors an award to be given to a student-developed technology start-up or innovation.

During the application process, in addition to the standard information required by the Authority, the applicant will be required to submit a letter of intent from the college or university that is signed by the college or university and the business. The letter will indicate an intent by the college or university to explore a collaborative research relationship with the business and
describe the nature of the agreement being discussed with specific reference to how the agreement would satisfy one of the four key criteria above. The letter of intent will also acknowledge that at the time of certification, the applicant will provide an executed collaboration agreement that includes specific areas of information as outlined further in this memo.

Grow NJ is a program designed to incentivize prospective economic development activity which would not have occurred if not for the incentive. As such, the collaborative research base or bonus tax credit designation will only apply to prospective collaborative research agreements and will not recognize existing collaborative research agreements executed prior to application.

Following application approval and execution of the grant agreement, Authority staff will continue to monitor collaborative research projects annually throughout the grant term as part of the certification and annual reporting process to ensure that the agreement is still in good standing and that the research is actively moving forward.

At certification, the grantee will be required to provide an executed collaboration agreement between the grantee and the qualified New Jersey university or college. To measure how the agreement meets the proposed standards, Authority staff has developed worksheets detailing the information which the agreement and supporting documentation must satisfactorily provide at initial year of certification (or whenever a new agreement is provided,) as well as all subsequent certification years to qualify for the increased base or bonus award. The worksheets provide further detail and specific thresholds, but in general, the Authority will require that the agreement and supporting documentation provide:

1. Project scope
2. Professional credentials of those involved
3. Duration of the agreement
4. Allocation of resources/professional and academic staff
5. Research equipment to be utilized, if any
6. Intended outcomes of the project research, including any form of intellectual property
7. Timeline, including project milestones.

Furthermore, beyond the executed collaboration agreement, the grantee will be required to satisfy annual collaboration progress reporting requirements to demonstrate that the project scope is continually being advanced by all parties involved in the agreement. These requirements include a report detailing the research advancement under the agreement during the reporting year, information on the professional and academic staff involved in the project, time allocation of staff, milestone achievements, project or innovation outcomes, and, when completed, a close-out letter from the doctoral university or college.

For a project to be eligible for the collaborative research base or bonus tax credit amount, the agreement must be in effect and demonstrating research advancement for at least half of the applicant’s reporting year (6 months + 1 day). If the business does not satisfactorily provide evidence of research advancement, the tax credit that the business may take for the year will reflect the base credit for the underlying geographic base credit, based on the location of the
qualified business facility, or the bonus credit will not be awarded, as applicable. The business may thereafter satisfy the criteria and receive the tax credit based on the collaborative research base or bonus tax credit.

**Recommendation:**

The Members of the Board are requested to approve:

1. proposed policy guidelines for the administration of Grow NJ tax credits for certain businesses that will engage in collaborative research relationships with New Jersey colleges or universities, pursuant to P.L. 2017, c. 221.

2. the attached proposed rule amendments and to authorize staff to submit the proposed amendments to the program rules for promulgation in the New Jersey Register, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law.

![Signature]

Timothy J. Lizura  
President/Chief Operating Officer

Prepared by: Pat Rose/Jacob Genovay

**Attachments:**

- Exhibit A - Notice of Proposed Amendments: N.J.A.C. 19:31-18.4
OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Grow New Jersey Assistance Program


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

Authority: P.L. 2011, c. 149 and P.L. 2017, c. 221

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

Proposal Number: PRN 2018-___.

Submit written comments by ___, 2018 to:

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

The agency proposal follows:

Summary

The Grow New Jersey Assistance (Grow NJ) Program, the state’s main job creation incentive program, pursuant to recently-enacted statutory revisions under P.L. 2017, c. 221, provides increased tax credit amounts for certain businesses that have collaborative research relationships with institutions of higher education.

Specifically, a business may qualify for the highest base tax credit amount under the Grow NJ Program, $5,000 per job, per year, if the business locates a qualified business facility in a Garden State Create Zone, i.e., at or within three miles of a New Jersey doctoral university, and the facility is used by the business in a targeted industry to conduct a collaborative research relationship with that university. The statutory revisions also provide that projects meeting these two criteria are allowed a maximum of $12,000 per year as the gross amount of tax credit for each new or retained full-time job and a maximum of ten million dollars for the total amount of tax credits annually, subject to the net positive economic benefit requirement. Additionally, P.L. 2017, c. 221 establishes a new bonus category that would potentially increase the amount of a Grow NJ tax credit by $1,000 per job, per year, if the business: is in a targeted industry, locates a
qualified business facility on, or within three miles of, the campus of a college or university other than a doctoral university, and the facility is used by the business to conduct a collaborative research relationship with the college or university.

The New Jersey Economic Development Authority (“EDA” or “Authority”) is proposing amendments to the rules implementing the Grow NJ Program to clarify certain provisions pertaining to implementation of P.L. 2017, c. 221, as follows:

N.J.A.C. 19:31-18.2 establishes a new definition for “Garden State Create Zone project” that contains the criteria established in the statutory revisions pursuant to P.L. 2017, c. 221.

Proposed new N.J.A.C. 19:31-18.4(d) provides that to demonstrate that the qualified business facility is used in a targeted industry to conduct a collaborative research relationship with a college or university, including, but not limited to, a doctoral university, the business shall be required to demonstrate one or more of the requirements listed in subparagraphs (d)1i through iv; and, submit information listed in subparagraphs (d)2i through iv. In addition, proposed new (d)3 provides that a collaborative research relationship shall not include an agreement that solely provides for the employment by the business of the college’s or university’s students as interns.

Proposed new N.J.A.C. 19:31-18.5(g) provides that for any project in which a qualified business facility is used in a targeted industry to conduct a collaborative research relationship with a college or university, including, but not limited to, a doctoral university, the business also shall provide a letter of intent from the college or university that is signed by the college or university and business that indicates an intent by the college or university to explore a collaborative research relationship with the business.

Proposed new N.J.A.C. 19:31-18.7(f)3 provides that for a business with a tax credit award calculated based on a collaborative research relationship with a college or university, the business shall provide an agreement in effect pursuant to N.J.A.C. 19:31-18.4(d).

N.J.A.C. 19:31-18.8(b)1, which establishes the base amount of the tax credit for each new or retained full-time job, is revised to use the newly defined term “Garden State Create Zone project.”

N.J.A.C. 19:31-18.8(d)2 and (f)3, which establish certain maximum amounts in the calculation of the tax credits, are revised to use the newly-defined term “Garden State Create Zone project.”

Proposed new N.J.A.C. 19:31-18.11(a)3 provides that for a tax credit award calculated based on a collaborative research relationship with a college or university, the business shall demonstrate that an agreement pursuant to N.J.A.C. 19:31-18.4(d) was in effect for at least half of the privilege period.

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 proposed amendments, in implementing increased Grow NJ Program tax credit amounts for certain businesses that have collaborative research relationships with institutions of higher education, will result in having a positive social impact.

Economic Impact

The EDA anticipates that the proposed amendments will spur economic growth through new Grow NJ incentives to technology and life sciences businesses in areas surrounding doctoral universities, as well as State/county colleges and independent institutions of higher education, and thereby have a positive economic impact.

Federal Standards Statement

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

Jobs Impact

The Grow NJ program represents the State's main economic development and job creation and retention incentive. The EDA anticipates that the proposed amendments will result in retaining existing private sector jobs and stimulating the creation of new private sector jobs, particularly in the areas of technology and life sciences, in New Jersey.

Agriculture Industry Impact

The proposed amendments will have no impact on the agriculture industry of the State of New Jersey.

Regulatory Flexibility Analysis

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 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.

Housing Affordability Impact Analysis
The proposed amendments will not impact the amount or cost of housing units, including multi-family rental housing and for sale housing in the State. The proposed amendments pertain to increased Grow NJ Program tax credit amounts for certain businesses that have collaborative research relationships with colleges or universities.

**Smart Growth Development Impact Analysis**

The proposed amendments will not impact the number of housing units or result in any increase or decrease in the average cost of housing in Planning Areas 1 or 2 of the State Development and Redevelopment Plan. The proposed amendments pertain to increased Grow NJ Program tax credit amounts for certain businesses that have collaborative research relationships with colleges or universities.

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

**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.

. . .

“Garden State Create Zone project” means a project located in 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.

. . .

**19:31-18.4 Restrictions**

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

(d) To demonstrate that the qualified business facility is used in a targeted industry to conduct a collaborative research relationship with a college or university, including, but not limited to, a doctoral university, the business shall:

1. Demonstrate one or more of the following:

   i. Direct university collaboration or joint initiative or participation with the college or university, which may include other businesses in a similar field of science, to advance an area of science through research;
ii. Sponsored research wherein the eligible business directly funds a college or university and pays for research to solve a specific problem;

iii. Grants or fellowships wherein funding is provided directly by a business to a professor or graduate student to advance a specific area of science through research; or

iv. Corporate sponsored awards for entrepreneurship wherein a business sponsors an award to be given to a student-developed technology start-up or innovation that advances a specific area of science through research.

2. Be required to submit a written agreement between the business and the college or university that together with supporting documentation provides:

i. A description of the scope of the research, including:

(1) Allocation of professional and academic staff;

(2) Research equipment, if any, to be utilized;

(3) Intended outcomes, including any form of intellectual property; and

(4) Timeline, including research milestones.

ii. The job title, and any other information that evidences qualifications, along with the minimum and average allocation of work hours for all research-related employees of the college or university and the business; and

iv. The duration and any other information related to the agreement between the business and the college or university evidencing the collaboration.

3. A collaborative research relationship shall not include an agreement that solely provides for the employment by the business of the college’s or university’s students as interns.

Recodify existing (d) as (e) (No change in text.)

19:31-18.5 Application submission requirements

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

(g) For a qualified business facility used in a targeted industry to conduct a collaborative research relationship with a college or university, including, but not limited to, a doctoral university, the business also shall provide a letter of intent from the college or university that is signed by the college or university and the business that indicates an intent by the college or university to explore a collaborative research relationship with the business.
Recodify existing (g) as (h) (No change in text.)

19:31-18.7 Review of application and certification of project completion

(a)-(e) (No change.)

(f) Upon completion of the capital investment and employment requirements of the program, the business shall submit certifications evidencing that the business has satisfied the conditions relating to capital investment and any employment requirements with supporting evidence satisfactory to the Authority.

1.-2. (No change.)

3. For a business with a tax credit award calculated based on a collaborative research relationship with a college or university, the business shall provide an agreement in effect pursuant to N.J.A.C. 19:31-18.4(d).

Recodify existing 3.-5. as 4.-6. (No change in text.)

3.-5. (No change.)

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

(a) (No change.)

(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, located in a Garden State Growth Zone, which is a Garden State Create Zone project [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) (No change.)

(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 which is a Garden State Create Zone project, 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 which is a Garden State Create Zone project;

4.-6. (No change.)

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

19:31-18.11 Reporting requirements and annual reports

(a) After notification pursuant to N.J.A.C. 19:31-18.7(g), the business shall furnish to the Authority an annual report certified by the chief financial officer of the business in a format as may be determined by the Authority, which shall contain the following information:

1.-2. (No change.)

3. For a business with a tax credit award calculated based on a collaborative research relationship with a college or university, the business shall demonstrate that an agreement pursuant to N.J.A.C. 19:31-18.4(d) was in effect for at least half of the privilege period.

Recodify existing 3. as 4. (No change in text.)

(b)-(f) (No change.)
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: Ardagh Glass Inc. P44626

PROJECT LOCATION: 443 South East Avenue Bridgeton City Cumberland County

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

APPLICANT BACKGROUND:
Ardagh Glass Inc., a subsidiary of Ardagh Group, is a glass manufacturing/packaging facility located in Bridgeton, Cumberland County, New Jersey. The Ardagh Group, founded in 1932 in Ireland, is a metal and glass packaging solutions company, producing packaging for the world’s food beverage and consumer brands. It operates 109 facilities in 72 countries, employing approximately 23,500 people. In 2012, The Ardagh Group purchased the 275,000 sq. ft. Bridgeton, NJ plant which features two glass furnaces and five production lines. Employing approximately 400 people, the company manufactures glass packaging containers with 415 different packaging types for more than 250 customers. The applicant has demonstrated the financial ability to undertake the project through the support of its parent company.

MATERIAL FACTOR/NET BENEFIT:
In order to remain competitive in the glass manufacturing market and lower operating expenses, the applicant is considering either remaining in 275,000 sq. ft. facility in Bridgeton by completing a significant capital investment or relocating the operations to another owned facility of 756,000 sq. ft. in Henderson, North Carolina, where the company has the capacity and an idle furnace to accommodate the NJ operations.

The Grow New Jersey program calls for projects to be completed and the accompanying tax credits issued within three years of the Authority’s approval of the project. In extenuating circumstances, the Authority may grant two six-month extensions of the deadline, however, in no event shall the tax credit issuance date occur later than four years following the date of approval by the Authority. Due to the complexity involved in constructing and equipping the facility, Ardagh Glass has requested the Authority grant the two six-month extensions simultaneously with approval of the Grow NJ award.
The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Ardagh Glass 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 Bertrand Paulet, the CEO of Ardagh Glass 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 $53 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 390 New Jersey jobs listed in the application are at risk of being located outside the State on or before January 1, 2019, when the expansion in North Carolina plant is complete and running. 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 an Industrial - Rehabilitation Project for a manufacturing business in Cumberland 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>$3,666,667</td>
<td>$29,629,400</td>
</tr>
<tr>
<td>New Jobs</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>19</td>
<td>390</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>Bridgeton City is a designated Urban Transit Hub Municipality</td>
</tr>
<tr>
<td>Increase(s) Criteria</td>
<td></td>
<td>---------------------------------------------------------------------------------------</td>
</tr>
<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>443 South East Avenue is located is in a Deep Poverty Pocket.</td>
</tr>
<tr>
<td>Capital Investment in Excess of Minimum (non-Mega)</td>
<td>An increase of $1,000 per job for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $3,000</td>
<td>The proposed capital investment of $29,629,400 is 708% above the minimum capital investment resulting in an increase of $3,000 per year.</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 $68,930 exceeds the Cumberland County median salary by 81% resulting in an increase of $500 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 390 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</td>
<td>The applicant is a Manufacturing business.</td>
</tr>
</tbody>
</table>

### Notes:
- **Base Grant**
  - Urban Transit Hub Municipality: Base award of $5,000 per year for projects located in a designated Urban Transit Hub Municipality.
- **Increase(s) Criteria**
  - **Deep Poverty Pocket or Choice Neighborhood**: An increase of $1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood.
  - **Capital Investment in Excess of Minimum (non-Mega)**: An increase of $1,000 per job for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $3,000.
  - **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.
  - **Large Number of New/Retained Full-Time Jobs**: An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs.
  - **Targeted Industry**: 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.
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:**  
  - ⅛ of the Grant Calculation for New Full-Time Jobs (1/2 * $12,000 = $6,000) or  
  - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($29,629,400 / 10 / (0 + 390) = $7,597)  
  
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:**
- Deep Poverty Pocket: $1,500
- Capital Investment in Excess of Minimum (non-Mega): $3,000
- Jobs with Salary in Excess of County Average: $500
- Large Number of New/Retained F/T Jobs: $500
- Targeted Industry (Manufacturing): $500
- 2007 Revit. Index>465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem: $1,000

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

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

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

**AWARD:**
- New Jobs: 0 Jobs X $12,000 X 100% = $0,000
- Retained Jobs: 390 Jobs X $12,000 X 50% = $2,340,000
  - Total: $2,340,000

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

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

**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:**
- $29,629,400
  - June 1, 2021

**EXPECTED PROJECT COMPLETION:**
- 275,000 sq. ft.
  - Existing

**NEW BUILDING OR EXISTING LOCATION?**
- Industrial

**INDUSTRIAL OR NON-INDUSTRIAL FACILITY?**
- (X) Yes  ( ) No

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

**RETAINED FULL-TIME JOBS:**
- 390

**STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):**
- 406

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

**MEDIAN WAGES:**
- $68,930
NET BENEFIT MODEL:
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): $76,292,970
TOTAL AMOUNT OF AWARD: $23,400,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): $52,892,970

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. The Applicant has requested the approval of the two six-month extensions to submit its CPA report simultaneously with the Grow NJ Award, such that 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.

APPROVAL REQUEST:
The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before January 1, 2019; 2) approve the proposed Grow New Jersey grant to encourage Ardagh Glass Inc. to increase employment in New Jersey; and 3) approve the two six-month extensions to submit its CPA report. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: J. Kenyon  APPROVAL OFFICER: T. Wells
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: Boomerang USA Inc. P44273

PROJECT LOCATION: 1501 Admiral Wilson Boulevard Camden City Camden

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

APPLICANT BACKGROUND:
Boomerang USA Inc., established in 2001, remanufactures and customizes pre-owned office furniture. The company’s work includes such processes as changing finishes, fabrics, laminates and paint colors. The company also engages in buying and selling of new and used as is office furniture. The company offers conference tables, cubicles, filing cabinets, office desks, reception tables, seating, and workstations, as well as furniture delivery and installation, office space design and office furniture leasing services. The company is currently located in Pennsauken, NJ. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
The proposed project is located in Camden, NJ, a city that ranked 566 out of 566 municipalities in the 2007 New Jersey Municipal Revitalization Index. In recognition of Camden’s inability to attract investment, in the New Jersey Economic Opportunity Act, the Legislature declared that Camden and the other Garden State Growth Zones presented significant challenges to development and created incentives unique to Camden and other similarly situated Garden State Growth Zones to overcome these barriers.

The management of Boomerang USA Inc. has indicated that the grant of tax credits is a material factor in the company’s decision whether or not to locate the project in Camden. The Authority is in receipt of an executed CEO certification by Robert Chevalier, the CEO of Boomerang USA Inc., which states that the Grow New Jersey award is a material factor in the company’s decision to make the capital investment and locate the project in Camden. The CEO certification also states that the application has been reviewed and the information submitted and representations contained therein are accurate.

Staff reviewed the project and finds support for management’s assertion that the award of tax credits is a material factor in the company’s decision to locate in Camden. If Boomerang USA Inc., chooses the Camden option, the company would establish a 100,000 Sq. Ft. pre-owned office furniture remanufacturing operation located at 1501 Admiral Wilson Boulevard in Camden. The alternative is to move the same operation to an 73,950 Sq. Ft. facility in Ambler, PA. The project involves the retention of 39 employees and the creation of 9 new positions.
December 12, 2017 Board Book - Incentives

**Boomerang USA Inc.**

**Grow New Jersey**

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This project represents a significant positive step forward for Camden’s redevelopment efforts, bringing Boomerang USA Inc’s. pre-owned office furniture remanufacturing operation to the city. It is estimated that the project would have a net benefit to the State of $137 over the 35 year period required by the Statute.

**FINDING OF JOBS AT RISK:**

The applicant has certified that the 39 New Jersey jobs listed in the application are at risk of being located outside the State. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the award of the Grow New Jersey tax credits is a material factor in the applicant’s decision to make a capital investment and locate in Camden.

**ELIGIBILITY AND GRANT CALCULATION:**

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

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

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

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

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

<table>
<thead>
<tr>
<th>Minimum Full-Time Employment Requirements</th>
<th>(New / Retained Full-time Jobs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tech start ups and manufacturing businesses</td>
<td>10 / 25</td>
</tr>
<tr>
<td>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 Camden County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$1,333,334</td>
<td>$5,651,311</td>
</tr>
<tr>
<td>New Jobs</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>19</td>
<td>39</td>
</tr>
</tbody>
</table>
The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for New Full-Time Jobs. This project has been deemed eligible for a Base Award and Increases based on the following:

<table>
<thead>
<tr>
<th>Base Grant</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden State Growth Zone</td>
<td>Base award of $5,000 per year for projects located in a Garden State Growth Zone</td>
<td>Camden is a Garden State Growth Zone</td>
</tr>
<tr>
<td><strong>Increase(s) Criteria</strong></td>
<td></td>
<td>--------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Deep Poverty Pocket or Choice Neighborhood</td>
<td>An increase of $1,500 per job for a project located in a Deep Poverty Pocket or Choice Neighborhood</td>
<td>1501 Admiral Wilson Boulevard 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>1501 Admiral Wilson is located in a Transit Oriented Development by virtue of being 1 mile of the midpoint of a New Jersey Transit Corporation rail 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 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 $5,651,311 is 323.84% above the minimum capital investment resulting in an increase of $5,000 per year.</td>
</tr>
<tr>
<td>2007 Revit. Index&gt;465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem</td>
<td>An increase of $1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465</td>
<td>Camden City has a 2007 Revitalization Index of 566</td>
</tr>
</tbody>
</table>

The Grow New Jersey Statute and the program’s rules establish a Grant Calculation for Retained Full-Time Jobs. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:
<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<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 ( \frac{1}{2} \times \frac{15,000}{2} = 7,500 ) or</td>
</tr>
<tr>
<td></td>
<td>- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ( \frac{5,651,311 \div 10}{9 + 39} = 11,773 )</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:
Deep Poverty Pocket: $1,500
Transit Oriented Development: $2,000
Targeted Industry (Manufacturing): $ 500
Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min: $5,000
2007 Revit. Index>465 in Atlantic, Burlington, Camden
Cape May, Cumberland, Gloucester, Ocean, Salem: $1,000

INCREASE PER EMPLOYEE: $ 10,000

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

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $ 15,000

AWARD:
New Jobs: 9 Jobs $15,000 X 100% = $135,000
Retained Jobs: 39 Jobs $15,000 X 100% = $585,000
Total: $720,000

ANNUAL LIMITS:
Garden State Growth Zone and MRERA $35,000,000

TOTAL ANNUAL AWARD $720,000

TOTAL ANNUAL AWARD BASED ON THE BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD) BEING 100% OF THE AWARD WITH THE APPLICANT PLEDGING TO STAY IN THE QUALIFIED BUSINESS FACILITY FOR 25 YEARS:
New Jobs: 9 Jobs $8,595 X 100% = $77,355
Retained Jobs: 39 Jobs $8,595 X 100% = $335,205
Total: $412,560

TOTAL ANNUAL AWARD (APPROVED) $412,560

* PLEASE SEE RECOUPMENT SCHEDULE BELOW
RECOUPMENT SCHEDULE

<table>
<thead>
<tr>
<th>YEAR</th>
<th>RECOUPMENT AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>$1,122,634.00</td>
</tr>
<tr>
<td>17</td>
<td>$ 991,304.81</td>
</tr>
<tr>
<td>18</td>
<td>$ 864,621.71</td>
</tr>
<tr>
<td>19</td>
<td>$ 742,420.32</td>
</tr>
<tr>
<td>20</td>
<td>$ 624,542.09</td>
</tr>
<tr>
<td>21</td>
<td>$ 510,834.08</td>
</tr>
<tr>
<td>22</td>
<td>$ 401,148.75</td>
</tr>
<tr>
<td>23</td>
<td>$ 295,343.81</td>
</tr>
<tr>
<td>24</td>
<td>$ 193,281.97</td>
</tr>
<tr>
<td>25</td>
<td>$  94,830.80</td>
</tr>
</tbody>
</table>

PROJECT IS:  (X) Expansion  (X) Relocation

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:  $5,651,311
EXPECTED PROJECT COMPLETION:  October 1, 2018
SIZE OF PROJECT LOCATION:  100,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION?  Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?  Industrial
CONSTRUCTION:  (X) Yes  ( ) No

NEW FULL-TIME JOBS:  9
RETAINED FULL-TIME JOBS:  39
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):  39
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:  Pennsauken Township
MEDIAN WAGES:  $ 38,000

NET BENEFIT MODEL:  2017
GROSS BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD):  $ 4,125,737
TOTAL AMOUNT OF AWARD:  $ 4,125,600
NET BENEFIT TO THE STATE (OVER 35 YEARS, NET OF AWARD):  $  137
ESTIMATED AWARD PER NEW/RETAINED JOB:  $  8,595

ELIGIBILITY PERIOD:  10 years

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

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.

7. The applicant will be required to produce a site control document prior to closing that demonstrates control of the site for the entire 25-year period it has committed to remain in the Qualified Business Facility or its award will revert back to the standard award ($3,002,880 for a 15-year commitment) based on the actual length of the site control document.

APPROVAL REQUEST:
The Members of the Authority are asked to: 1) concur with the finding by staff that the award of the Grow New Jersey tax credits is a material factor in the applicant’s decision to make a capital investment and locate in Camden; 2) approve the proposed Grow New Jersey grant to encourage Boomerang USA Inc. to locate in Camden. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: J. Kenyon

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: Clean-Tex Services P44675

PROJECT LOCATION:
- 669 South 21st St. Irvington Township Essex County
- 210 Reservoir St. Trenton City Mercer County

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

APPLICANT BACKGROUND:
Clean-Tex Services, Inc. ("Clean-Tex") is a family owned business founded in 1995. It provides industrial linen and laundry services throughout NY, NJ, PA and CT. Three production plants in Irvington, Trenton and Brooklyn have the capacity to handle large health care facilities, providing professional linen services to all of its corporate clients, hundreds of hospitals and extended care facilities. Clean-Tex also provides the tools and support needed to implement its proprietary linen management program.

The applicant has demonstrated the financial ability to undertake the project.

The applicant is currently located in Trenton, Linden and Irvington, NJ, as well as Brooklyn, NY.

MATERIAL FACTOR/NET BENEFIT:
Clean-Tex has outgrown both the Trenton facility and the Irvington facility both in terms of size and technologies. In both operations, the conveyance systems and the cleaning equipment have become obsolete. Clean-Tex is looking to incorporate the latest material handling systems, and larger washer, dryer, folding systems available. The proposed project involves both the Trenton facility and the Irvington facility.

The 40,000-square foot Irvington facility would be vacated and sold and the company would move to larger, more efficient space in Irvington. The new proposed space in Irvington is a 96,000-square foot space that would be a long-term lease. The 96,000-square foot facility would be leased from Brookview Real Estate Group as a 20-year lease with one 7-year option. The 39,000-square foot Trenton facility would be upgraded with better, newer technology and equipment and outfitted to today's industry standards. The increased number of employees would be able to work without increasing the footprint of the facility, as extra shifts would be added in that location. The proposed new terms would be a long-term lease with 330 Pennington LLC, the landlord, for a 15-year lease with one 5-year option and one 7-year option to extend the lease.
In the alternate location, Clean-Tex would consolidate operations and move its facilities to Philadelphia, where it would operate one new facility to accomplish the production now being done in Trenton and Irvington. The company does a large amount of business in Philadelphia and the Pennsylvania region. This building would be a long-term lease. It is a 115,000-square foot facility that would require a $14 million capital investment.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Clean-Tex Services, 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 Jacob Zahler, the CEO of Clean-Tex Services, 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 $3.8 million over the 20-year period for the Irvington site and the 30-year period for the Trenton site as required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 250 New Jersey jobs listed in the application are at risk of being located outside the State on or before June 30, 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 - Irvington</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*

- 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 - Trenton</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*

- Pursuant to the Grow regulations, a project that has a building in a Garden State Growth Zone and another outside a Garden State Growth Zone shall meet the minimum job requirement by locating no less than the reduced minimum number of new or retained full-time jobs at the building in the Garden State Growth Zone.
Zone. Accordingly, this project must retain full-time jobs AND/OR create new full-time jobs in Trenton 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 an Warehouse - Rehabilitation Project for an other business in Essex and Mercer Counties, 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 – Irvington</td>
<td>$1,920,000</td>
<td>$14,000,000</td>
</tr>
<tr>
<td>Capital Investment – Trenton</td>
<td>$520,000</td>
<td>$800,000</td>
</tr>
<tr>
<td>New Jobs– Trenton</td>
<td>27</td>
<td>152</td>
</tr>
<tr>
<td>Retained Jobs– Trenton</td>
<td>38</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</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden State Growth Zone</td>
<td>Base award of $5,000 per year for projects located in a Garden State Growth Zone</td>
<td>Trenton is a Garden State Growth Zone</td>
</tr>
<tr>
<td>Distressed Municipality</td>
<td>Base award of $4,000 per year for projects located in a designated Distressed Municipality</td>
<td>Irvington is a designated Distressed Municipality</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase(s) Criteria</th>
<th>Minimum 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>Trenton and Irvington are located in Deep Poverty Pockets.</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>669 South 21st Street Irvington is located in a Transit Oriented Development by virtue of being within 1/2 mile of the midpoint of a New Jersey Transit Corporation bus station.</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</td>
<td>The applicant is proposing to create/retain 600 Full-Time Jobs at the Irvington and Trenton project locations</td>
</tr>
</tbody>
</table>
The Grow New Jersey Statute and the program’s rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
</tbody>
</table>
| All other projects (Irvington portion) | The Retained Full-Time Jobs will receive the lesser of:
- ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $8,000 = $4,000) or
- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($14,000,000 / 10 / (200 + 82) = $4,964)

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

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone (Trenton portion)</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 * $7,000 = $3,500) or
- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($800,000 / 10 / (152 + 166) = $251)

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 - Irvington**

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

**INCREASES PER EMPLOYEE:**
- Deep Poverty Pocket: $1,500
- Transit Oriented Development: $2,000
- Large Number of New/Retained F/T Jobs: $500

**INCREASE PER EMPLOYEE:**
- $4,000

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

**LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:**
- $8,000

**AWARD:**
- New Jobs: 200 Jobs X $8,000 X 100% = $1,600,000
- Retained Jobs: 82 Jobs X $8,000 X 50% = $328,000

**Total:** $1,928,000

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

**TOTAL ANNUAL AWARD**
- $1,928,000

**TOTAL ANNUAL AWARD BASED ON THE BENEFIT TO THE STATE (OVER 20 YEARS IN IRVINGTON AND OVER 35 YEARS IN TRENTON, PRIOR TO THE AWARD) BEING 110% OF THE AWARD WITH A COMMITMENT TO REMAIN IN THE QUALIFIED BUSINESS FACILITY FOR 24 YEARS:**
- New Jobs: 200 Jobs X $7,877 X 100% = $1,575,400
- Retained Jobs: 82 Jobs X $7,877 X 50% = $322,957

**TOTAL ANNUAL AWARD**
- $1,898,357*

* PLEASE SEE RECOUPEMENT SCHEDULE BELOW
**Grant Calculation- Trenton**

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

**INCREASES PER EMPLOYEE:**  
Deep Poverty Pocket: $ 1,500  
Large Number of New/Retained F/T Jobs: $ 500

**INCREASE PER EMPLOYEE:** $ 2,000

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

**LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:** $ 7,000

**AWARD:**  
- New Jobs: 152 Jobs X $7,000 X 100% = $1,064,000  
- Retained Jobs: 166 Jobs X $7,000 X 100% = $1,162,000
  
**Total:** $2,226,000

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

**TOTAL ANNUAL AWARD** $2,226,000

**TOTAL ANNUAL AWARD BASED ON THE BENEFIT TO THE STATE (OVER 20 YEARS IN IRVINGTON AND OVER 35 YEARS IN TRENTON, PRIOR TO THE AWARD) BEING 110% OF THE AWARD WITH A COMMITMENT TO REMAIN IN THE QUALIFIED BUSINESS FACILITY FOR 24 YEARS:**  
- New Jobs: 152 Jobs X $5,966 X 100% = $906,832  
- Retained Jobs: 166 Jobs X $5,966 X 100% = $990,356

**TOTAL ANNUAL AWARD** $1,897,188*

*PLEASE SEE RECOUPEMENT SCHEDULE BELOW*
<table>
<thead>
<tr>
<th>YEAR</th>
<th>RECOUPTION AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>$ 8,782,968.00</td>
</tr>
<tr>
<td>17</td>
<td>$ 7,356,267.80</td>
</tr>
<tr>
<td>18</td>
<td>$ 5,980,040.47</td>
</tr>
<tr>
<td>19</td>
<td>$ 4,652,500.44</td>
</tr>
<tr>
<td>20</td>
<td>$ 3,371,925.27</td>
</tr>
<tr>
<td>21</td>
<td>$ 2,136,862.77</td>
</tr>
<tr>
<td>22</td>
<td>$ 1,573,285.39</td>
</tr>
<tr>
<td>23</td>
<td>$ 1,029,645.88</td>
</tr>
<tr>
<td>24</td>
<td>$ 505,238.91</td>
</tr>
</tbody>
</table>
Clean-Tex Services, Inc.  Grow New Jersey  Page 9

PROJECT IS: (X) Expansion (  ) Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT (Irvington): $14,000,000
ESTIMATED ELIGIBLE CAPITAL INVESTMENT (Trenton): $800,000
EXPECTED PROJECT COMPLETION: June 1, 2018
SIZE OF PROJECT LOCATION (Irvington): 96,000 sq. ft.
SIZE OF PROJECT LOCATION (Trenton): 39,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
CONSTRUCTION: (X) Yes (   ) No
NEW FULL-TIME JOBS: 352
RETAINED FULL-TIME JOBS: 248
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016): 250
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
MEDIAN WAGES: $ 30,879

NET BENEFIT MODEL: 2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): $ 41,751,903
TOTAL AMOUNT OF AWARD: $ 37,955,450
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): $ 3,796,453

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. 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.
7. The applicant will be required to produce a site control document prior to closing for both sites that demonstrates control of each site for the 24-year period it has committed to remain in the QBF or its award will revert back to the standard award ($29,172,482 for a 15-year commitment) based on the actual length of the site control document.

APPROVAL REQUEST:
The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before June 30, 2018; 2) approve the proposed Grow New Jersey grant to encourage Clean-Tex Services, 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: Diane Ubinger  APPROVAL OFFICER: Mark Chierici
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: Credibility Capital Inc. P44677

PROJECT LOCATION: 625 Broad Street Newark City Essex County
2nd Floor

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

APPLICANT BACKGROUND:
Credibility Capital Inc., established in 2013, is a technology-based online lending platform. The company’s business model matches qualified small and medium-sized U.S. businesses with yield-seeking institutional investors that desire to make loans to these businesses. The applicant is currently located in New York, NY. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Credibility Capital Inc. is seeking to move to a larger facility to accommodate a planned expansion. The company is considering leasing a 7,922 Sq. Ft. facility in Newark, NJ or leasing an 8,502 Sq. Ft. facility in Mount Vernon, NY. The project involves the creation of 70 new positions.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Credibility Capital 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 Brett Baris, the CEO of Credibility Capital 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 $15.5 million over the 20 year period required by the Statute.

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$316,880</td>
<td>$935,191</td>
</tr>
<tr>
<td>New Jobs</td>
<td>25</td>
<td>70</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>35</td>
<td>0</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Increase(s) Criteria</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deep Poverty Pocket or Choice Neighborhood</td>
<td>An increase of $1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood</td>
<td>625 Broad Street 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>625 Broad 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.</td>
</tr>
<tr>
<td>Credibility Capital Inc.</td>
<td>Grow New Jersey</td>
<td>Page 3</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-----------------</td>
<td>-------</td>
</tr>
<tr>
<td>Jobs with Salary in Excess of County/GSGZ Average</td>
<td>An increase of $250 per job for each 35% the applicant’s median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500</td>
<td>The proposed median salary of $70,000 exceeds the County median salary by 44.84% resulting in an increase of $250 per year.</td>
</tr>
</tbody>
</table>

Targeted Industry | 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 | The applicant is a Finance business. |

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>\begin{itemize} \item The Retained Full-Time Jobs will receive the lesser of: \item \frac{1}{2} of the Grant Calculation for New Full-Time Jobs (\frac{1}{2} \times 9,250 = 4,625) or \item The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($935,191 / 10 / (70 + 0) = 4,135) \end{itemize} In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</td>
</tr>
</tbody>
</table>
Grant Calculation

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

INCREASES PER EMPLOYEE:
Deep Poverty Pocket: $ 1,500
Transit Oriented Development: $ 2,000
Jobs with Salary in Excess of County Average: $ 250
Targeted Industry (Finance): $ 500

INCREASE PER EMPLOYEE: $ 4,250

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

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $ 9,250

AWARD:

New Jobs: 70 Jobs X $9,250 X 100% = $647,500
Retained Jobs: 0 Jobs X $1,335 X 100% = $ 0

Total: $647,500

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

TOTAL ANNUAL AWARD $647,500
Credibility Capital Inc.  Grow New Jersey

PROJECT IS:  (X) Expansion  ( ) Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:  $ 935,191
EXPECTED PROJECT COMPLETION:  September 28, 2018
SIZE OF PROJECT LOCATION:  7,922 sq. ft.
NEW BUILDING OR EXISTING LOCATION?  Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?  Non-Industrial
CONSTRUCTION:  (X) Yes  ( ) No

NEW FULL-TIME JOBS:  70
RETAINED FULL-TIME JOBS:  0
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):  0
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:  N/A
MEDIAN WAGES:  $ 70,000

NET BENEFIT MODEL:  2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):  $ 22,002,178
TOTAL AMOUNT OF AWARD:  $ 6,475,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):  $ 15,527,178

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: approve the proposed Grow New Jersey grant to encourage Credibility Capital 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:  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: Edenbridge Pharmaceuticals, LLC

PROJECT LOCATION: 169 Lackawanna Ave. Township of Parsippany-Troy Hills Morris County

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

APPLICANT BACKGROUND:
Edenbridge Pharmaceuticals, LLC (Edenbridge) is a specialty pharmaceutical company focused on identifying, developing, and marketing prescription pharmaceutical products. Founded in 2008, with the first product launched in February 2010, Edenbridge currently sells commercial products through every major channel of the U.S. prescription pharmaceutical supply chain and has a robust product development pipeline including ANDAs, 505(b)(2)s, as well as foreign filings. The Applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Edenbridge has outgrown its current facilities in Parsippany, NJ and intends to relocate all of its operations to facilitate expected expansion. Edenbridge has identified an 18,684 sq. ft. space also located in Parsippany where it would invest $1.0 million to build out a combined headquarters and laboratory facility. Alternatively, it has identified comparable space in Bethlehem, PA were Edenbridge would make a similar investment and relocate all existing operations and future growth. The project would entail the creation of 25 new jobs through expected expansion, in addition to the retention of 20 existing positions at risk of leaving the State but not included in this application.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Edenbridge Pharmaceuticals, 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 M. Ryan Collins, the CEO of Edenbridge Pharmaceuticals, 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 $2.6 million over the 20 year period required by the Statute.
ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program’s rules, N.J.A.C. 19:31-18, the applicant must:

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

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

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

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

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

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

As a Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Project, for an other targeted industry business, in Morris 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>$747,360</td>
<td>$1,044,420</td>
</tr>
<tr>
<td>New Jobs</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>35</td>
<td>0</td>
</tr>
</tbody>
</table>
The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for New Full-Time Jobs. This project has been deemed eligible for a Base Award and Increases based on the following:

<table>
<thead>
<tr>
<th>Base Grant</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority Area</td>
<td>Base award of $3,000 per year for projects located in a designated Priority Area</td>
<td>Township of Parsippany-Troy Hills is a designated Priority Area</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>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 Life Sciences 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 * $3,500 = $1,750) or</td>
</tr>
<tr>
<td></td>
<td>- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs $(1,044,420 / 10 / (25 + 0) = $4,177)</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:**
- Targeted Industry (Life Sciences): $500

**INCREASE PER EMPLOYEE:** $500

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

**LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:** $3,500

**AWARD:**
- New Jobs: 25 Jobs X $3,500 X 100% = $87,500
- Retained Jobs: 0 Jobs X $3,500 X 50% = $0

**Total:** $87,500

**ANNUAL LIMITS:**
- Priority Area (Est. 90% Withholding Limit) $4,000,000/($80,950)

**TOTAL ANNUAL AWARD** $87,500

---

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

**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** $1,044,420

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

**SIZE OF PROJECT LOCATION:** 18,684 sq. ft.

**NEW BUILDING OR EXISTING LOCATION?** Existing

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

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

**NEW FULL-TIME JOBS:** 25

**RETAINED FULL-TIME JOBS:** 0

**STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):** 15

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

**MEDIAN WAGES:** $87,500
NET BENEFIT MODEL: 2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): $ 3,466,397
TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS) $ 875,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): $ 2,591,397

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.
6. The applicant will maintain the 20 current positions it has in the State 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 first 20 positions employed by the applicant at the project site.

APPROVAL REQUEST:
The Members of the Authority are asked to approve the proposed Grow New Jersey grant to encourage Edenbridge Pharmaceuticals, 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: T. Rollender
APPROVAL OFFICER: K. DeSmedt
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: GoEMerchant LLC

PROJECT LOCATION: 800-840 Cooper Street, Camden City, Camden County

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

APPLICANT BACKGROUND:
GoEMerchant LLC (“GoEMerchant”) was originally founded in 1995 in New Jersey. It was later acquired by First American Payment Systems L.P. which is based out of Fort Worth, TX. The ultimate parent is First American Payment Systems Holdings, Inc., a Delaware Corporation based in Fort Worth, TX. The Company provides software solutions, merchant services and PCI expertise for businesses. It started out developing proprietary e-commerce shopping cart software to enable the sale of products online with a secure platform to accept credit card payments. GoEMerchant creates its software and has proprietary rights over the software, but does not own any patents.

The applicant has demonstrated the financial ability to undertake the project through the support of its parent company.

MATERIAL FACTOR/NET BENEFIT:
The proposed project is located in Camden, NJ, a city that ranked 566 out of 566 municipalities in the 2007 New Jersey Municipal Revitalization Index. In recognition of Camden’s inability to attract investment, in the New Jersey Economic Opportunity Act, the Legislature declared that Camden and the other Garden State Growth Zones presented significant challenges to development and created incentives unique to Camden and other similarly situated Garden State Growth Zones to overcome these barriers.

The management of GoEMerchant LLC has indicated that the grant of tax credits is a material factor in the company’s decision whether or not to locate the project in Camden. The Authority is in receipt of an executed CEO certification by Ray Kenney, the General Manager of GoEMerchant LLC, which states that the Grow New Jersey award is a material factor in the company’s decision to make the capital investment and locate the project in Camden. The CEO certification also states that the application has been reviewed and the information submitted and representations contained therein are accurate.

Staff reviewed the project and finds support for management’s assertion that the award of tax credits is a material factor in the company’s decision to locate in Camden. If GoEMerchant LLC chooses the Camden option, the
company would establish GoEMerchant LLC in Camden. The alternative location is a 69,000-sq. ft. facility leased by an affiliated company, which has 8,200 sq. ft. available to GoEMerchant LLC, in Carrollton, TX.

This project represents a significant positive step forward for Camden’s redevelopment efforts, bringing GoEMerchant LLC to the city. It is estimated that the project would have a net benefit to the State of $294 over the 35-year period required by the Statute.

**FINDING OF JOBS AT RISK:**
The applicant has certified that the 32 New Jersey jobs listed in the application are at risk of being located outside the State. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the award of the Grow New Jersey tax credits is a material factor in the applicant’s decision to make a capital investment and locate in Camden.

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

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$219,574</td>
<td>$547,532</td>
</tr>
<tr>
<td>New Jobs</td>
<td>19</td>
<td>0</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>27</td>
<td>32</td>
</tr>
</tbody>
</table>
The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for **New Full-Time Jobs**. This project has been deemed eligible for a Base Award and Increases based on the following:

<table>
<thead>
<tr>
<th>Base Grant</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden State Growth Zone</td>
<td>Base award of $5,000 per year for projects located in a Garden State Growth Zone</td>
<td>Camden is a Garden State Growth Zone</td>
</tr>
<tr>
<td><strong>Increase(s) Criteria</strong></td>
<td></td>
<td></td>
</tr>
<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>800-840 Cooper Street 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>800-840 Cooper Street is located in a Transit Oriented Development by virtue of being 1 mile (GSGZ project) of the midpoint of a New Jersey Transit Corporation light 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 $64,757 exceeds the Garden State Growth Zone median salary by 120.7% resulting in an increase of $750 per year.</td>
</tr>
<tr>
<td>Targeted Industry</td>
<td>An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business</td>
<td>The applicant is a Technology business.</td>
</tr>
<tr>
<td>2007 Revit. Index&gt;465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem</td>
<td>An increase of $1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465</td>
<td>Camden City has a 2007 Revitalization Index of 566</td>
</tr>
</tbody>
</table>

The Grow New Jersey Statute and the program’s rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:
<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<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 * $10,750 = $5,375) 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 ($547,532 / 10 / (0 + 32) = $1,711)</td>
</tr>
<tr>
<td></td>
<td>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</td>
</tr>
</tbody>
</table>
Grant Calculation

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

INCREASES:
Deep Poverty Pocket: $1,500
Transit Oriented Development: $2,000
Jobs with Salary in Excess of GSGZ Average: $750
Targeted Industry (Technology): $500
2007 Revit. Index>465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem: $1,000

INCREASE PER EMPLOYEE: $5,750

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

LESser of BASE + INCREASES OR PER EMPLOYEE LIMIT: $10,750

AWARD:
New Jobs: 0 Jobs X $10,750 X 100% = $0,000
Retained Jobs: 32 Jobs X $10,750 X 100% = $344,000
Total: $344,000

ANNUAL LIMITS:
Garden State Growth Zone and MRERA $35,000,000

TOTAL ANNUAL AWARD $344,000

TOTAL ANNUAL AWARD BASED ON THE BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO THE AWARD) BEING 100% OF THE AWARD:
New Jobs: 0 Jobs X $9,092 X 100% = $0,000
Retained Jobs: 32 Jobs X $9,092 X 100% = $290,944

TOTAL ANNUAL AWARD $290,944
PROJECT IS: ( ) Expansion (X) Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: $547,532
EXPECTED PROJECT COMPLETION: May 31, 2018
SIZE OF PROJECT LOCATION: 8,234 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: 32
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016): 32
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: Cherry Hill
MEDIAN WAGES: $64,757

NET BENEFIT MODEL: 2017
GROSS BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD): $2,909,734
TOTAL AMOUNT OF AWARD: $2,909,440
NET BENEFIT TO THE STATE (OVER 35 YEARS, NET OF AWARD): $294
ESTIMATED AWARD PER NEW/RETAINED JOB: $9,092

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:
1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
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 award of the Grow New Jersey tax credits is a material factor in the applicant’s decision to make a capital investment and locate in Camden; 2) approve the proposed Grow New Jersey grant to encourage GoEMerchant LLC to locate in Camden. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: Christina Fuentes
APPROVAL OFFICER: Mark Chierici
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: Kampack, Inc. P44599

PROJECT LOCATION: 100 First Avenue Florence Township Burlington County

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

APPLICANT BACKGROUND:
Kampack, Inc. (“Kampack”) is a certified women, minority, owned business operating in the corrugated manufacturing packaging industry. In various forms, Kampack has a 65-year legacy. Kampack is a full line corrugating facility, capable of transforming paper roll feedstock into corrugated cardboard, which is then converted into packaging material (boxes). Kampack serves customers ranging from the Fortune 500 to small-to-medium business enterprises. The applicant has demonstrated the financial ability to undertake the project.

The applicant is currently located in Newark, NJ.

MATERIAL FACTOR NET BENEFIT:
To achieve greater competitive capacity Kampack plans to leave its current Newark, NJ facilities in order to construct a state-of-the art high-capacity manufacturing facility, that relies on advanced engineering processes such as robotics and automation, and information systems such as predictive software qualities. The company is looking to construct a 500,000-sq. ft. facility. Kampack anticipates starting construction in March 2018 and finishing the project by the first quarter of 2021. The alternate site is a similar sized facility to be constructed in Middletown, DE.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Kampack, 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 Karen Agueros Mehmel, the CEO of Kampack, 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 $8.8 million over the 30-year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 93 New Jersey jobs listed in the application are at risk of being located outside the State on or before December 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><strong>Industrial/Warehouse/Logistics/R&amp;D - New Construction Projects</strong></td>
<td><strong>$ 60</strong></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><strong>Tech start ups and manufacturing businesses</strong></td>
<td>10 / 25</td>
</tr>
<tr>
<td>Other targeted industries</td>
<td>25 / 35</td>
</tr>
<tr>
<td>All other businesses/industries</td>
<td>35 / 50</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$20,000,000</td>
<td>$83,003,445</td>
</tr>
<tr>
<td>New Jobs</td>
<td>8</td>
<td>60</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>19</td>
<td>93</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>Mega Project</td>
<td><strong>Base award of $5,000 per year for projects designated as a Mega Project</strong></td>
<td>A Qualified Business Facility located in an Area in Need of Redevelopment prior to October 24, 2014 within Burlington County having a Capital Investment in excess of</td>
</tr>
<tr>
<td>Increase(s) Criteria</td>
<td>Grow New Jersey</td>
<td>Page 3</td>
</tr>
<tr>
<td>-----------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>--------</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>$20,000,000 and having more than 150 employees created or retained.</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>100 First Ave Florence Township is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a New Jersey Transit Corporation light rail station.</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 applicant is a Manufacturing business.</td>
</tr>
<tr>
<td>On Site Solar Generation of ½ of Project’s Elec. Needs</td>
<td>An increase of $250 per job for a project that generates ½ of its electricity via on-site solar power generation</td>
<td>The proposed project is a Mega Project. The proposed capital investment of $83,003,445 is 315% 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>Kampack, 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><strong>All other projects</strong></td>
<td><strong>The Retained Full-Time Jobs will receive the lesser of:</strong></td>
</tr>
<tr>
<td></td>
<td>- ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $12,750 = $6,375) 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 ($83,003,445 / 10 / (60 + 93) = $54,250)</td>
</tr>
<tr>
<td></td>
<td>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</td>
</tr>
</tbody>
</table>

### Grant Calculation

**BASE GRANT PER EMPLOYEE:**
- Mega Project: $5,000

**INCREASES PER EMPLOYEE:**
- Transit Oriented Development: $2,000
- Targeted Industry (Manufacturing): $500
- Mega Ind. Project w/ Cap. Inv. In Excess of Min: $5,000

**INCREASE PER EMPLOYEE:**
- $7,750

**PER EMPLOYEE LIMIT:**
- Mega Project: $15,000

**LESSEE OF BASE + INCREASES OR PER EMPLOYEE LIMIT:**
- $12,750

**AWARD:**
- New Jobs: 60 Jobs X $12,750 X 100% = $765,000
- Retained Jobs: 93 Jobs X $12,750 X 50% = $592,875

| TOTAL | $1,357,875 |

**ANNUAL LIMITS:**
- Mega Project: $30,000,000

**TOTAL ANNUAL AWARD**
- $1,357,875 *

*If the company does not meet MEGA status due to the combined employee level falling below 151, the award over 10 years would fall to $9,056,250, and could be further capped due to Florence being located in an Other Priority Area and subject to the 90% payroll tax withholding limiter.*
Kampack, Inc.  Grow New Jersey

PROJECT IS:  (  ) Expansion  (X) Relocation

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:  $83,003,445

EXPECTED PROJECT COMPLETION:  
SIZE OF PROJECT LOCATION:  March 31, 2021  500,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION?  New
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?
CONSTRUCTION:  (X) Yes  (  ) No

NEW FULL-TIME JOBS:  60
RETAINED FULL-TIME JOBS:  93
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):  128
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:  Newark
MEDIAN WAGES:  $51,300

NET BENEFIT MODEL:  
GROSS BENEFIT TO THE STATE (OVER 30 YEARS, PRIOR TO AWARD):  $22,339,192
TOTAL AMOUNT OF AWARD:  $13,578,750
NET BENEFIT TO THE STATE (OVER 30 YEARS, NET OF AWARD):  $8,760,442

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 24 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 December 31, 2018; 2) approve the proposed Grow New Jersey grant to encourage Kampack, 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:  Justin Kenyon  
APPROVAL OFFICER:  Mark Chierici
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: Mamiye Brothers, Inc. P44705

PROJECT LOCATION: 75 Lincoln Highway Woodbridge Township Middlesex County

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

APPLICANT BACKGROUND:
Founded in 1947, Mamiye Brothers Inc. (Mamiye Brothers) is a leading designer, distributor, and marketer of children’s, juniors’, missy, and plus size apparel brands. Mamiye produces childrenswear and womenswear for a wide range of retailers, including department stores, mid-tier chains and specialty stores, national retailers, and regional mass-market retailers. Mamiye Brothers employs 207 employees in the United States with a total global workforce of 277 employees. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Currently headquartered in Manhattan occupying approximately 40,000 square feet and employing 207 employees there, Mamiye Brothers has outgrown its existing space as a result of continued growth. As such, Mamiye Brothers has decided to relocate its operations, finance, information technology, and legal functions to a new location, providing space for added design and marketing professionals at the existing Manhattan location. Mamiye Brothers has identified a 10,147 sq. ft. space in Iselin, NJ to accommodate these operations and would spend $766,961 preparing the space and locate 50 new employees new to the State there. Alternatively, Mamiye Brothers would relocate these operations to a comparable space in Yonkers, NY and make a similar investment there.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Mamiye Brothers 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 Charles M. Mamiye, the CEO of Mamiye Brothers 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 $3.3 million over the 20 year period required by the Statute.
ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program’s rules, N.J.A.C. 19:31-18, the applicant must:

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

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

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

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

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

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

As an Non-Industrial – 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>$405,880</td>
<td>$766,961</td>
</tr>
<tr>
<td>New Jobs</td>
<td>35</td>
<td>50</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>50</td>
<td>0</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Increase(s) Criteria</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit Oriented Development</td>
<td>An increase of $2,000 per job for a project locating in a Transit Oriented Development</td>
<td>75 Lincoln Highway is located in a Transit Oriented Development by virtue of being within a ½ mile of the midpoint of a New Jersey Transit Corporation rail station.</td>
</tr>
</tbody>
</table>
The Grow New Jersey Statute and the program’s rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
</tbody>
</table>
| **All other projects**                                           | The Retained Full-Time Jobs will receive the lesser of:  
  - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $6,000 = $3,000) or  
  - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($766,961 / 10 / (50 + 0) = $1,533)  
  In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts. |

### Grant Calculation

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

**INCREASES PER EMPLOYEE:**
- Transit Oriented Development: $2,000

**INCREASE PER EMPLOYEE:**
- $2,000

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

**LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:**
- $6,000

**AWARD:**
- New Jobs: 50 Jobs X $6,000 X 100% = $300,000
- Retained Jobs: 0 Jobs X $1,533 X 100% = $0

**Total:** $300,000

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

**TOTAL ANNUAL AWARD**
- $300,000
Mamive Brothers Inc.  Grow New Jersey

PROJECT IS:  ( ) Expansion  (X) Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:  $766,961
EXPECTED PROJECT COMPLETION:  October 1, 2018
SIZE OF PROJECT LOCATION:  10,147 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:  0
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):  2
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:  N/A
MEDIAN WAGES:  $61,000
NET BENEFIT MODEL:  2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):  $6,311,928
TOTAL AMOUNT OF AWARD:  $3,000,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):  $3,311,928

ELIGIBILITY PERIOD:  10 years

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

APPROVAL REQUEST:
The Members of the Authority are asked to approve the proposed Grow New Jersey grant to encourage Mamiye Brothers 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:  Matt Sestrich
APPROVAL OFFICER:  Kevin DeSmedt
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: Pero Family Farms Food Company LLC

PROJECT LOCATION: 4020 North Mill Road Vineland City Cumberland County

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

APPLICANT BACKGROUND:
Pero Family Farms Food Company, LLC, established in 1986, is a privately-owned family business that specializes in the retail and food service distribution of produce as a grower, packager, processor, and distributor. Pero’s products may be found in numerous retailers, including but not limited to stores such as Wal-Mart, Target, Publix, Giant Eagle, Price Chopper, Meijer, Whole Foods, Wegmans, Stop and Shop, Shaws and Giant. The applicant is currently located in Delray Beach, FL. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Pero Family Farms Food Company, LLC is seeking to establish a new Northeastern food processing facility to satisfy the company’s growing demand. The company is considering leasing a 118,400 Sq. Ft. facility in Vineland, NJ or leasing a 100,450 Sq. Ft. facility in East Hempfield, PA. The project involves the creation of 222 new positions.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Pero Family Farms Food Company 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 Frank Pero, the CEO of Pero Family Farms Food Company 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 $10.7 million over the 20 year period required by the Statute.

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

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:
Pero Family Farms Food Company LLC

Grow New Jersey

December 12, 2017 Board Book - Incentives

Minimum Capital Investment Requirements
$20/Square Foot of Gross Leasable Area

**Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects**

$20

**Industrial/Warehouse/Logistics/R&D - New Construction Projects**

$60

**Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects**

$40

**Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects**

$120

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

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

**Minimum Full-Time Employment Requirements**

(New / Retained Full-time Jobs)

| Tech start ups and manufacturing businesses | 10 / 25 |
| Other targeted industries                  | 25 / 35 |
| All other businesses/industries            | 35 / 50 |

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

---

As an Industrial New Construction Project for a manufacturing business in Cumberland 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>$1,578,667</td>
<td>$13,433,470</td>
</tr>
<tr>
<td>New Jobs</td>
<td>8</td>
<td>222</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>19</td>
<td>0</td>
</tr>
</tbody>
</table>

---

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

<table>
<thead>
<tr>
<th>Base Grant</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distressed Municipality</td>
<td>Base award of $4,000 per year for projects located in a designated Distressed Municipality</td>
<td>Vineland City is a designated Distressed Municipality</td>
</tr>
<tr>
<td>Increase(s) Criteria</td>
<td>An increase of $1,000 per job for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $3,000</td>
<td>The proposed capital investment of $13,433,470 is 750.93% above the minimum capital investment resulting in an increase of $3,000 per year.</td>
</tr>
<tr>
<td>Targeted Industry</td>
<td>An increase of $500 per job for a business in a Targeted Manufacturing business.</td>
<td>The applicant is a Targeted Manufacturing business.</td>
</tr>
</tbody>
</table>
The Grow New Jersey Statute and the program’s rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
</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 * $8,500 = $4,250) or  
  - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($13,433,470 / 10 / (222+0) = $6,051)  

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

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

**INCREASES PER EMPLOYEE:**
- Capital Investment in Excess of Minimum (non-Mega): $3,000
- Targeted Industry (Manufacturing): $500
- 2007 Revit. Index>465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem: $1,000

**INCREASE PER EMPLOYEE:** $4,500

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

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

**AWARD:**
- New Jobs: 222 Jobs X $8,500 X 100% = $1,887,000
- Retained Jobs: 0 Jobs X $8,500 X 50% = $0

**Total: $1,887,000**

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

**TOTAL ANNUAL AWARD** $1,887,000
December 12, 2017 Board Book - Incentives

Pero Family Farms Food Company LLC

<table>
<thead>
<tr>
<th>PROJECT IS:</th>
<th>(X) Expansion</th>
<th>( ) Relocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESTIMATED ELIGIBLE CAPITAL INVESTMENT:</td>
<td>$13,433,470</td>
<td></td>
</tr>
<tr>
<td>EXPECTED PROJECT COMPLETION:</td>
<td>January 31, 2019</td>
<td></td>
</tr>
<tr>
<td>SIZE OF PROJECT LOCATION:</td>
<td>118,400 sq. ft.</td>
<td></td>
</tr>
<tr>
<td>NEW BUILDING OR EXISTING LOCATION?</td>
<td>Existing</td>
<td></td>
</tr>
<tr>
<td>INDUSTRIAL OR NON-INDUSTRIAL FACILITY?</td>
<td>Industrial</td>
<td></td>
</tr>
<tr>
<td>CONSTRUCTION:</td>
<td>( ) Yes</td>
<td>(X) No</td>
</tr>
</tbody>
</table>

NEW FULL-TIME JOBS: 222
RETAINED FULL-TIME JOBS: 0
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016): 0
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
MEDIAN WAGES: $26,400

NET BENEFIT MODEL: 2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): $29,605,204
TOTAL AMOUNT OF AWARD: $18,870,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): $10,735,204

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: approve the proposed Grow New Jersey grant to encourage Pero Family Farms Food Company 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: J. Kenyon
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: Pro Custom Solar LLC

PROJECT LOCATION: 3096 Hamilton Blvd.
South Plainfield Borough
Middlesex County

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

APPLICANT BACKGROUND:
Pro Custom Solar LLC dba Momentum Solar (Momentum) was founded in 2009 and installs custom-designed and engineered residential solar systems, with all design, engineering, and installation work performed internally. Approximately two years ago having eleven employees with operations limited to New Jersey, Momentum now has approximately 700 employees with expanding operations in New York, California, Florida, and Pennsylvania. The Applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Momentum has outgrown its current headquarters in Metuchen, NJ and is looking to relocate all of its operations to a new facility to facilitate additional expected expansion and has identified 61,274 sq. ft. of office space in South Plainfield, NJ and a 60,000 sq. ft. space in Warminster, PA both as suitable locations to house these operations. The new facility would include executives, finance and accounting, information technology, operations, call center, customer service, and inside sales operations. In both instances Momentum would make a capital investment of close to $2.4 million preparing the spaces for its operations. In the event that Momentum relocates to Pennsylvania it would move 279 existing jobs out of the State and forgo adding 150 new jobs to New Jersey associated with its expansion.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Pro Custom Solar 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 Arthur Souritzidis, the CEO of Pro Custom Solar 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 $20.7 million over the 20 year period required by the Statute.
FINDING OF JOBS AT RISK:
The applicant has certified that the 279 New Jersey jobs listed in the application are at risk of being located outside the State on or before July 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>$2,450,960</td>
<td>$2,450,960</td>
</tr>
<tr>
<td>New Jobs</td>
<td>35</td>
<td>150</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>50</td>
<td>279</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>Bridgewater Township is a designated Priority Area</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase(s) Criteria</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Number of New/Retained Full-Time Jobs</td>
<td>An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs</td>
</tr>
</tbody>
</table>

The applicant is proposing to create/retain 429 Full-Time Jobs at the project location resulting in an increase of $750.

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 ($3,750 = $1,875) or</td>
</tr>
<tr>
<td></td>
<td>- <strong>The estimated eligible Capital Investment divided by 10</strong> divided by the total New and Retained Full-Time Jobs ($2,450,960 / 10 / (150 + 279) = $571)</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:
- Large Number of New/Retained F/T Jobs: $750

### INCREASE PER EMPLOYEE:
- Priority Area: $750

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

### LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:
- $3,750

### AWARD:
- New Jobs: 150 Jobs X $3,750 X 100% = $562,500
- Retained Jobs: 279 Jobs X $571 X 100% = $159,309
- Total: $721,809

### ANNUAL LIMITS:
- Priority Area (Est. 90% Withholding Limit): $4,000,000/($285,113)

### TOTAL ANNUAL AWARD: $721,809

---

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

**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** $2,450,960

**EXPECTED PROJECT COMPLETION:** June 1, 2021

**SIZE OF PROJECT LOCATION:** 61,274 sq. ft.
- Existing

**NEW BUILDING OR EXISTING LOCATION?**

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

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

**NEW FULL-TIME JOBS:** 150

**RETAINED FULL-TIME JOBS:** 279

**STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):** 345

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

**MEDIAN WAGES:** $30,867
Pro Custom Solar LLC                              Grow New Jersey

NET BENEFIT MODEL: 2017

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): $27,896,719

TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS) $7,218,090

NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): $20,678,629

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 July 1, 2018; 2) approve the proposed Grow New Jersey grant to encourage Pro Custom Solar 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: M. Sestrich                      APPROVAL OFFICER: K. DeSmedt
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: Spanish Broadcasting System Inc. P44664

PROJECT LOCATION: 50 Park Place Newark City Essex County

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

APPLICANT BACKGROUND:
Spanish Broadcasting System, Inc. (“SBS”) is a Spanish-language media and entertainment company in the United States founded in 1983. The company owns and operates 17 radio stations located in the Hispanic markets of New York, Los Angeles, Miami, Chicago, San Francisco, and Puerto Rico, including the Spanish-language radio station, WSKQFM in New York City. SBS owns and operates Mega TV, a television operation serving the South Florida market with national distribution through DIRECTV. SBS also produces live concerts and events throughout the United States and Puerto Rico. In addition, SBS operates lamusica.com, a bilingual Spanish-English online site providing content related to Latin music, entertainment, news and culture. The company operates from an owned facility in New York City with 53 full-time employees. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Spanish Broadcasting System is evaluating options related to the potential relocation and expansion of its New York City facility. Under consideration is the lease of 20,280 sq. ft. in Newark, NJ or in a leased facility of 19,835 sq. ft. in iPark Hudson, Yonkers, NY. The newly renovated space would include corporate offices, broadcasting studios, a multipurpose performance/interview theater and projected to employ 75 people.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Spanish Broadcasting System 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 Raul Alarcon, Jr., the CEO of Spanish Broadcasting System 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 $6.2 million over the 20 year period required by the Statute.
ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program’s rules, N.J.A.C. 19:31-18, the applicant must:

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$811,200</td>
<td>$4,287,320</td>
</tr>
<tr>
<td>New Jobs</td>
<td>35</td>
<td>75</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>50</td>
<td>0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Base Grant</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Transit Hub Municipality</td>
<td>Base award of $5,000 per year for projects located in a designated Urban Transit Hub Municipality</td>
<td>Newark City is a designated Urban Transit Hub Municipality</td>
</tr>
<tr>
<td>Increase(s) Criteria</td>
<td>Criteria</td>
<td>Location</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<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>50 Park Place 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>50 Park 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 $74,940 exceeds the Essex County median salary by 35% resulting in an increase of $250 per year.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>PROJECT TYPE</th>
<th>GRANT CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project located in a Garden State Growth Zone</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</td>
<td>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</td>
</tr>
<tr>
<td>The Qualified Business Facility is replacing a facility that has been wholly 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 * $8,750 = $4,375) or  
  - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($4,287,332 / 10 / (75 + 0) = $5,716)  

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:**
- Deep Poverty Pocket: $1,500
- Transit Oriented Development: $2,000
- Jobs with Salary in Excess of County Average: $250

**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: 75 Jobs × $8,750 × 100% = $656,250
- Retained Jobs: 0 Jobs × $8,750 × 50% = $0,000
- Total: $656,250

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

**TOTAL ANNUAL AWARD:**
- $656,250

### Project Details

- **PROJECT IS:** (X) Expansion, ( ) Relocation
- **ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** $4,287,320
- **EXPECTED PROJECT COMPLETION:** September 28, 2018
- **SIZE OF PROJECT LOCATION:** 20,280 sq. ft. Existing
- **NEW BUILDING OR EXISTING LOCATION?** (X) Existing
- **INDUSTRIAL OR NON-INDUSTRIAL FACILITY?** (X) Non-Industrial
- **CONSTRUCTION:** (X) Yes, ( ) No

- **NEW FULL-TIME JOBS:** 75
- **RETAINED FULL-TIME JOBS:** 0
- **STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):** 0
- **CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:** N/A
- **MEDIAN WAGES:** $74,940
NET BENEFIT MODEL:

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): $ 12,769,883
TOTAL AMOUNT OF AWARD: $ 6,562,500
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): $ 6,207,383

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 approve the proposed Grow New Jersey grant to encourage Spanish Broadcasting System 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: Valley Power, Inc. P44722

PROJECT LOCATION: 1420 Crestmont Avenue Camden City Camden

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

APPLICANT BACKGROUND:
Valley Power, Inc. dba Valley Power Electric Supply Company (Valley) is a full line electrical supply house with one of the largest inventories in the Philadelphia area. Valley provides items such as stock pipe, wire, high voltage cable, switch gear, transformers, utility products, and commercial lighting components to its clients including utilities, residential and industrial contractors, municipalities, commercial developers, schools, property managers, hospitals, and other industrial purchasers of electrical infrastructure. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Located in Willow Grove, PA, Valley has outgrown its current owned facility and utilizes extensive outdoor space for storage. Valley is exploring a move to a larger 60,000 sq. ft. facility to be purchased in Camden, NJ to better accommodate its operations. The Camden location would entail investment of $1.36 million including the purchase of the facility. Alternatively, Valley would remain in its current 38,000 sq. ft. location and continue utilizing outdoor storage. Valley would create 35 jobs new to the State in connection with the project.

The proposed project is located in Camden, NJ, a city that ranked 566 out of 566 municipalities in the 2007 New Jersey Municipal Revitalization Index. In recognition of Camden’s inability to attract investment, in the New Jersey Economic Opportunity Act, the Legislature declared that Camden and the other Garden State Growth Zones presented significant challenges to development and created incentives unique to Camden and other similarly situated Garden State Growth Zones to overcome these barriers.

The management of Valley Power, Inc. has indicated that the grant of tax credits is a material factor in the company’s decision whether or not to locate the project in Camden. The Authority is in receipt of an executed CEO certification by Carolyn Carr, the CEO of Valley Power, Inc., which states that the Grow New Jersey award is a material factor in the company’s decision to make the capital investment and locate the project in Camden. The CEO certification also states that the application has been reviewed and the information submitted and representations contained therein are accurate.
Valley Power, Inc. Grow New Jersey

Staff reviewed the project and finds support for management’s assertion that the award of tax credits is a material factor in the company’s decision to locate in Camden. If Valley Power, Inc., chooses the Camden option, the company would establish a 60,000 sq. ft. electrical supply house operation located at 1420 Crestmont Avenue in Camden. The alternative is to continue the same operation at a 38,000 sq. ft. facility in Willow Grove, PA. The project involves the creation of 35 new positions.

This project represents a significant positive step forward for Camden’s redevelopment efforts, bringing Valley Power, Inc.’s electrical supply house operation to the city. It is estimated that the project would have a net benefit to the State of $59,570 over the 35 year period required by the Statute.

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

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Minimum Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$800,000</td>
<td>$1,360,000</td>
</tr>
<tr>
<td>New Jobs</td>
<td>27</td>
<td>35</td>
</tr>
<tr>
<td>Retained Jobs</td>
<td>38</td>
<td>0</td>
</tr>
</tbody>
</table>
The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for **New Full-Time Jobs**. This project has been deemed eligible for a Base Award and Increases based on the following:

<table>
<thead>
<tr>
<th>Base Grant</th>
<th>Requirement</th>
<th>Proposed by Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden State Growth Zone</td>
<td>Base award of $5,000 per year for projects located in a Garden State Growth Zone</td>
<td>Camden is a Garden State Growth Zone</td>
</tr>
</tbody>
</table>

**Increase(s) Criteria**

| Deep Poverty Pocket or Choice Neighborhood      | An increase of $1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood | 1420 Crestmont Avenue is located in a Deep Poverty Pocket.                             |
| Transit Oriented Development                    | An increase of $2,000 per job for a project locating in a Transit Oriented Development             | 1420 Crestmont Avenue is located in a Transit Oriented Development by virtue of being 1 mile of the midpoint of a New Jersey Transit Corporation rail station. |
| Jobs with Salary in Excess of 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 $41,600 exceeds the Garden State Growth Zone median salary by 41.8% resulting in an increase of $250 per year. |
| 2007 Revit. Index>465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem | An increase of $1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465 | Camden City has a 2007 Revitalization Index of 566                                      |
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 * $9,750 = $4,875) or</td>
</tr>
<tr>
<td></td>
<td>- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($1,360,000 / 10 / (35 + 0) = $3,885)</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:
- Deep Poverty Pocket: $1,500
- Transit Oriented Development: $2,000
- Jobs with Salary in Excess of GSGZ Average: $ 250
- 2007 Revit. Index>465 in Atlantic, Burlington, Camden
- Cape May, Cumberland, Gloucester, Ocean, Salem: $1,000

INCREASE PER EMPLOYEE: $ 4,750

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

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $ 9,750

AWARD:
- New Jobs: 35 Jobs X $9,750 X 100% = $341,250
- Retained Jobs: 0 Jobs X $9,750 X 100% = $ 0

Total: $341,250

ANNUAL LIMITS:
Garden State Growth Zone and MRERA $35,000,000

TOTAL ANNUAL AWARD $341,250

TOTAL ANNUAL AWARD BASED ON THE BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD) BEING 100% OF THE AWARD WITH THE APPLICANT PLEDGING TO STAY IN THE QUALIFIED BUSINESS FACILITY FOR 23 YEARS:

- New Jobs: 35 Jobs X $9,750 X 100% = $341,250
- Retained Jobs: 0 Jobs X $9,750 X 100% = $ 0

Total: $341,250

TOTAL ANNUAL AWARD (APPROVED) $341,250

* PLEASE SEE RECOUPMENT SCHEDULE BELOW
RECOUPMENT SCHEDULE

<table>
<thead>
<tr>
<th>IF THE APPLICANT LEAVES IN YEAR:</th>
<th>YEAR</th>
<th>RECOUPMENT AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td></td>
<td>$837,553.00</td>
</tr>
<tr>
<td>17</td>
<td></td>
<td>$710,778.14</td>
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<tr>
<td>18</td>
<td></td>
<td>$588,488.25</td>
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<tr>
<td>19</td>
<td></td>
<td>$470,524.64</td>
</tr>
<tr>
<td>20</td>
<td></td>
<td>$356,734.28</td>
</tr>
<tr>
<td>21</td>
<td></td>
<td>$246,969.52</td>
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<tr>
<td>22</td>
<td></td>
<td>$141,087.94</td>
</tr>
<tr>
<td>23</td>
<td></td>
<td>$38,952.18</td>
</tr>
</tbody>
</table>

PROJECT IS: (X) Expansion (X) Relocation

ESTIMATED ELIGIBLE CAPITAL INVESTMENT: $1,360,000

EXPECTED PROJECT COMPLETION: April 1, 2018

SIZE OF PROJECT LOCATION: 60,000 sq. ft.

NEW BUILDING OR EXISTING LOCATION? Existing

INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial

CONSTRUCTION: (X) Yes ( ) No

NEW FULL-TIME JOBS: 35

RETAINED FULL-TIME JOBS: 0

STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016): 0

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

MEDIAN WAGES: $41,600

NET BENEFIT MODEL: 2017

GROSS BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD): $3,472,070

TOTAL AMOUNT OF AWARD: $3,412,500

NET BENEFIT TO THE STATE (OVER 35 YEARS, NET OF AWARD): $59,570

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:
1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
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.
7. The applicant will be required to produce a site control document prior to closing that demonstrates control of the site for the entire 23-year period it has committed to remain in the Qualified Business Facility or its award
Valley Power, Inc. will revert back to the standard award ($2,574,947 for a 15-year commitment) based on the actual length of the site control document.

APPROVAL REQUEST:
The Members of the Authority are asked to approve the proposed Grow New Jersey grant to encourage Valley Power, 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: C. Fuentes  APPROVAL OFFICER: K. DeSmedt
MEMORANDUM

TO: Members of the Authority  
FROM: Timothy J. Lizura  
President and Chief Operating Officer  
DATE: December 12, 2017  
SUBJECT: Axtria, Inc. (“Axtria”) - Modification  
$3,656,000 Grow New Jersey Assistance Program (“Grow NJ”) – P41318

Request:
Consent to the following changes to the qualified business facility (“QBF”) for the Grow NJ approval:

1. Add 17,998 sf to 300 Connell Drive; and
2. Remove the 7,898 sf building at 400 Connell Drive.

The net effect of these changes will increase the QBF by 34.1% but will not impact the size of the award or the creation of 75 new jobs and the retention of 100 at-risk jobs incented by the original Grow NJ award. Board action is required because the change exceeds the 25% staff delegation threshold.

Background:
Axtria, Inc. is a privately held, venture backed business analytics and consulting firm that utilizes a data-driven approach to client analysis.

In September 2015, the Members approved a $3,656,000 10-year Grow NJ tax credit to incent the creation of 75 new jobs and the retention of 100 jobs that were at risk of relocating from New Jersey to King of Prussia, Pennsylvania.

The originally approved Qualified Business Facility (“QBF”) consisted of two adjacent buildings in Berkeley Heights: an existing 19,695 sf premises at 300 Connell Drive and an existing 7,898 sf premises at 400 Connell Drive. The anticipated capital investment was $1,148,400. Both buildings were deemed non-industrial premises per Grow NJ law. The two buildings were deemed a “complex” as they were part of the same financing and operational plans to expand in Logan Township, and were the basis of one location decision by the business. Because the two buildings are adjacent and have the same characteristics, the project had a single aggregated capital investment eligibility minimum. Moreover, the Grow jobs at both buildings were subject to the same tax credit calculation, as all factors affecting the calculation were the same.

The company is anticipating future organic growth and recognized that it would eventually outgrow the approved 27,593 sf QBF. The company is seeking to exercise a time-sensitive option with its current landlord to lease an additional 17,299 sf of space that became available adjacent to their existing offices at...
the 300 Connell Drive building, while vacating the 7,898 sf at 400 Connell Drive Building. The expansion will be used for the same type of operation as the originally approved QBF, and bring the total project square footage from 27,593 to 36,994 sf. This would be an overall expansion of 9,401 sf. (34.1%) requiring a minimum capital investment of $1,479,760.

On September 9, 2016, the Board adopted a policy, whereby applicants could expand a QBF if they could demonstrate organic growth and if the following conditions were met: 1) the expansion has the same characteristics as the original approved QBF; 2) the additional space would have been considered a complex of buildings should the additional space had been contemplated in the original approval; 3) the expansion to the original QBF is within the same municipality as approved; 4) the expansion is directly related to business growth and new jobs; and 5) the minimum capital investment for the expansion is met.

The proposed expansion meets these requirements as the additional space is a non-industrial premise and has the same bonus criteria as the original QBF, and is in the same municipality. This expansion will be directly related to Axtria’s ability to create new jobs and grow its business beyond what the company anticipated at board approval. The company has already met their approved job requirement of 100 retained and 75 new jobs, while adding an additional 12 new jobs for a total of 187 jobs currently. It’s ability to secure the larger space will afford them the opportunity for future growth adding more jobs within the next few years for a total of 225-250 jobs. Finally, it meets the fifth criteria in that the applicant will meet the minimum capital investment requirement for the overall facility of $1,479,760 with an anticipated updated capital investment to be $2,239,840.

As cited above, the approval of this expanded QBF will not increase the original $3,656,000 Grow award by its action.

**Summary of Project Changes**

<table>
<thead>
<tr>
<th>Original Approval</th>
<th>Modification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualified Business Facility:</td>
<td>300 Connell Drive Berkeley Heights, NJ</td>
</tr>
<tr>
<td>Size of Project Location:</td>
<td>300 Connell Drive 19,695 sf. 400 Connell Drive 7,898 sf.</td>
</tr>
<tr>
<td>Total Project Square Footage:</td>
<td>27,593 sf.</td>
</tr>
<tr>
<td>Minimum Capital Investment Eligibility Requirement:</td>
<td>$1,103,720</td>
</tr>
<tr>
<td>Estimated Eligible Capital Investment:</td>
<td>$1,148,400</td>
</tr>
<tr>
<td>Jobs:</td>
<td>75 New/100 Retained</td>
</tr>
</tbody>
</table>
Recommendation:
Consent to the following changes to the QBF for original Grow NJ approval:

1. Expand the size of the building at 300 Connell Drive, Berkeley Heights from 19,695 sf by 17,998 sf to 36,994 sf (34.1%) to accommodate organic growth of the business; and

2. Remove the 7,898 sf building at 400 Connell Drive, Berkeley Heights from the approved project.

This change will result in an increase in the minimum capital investment from $1,148,400 to $2,239,840. All other terms and conditions of the Grow NJ including the creation of 75 new jobs and retention of 100 existing jobs and the size of the award ($3,656,00) will be consistent with the original approval.

Prepared by: Thomas McCusker
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: December 12, 2017

SUBJECT: Conifer Asset Solutions LLC (“Conifer Asset”) - Modification
$4,400,000 Grow NJ – P42216

Request:
Consent to the merger of Conifer Asset into SS&C Technologies, Inc. (“SS&C”). Post-merger, SS&C
will be the surviving entity and the recipient of the Grow NJ award.

In exchange for approving the merger, the surviving entity will agree to meet all the terms of the Grow NJ
approval and will, in addition, be required to meet a statewide employment number of 212. There will be
no increase in the incentive award amount approved by the members in March 2016.

Background:
Conifer Asset is a privately held, private equity backed asset management firm headquartered in San
Francisco, with offices in New York, Singapore, the British Virgin Islands, and Nova Scotia.

In March 2016, Conifer Asset was approved for a $4,400,000 10 year Grow NJ tax credit to incent the
relocation of 55 employees from New York to a 13,000sf leased facility in Jersey City. At approval, the
estimated capital investment to complete the project was $1,427,030. The company confirmed that 40
employees are at the approved location and $2.8 million has been expended (Conifer Asset $2.2
million/Landlord $611,000). SS&C anticipates submitting its overall certification package of capital
investment and jobs in 2018.

Following the approval of the Grow incentive, Conifer Asset underwent a series of business transactions
that impact the structure of our applicant.

In December 2016, SS&C acquired Conifer Financial Services LLC (“Conifer Financial”), the parent of
Conifer Asset.

On December 31, 2017, Conifer Asset will merge into SS&C, and SS&C will be the surviving entity post-
merger. SS&C has requested approval of the merger as the surviving entity based on its commitment to
meet all the terms of the Grow approval. In addition, SS&C will agree to an increase in the statewide
employment number from 0 to 212 to include the statewide employees of SS&C working in New Jersey
as of December 31, 2015, which is the last tax filing period prior to the approval of the Grow NJ tax credit
in March 2016.
SS&C has met the following conditions: 1) the request was received and is being considered by the Members, prior to overall certification and issuance of the tax credit; 2) the jobs and capital investment contributed to the project pre-merger will be those made only by Conifer Asset while SS&C may contribute jobs and capital investment post-merger provided consent to the merger is approved by EDA; 3) the statewide job number will be adjusted to reflect the New Jersey full-time employees of the recipient and surviving company as well as any eligible affiliates in the tax period prior to the approval of the Grow NJ tax credit.

Staff reviewed the modification application and there were no legal matters reported by the recipient.

**Recommendation:**
Consent to the merger of Conifer Asset into SS&C and SS&C as the surviving entity to the merger for the purposes of the Grow approval. In exchange for the approval, SS&C will continue to meet all the terms and conditions of the original approval and will agree to an increase in the statewide employment from 0 to 212 effective December 2017.

Prepared by: Karen Gallagher
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: December 12, 2017

SUBJECT: Jaguar Land Rover North America ("JLRNA") - Modification
$26,605,000 Grow New Jersey Assistance Program ("Grow NJ") - P41059

Request:
Consent to the applicant’s request for the following changes to the Grow project:
1) Increase the size of its approved Qualified Business Facility ("QBF") by 30,000 sf;
2) Decrease the overall proposed capital investment from $42 million to $32.2 million.

There will be no change to the approved Grow NJ award. Staff is provided delegation to approve changes to projects when they are routine and are not materially different from the project that was approved by the Members. Because there were multiple changes to this project (change in rent per sf from $37.20 to $15.63, change in project size and capital investment), all of which were not related to organic growth, these changes do not meet the narrowly defined guidelines of delegations and require Board approval.

Background:
JLRNA was approved in July 9, 2015 for a $26,605,000 Grow award to create 61 new jobs, retain 252 at-risk jobs, and to relocate their headquarters within Mahwah to a 147,077 sf QBF. At approval, the proposed capital investment was $42,000,000 with a minimum requirement of $5,883,080.

In accordance with the Grow regulations, JLRNA was given a deadline of July 9, 2016 to submit their conditions to maintain approval which include site plan approval, site control, and evidence of committed financing to complete the project. As the deadline approached, JLRNA notified the Authority that it was still finalizing lease negotiations and requested, and was allowed, a 6-month extension to allow them to obtain site control.

Once the lease was received, EDA performed its review of the “Progress Information” and found the following changes with the project since the time of approval:

1. The lease rate was negotiated and reduced from $37.20 psf to $15.63 psf (a 58% decrease) after JLRNA chose to forgo a $20,000,000 tenant improvement allowance;
2. The overall capital investment decreased from $42 million to $32.2 million (a 23% decrease);
3. The QBF increased by 30,000 sf from 147,077 to 177,077.

On September 9, 2016, the Board adopted a policy whereby applicants could expand a QBF if they could demonstrate organic growth and if the following conditions were met: 1) the expansion has the same characteristics as the original approved QBF; 2) the additional space would have been considered a complex of buildings should the additional space had been contemplated in the original approval; 3) the expansion to the original QBF is within the same municipality as approved; 4) the expansion is directly related to business growth and new jobs; and 5) the minimum capital investment for the expansion is met.

The proposed expansion will meet the policy requirements for 4 of the 5 criteria, as the expansion is to the existing facility. The increase in square footage is attributable to a change in plans involving the Technical Center and the existing building cafeteria. The original plan was to situate the Technical Center in the cafeteria space, and relocate cafeteria to second floor. Upon consulting project architect and doing more due diligence, it was determined that this solution would be unworkable and cost prohibitive, requiring among other things the installation of a freight elevator. The project plan was therefore revised to build an addition in the back of the existing facility to house the Technical Center and renovate the cafeteria in its current location. The update proposed estimated capital investment of $32,200,000 is well over the minimum required capital investment of $7,083,080.

To better understand the impact of the changes to the cost-benefit analysis (CBA) done to determine if the Grow award is a material factor in the company’s decision to undertake the project in New Jersey, staff compared the original approved costs of the original space to the updated costs provided, and then off-set by the new costs of the expansion. The total upfront costs of the original space changed from $42,000,000 to $27,200,000. This decrease of 35% is mitigated by the new costs of the expansion that amount to $5,000,000. The difference in the total of upfront costs when considering the modified QBF is a 23% decrease, and the overall difference in total project costs represents a 22% decrease.

The overall increase in size to the project coupled with the significant decrease in capital investment of $10MM (23%) represents a major change to the scope of the project. To ensure that the factors relied upon when determining whether material factor had not been materially changed, staff compared the updated CBA to the originally approved alternate location. The comparison showed that New Jersey remains more expensive than the alternative location by $27,561,036 on a 15-year NPV basis.

The original project was approved as a Mega Project with retained jobs receiving the same calculation as new jobs. The proposed decrease in capital investment will not affect this retained job calculation. These changes will not result in an increase to the approved Grow NJ award.
**Summary of Project Changes**

<table>
<thead>
<tr>
<th></th>
<th>Original Approval</th>
<th>Modification</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Size of Project Location:</strong></td>
<td>147,077 sf</td>
<td>177,077 sf</td>
</tr>
<tr>
<td><strong>Rent psf (this includes a blending of the updated rent psf of the original QBF and the rent of the proposed expansion)</strong></td>
<td>$37.20</td>
<td>$15.63 blended*</td>
</tr>
<tr>
<td><strong>Minimum Capital Investment</strong></td>
<td>$5,883,080</td>
<td>$7,083,080</td>
</tr>
<tr>
<td><strong>Estimated Eligible Capital Investment:</strong></td>
<td>$42,000,000</td>
<td>$32,200,000</td>
</tr>
<tr>
<td><strong>Jobs:</strong></td>
<td>61 New/</td>
<td>61 New/</td>
</tr>
<tr>
<td></td>
<td>252 Retained</td>
<td>252 Retained</td>
</tr>
</tbody>
</table>

**Recommendation:**
Consent to the applicant’s request for the following changes to the project:
1) Increase the size of its approved Qualified Business Facility (“QBF”) by 30,000 sf;
2) Decrease the overall proposed capital investment from $42 million to $32.2 million; and

Determine that the project remains an eligible project under the Grow program. There will be no change in the amount of Grow NJ award approved by the members.

Prepared by: Tyshon Lee
BOND PROJECTS
BOND RESOLUTIONS
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: ACMY, LLC
PROJECT USER(S): Trans-Packers Services Corp.*
PROJECT LOCATION: 4100 New Brunswick Ave Piscataway (T) Middlesex
GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
ACMY, LLC is wholly owned by Lester Weiss, and will acquire and lease space to its related operating company, Trans-Packers Services Corp. Founded in 1969 by Daniel Weiss, now also owned and operated by Lester, Monica, and Selma Weiss, Trans-Packers Services Corp. is a privately held contract packaging company located in Brooklyn, NY. The applicant is primarily engaged in the business of blending, packaging, pouching, bottling and canning dry food and non-food products, powders, particulates and liquids for retail, institutional, industrial and military customers.

Trans-Packers Services Corp. will relocate its entire existing operation from its current location in Brooklyn to Piscataway, NJ. The project will include the purchase of a building, equipment and renovations. The applicant has also applied for a direct loan from the EDA.

APPROVAL REQUEST:
Authority assistance will enable the applicant to acquire and renovate a 95,483 sq. ft. building on 11.72 acres of land as well as pay costs of issuance. The difference between the project costs and the bond amount is anticipated to be funded through a direct loan from the EDA, and the applicant's equity.

This project is being presented for a reallocation of volume cap.

FINANCING SUMMARY:
BOND PURCHASER: Fulton Bank of New Jersey (Direct Purchase)
AMOUNT OF BOND: $5,300,000 Tax-Exempt Bond
TERMS OF BOND: 25 years; Floating rate at the tax-exempt equivalent of 30 day LIBOR plus 225 basis points. The applicant may enter into a swap to a fixed rate for 10 years. The indicative rate as of December 5, 2017 is 3.60%.
ENHANCEMENT: N/A

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Acquisition of existing building</td>
<td>$7,850,000</td>
</tr>
<tr>
<td>Working capital</td>
<td>$1,300,000</td>
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<tr>
<td>Equipment Lease</td>
<td>$1,000,000</td>
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<td>Renovation of existing building</td>
<td>$950,000</td>
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<tr>
<td>Cost of Issuance</td>
<td>$58,200</td>
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<tr>
<td>Legal fees</td>
<td>$30,000</td>
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<tr>
<td>Finance fees</td>
<td>$30,000</td>
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<tr>
<td>Accounting fees</td>
<td>$10,000</td>
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</table>

TOTAL COSTS $11,228,200
JOBS: At Application 0 Within 2 years 140 Maintained 0 Construction 7

PUBLIC HEARING: 06/13/17 (Published 05/30/17)

BOND COUNSEL: Chiesa, Shahinian & Giantomasi,

DEVELOPMENT OFFICER: M. Athwal

APPROVAL OFFICER: S. Novak
AMENDED BOND RESOLUTIONS
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - REFUNDING BOND PROGRAM

APPLICANT: Provident Group - Montclair Properties L.L.C.  P44751
PROJECT USER(S): Same as applicant  *
PROJECT LOCATION: Webster Road  Little Falls Township (N)  Passaic
GOVERNOR’S INITIATIVES: ( ) Urban  ( ) Edison  (X) Core  ( ) Clean Energy

APPLICANT BACKGROUND:
Provident Group-Montclair Properties L.L.C. ("Applicant") is organized for developing, financing, operating and maintaining a student residential and dining facility on the campus of Montclair State University ("MSU"). The Applicant’s sole member is Provident Resources Group Inc., a nonprofit tax-exempt organization. MSU is a public college located in Upper Montclair, the Great Notch area of Little Falls and Clifton, NJ.

REFUNDING REQUEST:
The proposed financing will provide for the advance refunding of: all or a portion of the outstanding Series 2010A Bonds; refund some, all or none of the outstanding Series 2010B Bonds; fund a debt service reserve fund, and pay costs of issuance. The Series 2010 Bonds were issued to finance the design, development, construction, furnishing and equipment of a 1,978-bed student housing facility and dining hall on the campus of Montclair State University.

Authority assistance will enable the applicant to generate an anticipated net present value savings to the project of approximately $26.5 million or 12.36% of the refunded par amount. The savings generated from the reduced debt service will allow the Project to maintain affordable rental rates for students over the financing term. This will provide additional ground rent to the University to advance its educational mission.

Approval will also allow the Applicant to retain 18-full time employees and 88-part time employees.

FINANCING SUMMARY:

AMOUNT OF BOND: Amount not to Exceed $260,000,000
TERMS OF BOND: 25 years; serial and term bonds with various fixed interest rates and an estimated true interest cost of approximately 4.05%; interest to be paid semi-annually, and principal to be paid in relatively even amounts over term.
ENHANCEMENT: N/A

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Principal amount of bond(s) to be refund</td>
<td>$214,420,592</td>
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<tr>
<td>Refund Escrow Depos</td>
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<td>Debt service reserve fund</td>
<td>$15,000,000</td>
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<td>Finance fees</td>
<td>$3,500,000</td>
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<td>Bond Insurance Premium</td>
<td>$3,000,000</td>
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<tr>
<td>Legal fees</td>
<td>$750,000</td>
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<td><strong>TOTAL COSTS</strong></td>
<td><strong>$260,000,000</strong></td>
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PUBLIC HEARING: 12/12/17 (Published 11/28/17)  BOND COUNSEL: Chiesa, Shahinian & Giantomasi
DEVELOPMENT OFFICER: M. Athwal  APPROVAL OFFICER: M. Chierici
COMBINATION PRELIMINARY AND BOND RESOLUTIONS
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: December 12, 2017

SUBJECT: KIPP: Cooper Norcross
$29,833,634 Taxable Qualified School Construction Bonds - Modification P42944

Request:
Consent to additional project locations including 1600 South 8th Street, Camden, New Jersey, and 525 Clinton Street, Camden, New Jersey.

Background:
KIPP Cooper Norcross ("KIPP"), formerly Cooper Lanning Square Renaissance dba KIPP Cooper Norcross Academy (the "School"), is a not for profit organization and renaissance school approved by the New Jersey Department of Education (NJDOE) and the Camden City Board of Education. The school was formed in a partnership between KIPP Team Schools in Newark, and The Cooper Foundation, Inc. in Camden with the mission to increase the number of quality school options for Camden’s students. KIPP has created an academic program to serve approximately 2,860 students in pre-kindergarten through 12th grade.

In 2014 the Members approved, and the Authority issued a $60 million taxable Qualified School Construction Bond (“QSCB”) for KIPP to acquire and renovate an existing school located at 525 Clinton Street, Camden, NJ to serve as an elementary and middle school known as Lanning Square Primary School (“Lanning”). The current outstanding principal balance of the Bond is $60 million.

In 2016 the Members approved, and in February 2017, the Authority issued a $29.8 million QSCB for KIPP to fund construction of renovations and additions for the facility located at 740 Chestnut Street Camden, New Jersey known as the Whittier School. The current outstanding principal balance of the Bond is $29.8 million. As a conduit issuer the Authority has no credit exposure under the QSCBs.

Currently KIPP is requesting the Members’ consent to use unexpended bond proceeds from the 2016 QSCB for two additional qualified school renovation and construction projects located at 1600 South 8th Street, Camden (“Sumner”), and the Lanning Square Primary School at 525 Clinton Street, Camden. The modification of the QSCB will allow KIPP to fund any costs at the Sumner and Lanning school projects which are ineligible under Qualified Zone Academy Bonds.
used to fund these projects. KIPP, as Bond Purchaser, and Bondholder Representative have consented to include the additional locations.

Concurrently with this request, KIPP is seeking the Member’s approval of a $15.5 million taxable Qualified Zone Academy Bond to finance Sumner School, with unused proceeds if any, to be used for renovations at the Lanning and Whittier school locations.

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 QSCB.

**Recommendation:**
Consent to additional project locations of 1600 South 8th Street, Camden, New Jersey, and 525 Clinton Street, Camden, New Jersey.

Prepared By: Angus Comly
APPLICANT: KIPP: Cooper Norcross, A New Jersey Nonprofit Corporation

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 1600 South 8th Street Camden City (T/UA) Camden

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

APPLICANT BACKGROUND:
KIPP: Cooper Norcross, A New Jersey Nonprofit Corporation, established 2012, (formerly Cooper Lanning Square Renaissance School, Inc. and d/b/a KIPP Cooper Norcross Academy, the "School") is a 501(c)(3) not-for-profit organization and renaissance school project approved by the NJ Department of Education and Camden City Board of Education. The School was formed in partnership between KIPP Team Schools in Newark and The Cooper Foundation, Inc. in Camden, representing a unique partnership which brings expertise, experience and community ties for revitalization of NJ's most needy communities to the task of increasing the number of high quality school options for Camden's students. This partnership has created an academic program serving approximately 2,860 Camden students in pre-kindergarten through 12th grade, in furtherance of the educational initiatives provided by the NJ Urban Hope Act. The NJ Department of Education has provided its formal approval for the School to operate in Camden and it is in good standing with the Department. Tim Carden is a Trustee and the President of the School.

In 2014, the Applicant closed on a $60,000,000 Qualified School Construction Bond to acquire the Lanning Square School located at 525 Clinton Street for an elementary and middle school. The 112,000 sq. ft. building includes a wing devoted to classrooms; a section with an administrative/nurse's office suite and classrooms/storage; and a single story section comprised of a gymnasium, a music room, cafeteria, kitchen, storage rooms and maintenance and mechanical rooms.

In 2017 the Applicant closed on a $29,833,634 Taxable Qualified School Construction Bond to finance the renaissance school project for the Whittier School located at 740 Chestnut Street Camden, NJ, a former Camden public school facility of approximately 60,000 sq. ft. Renovations include exterior work on the brick building and a new roof and windows; renovations to the existing classrooms and bathrooms; and construction of a 12,000 sq. ft. addition to accommodate a gym, kitchen and cafeteria.

The Project is of the type for which the Authority may issue Qualified Zone Academy Bonds as permitted under Section 54E of the 1986 Internal Revenue Code as amended. The Department of Education has granted the Project QZAB Volume Cap in the amount of the Bonds pursuant to Section 54E of the Code.

APPROVAL REQUEST:
Authority assistance will enable the Applicant to finance the renaissance school project for the Charles Sumner School, acquisition of a former Camden public school facility of approximately 64,000 sq. ft. Renovations include A/C installation, upgrading electrical capacity, plumbing fixtures and lines, rehabilitation of bathrooms and common spaces, installation of a full production kitchen, roofing and building envelope repairs, a new parking lot, play field and the addition of a 10,000 sq. ft. gymnasium.

Any unused proceeds will be used for renovations at the KIPP Lanning Square Primary School project at 525 Clinton Street Camden, NJ and the KIPP Whittier Middle School project at 740 Chestnut Street Camden, NJ.
FINANCING SUMMARY:

BOND PURCHASER: Cooper Lanning Square Renaissance School Facilities, Inc. (Direct Purchase)

AMOUNT OF BOND: $15,508,000 Taxable Qualified Zone Academy Bond
2015 NJ QZAB Allocation (full) $7,754,000
2016 NJ QZAB Allocation (full) $7,754,000

TERMS OF BOND: 34 years, Fixed interest rate of 2.50% (Estimated)

ENHANCEMENT: N/A

PROJECT COSTS:

- Renovation of existing building $11,632,092
- Construction of new building or addition $2,240,000
- Acquisition of existing building $1,670,000
- Purchase of equipment & machinery $1,460,000
- Engineering & architectural fees $1,310,000
- Land $830,000
- Project Management $750,000
- Soft Costs $700,000
- Legal fees $500,000
- Finance fees $500,000
- Contingency $257,908
- Interest during construction $150,000

TOTAL COSTS $22,000,000

JOBS: At Application 0 Within 2 years 30 Maintained 0 Construction 115

PUBLIC HEARING: N/A

BOND COUNSEL: Chiesa, Shahinian & Giantomasi,

DEVELOPMENT OFFICER: J. Balsama

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

APPLICANT: Arthur Schuster, LLC

PROJECT USER(S): Schuster Meat Corporation

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.

This project is being presented for public hearing only.

FINANCING SUMMARY:

BOND PURCHASER: 

AMOUNT OF BOND: 

TERMS OF BOND: 

ENHANCEMENT: N/A

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
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<tr>
<td>Renovation of existing building</td>
<td>$8,050,000</td>
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<td>Acquisition of existing building</td>
<td>$4,550,580</td>
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<tr>
<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>
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<tr>
<td>Relocation Costs</td>
<td>$200,000</td>
</tr>
<tr>
<td>Furniture &amp; Fixtures</td>
<td>$91,324</td>
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</table>

**TOTAL COSTS** $16,691,904

JOBS: At Application 0 Within 2 years 40 Maintained 0 Construction 63

PUBLIC HEARING: 12/12/17 (Published 11/28/17) BOND COUNSEL: Chiesa, Shahinian & Giantomasi,

DEVELOPMENT OFFICER: M. Athwal APPROVAL OFFICER: S. Novak
CAMDEN ECONOMIC RECOVERY BOARD
MODIFICATIONS
To: Members of the Board

From: Timothy Lizura, President and Chief Operating Officer

Date: December 12, 2017

Subject: Camden Redevelopment Agency
$2,300,000 Camden ERB Grant (P18198) MODIFICATION

Request:
Consent to use excess grant funds of $517,245 originally approved for utility and road work at Gateway Office Park for 1) remediation of a site on Kaighn Avenue that will house the City’s Department of Public Works ($270,836), and 2) continued remediation of the former Sears Tire and Battery Site ($246,409) to support the further redevelopment of the office park area. An extension of the completion date to June 30, 2019 is also requested to provide time to complete the projects.

This request was approved by the Camden Economic Recovery Board on December 5, 2017.

Background:
In 2007, a grant in the amount of $2.3 million was awarded to Camden Redevelopment Agency ("CRA") for infrastructure improvements and pre-development activities for the Gateway Office Park. Of the total, $300,000 was set aside for predevelopment purposes, including legal and professional fees. $215,141 of the $300,000 predevelopment funding was used, with the remaining $84,859 in unused funds being canceled.

In 2008, $2.0 million was disbursed to the New Jersey Department of Transportation ("DOT") for utility and road work in the Gateway Office Park. DOT subsequently bid and contracted for the work and eventually returned $1,098,947 in cost savings to the CRA.

In 2009, NJEDA approved the reallocation of a portion of unused funds to other infrastructure projects. To date, the CRA has spent $581,702 which leaves a balance of $517,245 in unused funds.

CRA is now requesting the consent of the EDA Board and the Camden Economic Recovery Board ("ERB") to use unexpended infrastructure grant funds for two projects that will promote further redevelopment of the Gateway Office Park area. First, $270,836 in Grant funds will be used for remediation of a 4.36-acre site at 726 Kaighn Avenue, to include a construction project to be built by Brandywine Operating Partnership, LP ("Brandywine"), that will upon completion allow the relocation of City’s Department of Public Works to provide additional acreage for
redevelopment. ERB funding is needed as the proposed end use of the site by the City makes it ineligible for funding under the New Jersey Hazardous Discharge Site Remediation Fund ("HDSRF") municipal grant program.

Sources and uses of the Kaighn Avenue project are as follows:

<table>
<thead>
<tr>
<th>Sources</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>NJ DCA Razing Hazardous Buildings Trust Fund</td>
<td>$743,000</td>
</tr>
<tr>
<td>Developer – Brandywine Operating Partnership, LP(^1)</td>
<td>$6,080,380</td>
</tr>
<tr>
<td>ERB Grant</td>
<td>$270,836</td>
</tr>
<tr>
<td>US EPA Brownfields Site Specific Investigation Grant(^2)</td>
<td>$309,618</td>
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<tr>
<td><strong>Total Sources</strong></td>
<td><strong>$7,403,834</strong></td>
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<table>
<thead>
<tr>
<th>Uses(^3)</th>
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</thead>
<tbody>
<tr>
<td>Demolition</td>
<td>$743,000</td>
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<tr>
<td>Environmental Investigation</td>
<td>$389,618</td>
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<tr>
<td>Environmental Remediation</td>
<td>$257,294</td>
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<tr>
<td>Site Improvements</td>
<td>$946,380</td>
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<tr>
<td>Construction</td>
<td>$4,454,000</td>
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<tr>
<td>Architecture &amp; Engineering</td>
<td>$600,000</td>
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<tr>
<td>Brownfields Management</td>
<td>$13,542</td>
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<tr>
<td><strong>Total Uses</strong></td>
<td><strong>$7,403,834</strong></td>
</tr>
</tbody>
</table>

\(^1\)Brandywine Operating Partnership LP is a designated Sub-redeveloper to CSC, Master Redeveloper of Gateway Office Park. 
\(^2\)Grant has already been awarded. 
\(^3\)The City of Camden bid and completed demolition; no contracts have been bid for construction, so amounts are based on engineers' estimates.

The balance of $246,409 will be used for continued remediation of the Sears Tire & Battery site now owned by the Campbell Soup Company, which had previously been funded under CRA-Tire & Battery Non-recoverable ERB Grant (P20266).

New Jersey Department of Environmental Protection ("DEP") issued a soil only restricted use No Further Action letter in 2010 for the Tire and Battery site, however, contamination remains present in groundwater samplings. Woodard & Curran, environmental consultants, completed a bio-treatability study and remedial alternatives analysis which recommended an in-situ chemical oxidation supplemented by oxygen-and sulfate-enhanced bioremediation. This approach and the follow-up monitoring should take approximately one year.

Once the cleanup is completed, CSC will transfer ownership of the site to Brandywine, the designated redeveloper, for commercial development.

**Recommendation:**
Consent to use the remaining $517,245 in unexpended funds as shown above, as well as the extension of the project completion date to June 30, 2019, to support the further redevelopment of the Gateway Office Park area.

Prepared by: H. O’Connell
HAZARDOUS DISCHARGE SITE REMEDIATION FUND
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: December 12, 2017

SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

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

**HDSRF Municipal Grants:**

- P44798 Borough of National Park (Robert Hawthorne Park Landfill) $286,257
- P44774 Township of Aberdeen (Fmr So River Metals) $989,390
- P44775 Township of Aberdeen (Fmr So River Metals) $545,766

Total HDSRF Funding – December 2017 $2,014,539

**HDSRF Loans:**

- P44042 Kerbel-Sheriff Partners $193,126

Timothy Lizura
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT

APPLICANT: Borough of National Park (Robert Hawthorne Park Landfill) P44798

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

PROJECT LOCATION: Robert Hawthorne Sanitary Gloucester Township (T/UA) Camden

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

APPLICANT BACKGROUND:
Between August 2007 and December 2010, The Borough of National Park (Robert Hawthorne Sanitary Landfill) received an initial grant to perform a Preliminary Assessment (PA) and Site Investigation (SI) in the amount $266,537 under P17808 and a supplemental grant in the amount of $104,946 under P32343. The project site, identified as Block 111, Lots 2&3 is a former landfill which has potential environmental areas of concern (AOCs). The Borough of National Park owns the project site and has satisfied proof of site control. It is the Borough's intent, upon completion of the environmental investigation activities, to redevelop the project site for open space.

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

According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects involving the redevelopment of contaminated property for recreation and conservation purposes, provided that the use of the property for recreation and conservation purposes is included in the redevelopment plan and is conveyed by a development easement, deed restriction for development or conservation easement for recreation and conservation purposes. The matching 25% ($95,419) of funds is being provided by the designated developer for the project.

APPROVAL REQUEST:
The Borough of National Park is requesting grant funding to perform additional RA activities required by NJDEP in the amount of $286,257 at the project site. Total funding including this approval is $616,725.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $286,257 (75% Matching Grant)

TERMS OF GRANT: No Interest; No Repayment:

PROJECT COSTS:

| Remedial Action | $381,676 |
| EDA administrative cost | $500 |
| **TOTAL COSTS** | **$382,176** |

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

APPLICANT: Township of Aberdeen

PROJECT LOCATION: 100 Church Street

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

APPLICANT BACKGROUND:
Between July 1995 and June 2017, the Township of Aberdeen received an initial grant in the amount of $542,647 under P08095 and supplemental grants totaling $3,246,922 under P22126, P22185, P38054, P41022, P41023 and P44185. The project site, identified as Block 39, Lot 1 is the former South River Metals Products facility which has potential environmental areas of concern (AOCs). The Township owns the project site and has satisfied proof of site control. The project site is approximately 13 acres and will be subdivided into two parcels of which 30% will be redeveloped for recreation and conservation and 70% will be redeveloped for affordable housing. It is the Township's intent for this grant application, to redevelop this portion of the project site for affordable housing. The matching 50% ($989,390) of funds is being provided by RPM Development who is the designated developer for the project.

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:
The Township of Aberdeen is requesting aggregate supplemental grant funding in the amount of $989,390 to perform RA at the former South River Metals Products project site. The Township is also requesting $545,766 aggregate supplemental grant funding on a related project for recreation and conservation under P44775. Total grant funding including this approval is $5,324,725.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $989,390 (50% Matching Grant)

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
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<td>EDA administrative cost</td>
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<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$1,979,280</strong></td>
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APPROVAL OFFICER: K. Junghans
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT

APPLICANT: Township of Aberdeen Aberdeen Township Frmr So River Metals P44775

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

PROJECT LOCATION: 100 Church Street Aberdeen Township (N) Monmouth

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

APPLICANT BACKGROUND:
Between July 1995 and June 2017, the Township of Aberdeen received an initial grant in the amount of $542,647 under P08095 and supplemental grants totaling $3,246,922 under various project numbers. The project site, identified as Block 39, Lot 1 is the former South River Metals Products facility which has potential environmental areas of concern (AOCs). The Township owns the project site and has satisfied proof of site control. The project site is approximately 13 acres and will be subdivided into two parcels of which 30% will be redeveloped for recreation and conservation and 70% will be redeveloped for affordable housing. It is the Township's intent for this grant application to redevelop this portion of the project site for recreation and conservation.

According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity for up to 75% of the costs of Remedial Action (RA) for projects involving the redevelopment of contaminated property for recreation and conservation purposes, provided that the use of the property for recreation and conservation purposes is included in the redevelopment plan and is conveyed deed restriction for development for recreation and conservation purposes.

NJDEP has approved this request for RA grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A. The grant is awarded based on a calculation equal to 75% of the RA costs $727,689. The matching 25% ($181,923) grant funds are being provided by RPM Development who is the designated developer for the project.

APPROVAL REQUEST:
The Township of Aberdeen is requesting aggregate supplemental funding in the amount of $545,766 to perform RA at the former South River Metals Products project site. The Township is also requesting supplemental grant funding in the amount of $989,390 on related project for affordable housing under P44774. Total funding for these approvals is $5,324,725.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $545,766 (75% Matching Grant)

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remedial Action</td>
<td>$727,689</td>
</tr>
<tr>
<td>EDA administrative cost</td>
<td>$500</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>$728,189</td>
</tr>
</tbody>
</table>

APPROVAL OFFICER: K. Junghans
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS DISCHARGE SITE REMEDIAT'N PROG PROGRAM

APPLICANT: Kerbel-Sheriff Partners
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 54 East Main Street Flemington Borough (N) Hunterdon
GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Kerbel Sheriff Partners ("KB") is a real estate holding partnership which owns land and building located at 54 East Main Street in Flemington, NJ (aka Block 5, Lot 12). KB was founded in 1988 and also owns an office building in Dover, NJ. The Flemington property was acquired in 2002 by KB, has been vacant for forty years and the owners seek to convert the building (built in the 1890's as a Victorian residence and included in Flemington's Historic Buildings Registry) into office space once remediation has been completed.

The rear portion of the property has extensive historical fill believed to be from a former pottery works foundry. Contamination in the form of polynuclear hydrocarbons and heavy metals exists on site which resulted in a permanent deed restriction against use as a residence. The remediation activities to be conducted using funding for this HDSRF loan request include excavation and capping of historic fill material.

APPROVAL REQUEST:
Applicant has requested a $193,126 HDSRF loan for the activities pertaining to Remedial Investigation and Remedial Action at the project site and approval is recommended.

FINANCING SUMMARY:
LENDER: Hazardous Discharge Site Remediation Fund
AMOUNT OF LOAN: $193,126
TERMS OF LOAN: Federal Discount Rate set at time of approval or closing (whichever is lower) with a floor of 5.00%. Monthly payments of principal and interest over sixty months to fully repay loan amount.

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remedial Action</td>
<td>$193,126</td>
</tr>
<tr>
<td>EDA Administrative</td>
<td>$500</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$193,626</strong></td>
</tr>
</tbody>
</table>

APPROVAL OFFICER: M. Conte
MEMORANDUM

TO: Members of the Authority

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

DATE: December 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 initial and supplemental upgrade, closure and site remediation activities. The scope of work is described on the attached project summaries:

**UST Residential Grants:**

- P44556 Jeff England $145,633
- P44329 Robert Doane $124,922
- P44570 Terry McElven $344,651

Total UST Funding – December 2017 $615,206

Prepared by: Reneé M. Krug

Timothy Lizura
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT: Jeff England
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 85 Belshaw Ave.
GOVERNOR’S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
In September 2014, Jeff England received a grant in the amount of $12,635 under P38668 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 $145,633 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 $158,268.

The NJDEP oversight fee of $14,563 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: $145,633
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remediation</td>
<td>$145,633</td>
</tr>
<tr>
<td>NJDEP oversight cost</td>
<td>$14,563</td>
</tr>
<tr>
<td>EDA administrative cost</td>
<td>$250</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$160,446</strong></td>
</tr>
</tbody>
</table>

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

APPLICANT: Robert Doane
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 4 Cottage Place, Freehold Borough (T), Monmouth
GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

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

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

APPROVAL REQUEST:
The applicant is requesting grant funding in the amount of $124,922 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $12,492 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: $124,922
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrade, Closure, Remediation</td>
<td>$124,922</td>
</tr>
<tr>
<td>NJDEP oversight cost</td>
<td>$12,492</td>
</tr>
<tr>
<td>EDA administrative cost</td>
<td>$250</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$137,664</strong></td>
</tr>
</tbody>
</table>

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

APPLICANT: Terry McElven
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 56 Bunker Hill Rd. Shamong Township (N) Burlington
GOVERNOR’S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
In November 2016, Terry McElven received a grant in the amount of $125,985 under P42324 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 $344,651 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 $470,636.

The NJDEP oversight fee of $34,465 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: $344,651
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remediation</td>
<td>$344,651</td>
</tr>
<tr>
<td>NJDEP oversight cost</td>
<td>$34,465</td>
</tr>
<tr>
<td>EDA administrative cost</td>
<td>$250</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>$379,366</td>
</tr>
</tbody>
</table>

APPROVAL OFFICER: W. Wisniewski
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
       President and Chief Operating Officer

DATE: December 12, 2017

RE: Energy Resilience Bank – South Monmouth Regional Sewerage Authority Project
    Funding Modification Recommendation

Request:

The Members are requested to modify the August 9, 2016 Board action for the South Monmouth Regional Sewerage Authority CHP Project under the Energy Resilience Bank (ERB) program by changing the reservation of ERB funding from $2,458,003 to $3,918,000 for the project due to required environmental design changes and resulting bid responses.

Background:

In August 2016, the South Monmouth Regional Sewerage Authority CHP Project was presented to the EDA Board for review and funding consideration under the Energy Resilience Bank (ERB) program.

The South Monmouth Regional Sewerage Authority (SMRSA) provides wastewater treatment and disposal for eight municipalities in southeastern Monmouth County, including several shore communities. The SMRSA is affected by nearly every major coastal storm to strike New Jersey, and after Superstorm Sandy was without grid power for approximately 14 days. SMRSA is now planning to add a new combined heat and power system to its wastewater treatment facility in Wall Township. The CHP system will include the necessary islanding and blackstart controls so SMRSA can operate independently from the electric grid in the event of a future disaster or emergency.

Consistent with ERB program requirements, a NEPA assessment was undertaken and was coordinated with other related New Jersey Department of Environmental Protection permitting reviews and approvals. During these reviews, DEP reviewed the proposed project and SMRSA’s existing operational permits and required that additional controls and equipment be installed, and other upgrades made in order to improve overall site emissions in conjunction with
SMRSA’s ERB project. SMRSA then completed final design engineering and issued bids for construction in October. The bids came back in late November and SMRSA selected the lowest bid which, due to the required design changes noted above, still resulted in higher total project cost than the original August 2016 budget and EDA Board action. SMRSA and ERB staff also reviewed and updated the resilient costs breakdown.

The original estimated total project cost was $2,458,003, to be fully funded by ERB funds (ERB Grant of $1,360,721 and ERB Loan of $1,097,282).

It is now estimated that $2,134,124 are cost reasonable resilient related costs per ERB program guidelines. Consistent with the ERB’s Financing and Program Guide, the SMRSA project will be provided with the following, subject to cost reasonableness analysis and review of final project costs:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERB Grant</td>
<td>$ 2,847,674</td>
</tr>
<tr>
<td>ERB Loan Funding</td>
<td>$ 1,070,326</td>
</tr>
<tr>
<td>(2% interest rate, 20-year term)</td>
<td></td>
</tr>
</tbody>
</table>

The financing will be a general obligation to SMRSA with the projected annual cost of $64,975. Through the established feasibility and technical review, the annual net energy cost savings projected from development of the CHP project are approximately $208,012, which combined with annual operating and maintenance costs and service warranty contracts is sufficient to repay the project loan within the loan terms.

**ERB Program Fund Balance:** After program administrative costs, the Energy Resilience Bank has a $170 million CDBG-DR allocation from HUD to reserve for ERB projects. After today’s actions, there will be $6,360,443 remaining to reserve for additional projects.

**Recommendation:**

The Members are requested to modify the August 9, 2016 Board action for the South Monmouth Regional Sewerage Authority CHP Project under the Energy Resilience Bank (ERB) program by changing the reservation of ERB funding from $2,458,003 to $3,918,000 for the project due to required environmental design changes and bid responses.

Prepared by: Russel Like
STRONGER NJ BUSINESS LOAN MODIFICATION
MEMORANDUM

TO: Members of the Authority

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

DATE: December 12, 2017

SUBJECT: Mel’s Furniture LLC - MODIFICATION

$165,843 Stronger NJ Business Loan (“SBL”)
P38864

Request: Consent to a principal moratorium for 12 months with principal payments to resume on August 1, 2018.

Background: Mel’s Furniture LLC (“MFL”) is a furniture store in Atlantic City established in 1954 by the current owner’s father. In 2013, MFL was formed when ownership of the Company was transferred to Philip Weinberg, who has operated the business since 1980.

In March 2014, EDA approved a $164,409 SBL loan to finance working capital, primarily inventory of approximately $190,000. The Company also received a $41,241 grant and a $8,759 forgivable loan under the Stronger NJ Business program to help recover from Superstorm Sandy.

MFL has experienced low sales due to the economic downturn in Atlantic City resulting from recent casino closures and was unable to begin making principal repayments as required.

In November 2016, pursuant to delegated authority, staff consented to a 6-month principal and interest moratorium to allow payment relief to the borrower. Interest of $1,434 was capitalized, increasing the loan balance to $165,843.

In March 2017, a second 6-month principal moratorium was approved by the Members, to provide continued debt service relief and allow time for the receipt and review of fiscal year end 2016 financials needed for a longer-term moratorium or restructure.

An additional 12-month principal moratorium is now being requested to offer debt service relief for the borrower as the business has not recovered enough to begin full debt service payments.

Recommendation: Approval of the extension of the principal moratorium of the $165,843 SBL loan for an additional 12 months is recommended.

Prepared by: Heather M. O’Connell
REAL ESTATE
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: December 12, 2017

RE: Technology Centre of New Jersey
Seventh Amendment to the Payment in-Lieu of Taxes Agreement and Other Matters with North Brunswick Township

Summary
I ask the Members to approve the Seventh Amendment ("Seventh Amendment") to the Agreement Concerning Payment in Lieu of Taxes and Other Matters dated June 3, 1996 ("PILOT Agreement") between the Authority and the Township of North Brunswick ("Township") for the Technology Centre of New Jersey. The Seventh Amendment will:

- Establish the tax assessment for buildings Tech I through IV
- Establish a uniform PILOT rate for Tech Centre tenants of $5.47 per square foot for the calendar year 2018
- Cap the annual increase in PILOT for the following two calendar years (January 1, 2019 through December 31, 2020) at the lesser of the increase in the applicable Township tax rate or two percent (2%) of the prior year’s rate

In addition, the Authority will record a deed consolidating the existing three tax lots into one tax lot to simplify the listing of the Tech Centre on the Township’s tax roll.

Background
In April 1996, the Members approved the initial PILOT Agreement with the Township of North Brunswick. Since 1996, the Members have approved six amendments to the PILOT Agreement.

In the Spring of 2017, the Real Estate Division engaged outside counsel through the Attorney General’s Office and an appraiser to assist in negotiating the terms of the Seventh Amendment to the PILOT Agreement. Staff, with its counsel, met with the Township’s tax assessor and attorney on several occasions through the summer and fall of this year, which resulted in the following proposed Seventh Amendment to the PILOT Agreement commencing January 1, 2018 and ending December 31, 2020:

Seventh Amendment to the Technology Centre of New Jersey PILOT Agreement
Page 1
The annual PILOT per square foot that will be charged the tenants will be based on the assessment of the existing buildings (Tech I through IV). Tech VI is excluded because it is currently being demolished and Tech V is excluded because it is vacant unfinished shell. The calculations of the assessment and the proposed annual PILOT rate per square foot for 2018 and subsequent years are included in Exhibit A which is attached to this memo. In the future, any new building developed at the Tech Centre will be assessed consistent with current real estate tax law and the Tech Centre’s assessment and PILOT will be adjusted accordingly.

The annual PILOT increase will be capped at the lesser of: two percent (2%) of the prior year’s square foot rate, or the Township’s actual tax rate applied to the assessment and divided by the Tech Centre’s rentable square feet.

Commencing in 2019, the annual tax rate will change mid-year, consistent with the change in the real estate tax rate of the Township.

The proposed Seventh Amendment will yield the following positive results:

The PILOT Agreement dollar per square foot rate will be based on the tax assessment for Tech I through IV, which is consistent with the requirement of EDA’s enabling act which provides that an Authority tenant must pay a PILOT that is equivalent to “taxes on real and personal property . . . which [tenant] would have been required to pay had it been the owner of such property.” N.J.S.A. 34:1B-15.

All current and future tenants will pay a uniform rate irrespective of which building is currently occupied or will be occupied. The proposed uniform rate will yield a reduction for all current Tech Centre tenants ranging from $.43 per square foot up to $1.83 per square foot. Exhibit B, attached to this memo, summarizes the dollar per square foot savings for each tenant by comparing the 2017 PILOT square foot rate to the proposed 2018 PILOT square foot rate for the first half of the calendar year.

To simplify the Tech Centre’s tax records with the Township, which includes three tax lots for the Tech Centre, the Authority will record a deed consolidating the Tech Centre property into one tax lot.

Because the PILOT is an obligation of the tenants and not the Authority, each tenant must approve the Seventh Amendment. If a tenant does not agree, the tenant would be subject to paying an amount equal to the property taxes based on the Township’s actual tax rate. The Authority will not execute the Seventh Amendment unless and until it receives written agreement from the applicable tenants.

The following tenants will not be required to approve the Seventh Amendment: Orthobond, a tenant in Tech III, and tenants within the Commercialization Centre for Innovative Technologies.
(“CCIT”) and the Biotechnology Development Center in Tech IV second floor (“BDC”), all of which have executed or will execute gross leases which include PILOT payments. Accordingly, the cost of any annual increase in PILOT payments for these tenants will be borne by the Authority as the landlord.

The PILOT for CCIT and BDC will be calculated based on the rentable square feet using the actual common area factor.

Attached as Exhibit C to this memo is the proposed Seventh Amendment to the PILOT Agreement which is in substantially final form. The final terms of the Seventh Amendment may be subject to revisions, although the basic terms and conditions will remain consistent with those in the attachment. The final terms of the Seventh Amendment will be subject to the approval of the President, the Attorney General’s Office, the Township, and the applicable Tech Centre tenants.

**Recommendation**
I request the Members approve the Seventh Amendment to the PILOT Agreement with the Township as described above and the attached Exhibits, and to make all other changes necessary to carry out this transaction on terms acceptable to the Chief Executive Officer, the President/Chief Operating Officer and the Attorney General’s Office.

[Signature]
Timothy J. Lizura
President/Chief Operating Officer

Att: Exhibits A and B
Prepared by: Juan Burgos
### Exhibit A
Technology Centre of New Jersey PILOT Agreement
Calculation of Assessment, 2018 Tax Rate, and 2019-2020 Tax Rate Estimates

#### Calculation of Effective Gross Income

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rentable Square Feet at Tech Centre*</td>
<td>283,878</td>
</tr>
<tr>
<td>$SF NNN</td>
<td>$19.00</td>
</tr>
<tr>
<td><strong>Potential Gross Income</strong></td>
<td><strong>$5,393,682.00</strong></td>
</tr>
<tr>
<td>Minus Vacancy and Rental Loss</td>
<td>7.50%</td>
</tr>
<tr>
<td>Minus Vacancy and Rental Loss</td>
<td>7.50%</td>
</tr>
<tr>
<td><strong>Effective Gross Income</strong></td>
<td><strong>$4,989,156.00</strong></td>
</tr>
</tbody>
</table>

#### Calculation of Estimated Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Gross Income</td>
<td>$4,989,156.00</td>
</tr>
<tr>
<td>Estimate of Expenses (Management Fee, Commissions, Professional Fees, Reserves, Marketing and Miscellaneous, and Tenant Allowance as Percentage of EGI</td>
<td>25.00%</td>
</tr>
<tr>
<td><strong>Calculation of Estimated Expenses</strong></td>
<td><strong>$1,247,289.00</strong></td>
</tr>
</tbody>
</table>

#### Calculation of Net Operating Income

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Gross Income</td>
<td>$4,989,156.00</td>
</tr>
<tr>
<td>Minus Calculation of Estimated Expenses</td>
<td>$1,247,289.00</td>
</tr>
<tr>
<td><strong>Effective Gross Income</strong></td>
<td><strong>$3,741,867.00</strong></td>
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</tbody>
</table>

#### Calculation of Assessment

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Gross Income</td>
<td>$3,741,867.00</td>
</tr>
<tr>
<td>Capitalization Rate</td>
<td>7.25%</td>
</tr>
<tr>
<td><strong>Estimated Fair Market Value</strong></td>
<td><strong>$51,611,958.62</strong></td>
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<tr>
<td>Township Equalization Ratio</td>
<td>55.18%</td>
</tr>
<tr>
<td><strong>Estimated Assessment</strong></td>
<td><strong>$28,479,479.00</strong></td>
</tr>
</tbody>
</table>

#### Calculation of 2018 SSF Tax Rate

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Assessment</td>
<td>$28,479,479.00</td>
</tr>
<tr>
<td>Tax Rate</td>
<td>0.05454</td>
</tr>
<tr>
<td><strong>Estimated Tax if 100% Occupied</strong></td>
<td><strong>$1,553,270.78</strong></td>
</tr>
<tr>
<td>Rentable Square Feet at Tech Centre*</td>
<td>283,878</td>
</tr>
<tr>
<td><strong>2018 Tax Rate per SF</strong></td>
<td><strong>$5.47</strong></td>
</tr>
</tbody>
</table>

#### Estimated 2019 and 2020 Tax Rate per SF

<table>
<thead>
<tr>
<th>Year</th>
<th>Maximum 2% Increase of Previous Rate</th>
<th>Rate</th>
<th>Tax Rate per SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2019</td>
<td>102%</td>
<td>5.58</td>
<td></td>
</tr>
<tr>
<td>Year 2020</td>
<td>102%</td>
<td>5.69</td>
<td></td>
</tr>
</tbody>
</table>

*Final Rentable SF subject to verification, but it will not impact the assessment.*
### Exhibit B
Technology Centre of New Jersey PILOT Agreement

**PILOT Comparison of 2017 and 2018 SSF Rates**

<table>
<thead>
<tr>
<th>Building</th>
<th>Tenant</th>
<th>2017 SSF Rate</th>
<th>2018 SSF Rate</th>
<th>$SF Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tech I</td>
<td>Merial</td>
<td>$7.30</td>
<td>$5.47</td>
<td>$1.83</td>
</tr>
<tr>
<td>Tech II</td>
<td>Ascendia</td>
<td>$5.90</td>
<td>$5.47</td>
<td>$0.43</td>
</tr>
<tr>
<td>Tech II</td>
<td>Allergan</td>
<td>$5.90</td>
<td>$5.47</td>
<td>$0.43</td>
</tr>
<tr>
<td>Tech III</td>
<td>Hurel</td>
<td>$5.95</td>
<td>$5.47</td>
<td>$0.48</td>
</tr>
<tr>
<td>Tech III</td>
<td>Orthobond</td>
<td>$6.19</td>
<td>$5.47</td>
<td>$0.72</td>
</tr>
<tr>
<td>Tech III</td>
<td>CCIT/CCIT Expansion</td>
<td>$6.19</td>
<td>$5.47</td>
<td>$0.72</td>
</tr>
<tr>
<td>Tech IV</td>
<td>Chromocell</td>
<td>$6.19</td>
<td>$5.47</td>
<td>$0.72</td>
</tr>
<tr>
<td>Tech IV</td>
<td>BDC</td>
<td>$6.19</td>
<td>$5.47</td>
<td>$0.72</td>
</tr>
<tr>
<td>Tech III</td>
<td>Rutgers</td>
<td>Exempt</td>
<td>Exempt</td>
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**Average Rate and Savings**

| $6.23 | $5.47 | $0.76 |
SEVENTH AMENDMENT TO AGREEMENT CONCERNING PAYMENT IN LIEU OF TAXES AND OTHER MATTERS

This Seventh Amendment to Agreement Concerning Payment in lieu of Taxes (this “Seventh Amendment”) made as of this ______ day of December, 2017, by and among the Township of North Brunswick (the "Township"), a municipality of the State of New Jersey, with offices at 710 Hermann Road, North Brunswick, New Jersey 08902, and the New Jersey Economic Development Authority (the "EDA"), an instrumentality of the State of New Jersey, with offices at 36 West State Street, Post Office Box 990, Trenton, New Jersey 08625 (being hereafter collectively referred to as the "Parties").

WITNESSETH

WHEREAS, the EDA is the owner of the Technology Centre of New Jersey (the "Tech Centre"), which is located in North Brunswick Township; and

WHEREAS, the EDA continues to develop the Tech Centre as an economic development project by leasing space at the Tech Centre. Private sector tenants ("Tenants") who lease space at the Tech Centre are required by New Jersey statute to make payments in lieu of taxes ("P.I.L.O.T."); and

WHEREAS, the Parties entered into an Agreement Concerning Payment in Lieu of Taxes, (the “P.I.L.O.T. Agreement”), dated June 3, 1996, which establishes a method for calculating P.I.L.O.T. owed by Tenants in connection with their occupancy of leased space at the Tech Centre: and

WHEREAS, the Parties entered into an Amendment to Agreement for the calendar years 2000 to 2002, inclusive; and

WHEREAS, the Parties entered into a Second Amendment to Agreement for the calendar years 2003 to 2005, inclusive; and

WHEREAS, the Parties entered into a Third Amendment to Agreement for the calendar years 2006 to 2008, inclusive; and

WHEREAS, the Parties entered into a Fourth Amendment to Agreement for the calendar years 2009 to 2011 inclusive; and

WHEREAS, the Parties entered into a Fifth Amendment to Agreement for the calendar years 2012 to 2014, inclusive; and

WHEREAS, the Parties entered into a Sixth Amendment to Agreement for the calendar years 2015 to 2017, inclusive; and

WHEREAS, the Sixth Amendment to Agreement requires the Parties to renegotiate and enter into a revised agreement for the calendar years 2018 to 2020,
Exhibit C

inclusive; and

WHEREAS, the Parties, with the consent of each of the Tenants who pay P.I.L.O.T., have agreed upon a revised method for calculating P.I.L.O.T.;

NOW, THEREFORE, the Parties agree to amend, reaffirm and continue the P.I.L.O.T. Agreement as follows:

1. Paragraph 2 of the P.I.L.O.T. Agreement shall be amended by incorporating Exhibit A attached hereto and made a part hereof with the Tenants and P.I.L.O.T. rates for calendar years 2018, 2019 and 2020, subject to adjustment as provided therein.

2. P.I.L.O.T. are to be made by the Tenants, and the EDA will act as a collection agency transferring the P.I.L.O.T. monies from Tenants to the Township of North Brunswick. Payments are to be remitted to the Township in four (4) quarterly installments to be paid on or before April 10th, July 10th, October 10th and January 10th. Notwithstanding the foregoing, if a Tenant vacates any space during the term of this Agreement, then the P.I.L.O.T. for such Tenant shall be prorated to the date such Tenant vacates and until such space, or any part thereof, is leased to a taxable Tenant, no P.I.L.O.T. will be due.

3. The Township reserves the right to assess Tenants' interest at the statutory rate (N.J.S.A. 54:4-67) for late payment of the P.I.L.O.T. EDA agrees to cooperate with the Township in identifying any Tenant who does not make timely P.I.L.O.T. payments.

4. For calendar year 2021 and subsequent years, assessment of P.I.L.O.T. for the buildings listed in Exhibit A will be set at mutually agreed upon amounts.

5. For new Tenants who occupy space in any of the existing buildings at the Tech Centre, the P.I.L.O.T. amounts for such Tenants will be based on the applicable P.I.L.O.T. rates determined in accordance with Exhibit A commencing on the date of occupancy of any such space.

6. EDA will make diligent efforts to collect the payments mentioned in Paragraph 1 above from Tenants and forward such payments to North Brunswick Township by the due dates in Paragraph 2. As used in this paragraph "diligent efforts to collect" does not mean declaring a Tenant to be in default under its lease or initiating legal action.

7. P.I.L.O.T. assessed under the P.I.L.O.T. Agreement (including the provisions of this Seventh Amendment) shall satisfy all of the ad valorem property tax obligations imposed upon the Tech Centre and shall be consistent with all applicable statutory standards. The Township shall share P.I.L.O.T. received under the P.I.L.O.T. Agreement (including the provisions of this Amendment) with the County of Middlesex and the North Brunswick Township Board of Education only if and to the extent so required under applicable state statutes.

8. The Township acknowledges receipt of payment of all P.I.L.O.T. due under
Exhibit C

the P.I.L.O.T. Agreement, as amended, as of October 10, 2017. The next payment required under the Sixth Amendment is due on January 10, 2018. The first payment under this Seventh Amendment is due on April 10, 2018.

9. If there is an approved reassessment on revaluation in the Township that becomes effective during the term of this Agreement, then the Parties agree that they will negotiate a revised P.I.L.O.T. that will be uniform, on a per square foot basis, for the buildings at the Tech Centre and based on an agreed upon overall assessment.

10. Except as expressly amended herein, all of the provisions of the P.I.L.O.T. Agreement shall remain in full force and effect and are hereby ratified, renewed, confirmed and continued in their entirety. Terms used in this Seventh Amendment to P.I.L.O.T. Agreement shall have the same meaning given to them in the P.I.L.O.T. Agreement.

IN WITNESS WHEREOF, the Township of North Brunswick and the New Jersey Economic Development Authority have each caused this Seventh Amendment to be duly executed in its name and behalf as of the date first above written.

ATTEST: TOWNSHIP OF NORTH BRUNSWICK

Name: ____________________________ Name: ____________________________
Title: ____________________________ Title: ____________________________

ATTEST: NEW JERSEY ECONOMIC
DEVELOPMENT AUTHORITY

Name: ____________________________ Name: ____________________________
Title: ____________________________ Title: ____________________________
**Exhibit A**

**P.I.L.O.T. Agreement 2018-2020**

Technology Centre of New Jersey – North Brunswick, New Jersey

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<td><strong>$109,007.41</strong></td>
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(1) Tech V is vacant; therefore, no tax assessment and no P.I.L.O.T. were assigned to Tech V.

(2) The 2018 PILOT/sf was calculated by multiplying the 2017 tax rate of $5.454 per $100 of assessed value and the assessment of Tech 1 – IV for 2018 of $28,479,500 and then dividing the product thereof (1,%53,270) by the total rentable area of 283,878 sf. [Note: This differs from the total rentable square feet in above schedule.] The 2018 PILOT/sf, shall remain in effect until the 2019 PILOT/sf is determined.

(3) Estimate only, calculated by increasing the 2018 PILOT/sf by 1.5%. When the tax rate is fixed in 2019, the PILOT/sf, annual amount and monthly amount shall be recalculated in accordance with the formula in footnote (2) and will remain in effect until the 2020 tax rate is determined. The monthly amount would also be revised accordingly commencing as of July 1, 2019. For example, if the 2019 tax rate is determined to be $5.50 per $100 of assessed value, then the 2019 PILOT/sf would be increased to $5.52/sf ($0.0550 x $28,479,500 = $1,566,372.50 + 283,878 sf). The monthly amount would also be revised accordingly, commencing as of July 1, 2019. Anything to the contrary notwithstanding, the increase, if any, in the PILOT/sf over the prior year shall not exceed two (2%) percent. Thus, the maximum increase in the PILOT/sf will be $1, for a maximum total PILOT/sf of $5.58.

(4) Estimate only, calculated by increasing the estimated 2019 PILOT/sf by 1.5%. When the tax rate is fixed in 2020, the PILOT/sf, annual amount and monthly amount shall be recalculated in accordance with the formula in footnote (2) and will remain in effect until the expiration of the Seventh Amendment. The monthly amount would also be revised accordingly commencing as of July 1, 2020. Anything to the contrary notwithstanding, the increase, if any, in the PILOT/sf over the prior year shall not exceed two (2%) percent.

(5) Estimate of rentable area for BDC in 2018. This space is currently vacant. Therefore, the actual P.I.L.O.T. for this space may vary.
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: December 12, 2017

RE: Amendment to Construction Contract
Replacement Parking Lot Project, Camden, NJ

Summary

The Members are asked to approve (i) negotiation of a sole source change order in the amount of $306,000.00, plus a ten percent (10%) contingency in the amount of $30,600.00, adding an additional site to the construction services contract of F.M. Schiavone Construction Inc. (“Schiavone”) of Malaga, NJ for the construction of the Parking Lots Construction Project located on the Camden waterfront; and (ii) an increase in the budget for the Authority to pay $6,335.00 to the Department of Labor and Workforce Development for the required Chapter 335 Training Fund allocation.

Background

In February 2016, the Authority was awarded a Grant from the Camden Economic Recovery Board in the amount of $5 million for a replacement parking improvement project on the Camden waterfront. The Camden waterfront has experienced steady growth over the last few years. As a result, surface parking lots at the Camden waterfront are being converted into parcels for building development, placing a strain on the existing parking inventory available to satisfy the BB&T Pavilion lease obligation. To alleviate the shortage of parking due to waterfront development, the Authority identified five (5) parcels of vacant land, two (2) owned by the Authority and three (3) owned privately, which are located on the Camden waterfront and could be converted into paved parking lots.

In April 2017, the Real Estate Division publicly advertised and on May 5, 2017 received three (3) compliant bids for construction of the two (2) Authority-owned parking lots ranging from $961,100 to $1,339,690. F.M. Schiavone Construction Inc. (“Schiavone”) submitted the lowest responsible bid. Schiavone’s Lump Sum Base and Alternate Bid amounted to $961,100 and was awarded the contract. Board approval was granted at the July 2017 meeting to establish a contract budget of $1,105,300 which included a contingency of $144,200. Unit Pricing was received as part of the Bid proposal. The above-mentioned $5 million Camden Economic Recovery Grant funds are being utilized to fund this Project.

At the time that the above-mentioned bids were being advertised for construction of the two (2) Authority-owned parking lots, the Authority was involved in negotiations with the three (3) private property owners for the purchase of their land for construction of additional parking lots on the Camden Waterfront. Due to this timing conflict, the Real Estate staff could not include any of the privately-owned properties in the bid documents because final contract terms were not negotiated and Board approved. Board approval for the purchase from Shawn and Patrick Kelly was subsequently received in July 2017 for the EDA to purchase Block 157, Lot 46. The Authority intends to purchase the property and construct the parking lot prior to closing on the lot, resulting in approximately 67 spaces. As outlined in the Purchase and Sale Agreement, the Seller has agreed to complete all work and submit all documentation through its LSRP to close-
out any existing remedial actions as a condition precedent to Purchaser capping the Property and if the transaction does not close, to indemnify and hold EDA harmless for any costs and expenses it has incurred.

Schiavone’s bid included language for additional services indicating that the Authority reserved the right to proceed or not to proceed with any additional services as referenced herein to the project, in the order and strictly as needed, based solely on the determination of the Authority. The bid also included language allowing the Authority the discretion to modify, expand or delete any portion of the Scope of Services outlined in this Bid in accordance with applicable law.

Real Estate staff recommends that a change order be negotiated with Schiavone to construct the parking lot on the Kelly property for the following reasons:

- Project Consistency – The Kelly property is in close proximity to the Authority-owned lots, is part of the Replacement Parking project and the Scope of Work is identical to the Authority-owned parking lots portion of work awarded to Schiavone; and
- The ERB funding approval contemplated the construction of a parking lot on the site; and
- Timing – Schiavone is currently in Camden constructing the Authority-owned parking lot and including the Kelly site will assist in expediting the fulfillment of the obligation to provide parking spaces; and
- Cost Savings – Cost savings are likely because the unit prices were received as part of a public bid, Schiavone is already mobilized in close proximity to the Kelly site, and standalone, small construction bids typically include a premium (EDA only received 3 compliant bids for the Authority-owned construction project valued at $1.1MM).

In accordance with N.J.S.A. 52:40-6 (P.L. 2009, Ch. 335), this increase in the procurement to Schiavone will now necessitate an NJEDA allocation and release of one half of one percent of the total construction contract or $6,335.00 to the New Jersey Department of Labor and Workforce Development for the New Jersey Builders Utilization Initiative for Labor Diversity program. Therefore, the construction budget will be increased by $342,935.00.

The Real Estate Operating Authority allows for sole source selection, “…especially in regard to schedule, familiarity with the project, or significant cost savings, it can be demonstrated that the sole source selection is in the best interest of the Authority in successfully completing a project.”

Camden Economic Recovery Grant funds will be utilized for this Project.

**Recommendation**

In summary, approval is requested to (i) negotiate a sole source change order to the construction services contract with F.M. Schiavone Construction, Inc. in the amount of $306,000.00 plus a ten percent (10%) contingency in the amount of $30,600.00 for construction of a parking lot on Block 157, Lot 46 in Camden, NJ, and (ii) increase the budget to pay $6,335.00 to the Department of Labor and Workforce Development for the required Chapter 335 Training Fund allocation for an increase of $342,935.00 to the total construction budget.

Timothy F. Lizura  
President and Chief Operating Officer

Attachments  
Prepared by: Thomas P. Catapano
MEMORANDUM

TO:        Members of the Authority
FROM:     Timothy J. Lizura
          President/Chief Operating Officer
SUBJECT:  New Jersey Economic Development Authority (the “Authority”)
          State Lease Revenue Bonds (State Government Buildings), Series 2017
          (P44806)
DATE:      December 12, 2017

SUMMARY OF PROPOSED FINANCING

The Authority is being asked to approve the issuance of one or more series of State Lease
Revenue Bonds (State Government Buildings), Series 2017 (the “2017 Series Bonds”) and various
related actions described below in an aggregate principal amount not exceeding $215,000,000 with
respect to the Series A Bonds (as defined below), $25,000,000 with respect to the Series B Bonds
(as defined below), and $175,000,000 with respect to the Series C Bonds (as defined below),
subject, in each case, to adjustment as described in paragraph (g) under APPROVAL REQUEST.
The proceeds of the 2017 Series Bonds will be used to: (i) pay the costs of the Health Department
Office Project, the Taxation Division Office Project and the Juvenile Justice Commission Facilities
Projects (as each such project is described herein); (ii) pay capitalized interest on the 2017
Series Bonds through June 15, 2018; and (iii) pay costs of issuance of the 2017 Series Bonds.

BACKGROUND

Health Department Office Project, the Taxation Division Office Project:

Pursuant to a Memorandum of Understanding dated July 22, 2014, the Division of Property
Management and Construction (the “DPMC”) within the Department of the Treasury of the State of
New Jersey (the “Department of the Treasury”) engaged the Authority to complete a feasibility study
(the “Study”) regarding the Health/Agriculture Departments office building and the Taxation Division
office building in the City of Trenton, which Study considered the alternatives of new construction of
replacement buildings, rehabilitation of existing buildings, and/or leasing new space in the open
market, and concluded that the best alternative would be to (a) replace the existing
Health/Agriculture Departments office building with a new office building for the Health Department,
relocate the Agriculture Department offices, and demolish the existing Health/Agriculture
Departments office building (the “Health Department Office Project”), and (b) replace the existing
Taxation Division office building with a new building and either demolish, rehabilitate at a later date,
or sell the existing Taxation Division office building (the “Taxation Division Office Project” and
collectively with the Health Department Office Project, the “Health Department and Taxation Division
Projects”).

Pursuant to subsequent Memoranda of Understanding dated October 7, 2016, as amended,
among the Department of the Treasury, the DPMC and the Authority (the “MOUs”), the Authority and
the DPMC agreed to undertake certain predevelopment work and responsibilities with respect to the
Health Department and Taxation Division Projects and the Authority agreed to finance certain
predevelopment services costs of the Health Department and Taxation Division Projects as set forth in the MOUs.

The DPMC has decided to proceed with the final design and specifications and construction of the Health Department and Taxation Division Projects and has requested the Authority to authorize and issue one or more series of tax-exempt or taxable bonds to be secured pursuant to lease/sublease arrangements with the State, in an aggregate principal amount sufficient to finance, inter alia, the costs of the Health Department and Taxation Division Projects.

**Juvenile Justice Commission Facilities Project**

The largest facility of the Juvenile Justice Commission (the “JJC”) is the New Jersey Training School (the “Training School”), located in Monroe Township, New Jersey. The Training School is a secure facility with the capability of housing approximately 200 male juveniles. It was opened in 1867 as a home for troubled youth. The Training School campus has seven (7) cottages that serve as housing units, a full service school, a vocational building, recreational facilities, a medical facility and administrative offices. However, due to its location, antiquated infrastructure and functionality, the JJC is in need of new facilities that meet the needs of juveniles housed at the facilities, provide an environment for modern, best practices in juvenile justice administration, and facilitates the implementation of state-of-the-art rehabilitation practices to provide the opportunities needed by these young offenders in order to become independent, productive law abiding citizens.

To accomplish this goal, the JJC has identified three (3) sites throughout the State to build new modern, facilities to replace the Training School (the “Juvenile Justice Commission Facilities Project” and, together with the Health Department Office Project and the Taxation Division Office Project, the “Initial Projects”). The sites, in Woodbridge Township, Middlesex County. Ewing Township, Mercer County and Winslow Township, Camden County provide the needed geographic distribution of facilities with access to mass transit. The JJC has consulted with DPMC on site selection and estimates of construction costs for the three (3) new facilities.

Given the critical need for the three (3) new JJC facilities, the DPMC has decided to proceed with the construction of the Juvenile Justice Commission Facilities Project and has requested the Authority to authorize and issue one or more series of tax-exempt or taxable bonds to be secured pursuant to lease/sublease arrangements with the State, in an aggregate principal amount sufficient to finance, inter alia, the costs of the Juvenile Justice Commission Facilities Project.

**Approvals Required**

The issuance of 2017 Series Bonds to finance any Initial Project is subject to (i) the approval of the State House Commission with respect to the applicable Lease(s) for such Initial Project (the “SHC Approval”), and (ii) the approval of the State Leasing and Space Utilization Committee with respect to the applicable Sublease(s) for such Initial Project (the “SLSUC Approval” and together with the SHC Approval, the “State Approvals”). Failure to receive the State Approvals for any Initial Project shall not preclude the issuance of 2017 Series Bonds to finance any Initial Project that has received the State Approvals.

The SHC Approvals for all of the Initial Projects were granted at a meeting of the State House Commission held on December 7, 2017.
PLAN OF FINANCE

It is presently anticipated that the 2017 Series Bonds will be issued in three (3) series as follows:

- Not exceeding $215,000,000 State Lease Revenue Bonds (State Government Buildings – Health Department and Taxation Division Office Project), 2017 Series A (the “Series A Bonds”);*

- Not exceeding $25,000,000 State Lease Revenue Bonds (State Government Buildings – Health Department and Taxation Division Office & Juvenile Justice Commission Facilities Projects), 2017 Series B (Federally Taxable) (the “Series B Bonds”);* and

- Not exceeding $175,000,000 State Lease Revenue Bonds (Juvenile Justice Commission Facilities Project), 2017 Series C (the “Series C Bonds”).*

The projects to be financed with the proceeds of the 2017 Series Bonds include the Health Department Office Project, the Taxation Division Office Project and the Juvenile Justice Commission Facilities Project or Projects. In connection with the issuance of the 2017 Series Bonds: (i) the DPMC will lease the land and improvements thereon (the “Leased Premises”) relating to each Project to the Authority pursuant to a lease with respect to such Project (each, a “Lease” and collectively, the “Leases”); and (ii) the Authority will sublease the Leased Premises relating to each such Project to DPMC pursuant to a sublease with respect to such Project (each, a “Sublease” and collectively, the “Subleases.”

The Authority shall assign all of its rights to receive basic rent (“Basic Rent”) payable under the Subleases to the trustee for the 2017 Series Bonds to be applied to pay the principal or redemption price of, and interest on, the applicable series of the 2017 Series Bonds. The 2017 Series Bonds will be payable from and secured by the Basic Rent payments payable under the Subleases, subject to annual appropriation by the State Legislature for this purpose.

APPROVAL REQUEST

The Members are requested to approve the adoption of the State Lease Revenue Bond Resolution (State Government Buildings) (the “Bond Resolution”) and the First Supplemental State Lease Revenue Bond Resolution (State Government Buildings) (the “First Supplemental Resolution” and collectively with the Bond Resolution, the “Resolution”) authorizing the issuance of one or more series of the 2017 Series Bonds in and aggregate principal amount not to exceed $215,000,000 with respect to the Series A Bonds, $25,000,000 with respect to the Series B Bonds and $175,000,000 with respect to the Series C Bonds, subject, in each case, to adjustment as described in paragraph (g) under APPROVAL REQUEST.

The 2017 Series Bonds are expected to be issued as fixed rate tax exempt and federally taxable bonds, all as determined by an Authorized Authority Representative (as defined in the Bond Resolution), in consultation with the State Treasurer, the Office of Public Finance, the Attorney General’s Office and Bond Counsel, subject to the following parameters:

1. The final maturity of the 2017 Series Bonds will not exceed thirty (30) years from the date of issuance;

* Subject to adjustment as described in paragraph (g) under APPROVAL REQUEST.
2. The true interest cost of the 2017 Series Bonds issued as tax-exempt Bonds will not exceed 7.0%;

3. The true interest cost of the 2017 Series Bonds issued as taxable Bonds will not exceed 9.0%;

4. The redemption price of the 2017 Series Bonds issued on a tax-exempt basis will not exceed 103% of the principal amount of such 2017 Series Bonds if and when redeemed;

5. The redemption price of the 2017 Series Bonds issued on a taxable basis will not exceed 103% of the principal amount of such 2017 Series Bonds if and when redeemed, provided, however, that the redemption price of any 2017 Series Bonds issued on a taxable basis subject to optional redemption by the Authority pursuant to a “make-whole” provision may exceed 103% of the principal amount of such 2017 Series Bonds if so determined by an Authorized Authority Representative in a Series Certificate to be entered into in connection with the issuance of the 2017 Series Bonds.

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

a. To approve the forms of, and to execute and deliver, the Leases and the Subleases, substantially in the forms submitted to this meeting with such changes, insertions and omissions as shall be required for each respective Initial Project and approved by an Authorized Authority Representative, with the advice of the State Attorney General and Bond Counsel;

b. To determine whether the Series 2017 Bonds shall be issued in one or more Series or consolidated with any other Series of the Series 2017 Bonds into a single Series of Bonds for purposes of issuance and sale;

c. To sell the Series 2017 Bonds on one or more dates;

d. To determine, subject to the provisions of the First Supplemental Resolution, the respective principal amounts, interest rate or rates, dated dates, interest payment dates, maturity dates, redemption prices and other redemption provisions and authorized denominations (not exceeding the aggregate principal amount of each maturity) of the Series 2017 Bonds or each Series thereof and any other provisions necessary to comply with the Resolution or deemed necessary or advisable by such Authorized Authority Representative which are not in conflict with or in substitution for the provisions of the Resolution, provided, however, that the aggregate principal amount, true interest cost, final maturity date and redemption prices of the Series 2017 Bonds shall not exceed the applicable limitations set forth in Section 201 of the First Supplemental Resolution;

e. To execute one or more final Official Statements of the Authority, substantially in the form(s) of the Preliminary Official Statement(s), with such insertions, revisions and omissions as may be authorized by the Authorized Authority Representative executing the same, with the advice of Bond Counsel, to deliver the final Official Statement(s) to
the underwriters and to authorize the use of the final Official Statement(s) and the information contained therein in connection with the offering and sale of the 2017 Series Bonds, provided that Appendix I to the Official Statement(s) shall be provided by the State;

f. To determine whether each Series of the 2017 Series Bonds shall be issued as tax-exempt or federally taxable Bonds;

g. To cause the Series B Bonds to be issued in a principal amount that exceeds the maximum principal amount thereof set forth in Section 201 of the First Supplemental Resolution ($25,000,000) if, on the advice of bond counsel, such action is necessary or advisable in order to comply with applicable federal tax law, provided that the maximum aggregate principal amount of the Series 2017 Bonds shall not exceed $415,000,000.

h. To determine the application of the proceeds of the 2017 Series Bonds for the purposes stated in Section 202 of the First Supplemental Resolution;

i. To take such actions as shall be necessary to qualify any or all of the Series 2017 Bonds as "green bonds" if an Authorized Authority Representative, in consultation with the Treasurer, determines that such designation is desirable in connection with the offering and sale of such Series 2017 Bonds and to take such actions and to deliver such documents as shall be necessary to maintain such designation;

j. To purchase one or more municipal bond insurance policies with respect to any or all of the maturities of the 2017 Series Bonds if an Authorized Authority Representative determines that such policy(ies) of municipal bond insurance is necessary or desirable, to include in the Series Certificate such provisions relating to the insurance policy(ies) as such Authorized Authority Representative, with the advice of Bond Counsel, deems appropriate and to include on the form of any 2017 Series Bond which is insured by a municipal bond insurance policy a statement of insurance in the form requested by the issuer of such municipal bond insurance policy;

k. To approve the forms of, and to execute and deliver, the Continuing Disclosure Agreement by and among the Authority, the Treasurer and the Trustee, as dissemination agent, relating to the 2017 Series Bonds (the "Continuing Disclosure Agreement") substantially in the form submitted to this meeting with such changes, insertions and omissions as shall be approved by an Authorized Authority Representative, with the advice of the State Attorney General and Bond Counsel;

l. To execute, deliver and perform the Series Certificate;

m. To negotiate, execute, deliver and perform the Bond Purchase Contract(s) by and between the Authority and the Manager (as defined below) substantially in the form submitted to this meeting with such changes, insertions and omissions as shall be approved by an Authorized Authority Representative, with the advice of the State Attorney General and Bond Counsel; and

n. To authorize the electronic posting of the Official Statement on the State's website, upon the request of the Treasurer or his designee;
To select and appoint any additional co-senior manager(s), co-manager(s) and/or underwriter(s) of the 2017 Series Bonds, upon recommendation of the Treasurer based upon the Treasury's competitive RFP process, such appointment(s) to be evidenced by the execution of the Bond Purchase Contract, as defined below; and

To select and appoint a firm to serve as Trustee based on Treasury's competitive RFP process.

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

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

Professionals for the transaction were selected in compliance with EO 26. Chiesa Shahinian & Giantomasi PC was selected as Bond Counsel through a competitive RFP process performed by the Attorney General’s Office on behalf of Treasury for State appropriation-backed transactions. Through Treasury’s competitive RFP process, RBC Capital Markets was chosen as senior managing underwriter (the “Manager”). The Resolution will also authorize Authority staff to take all necessary actions incidental to the issuance of the 2017 Series Bonds, including without limitation, the selection of additional professionals, if any, pursuant to a competitive process utilizing Treasury’s RFP process in accordance with EO 26 and EO 37.

RECOMMENDATION

Based upon the above description, and subject to the criteria set forth above, the Authority is requested to: (i) approve the adoption of the Bond Resolution and the First Supplemental Resolution authorizing the issuance of the 2017 Series Bonds in an aggregate principal amount not exceeding $215,000,000 with respect to the Series A Bonds, $25,000,000 with respect to the Series B Bonds, and $175,000,000 with respect to the Series C Bonds, subject, in each case, to adjustment as described in paragraph (g) under APPROVAL REQUEST, as well as other matters in connection with the issuance and sale thereof and otherwise as described above; (ii) approve the several actions and delegation of actions to an Authorized Authority Representative as may be necessary or advisable in order to issue the 2017 Series Bonds and to undertake the other transactions described in (i) above on terms which are in the best interest of the State; (iii) authorize the use of the aforementioned professionals; (iv) approve the reduction of the Authority’s bond closing fee to one-half of the statutory bond closing fee; and (v) authorize Authority staff to take all necessary actions incidental to the issuance of the 2017 Series Bonds; subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General’s Office.

Prepared by: Teresa Wells
MEMORANDUM

TO: Members of the Authority

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

RE: New Health and Taxation Buildings in Trenton, Mercer County
    Approval of Comprehensive Development Budget and Site License
    (P44613, P44238)

DATE: December 12, 2017

SUMMARY
I request that the Members approve:

1. The comprehensive development budget for the construction of the Health and
   Taxation buildings and related site improvements, and the demolition of the existing
   Health and Agriculture buildings in the amount not to exceed $226,307,000
   (excluding the cost of issuance, capitalized interest, and the bond underwriter’s
   discount)

2. A site license between New Jersey Department of the Treasury, Division of Property
   Management and Construction ("DPMC") and EDA for Block 10701, Lots 1 through
   3, Trenton, Mercer County, which will permit the development of site improvements
   related to the new Taxation building, the use of the site for construction related
   activities, the demolition of the existing Health and Taxation buildings, and
   development of an interim parking lot on the existing Health and Agriculture
   buildings site upon completion of the demolition

In a separate memo, the Members will be requested to approve a bond resolution that authorizes
the ground leases between DPMC and EDA for the Health and Taxation building sites, the
subleases between EDA and DPMC which authorizes the construction of the Health and
Taxation buildings and the use of the completed buildings as offices for state employees, and the
issuance of bonds by EDA to fund the development of the new Health and Taxation buildings,
related improvements, the demolition of the existing Health and Agriculture buildings, and
construction of an interim parking lot on the existing Health and Agriculture buildings site upon
completion of the demolition.
BACKGROUND

1. Members’ Approval of Funding and Memorandum of Understanding (MOU) for Feasibility Study

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

The Members have taken the following actions:

- In June 2014, the Members approved MOU and funding for the Feasibility Study
- In December 2014, the Members approved a $1 million bond reimbursement resolution to reimburse the cost of the Feasibility Study upon issuance of the bond to construct the Health, Taxation and Agriculture buildings and the hiring of KSS Architect as the consultant to assist Real Estate staff with the Feasibility Study.

The Authority expended $248,000 on the Feasibility Study. Under the Feasibility Study MOU, DPMC will reimburse EDA $124,000 of Feasibility Study costs. The balance will be reimbursed from bond proceeds for the Project.

The Feasibility Study was completed in May 2015, and recommended in part the following:

- Replace the existing Taxation, Health and Agriculture buildings with two new buildings
- Demolish the existing Health and Agriculture buildings
- To either demolish, rehabilitate, or sell, through a competitive bid process, the existing Taxation Building at Treasury’s sole discretion

EDA presented the Feasibility Study to DPMC and the City of Trenton Department of Economic Development (“City”) and DPMC and the City selected the following new construction alternative of new construction of a ±7 story (±175,000 sf) building on an existing State parking lot on the southwest corner of John Fitch Way and North Warren Street, and ±5 story (±135,000 sf) building on existing State parking lot at the southwest corner of North Willow and West Hanover Streets.

2. Members’ Approval of Funding, Predevelopment Services Budgets, MOUs, and A/E Contracts and Reimbursement Resolutions

a. Predevelopment Services Funding, Budgets, and MOUs

In September 2016, the Members approved the predevelopment funding, Predevelopment Services Budget in the amount of $3,602,940, and two MOUs between DPMC and EDA for predevelopment services for a ±135,000 sf Health and Agriculture building that would be located at North Willow and West Hanover Streets, and ±175,000 sf Taxation building that would be located at the corner of John Fitch Way and South Warren Street (the “Project”).
Under the MOUs, EDA provided the following predevelopment services:

- Site due diligence, which included an appraisal, title, and environmental review to determine the suitability of the parcels for the Proposed Project

- Design development services which included preliminary plans through the design development phase, a project schedule, and a construction cost estimate that included the cost to demolish the Health and Agriculture buildings, and the cost to demolish, rehabilitate or sell the existing Taxation building

- Development of budgets, which included the DPMC approved Predevelopment Services budget and the preparation of the preliminary comprehensive development budget

b. A/E Contracts
On February 14, 2017, the Members approved the following A/E and CM contracts:

- HDR’s architectural and engineering contract and Turner Construction’s construction management contract and authorized design development services for the Health and Agriculture building

- Ballinger’s architectural and engineering contract and Torcon Inc’s construction management contract and authorized design development services for the Taxation building

c. Reimbursement Resolution
In December 2016, the Members approved a $4 million bond reimbursement resolution to authorize the repayment of EDA for the interim financing provided to fund the Project’s predevelopment services.

3. First Amendment to the MOUs, Additional Funding, Amended Budgets, and Reimbursement Resolution.

a. Additional Funding and Predevelopment Services Budget Revisions
In January 2017, DPMC directed EDA to add approximately 75,000 sf to the proposed 135,000 sf Health and Agriculture building, and approximately 25,000 sf to proposed 175,000 sf Taxation building. The increase of the two buildings required Members to authorize $816,292 in additional funding to pay for additional design services and other project related costs for the Project.

b. Amendments to the A/E Contracts
Due to the increase in the building size, the A/E predevelopment budget allocations were increased as follows:

- HDR’s design development fee was increased from 1,168,689 to $1,617,975
- Ballinger’s design development fee was increased from $1,506,311 to $1,837,259
c. First Amendment to the MOUs

The MOUs were amended as follows:

- Increased the Taxation building size from ±175,000 sf to ±200,000 sf and increased the Health and Agriculture building size from ±135,000 sf to ±209,000 sf
- EDA provided $816,292 in additional predevelopment services funding
- Increased the predevelopment services budgets from $3,602,940 to $4,419,232 to include the additional predevelopment services funding
- Increased the parcel sizes from the building footprints to include the building footprint and related site improvements
- Moved the proposed Taxation building from the corner of John Fitch Way and South Warren Street west along John Fitch Way and immediately north of the Labor Building.

d. Reimbursement Resolution

In July 2017, the Members approved a bond reimbursement resolution in an amount not to exceed $5 million, which accounted for the additional EDA financing provided for the Project’s additional predevelopment services in the First Amendment to the MOUs.

4. Project Revisions

The design and space planning activities for the Project included the following revisions:

a. Revised Building Sizes

As a result of the design development programming activities, the new Health building will be 209,300 sf and the new Taxation building will be 209,400 sf.

b. Increased Building Occupancy

Increasing square feet of the Health building from 135,000 sf to 209,300 sf, and the Taxation building from 175,000 sf to 209,400 sf feet has increased the occupancy of each building as follows:

<table>
<thead>
<tr>
<th>Buildings</th>
<th>Initial Occupancy Projection</th>
<th>Revised Occupancy Projection</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Building</td>
<td>398</td>
<td>879</td>
<td>481</td>
</tr>
<tr>
<td>Taxation Building</td>
<td>999</td>
<td>1,152</td>
<td>153</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>1,397</strong></td>
<td><strong>2,031</strong></td>
<td><strong>634</strong></td>
</tr>
</tbody>
</table>
c. Relocation of Health Staff to the New Health Building
The building was initially planned for the relocation of Health and Agriculture staff, but now the building will be the new home for Health staff only from the existing Health building and other lease spaced within Trenton. Agriculture staff will backfill space (excluding the existing Health building that will be demolished) that is currently vacant or that will be vacated by Health staff that will move to the new Health building.

d. Existing Taxation Building Demolition Funding
The comprehensive development budget will not include an allowance to demolish the existing Taxation building if the marketing of the building for alternative use through a request for proposal or other process is not successful. Treasury has decided to defer funding, if needed, to a later date.

e. Lease and Sublease Property Size for the New Taxation Building
The Lease and sublease for the proposed Taxation building only will include the proposed building’s footprint for the following reasons:

- The Proposed Taxation building will be included on a consolidated lot which includes the existing Labor, Health and Taxation Buildings
- The consolidated lot also serves as parking for state employees.

5. Comprehensive Development Budget

The detailed comprehensive development budget for the Project is attached as Exhibit A to this memo. The following chart summarizes the budget for the new Health and Taxation buildings, the demolition of the existing Health and Agriculture buildings, and the development of an interim parking lot on the existing Health and Agriculture buildings site after completion of the Health and Agriculture buildings demolition:

<table>
<thead>
<tr>
<th>Uses</th>
<th>% Project</th>
<th>Health &amp; Taxation</th>
<th>Health</th>
<th>Taxation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summary of Uses</td>
<td>Project</td>
<td>418,700 SF</td>
<td>209,300 SF</td>
<td>209,400 SF</td>
</tr>
<tr>
<td>1.00 Acquisition</td>
<td>0.49%</td>
<td>$1,119,800</td>
<td>$352,500</td>
<td>$767,300</td>
</tr>
<tr>
<td>2.00 Improvements - Demolition</td>
<td>4.60%</td>
<td>$10,412,600</td>
<td>$10,412,600</td>
<td>$0</td>
</tr>
<tr>
<td>3.00 Improvements - Construction</td>
<td>74.93%</td>
<td>$169,569,000</td>
<td>$77,592,000</td>
<td>$91,977,000</td>
</tr>
<tr>
<td>4.00 Professional Services</td>
<td>5.65%</td>
<td>$12,789,000</td>
<td>$6,281,000</td>
<td>$6,508,000</td>
</tr>
<tr>
<td>5.00 Finance and Administration</td>
<td>3.00%</td>
<td>$6,795,000</td>
<td>$3,397,000</td>
<td>$3,398,000</td>
</tr>
<tr>
<td>6.00 Contingency</td>
<td>8.41%</td>
<td>$19,029,000</td>
<td>$8,763,000</td>
<td>$10,266,000</td>
</tr>
<tr>
<td>7.00 EDA Fee</td>
<td>2.91%</td>
<td>$6,592,000</td>
<td>$3,204,000</td>
<td>$3,388,000</td>
</tr>
<tr>
<td>Total Uses</td>
<td>100.00%</td>
<td>$226,306,400</td>
<td>$110,002,100</td>
<td>$116,304,300</td>
</tr>
</tbody>
</table>

Health and Taxation Buildings Comprehensive Development Budget and Site License
December 12, 2017
Page 5
<table>
<thead>
<tr>
<th>Sources</th>
<th>Health &amp; Taxation</th>
<th>Health</th>
<th>Taxation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summary of</td>
<td>418,700 SF</td>
<td>209,300 SF</td>
<td>209,400 SF</td>
</tr>
<tr>
<td>Sources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.01 Bond - 2017 A Series</td>
<td>$209,616,800</td>
<td>$96,451,500</td>
<td>$113,165,300</td>
</tr>
<tr>
<td>8.02 Bond - 2017 B Series</td>
<td>$16,689,600</td>
<td>$13,550,600</td>
<td>$3,139,000</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td><strong>$226,306,400</strong></td>
<td><strong>$110,002,100</strong></td>
<td><strong>$116,304,300</strong></td>
</tr>
<tr>
<td><strong>ROUNDED</strong></td>
<td><strong>$226,307,000</strong></td>
<td><strong>$110,003,000</strong></td>
<td><strong>$116,305,000</strong></td>
</tr>
</tbody>
</table>

The Finance and Administration budget section includes a repair and replacement reserve of approximately $3.12 million for each building.

EDA’s total fee on the two buildings for development, design and construction management services is approximately three percent (3%) of budget sections 1 through 6.

The comprehensive development budget does not account for the following additional costs for the two buildings:

- The cost of issuance (which includes EDA’s bond and counsel fees), currently estimated at $391,000
- The bond underwriter’s discount, currently estimated at $1.12 million
- Capitalized interest, currently estimated at $5.47 million

6. *Site License for Block 10701, Lots 1 through 3, Trenton, Mercer County*

DPMC and EDA will enter into a site license agreement that will govern:

- The parking lot and site improvements for the new Taxation building
- Use of the site for construction related activities
- The demolition of the existing Health and Agriculture buildings
- The development of an interim parking lot on the existing Health and Agriculture buildings site after the two buildings are demolished

The license is attached to this memo as Exhibit B. The final license may be subject to revision, although the basic terms will remain consistent with the attachment. The final terms of the license will be subject to the approval of the Chief Executive Officer, President/Chief Operating Officer, the Attorney General’s Office, and DPMC.
Recommendation
In summary, I request the Members:

- Approve the comprehensive development budget in the amount not to exceed $226,307,000 (excluding the cost of issuance, capitalized interest, and the bond underwriter’s discount) for the construction of the Health and Taxation buildings and related improvements, the demolition of the existing Health and Agriculture buildings, and construction of an interim parking lot on the Health and Agriculture buildings site after the completion of the demolition.

- Consent to enter into the site license with DPMC generally consistent with the form attached.

Timothy J. Lizura
President and Chief Operating Officer

Attachments: Exhibits A and B
Prepared by: Juan Burgos
### Exhibit A

**Comprehensive Development Budget: Trenton Health and Taxation State Office Buildings**

<table>
<thead>
<tr>
<th>Uses of Funds</th>
<th>Health &amp; Taxation</th>
<th>Health</th>
<th>Taxation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00 Acquisition</td>
<td>418,709 SF</td>
<td>209,300 SF</td>
<td>209,409 SF</td>
</tr>
<tr>
<td>1.01 Property Acquisitions (Relocating Tax. Bldg. Lease, Rev. Tax &amp; Inc.)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>1.02 Appraisal, Survey, Title and Procurement Fees</td>
<td>$133,440</td>
<td>$64,500</td>
<td>$88,940</td>
</tr>
<tr>
<td>1.03 Temporary Replacement Parking (rent spaces)</td>
<td>$96,900</td>
<td>$288,000</td>
<td>$678,400</td>
</tr>
<tr>
<td><strong>Subtotal Acquisition</strong></td>
<td><strong>$1,119,800</strong></td>
<td><strong>$352,500</strong></td>
<td><strong>$767,300</strong></td>
</tr>
<tr>
<td>2.00 Improvements - Demolition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.01 Demolition of Existing Buildings (Health and Agriculture)</td>
<td>$8,897,000</td>
<td>$8,897,000</td>
<td>$0</td>
</tr>
<tr>
<td>2.02 Construct Replacement Parking When Building Demolished</td>
<td>$1,514,700</td>
<td>$1,514,700</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Subtotal Improvements Demolition</strong></td>
<td><strong>$10,412,600</strong></td>
<td><strong>$10,412,600</strong></td>
<td><strong>$0</strong></td>
</tr>
<tr>
<td>3.00 Improvements - Construction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.01 Site and Building Construction</td>
<td>$144,763,000</td>
<td>$63,987,000</td>
<td>$78,776,000</td>
</tr>
<tr>
<td>3.02 Fixtures, Furniture and Equipment</td>
<td>$18,897,000</td>
<td>$8,912,000</td>
<td>$9,985,000</td>
</tr>
<tr>
<td>3.03 Site Environmental Remediation Allowance</td>
<td>$353,000</td>
<td>$353,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>3.04 Permits, Approvals and Fees</td>
<td>$2,632,000</td>
<td>$1,220,000</td>
<td>$1,412,000</td>
</tr>
<tr>
<td>3.05 Offsite Improvements (Traffic Controls)</td>
<td>$390,000</td>
<td>$150,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>3.06 Public Art Inclusion Requirement</td>
<td>$2,773,000</td>
<td>$990,000</td>
<td>$1,182,000</td>
</tr>
<tr>
<td><strong>Subtotal Improvements - Construction</strong></td>
<td><strong>$169,549,000</strong></td>
<td><strong>$77,592,000</strong></td>
<td><strong>$90,977,000</strong></td>
</tr>
<tr>
<td>4.00 Professional Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.01 Architect/Engineer - Design</td>
<td>$12,450,000</td>
<td>$6,090,000</td>
<td>$6,351,000</td>
</tr>
<tr>
<td>4.02 Architect/Engineer - Feasibility</td>
<td>$2,24,000</td>
<td>$62,000</td>
<td>$62,000</td>
</tr>
<tr>
<td>4.03 Construction Manager - Pre-Construction</td>
<td>$215,000</td>
<td>$120,000</td>
<td>$95,000</td>
</tr>
<tr>
<td><strong>Subtotal Professional Services</strong></td>
<td><strong>$12,789,000</strong></td>
<td><strong>$6,281,000</strong></td>
<td><strong>$5,588,000</strong></td>
</tr>
<tr>
<td>5.00 Finance and Administration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.01 EDA Bond Commitment Fee</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>5.02 Bond, Legal and Other Fees</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>5.03 Insurances</td>
<td>$50,000</td>
<td>$25,000</td>
<td>$25,000</td>
</tr>
<tr>
<td>5.04 Repair and Replacement Reserve</td>
<td>$6,779,000</td>
<td>$3,158,000</td>
<td>$3,119,000</td>
</tr>
<tr>
<td>5.05 EDA Predevelopment Loan Interest</td>
<td>$18,000</td>
<td>$9,000</td>
<td>$9,000</td>
</tr>
<tr>
<td><strong>Subtotal Finance and Administration</strong></td>
<td><strong>$6,795,000</strong></td>
<td><strong>$3,397,000</strong></td>
<td><strong>$3,388,000</strong></td>
</tr>
<tr>
<td>6.00 Contingency</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.01 Project Contingency</td>
<td>$19,029,000</td>
<td>$8,763,000</td>
<td>$10,266,000</td>
</tr>
<tr>
<td><strong>Subtotal Contingency</strong></td>
<td><strong>$19,029,000</strong></td>
<td><strong>$8,763,000</strong></td>
<td><strong>$10,266,000</strong></td>
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<td>7.01 NJEDA Development and Project Management Fee</td>
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**Summary of Uses**

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<th>Uses</th>
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<th>Taxation</th>
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<td>6.00 Contingency</td>
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<td><strong>$115,304,200</strong></td>
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<td>ROUNDED</td>
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<td>$115,305,000</td>
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**Sources**

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<th>Health &amp; Taxation</th>
<th>Health</th>
<th>Taxation</th>
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<td>Summary of Sources</td>
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<td>ROUNDED</td>
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Exhibit B

SITE LICENSE AGREEMENT
STATE OFFICE BUILDINGS PROJECT
BLOCK 10701, LOTS 1, 2 and 3, TRENTON, NEW JERSEY

THIS AGREEMENT is made this ____ day of ____________, 2017, by and between the DIVISION OF PROPERTY MANAGEMENT AND CONSTRUCTION, DEPARTMENT OF TREASURY, STATE OF NEW JERSEY ("DPMC") and the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ("NJEDA"), collectively referred to as the “Parties.”

WITNESSETH

WHEREAS, on July 22, 2014, the Parties entered into a Memorandum of Understanding ("MOU") authorizing NJEDA to prepare a Feasibility/Basis of Design Study for the Taxation and Health and Agriculture Buildings in the City of Trenton, which considered the alternatives of new construction replacement buildings, rehabilitation of the existing buildings, and/or leasing new space in the open market;

WHEREAS, on October 7, 2016, the Parties entered into a subsequent Memorandum of Understanding ("Health/Ag MOU") authorizing NJEDA to perform predevelopment services for the Health and Agriculture Building that would be located on the southwest corner of North Willow and West Hanover Streets;

WHEREAS, it was subsequently determined that the predevelopment services ("Health Project") would be performed solely for the Department of Health at the above building at the corner of North Willow and West Hanover Streets ("Health Building");

WHEREAS, on October 7, 2016, the Parties entered into a subsequent Memorandum of Understanding ("Taxation MOU") authorizing NJEDA to perform predevelopment services for the Taxation Building that would be located on the southwest corner of John Fitch Plaza and North Warren Streets ("Taxation Project");

WHEREAS, the Health Project and the Taxation Project are collectively referred to as the “Projects”;

WHEREAS, in 2017, NJEDA completed the predevelopment services and the State Treasurer and DPMC have approved the plans and budgets for both of the Projects;

WHEREAS, the Health Project and Taxation Project have received the required State Approvals outlined in the Health/Ag MOU and the Taxation MOU;
WHEREAS, the Projects are now entering Phase Three - Financing/Construction phase;

WHEREAS, NJEDA has engaged contractors and consultants to construct the improvements at the Projects; and

WHEREAS, NJEDA requires a license from DPMC for entry and use of its site known as Tax Block 10701, Lots 1, 2 and 3 (the “Premises”) as identified on the attached tax map, Exhibit “A”, for (i) construction staging for the Taxation Project, (ii) construction thereafter of an interim parking lot for State employees, and (iii) demolition of the existing Health/Ag Buildings and associated appurtenances, which is a component of the Health Project.

NOW, THEREFORE, the Parties hereto, for and in consideration of the foregoing premises and of the mutual promises set forth below, with the intention of being legally bound, agree as follows:

1. **Right of Entry and Use:** DPMC does hereby grant to NJEDA, its employees, officers, agents, consultants, contractors and invitees, a right of ingress and egress to the Premises and a license to use the Premises for the purpose of construction staging, construction of an interim parking lot, and demolition of the existing Health/AG Buildings and associated appurtenances (the “Work”).

2. **Term:** The Premises will be available to NJEDA for the purpose set forth herein commencing immediately upon the date first above written This Agreement shall remain in effect until NJEDA receives final approval from the New Jersey Department of Community Affairs for all of the Work at the Projects at which point this Agreement shall automatically terminate. NJEDA will notify DPMC upon completion of each stage of the Work. Notwithstanding the foregoing, this Agreement may be extended upon mutual agreement of both Parties, in writing.

3. **Operation of the Premises:** The NJEDA will be solely responsible for any and all Work activities at the Premises during the term.

4. **Legal Compliance:** NJEDA will comply with all applicable laws, regulations, and ordinances associated with the Work.

5. **Liability:** NJEDA assumes all risks and liability associated with the Work and DPMC shall have no responsibility in this regard.

6. **Environmental Liability:** DPMC will be the responsible party for the Premises’ environmental condition. It is expressly understood that this Agreement and any and all subsequent, associated agreements will not obligate NJEDA to incur any liability for any
known or unknown pre-existing environmental conditions of the Premises.

7. **Consultants and Contractors:** Any and all consultants and contractors hired by NJEDA who enter upon the Premises shall:
   
   i. Indemnify, defend and hold DPMC and EDA and their respective employees, agents and representatives harmless from any and all damages, losses or claims related to or arising from said consultant or contractor, or any agent, employee, subcontractor, supplier or subconsultant of such consultant or contractor entering the Premises.
   
   ii. Maintain adequate insurance coverage as set forth on Exhibit “B” attached hereto.
   
   iii. Be aware of and comply with all federal, state and local laws, ordinances, rules and regulations that affect those engaged or employed on the Project, or that affect the conduct of the Work.

8. **Application of Laws and Regulations:** This Agreement shall be interpreted under the laws of the State of New Jersey.

9. **Other Approvals.** Each Party will obtain all applicable governmental approvals, permits, and authorizations necessary to effectuate their respective responsibilities under this Agreement.

10. **PSE&G Project:** The Parties acknowledge that PSE&G will be performing environmental testing and remediation on a portion of the Premises NJEDA will make a good faith effort to coordinate the Work with PSE&G so that the respective projects do not interfere or impede with each other.

11. **Notices:** All notices required or permitted to be given hereunder shall be in writing and shall be deemed to have been given when mailed by certified mail, return receipt requested, addressed to the intended recipient as follows:

   If to DPMC:
   Department of Treasury
   Division of Property Management & Construction
   33 West State Street
   P.O. Box 229
   Trenton, NJ 08625-0229
   Attention: Director, Division of Property Management & Construction

   If to NJEDA:
New Jersey Economic Development Authority  
36 West State Street  
P.O. Box 990  
Trenton, NJ 08625-0990  
Attn: VP, Real Estate Division  

With a copy to:  
Gary A. Kotler, DAG  
Department of Law & Public Safety  
Division of Law – Pension & Financial Transactions  
Hughes Justice Complex  
P.O. Box 106  
Trenton, NJ 08625-0106  

12. Amendment: This Agreement may be amended upon written consent of all Parties hereto.  

13. Assignment: This Agreement shall not be assigned, nor any interest herein, in whole or in part, without prior written approval from all Parties to this Agreement, which approval shall not be unreasonably withheld.  

14. Termination: This Agreement shall not be terminated by either Party except arising from a (i) default hereunder that is not cured or (ii) right of termination set forth in the lease/sublease for the Projects.  

15. Incident Reporting: All accidents or injuries to persons, or any damages, occurring as a result of the Work shall be reported promptly to DPMC’s Director.  

16. Claims: Notwithstanding any provision in this Agreement to the contrary, the Parties hereto agree that any and all claims based in tort made against NJEDA or DPMC for damages, including, but not limited to costs and expenses, shall be governed by and subject to the limitations of the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.) and that any and all claims based in contract made by anyone against NJEDA or DPMC for damages, including, but not limited to costs and expenses, shall be governed by and subject to the provisions of the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.).  

17. Waiver: A waiver by any party of a breach or default by the other party of any provision of this Agreement shall not be deemed a waiver of future compliance therewith, and such provisions shall remain in full force and effect.  

18. Captions: All headings preceding the text of the several sections and paragraphs hereof are inserted solely for the convenience and reference of the Parties and shall not constitute a
part of this Agreement, nor shall they affect the meaning or interpretation thereof.

18. **Severability:** In any provision of this Agreement shall be invalid or unenforceable, in whole or in part, such provision and this Agreement shall be deemed and construed to be modified or restricted to the extent that and in the manner necessary to render the same valid and enforceable, or shall be deemed excised from this Agreement as the case may require.

IN WITNESS WHEREOF, and intending to be bound hereby, the Parties hereto have caused this Agreement to be duly executed, effective as of the day and year first above written.

ATTEST: NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

By: ____________________________
Donna T. Sullivan
Vice President, Real Estate Division

By: ____________________________
Maureen Hassett, SVP
Governance, Communications
And Strategic Initiatives

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

By: ____________________________
Christopher Chianese
Director

The foregoing document has been reviewed and approved as to form.
Christopher S. Porrino, Attorney General

By: ____________________________
Gary A. Kotler
Deputy Attorney General
EXHIBIT “A”
EXHIBIT "B"

INSURANCE CERTIFICATE REQUIREMENTS FOR CONTRACTORS

The Contractor shall procure and maintain, at its own expense, liability insurance for damages of the kinds and in the amounts hereinafter provided, from insurance companies licensed, admitted and approved to do business in the State of New Jersey. The Contractor shall obtain this coverage from A VII or better rated companies as determined by A.M. Best Company. All liability insurance policies shall afford coverage on an occurrence rather than claims made basis. The types and minimum amounts of insurance required are as follows:

WORKERS’ COMPENSATION
New Jersey Statutory Coverage and Employers’ Liability Insurance. Employer’s Liability shall carry limits of $1,000,000 each accident, $1,000,000 Disease - Each Employee and $1,000,000 Disease – Policy Limit.

COMMERCIAL GENERAL LIABILITY INSURANCE
Contractor shall maintain Commercial General Liability Insurance (CGL), of $1,000,000 each occurrence and $2,000,000 in the aggregate, for products/completed operations. If such CGL insurance contains a general aggregate limit, it shall apply separately to the Project site. Limits may be provided through a combination of General Liability and Umbrella coverages. Umbrella coverage is indicated below.

CGL insurance shall be written on an ISO occurrence form CG 00 01 (or a substitute form providing equivalent coverage) and shall cover liability arising out of, occasioned by or resulting from premises, operations, independent contractors, products, completed operations, personal injury and advertising injury, and liability assumed under an insured contract. This insurance must include Contractor’s Independent (Contingent) Liability Coverage, Broad Form Property Damage, and Personal Injury Coverage, without an employee exclusion.

The New Jersey Economic Development Authority (“NJEDA”), and the State of New Jersey shall be included as an additional insured under the CGL insurance, using ISO additional insured endorsement CG 20 10 11/85 (or a substitute form providing equivalent coverage). This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to the NJEDA.

COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE
Covering all owned, hired and non-owned automobiles with a minimum policy limit of $1,000,000 Combined Single Limit per occurrence. NJEDA and the State of New Jersey shall be included as an additional insured. This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to NJEDA.

UMBRELLA/EXCESS LIABILITY
Commercial Umbrella/Excess Liability Insurance with a limit of not less than $15,000,000 each occurrence and in the aggregate. Such coverage shall follow the underlying General Liability, Automobile, and Employers Liability policies, including but not limited to the additional insureds and primary status requirements.
POLLUTION LIABILITY
Pollution Liability as a result of all construction operations at the job site, while in transit or at non-owned disposal sites, including coverage for mold/fungus, asbestos and lead with minimum policy limits of $2,000,000 each occurrence and $4,000,000 aggregate. NJEDA and the State of New Jersey shall be included as Additional Insureds. This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to Additional Insureds. Coverage may be provided on a claims-made basis as long as the retroactive date is prior to commencement of work at the site (must be indicated on certificate of insurance) and continuous coverage is maintained or an extended discovery period exercised for a period of five (5) years beginning from the time the policy is terminated.

WAIVER OF RIGHTS
Contractor waives all rights against the New Jersey Economic Development Authority and its agents for recovery of damages to the extent these damages are covered by the Commercial General Liability, Business Automobile Liability or Commercial Umbrella Liability Insurance maintained by Contractor.

If the insurance policies purchased by Contractor as required above do not expressly allow the insured to waive rights of subrogation prior to loss, Contractor shall cause them to be endorsed with a waiver of subrogation as required above.

CONTRACTORS EQUIPMENT INSURANCE
Any insurance policy covering the machinery and equipment of the contractor, subcontractors and subordinate subcontractors against loss by any cause shall include an endorsement providing that the underwriters waive their right of subrogation against the owner, the architect and/or engineer, the contractor and all subcontractors and subordinate subcontractors.

CERTIFICATE
Prior to the commencement of work hereunder, the Contractor shall furnish to NJEDA, a Certificate of Insurance, executed by a duly authorized representative of each insurer, evidencing compliance with the insurance requirements set forth herein. All policies and corresponding certificates must show thirty (30) days prior written notice of cancellation to NJEDA. Failure of NJEDA to demand such certificate or other evidence of full compliance with these insurance requirements or failure to identify a deficiency from evidence that is provided shall not be construed as a waiver of Contractor’s obligation to maintain such insurance. Failure to maintain the required insurance may result in termination of this contract at NJEDA’s option. Contractor shall provide certified copies of all insurance policies required within ten (10) days of NJEDA’s written request for such policies. If Contractor fails to maintain the insurance as set forth herein, NJEDA shall have the right, but not the obligation, to purchase said insurance at Contractor’s expense, and in connection therewith, including without limitation, NJEDA’s reasonable attorneys fees, on demand. By requiring insurance herein, NJEDA does not represent that coverage and limits will necessarily be adequate to protect Contractor, and such coverage and limits shall not be deemed as a limitation on Contractor’s liability under the indemnities granted to NJEDA in the Contractor Agreement.

SUBCONTRACTORS
Contractor will include all subcontractors as insureds under its policies or will furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors will be subject to the requirements stated herein.
BOARD MEMORANDUM
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

DATE: December 12, 2017

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

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

Premier Lender Program:

1) Garden State Associates, LLC (P44631 & P44630), located in Wall Township, Monmouth County, is a real estate entity that owns the real property in which the related companies operate. Garden State Precast is a Farmingdale, NJ-based company principally engaged in the manufacturing of custom precast products and resale of storm drainage products throughout NJ, NY, PA and DE. Garden State Trucking, Inc. provides trucking services to Garden State Precast. OceanFirst Bank approved a $2,550,000 loan with a 27.45% ($700,000) Authority participation, and a $950,000 loan with a 45.11% ($400,000) Authority participation. Proceeds will be used to refinance existing debt. The Company currently has 57 employees and plans to create six new positions within two years. SSBCI funds will be utilized for this project.

2) JAK Diversified II Incorporated DBA Multi-Pak Packaging (P44503 & P44639), located in West Caldwell Township, Essex County, is a contract packager for the vitamin/supplement and over-the-counter drug industry. Multi-Pak receives bulk tablets to package into blister cards and/or bottles/pouches for the retail market. M&T Bank approved a $1,000,000 Equipment Lease Line with a 50% Authority guarantee of the first $900,000, not to exceed $450,000, for one year. In addition, M&T Bank approved a $700,000 working capital line of credit contingent upon a 50% Authority guarantee, not to exceed $350,000. Proceeds will be used to purchase equipment and machinery and provide working capital, respectively. SSBCI funds will be utilized for this project. Currently, the Company has 92 employees and plans to create 15 additional jobs over the next two years.
3) Menapace Holdings LLC (P44633), located in Montgomery Township, Somerset County, is a real estate holding company formed to purchase the project property. The operating company, Farmhouse Store Princeton Limited Liability Company, is a small retail store located in Princeton, NJ that focuses on American-influenced crafts and eclectic home furnishings. M&T Bank approved a $560,000 loan with a 20% ($112,000) Authority participation. Proceeds will be used to purchase the project property for Company expansion. Currently, the Company has 13 employees and plans to create four additional jobs over the next two years. SSBCI funds will be utilized for this project.

Prepared by: G. Robins
/gvr