MEMORANDUM

TO: Members of the Authority

FROM: Michele Brown
Chief Executive Officer

DATE: December 10, 2013

SUBJECT: Agenda for Board Meeting of the Authority December 10, 2013

Notice of Public Meeting

Roll Call

Approval of Previous Month’s Minutes

Chief Executive Officer’s Monthly Report to the Board

Authority Matters

Bond Projects

Loans/Grants/Guarantees

Incentive Programs

Board Memorandums

Real Estate

Executive Session

Public Comment

Adjournment
MINUTES OF THE SPECIAL MEETING

Members of the Authority present: Al Koeppe, Chairman; Christopher Hughes representing the Commissioner of Banking and Insurance; and Public Members: Joseph McNamara, Vice Chairman; and Brian Nelson.

Present via conference call: State Treasurer Andrew Sidamon-Eristoff; Commissioner Hal Wirths of the Department of Labor and Workforce Development; Colleen Kokas representing the Commissioner of the Department of Environmental Protection; Public Members: Larry Downes, Marjorie Perry, Charles Sarlo, Rich Tolson, Jerry Langer, Ray Burke, First Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Also present: Michele Brown, Chief Executive Officer of the Authority; Timothy Lizura, President and Chief Operating Officer; Deputy Attorney General Bette Renaud; Amy Herbold, Governor’s Authorities’ Unit; Fred Zavaglia representing the Commissioner of the Department of Labor and Workforce Development and staff.

Absent: Melissa Orsen representing the Executive Branch; Public Members Elliot M. Kosoffsky, Second Alternate Public Member; and Harold Imperatore, Third Alternate Public Member.

Chairman Koeppe called the meeting to order at 10am.

In accordance with the Open Public Meetings Act, Ms. Brown 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

Chairman Koeppe opened the meeting by thanking the Board for coming together on a Friday to approve an important project. He also thanked the staff of the EDA for their hard work.

CEO Michele Brown then thanked the Board members and staff for their work on this long awaited project. Ms. Brown stated that today the Board will be asked to approve the application for an Economic Redevelopment and Growth (ERG) grant for Ameream LLC, Meadow Amusement LLC and Affiliates for reimbursement of certain taxes relating to a large retail and entertainment redevelopment project in Bergen County known as “American Dream” or “Triple Five”.

She continued to state that this Administration, local officials, construction trade unions, chambers of commerce, among others, have all pushed hard to jumpstart the completion of the long-dormant project once known as Xanadu.
She stated that as we know, the American Dream project in East Rutherford commenced about a decade ago by Mack-Cali and has had a colorful past (as well as facade) and that the EDA has worked with public partners: New Jersey Sports & Exposition Authority, Treasury, the county and the Local Finance Board to pull together a financing package for the developer.

Regular meetings with an ad hoc committee of the Board were established at the request of the Chairman to keep members informed on progress made throughout this process.

Ms. Brown stated that Triple Five proposes redevelopment of a 91 acre site – directly across from Met Life Stadium in East Rutherford – into a 3.3 million square foot regional shopping and entertainment destination, featuring amusements and a water park and many other attractions and invest over $2.5 billion. This project is consistent with the goal of growing jobs in New Jersey, and this project expects to generate over 11,000 jobs.

As part of this overall project, the Board is also asked to approve the assignment of a Brownsfield agreement to reimburse for remediation costs from the property’s previous developer to the current applicant.

Ms. Brown concluded that with the Board’s action today, we will be able to move forward on the long-awaited redevelopment of a project that will become an asset for the community, the region, and the state with the potential to become a tourist destination and markedly increase the economic vitality of the area.

Chairman Koeppe asked President and COO Lizura to provide an overview of the project before the board.

Mr. Lizura stated the American Dream project is 3.3 million gross square foot of mixed use development. He added that the project is headed by Triple Five which is founded by the Ghermezian family which has several generations of real estate experience.

Mr. Lizura pointed out that unlike a traditional enclosed mall, the project will not be anchored by traditional department stores but will rely on the draw created by a variety of major retail tenants along with various entertainment components, including a movie theater, a performing arts center, a snow dome, an observation wheel, miniature golf and an ice rink, indoor and outdoor amusement park and the water park.

He stated the project will have approximately 7,850 parking spaces consisting of four parking structures and grade level parking under the facility.

The Applicant has engaged Greener by Design LLC, a New Brunswick, NJ based firm that focuses on energy investment and environmental asset management, to assist in compliance with green building requirements.

He stated the Authority performed strenuous due diligence including a Gap Analysis, and a Net Positive Benefit Analysis to determine eligibility for the ERG award. The present value of the Net Positive Benefits to the State, net of the Project’s RAB Bonds, is $487 million.
He noted that the Applicant has a commitment from Deutsche Bank to syndicate a $700 million senior debt facility and Deutsche Bank has committed to provide $100 million of this facility. The Applicant also has a commitment from Macquarie Capital to syndicate a $300 million mezzanine facility and Macquarie has committed to provide $100 million of this facility.

EDA staff approved outside work including a comprehensive market study on the planned retail and restaurant components of the Project by the Michigan-based, The Strategic Edge. Mr. Lizura stated that because of the complexity of the project, the EDA used JLL Prudential hurdle rate of 16-18 %. With the ERG grant the project was expected to generate at 17.54% IRR.

Cushman & Wakefield conducted an appraisal of the Project site, and Walker Parking Consultants conducted a financial analysis of the Project’s parking facilities, which provided an estimate of parking demand as well as the financial viability of the parking facilities.

Mr. Lizura stated that the revenue stream derived from the State Economic Redevelopment and Growth Incentive Grant Agreement will be assigned to the BCIA in order to support the payment of tax-exempt bonds.

He added that Treasury has reviewed the application and has notified the Authority of the adequacy of the project’s estimated tax revenues.

In conclusion, Mr. Lizura stressed the following:

- That any change in project scope of 25% or more would require a new approval
- $1.58 billion in capital expenditures and TCO on the existing retail components will be required within 6 years in order to preserve approval
- Total project will need to be complete within eight years
- No Reimbursement for either the ERG or Brownsfield will be made until the existing retail component is complete (Most of projected sales tax generation will be derived from the retail component.)
- Because of a “turbo” feature on the bonds that will be supported by the ERG payments, ERG bonds could be paid off earlier than their stated maturity. Because the developer has agreed that the ERG agreement ends when the bonds are no longer outstanding, this feature has the potential to) save the state money.
- The NJSEA lease will have to be final before we execute our ERG agreement and lease will contain performance controls and additional profit sharing
- Financing commitments will be required within six months of approval.
- The ERG bonds proceeds will be used towards end of construction to minimize risk for the bondholders and to ensure that the proceeds are actually needed.
Chairman Koeppe stated that he felt confident that the Authority took all measure possible to mitigate risk. He also stated that, as Ms. Brown indicated, an ad hoc committee of the Board was established to review this project and keep the Board involved as it advanced before it went to Incentives Committee.

Chairman Koeppe then asked for questions and comments from the Board.

Larry Downes stated that he believed that a comprehensive review was done on this project and it received extensive review by the Incentives Committee. He stated the project merited approval for several reasons. The first is that it meets all of the statutory and regulatory requirements for the ERG program. The project has as strong applicant and will provide a net benefit to the State. He stated that all appropriate contingencies were met in order to mitigate risk. He further stated that in terms of economic development, this is a strong project due to the number of jobs created. In conclusion, Mr. Downes stated that the program is truly performance based.

Richard Tolson asked if the remediation has been completed other than what is unknown. Mr. Lizura said that was correct. Mr. Tolson also asked if the project was located in an Urban Enterprise Zone. Mr. Lizura stated that it was not.

Joe McNamara stated that is project is a result of a partnership with the developer that created a financing structure that would work out.

Colleen Kokas asked if the costs represented for remediation were accurate. Mr. Lizura responded that they were an estimate. Ms. Kokas expressed concern that the costs for remediation may be overstated.

**INCENTIVE PROGRAMS**

**ECONOMIC REDEVELOPMENT AND GROWTH PROGRAM**

**ITEM:** Ameream LLC, Meadow Amusement LLC and Affiliates
Economic Redevelopment and Growth Grant Program

**REQUEST:** To approve 1) the application of Ameream LLC, Meadow Amusement LLC and Affiliates for reimbursement of certain taxes for an East Rutherford Borough, Bergen County project under a "state incentive grant" by the EDA pursuant to the Economic Redevelopment and Growth Grant program. The total project costs are estimated to be $2,581,558,701. The total qualified costs under the ERG Act are $2,222,620,183. The recommended reimbursement is 17.55% of the eligible costs, not to exceed $390,000,000; 2) the execution of the State Economic Redevelopment and Growth Grant Agreement among the Authority, the State Treasurer and the Applicant in substantially final form and any assignment agreements necessary to effectuate this transaction, including the assignment of the ERG revenue stream to support bonds; 3) The assignment of an Agreement to Reimburse for Remediation Costs on the amount of 75% of approximately $36,714,411 in remediation costs from the previous developer to the Applicant.

**MOTION TO APPROVE:** Mr. McNamara **SECOND:** Mr. Nelson **AYES:** 12

**RESOLUTION ATTACHED AND MARKED EXHIBIT:** 1
Mr. Sarlo recused himself because his firm has a prior business relationship with the developer.

PUBLIC COMMENT

Mr. Jeff Tittel, Executive Director of the NJ Sierra Club spoke before the board regarding numerous concerns regarding the project including environmental hazards, increased traffic, and energy inefficiencies to the board.

Chairman Koeppe noted Mr. Tittel's concerns and thanked him for his participation, noting that representatives of Triple 5, who were present, would have the benefit of his comments.

Mr. Tony Armlin, Vice President, Development and Construction for Triple 5 thanked the board for its approval of the project today. He stated that the project will become his firm's flagship facility creating tourism and many new jobs. He added that they have an aggressive timeline, with construction rigs on site and would start work today.

There being no further business, on a motion by Mr. Nelson, seconded by Mr. McNamara, the meeting was adjourned at 11:15 a.m.

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.

Kim Ehrlich, Assistant Secretary
MINUTES OF THE MEETING

The next item of business was the approval of the October 8, 2013 regular and November 1, 2013 special meeting minutes. A motion was made to approve the minutes by Mr. Downes, seconded by Mr. Kossoffsky, and was approved by the 13 voting members present.

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

BOND PROJECTS

PROJECT: Kingston Educational Holdings 1, Inc. (or an affiliate) APPL.#38412
LOCATION: Newark City/Essex
PROCEEDS FOR: Construction of new building or addition, acquisition of existing building and purchase of equipment & machinery
FINANCING: $40,000,000 Taxable Qualified School Construction Bond
MOTION TO APPROVE: Mr. Zavaglia SECOND: Mr. Nelson AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1
PROJECT: Uncommon Properties III, LLC APPL.#38413
LOCATION: Newark City/Essex
PROCEEDS FOR: Renovation of existing building
FINANCING: Approximately $6,000,000 Taxable Qualified School Construction Bond (part of an estimated $40 million Taxable Qualified School Construction Bond with APPL.#38415)
MOTION TO APPROVE: Mr. McNamara SECOND: Mr. Kosoffsky AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

PROJECT: Uncommon Properties III, LLC APPL.#38415
LOCATION: Newark City/Essex
PROCEEDS FOR: Renovation of existing building, acquisition of existing building, land, and purchase of equipment & machinery
FINANCING: Approximately $34,000,000 Taxable Qualified School Construction Bond (part of an estimated $40 million Taxable Qualified School Construction Bond with APPL.#38413)
MOTION TO APPROVE: Mr. McNamara SECOND: Mr. Burke AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: The Rumson Country Day School APPL.#38580
LOCATION: Rumson Borough/Monmouth
PROCEEDS FOR: Refinancing
FINANCING: $5,000,000 Tax-exempt bond
MOTION TO APPROVE: Mr. McNamara SECOND: Mr. Kosoffsky AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

PROJECT: Newark City & Two Center Street Urban Renewal, LLC APPL.#38099
LOCATION: Newark City/Essex
PROCEEDS FOR: Building construction
FINANCING: $1,000,000 (Taxable Bond)
MOTION TO APPROVE: Mr. Zavaglia SECOND: Mr. McNamara AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

LOANS/GRANTS/GUARANTEES

DIRECT LOANS

PROJECT: Procedyne Corp APPL.#38626
LOCATION: New Brunswick City/Middlesex
PROCEEDS FOR: Purchase of equipment & machinery
FINANCING: $992,142 loan
MOTION TO APPROVE: Mr. Zavaglia SECOND: Mr. Langer AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5
CAMDEN ECONOMIC RECOVERY BOARD

ITEM: ERB Business Incentive Grant Programs
Status Update
REQUEST: To extend the ERB Business Incentive Grant Programs an additional 12 months through September 30, 2014.
MOTION TO APPROVE: Mr. McNamara SECOND: Mr. Kosoffsky AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

FOR INFORMATION ONLY: Summary of Funding Status for the Petroleum Underground Storage Tank Program and Hazardous Discharge Site Remediation Fund Programs.

ITEM: Summary of Petroleum UST Remediation, Upgrade & Closure Fund Program projects approved by the Department of Environmental Protection.

PROJECT: Jane Cunningham APPL.#38466
LOCATION: Ridgefield Borough/Bergen
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $100,070 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. McNamara AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PROJECT: Dawn Dibella APPL.#38514
LOCATION: Wyckoff Township/Bergen
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $322,835 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Downes AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PROJECT: John P. Seery, Jr. APPL.#38445
LOCATION: Logan Township/Gloucester
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $314,708 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Kosoffsky AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PROJECT: Atlantic City Jitney Association APPL.#38624
LOCATION: Atlantic City/Atlantic
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $614,703 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. McNamara AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7
PROJECT: Tripoli Boccia
LOCATION: Paterson City/Passaic
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $53,757 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Zavaglia AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PROJECT: Butler Foreign Car
LOCATION: Bloomingdale Borough/Passaic
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $264,176 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Kosoffsky AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PROJECT: Anthony Colaluca, Jr.
LOCATION: Middlesex Borough/Middlesex
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $106,107 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. McNamara AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

FOR INFORMATION ONLY: Summary of Petroleum Underground Storage Tank Program projects approved by the Delegated Authority.

HAZARDOUS DISCHARGE SITE REMEDIATION FUND

FOR INFORMATION ONLY: Summary of Hazardous Discharge Site Remediation Fund Program projects approved by the Department of Environmental Protection.

PROJECT: Camden Redevelopment Agency (BDA-Harrison Avenue Landfill)
LOCATION: Camden City/Camden
PROCEEDS FOR: Remedial action
FINANCING: $1,500,000 Hazardous Discharge Site Remediation Fund Grant
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Langer AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PROJECT: Camden Redevelopment Agency (BDA-Harrison Ave Landfill)
LOCATION: Camden City/Camden
PROCEEDS FOR: Remedial action
FINANCING: $1,018,283 Hazardous Discharge Site Remediation Fund Grant
APPROVE: Ms. Kokas SECOND: Mr. Downes AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8
PROJECT: Newark City (Central Steel Drum)  APPL.#38423
LOCATION: Newark City/Essex
PROCEEDS FOR: Remedial investigation
FINANCING: S406,834 Hazardous Discharge Site Remediation Fund Grant
APPROVE: Ms. Kokas  SECOND: Mr. Zavaglia  AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PROJECT: Borough of Somerville (Color Technology)  APPL.#38564
LOCATION: Somerville Borough/Somerset
PROCEEDS FOR: Site investigation, preliminary assessment
FINANCING: $127,351 Hazardous Discharge Site Remediation Fund Grant
APPROVE: Mr. Zavaglia  SECOND: Mr. Langer  AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

INCENTIVE PROGRAMS

ITEM: Revised Incentive Programs – New Jersey Economic Opportunity Act of 2013
APPROVE: Mr. McNamara  SECOND: Mr. Downes  AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

PROJECT: Grant Thornton LLP  APPL.#38533
LOCATION: Edison Township/Middlesex  BUSINESS: Professional Services
GRANT AWARD: 55%  Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Downes  SECOND: Mr. Imperatore  AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PROJECT: Tipico Products Co. Inc.  APPL.#38378
LOCATION: Lakewood Township/Ocean  BUSINESS: Wholesale
GRANT AWARD: 65%  Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Zavaglia  SECOND: Mr. Kosoffsky  AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

ECONOMIC REDEVELOPMENT AND GROWTH PROGRAM

ITEM: Buffalo Pike Associates or Affiliate
P37459- Economic Redevelopment and Growth Grant Program
REQUEST: An extension until June 15, 2014 in order to provide all of the required documentation to execute the ERG agreement.
MOTION TO APPROVE: Mr. Langer  SECOND: Mr. Burke  AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11
ITEM: Williamstown Square Urban Renewal, LLC and Affiliates
P37469- Economic Redevelopment and Growth Grant Program
REQUEST: An extension until October 17, 2014 in order to provide all of the required
documentation to execute the ERG agreement.
MOTION TO APPROVE: Mr. McNamara SECOND: Mr. Burke AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

GROW NEW JERSEY ASSISTANCE PROGRAM

PROJECT: Mastertaste Inc. and affiliates APPL.#38534
LOCATION: Clark Township/Union County
GRANT AWARD: $12,000,000 Grow New Jersey grant, 10 years
MOTION TO APPROVE: Mr. Langer SECOND: Mr. McNamara AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

ANGEL INVESTOR TAX CREDIT PROGRAM

MOTION TO APPROVE: Mr. Kosoffsky SECOND: Mr. Nelson AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

INVESTOR: GHO Ventures, LLC APPL.#38496
TECHNOLOGY BUSINESS: Princeton Power Systems, Inc.
LOCATION: Lawrence Township/Mercer BUSINESS: Renewable Energy
QUALIFIED INVESTMENT: $400,000

INVESTOR: GHO Ventures, LLC APPL.#38615
TECHNOLOGY BUSINESS: Princeton Power Systems, Inc.
LOCATION: Lawrence Township/Mercer BUSINESS: Renewable Energy
QUALIFIED INVESTMENT: $500,000

INVESTOR: GHO Ventures, LLC APPL.#38616
TECHNOLOGY BUSINESS: Princeton Power Systems, Inc.
LOCATION: Lawrence Township/Mercer BUSINESS: Renewable Energy
QUALIFIED INVESTMENT: $500,000

INVESTOR: GHO Ventures, LLC APPL.#38618
TECHNOLOGY BUSINESS: Princeton Power Systems, Inc.
LOCATION: Lawrence Township/Mercer BUSINESS: Renewable Energy
QUALIFIED INVESTMENT: $300,000

INVESTOR: John Christopher Dries APPL.#38547
TECHNOLOGY BUSINESS: Princeton Power Systems, Inc.
LOCATION: Lawrence Township/Mercer BUSINESS: Renewable Energy
QUALIFIED INVESTMENT: $50,000

INVESTOR: Lizabeth H. Zlatkus APPL.#38555
TECHNOLOGY BUSINESS: Edge Therapeutics, Inc.
LOCATION: New Providence Borough/Union BUSINESS: Biotechnology
QUALIFIED INVESTMENT: $25,025
INVESTOR: Marketplace Lofts Limited Partnership  
TECHNOLOGY BUSINESS: Edge Therapeutics, Inc.  
LOCATION: New Providence Borough/Union  
BUSINESS: Biotechnology  
QUALIFIED INVESTMENT: $581,000

INVESTOR: Marshall J. Cohen Family Trust  
TECHNOLOGY BUSINESS: Princeton Power Systems, Inc.  
LOCATION: Lawrence Township/Mercer  
BUSINESS: Renewable Energy  
QUALIFIED INVESTMENT: $225,000

INVESTOR: Widelitz Family Trust  
TECHNOLOGY BUSINESS: Edge Therapeutics, Inc.  
LOCATION: New Providence Borough/Union  
BUSINESS: Biotechnology  
QUALIFIED INVESTMENT: $200,200

URBAN TRANSIT HUB TAX CREDIT PROGRAM

ITEM: Two Center Street Urban Renewal, L.L.C.  
Urban Transit Hub Tax Credit Program  
P37913
REQUEST: To approve the Urban Transit Hub Tax Credit program application for Two Center Street Urban Renewal, L.L.C.
MOTION TO APPROVE: Mr. Downes SECOND: Mr. Kosoffsky AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

BOARD MEMORANDUMS

ITEM: Red Square Foods, Inc. (R & M, LLC)  
$158,852 SLP Participation
REQUEST: To extend the SLP participation loan maturity for 10 years to 11/01/2023 at a fixed rate of the 5-year Treasury plus 1.00% with a floor of 3.0%, with a rate reset at 5 years.
MOTION TO APPROVE: Mr. Zavaglia SECOND: Mr. Imperatore AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

ITEM: 2820 Mt Ephraim Avenue, LLC  
P37149
REQUEST: To approve an additional six month extension of this commitment.
MOTION TO APPROVE: Mr. Kosoffsky SECOND: Mr. Imperatore AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

FOR INFORMATION ONLY: Summary of the projects approved under Delegated Authority in October 2013:

New Jersey Business Growth Fund: Woodbury Investments, LLC (P38579)

Small Business Fund Program: Business Automation Technologies, Inc.  
(P38544)
**REAL ESTATE**

**ITEM:** Sale of Property  
2099 Center Square Road, Logan Township

*THE PROJECT WAS WITHHELD FROM CONSIDERATION*

**OFFICE OF RECOVERY**

**ITEM:** Stronger NJ Neighborhood and Community Revitalization Program  
Streetscape Revitalization Program – Scoring Evaluation

**REQUEST:** To (i) approve the scoring evaluation for project applications received under the Streetscape Revitalization Program established as part of the Stronger NJ Neighborhood and Community Revitalization program; (ii) allow municipalities under the NCR program to apply for funding on both publicly and privately owned properties; and (iii) remove the requirement for municipalities to file a lien on privately owned properties related to the Seaside Disaster.

**MOTION TO APPROVE:** Mr. McNamara  
**SECOND:** Mr. Kosoffsky  
**AYES:** 13  
**RESOLUTION ATTACHED AND MARKED EXHIBIT:** 17

**ITEM:** Stronger NJ Neighborhood and Community Revitalization Program  
Community Loan Fund of New Jersey, Inc. dba New Jersey Community Capital

**REQUEST:** To approve a $500,000 grant under the Stronger NJ Neighborhood and Community Revitalization program to the Community Loan Fund of New Jersey dba New Jersey Community Capital.

**MOTION TO APPROVE:** Mr. Kosoffsky  
**SECOND:** Mr. McNamara  
**AYES:** 13  
**RESOLUTION ATTACHED AND MARKED EXHIBIT:** 18

**ITEM:** Stronger NJ Neighborhood and Community Revitalization Program  
Union County Economic Development Corporation dba UCEDC

**REQUEST:** To approve a $500,000 grant under the Stronger NJ Neighborhood and Community Revitalization program to the Union County Economic Development Corporation.

**MOTION TO APPROVE:** Mr. McNamara  
**SECOND:** Mr. Kosoffsky  
**AYES:** 13  
**RESOLUTION ATTACHED AND MARKED EXHIBIT:** 18
ITEM: Stronger NJ Neighborhood and Community Revitalization Program Cooperative Business Assistance Corporation

REQUEST: To approve a $500,000 grant under the Stronger NJ Neighborhood and Community Revitalization program to the Cooperative Business Assistance Corporation.

MOTION TO APPROVE: Mr. Zavaglia SECOND: Mr. Nelson AYES: 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

ITEM: Stronger NJ Neighborhood and Community Revitalization Program Greater Newark Enterprises Corporation

REQUEST: To approve a $500,000 grant under the Stronger NJ Neighborhood and Community Revitalization program to the Greater Newark Enterprises Corporation.

MOTION TO APPROVE: Mr. Nelson SECOND: Mr. Zavaglia AYES: 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

PROJECT: Thunderball Marketing, Inc. APPL.#38604

LOCATION: Woodbridge Township/Middlesex

PROCEEDS FOR: Working capital

FINANCING: $4,000,000 Stronger NJ Business Loan

MOTION TO APPROVE: Mr. Zavaglia SECOND: Mr. McNamara AYES: 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

AUTHORITY MATTERS

ITEM: Retail Fuel Station – Energy Resiliency Program – Program Guidelines

REQUEST: To review and approve the Program Guidelines for the Retail Fuel Station – Energy Resiliency Program.

MOTION TO APPROVE: Mr. Nelson SECOND: Ms. Kokas AYES: 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

Chairman Koeppe recused himself because he is part of a corporation that has potential to be involved in generator installation.

Mr. Downes recused himself because he is part of a corporation that has potential to be involved in generator installation.
TECHNOLOGY BUSINESS TAX CERTIFICATE TRANSFER PROGRAM

ITEM: Technology Business Tax Certificate Transfer Program
REQUEST: To affirm the Hearing Officer’s report regarding the approval of Symbolic IO Corporation and Midawi Holdings, Inc.; and the declinations of CareKinesis, Inc.; Deltronic Crystal Industries, Inc.; and Vectracor, Inc. and to hold the decisions regarding Absecon Mills, Inc.; and Conolog Corporation pending the outcome of discussions between company representatives and the Hearing Officer.

MOTION TO APPROVE: Mr. Zavaglia  SECOND: Mr. Kosoffsky  AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

Chairman Koepple asked if there were any comments from representatives of the companies.

Mr. Randolph Taylor, President & CEO of Absecon Industries addressed the board and expressed his disappointment with the decision to decline approval of this company. He stated that his company provides protective gear for soldiers. He read a letter from Senator Whelan asking the board to reconsider the decision. He stated that several Senators and Congressman had visited his facility and support the company.

Mr. Marc Benou, President of Conolog Corporation addressed the board and expressed his displeasure with the hearing officer’s recommendation regarding his company. Ms. O’Connell advised that she attempted to gather further information but did not receive a reply from the company.

Chairman Koepple requested that the Hearing Officer meet with the two companies and then return to the Board with a report and recommendation.

EXECUTIVE SESSION

The next item was to adjourn the public session of the meeting and enter into Executive Session to discuss contract negotiations. The minutes will be made public when the need for confidentiality no longer exists.
MOTION TO APPROVE: Mr. Zavaglia  SECOND: Mr. Nelson  AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

The Board returned to Public Session.
PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion Mr. Nelson, and seconded by Mr. McNamara, the meeting was adjourned at 12pm.

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.

Maureen Hassett, Assistant Secretary
MEMORANDUM

TO: Members of the Authority

FROM: Michele A. Brown
Chief Executive Officer

DATE: December 10, 2013

RE: Chief Executive Officer’s Report to the Board

FIRST FIVE GROW NJ PROJECTS UNDER NJ ECONOMIC OPPORTUNITY ACT OF 2013 TO BE CONSIDERED IN THIS MONTH’S AGENDA

The first five projects under the enhanced Grow NJ Assistance Program, amended by the NJ Economic Opportunity Act of 2013, will be presented to the Board for consideration as part of this month’s agenda.

Upon approval, these projects, which include businesses in the consumer services, office management, apparel and digital marketing industries, represent $73.76 million in assistance, the retention of 652 jobs at risk of leaving New Jersey, the creation of an estimated 621 new jobs and an estimated $25.38 million in capital investment.

To update the business community on these enhanced incentive programs, EDA staff continues to reach out through scheduled events and marketing outreach.

NOVEMBER STRONGER NJ BUSINESS GRANT RECIPIENTS INCLUDE TOMS RIVER AND HUDSON COUNTY BUSINESSES

Continuing the Christie Administration’s commitment to the recovery of small businesses in the aftermath of Superstorm Sandy, last month EDA announced the award of Stronger NJ Business Grants to businesses in Toms River, including the Ortley Beach section, and several impacted areas of Hudson County.

The following businesses were among those who received Stronger NJ Business Grants in November: The Woodshop Inc. (Toms River); The Higher Education Technologies (Toms River); Ocean Plumbing and Heating (Ortley Beach); Simple Sam’s Food and Wine (Jersey City); Mid-City Garage (Bayonne); Custom Steel Contractors, Inc. (South Kearny) and Spanish Pavilion Restaurant (Harrison).

In addition to these businesses that received Stronger NJ Business grants, two Stronger NJ Business loan projects will be presented to the Board this month for consideration – Brick
Township-based Susskind and Almallah Eye Associates and Shrewsbury-based McLoone’s Rum Runner.

As you know, Governor Chris Christie called on the EDA to administer a portion of New Jersey’s CDBG Disaster Recovery allocation to support the recovery of impacted businesses.

The Stronger NJ Business Grant program, the first of these CDBG-funded business recovery programs, offers grants of up to $50,000 to New Jersey businesses damaged by the storm. To date, 154 businesses have been approved for grants totaling nearly $7.7 million through the Stronger NJ Business Grant program.

The Stronger NJ Business Loan program, the second of these CDBG-funded business recovery programs, provides loans up to $5 million to businesses located within the nine most impacted counties that either positively impact the economy or their community through capital investment or the creation or retention of jobs; or evidence a minimum of $5,000 in physical damage to real property and/or loss or damage of non-perishable and non-consumable inventory.

**FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY (FMERA) UPDATE**

FMERA continues to move the former Fort’s redevelopment forward. FMERA and the Army are having regular discussions on the future transfer of the balance of the Main Post, under the Phase 2 Memorandum of Agreement (MOA).

FMERA is currently evaluating proposals, in accordance with the Authority’s Sale Rules, for seven Requests for Offers to Purchase (RFOTPs) - Parcel B and the Veterans Community in Eatontown, Officer Housing and Russel Hall in Oceanport and Parcels C, C1 and the Pinebrook Road Commerce Center (former fabrication shops) in Tinton Falls. We hope to have recommendations for the Board of Directors’ consideration in the coming months. In addition, FMERA has issued two RFOTPs - for the Marina in Oceanport and for the Pistol Range in Tinton Falls. Proposals for the Marina are due on January 27, 2014 and proposals for the Pistol Range are due on February 24, 2014. FMERA anticipates issuing RFOTPs for the Charles Wood Area Fire Station in Tinton Falls and the Fitness Center in Oceanport this month. At its November Meeting, the FMERA Board extended the exclusive negotiating period with HovWest Land Acquisition LLC by 60 days, in accordance with the Authority’s sales rules, for Howard Commons in Eatontown. FMERA hopes to have a Purchase Agreement for their Board of Directors’ consideration by January.

FMERA has been holding monthly marketing meetings/conference calls with Cushman & Wakefield, the Authority’s Master Broker, and the Partnership for Action. These calls/meetings have been helpful in furthering the Authority’s marketing effort. In addition, FMERA and Cushman & Wakefield are sponsors of the New Jersey Technology Council’s (NJTTC) Data Summit & Expo at Gibbs Hall, Fort Monmouth on December 12, 2013. NJTTC expects approximately 150 attendees from the technology sector. We are excited about this opportunity to showcase Fort Monmouth.
Langan-Matrix, the Authority’s Environmental Consultant, will make a presentation at the December 18, 2013 Board Meeting to provide an update on the environmental condition of the property.

CLOSED PROJECTS IN NOVEMBER 2013

Through November 30, 2013, EDA has closed financing and incentives totaling more than *$1.1 billion for 148 projects that are expected to support the creation of more than 6,300 new jobs, the support of more than 30,000 existing jobs, including more than 4,200 jobs at risk of leaving New Jersey, and involve total public/private investment of more than *$2.6 billion in New Jersey’s economy.

*The major increase in activity from last month’s report can be attributed to $460.9 million in bond financing provided to NYNJ Link Borrower LLC & NYNJ Link Developer LLC as part of the Goethals Bridge Project – a public private partnership to demolish and remove the existing Goethals Bridge and design, construct, finance, operate and maintain a new replacement Goethals Bridge.

Among the businesses assisted in November:

**Honeywell International Inc.** which executed a $40 million Grow NJ grant to retain 1,061 jobs in Morris Plains which were at risk of leaving New Jersey. Honeywell is a diversified technology and manufacturing company that serves customers worldwide with aerospace products and services as well as control technologies for buildings, homes and industry. This assistance will allow the company to expand in Morris Plains, as opposed to relocating to a competing location in Pennsylvania. This assistance will leverage nearly $100 million in capital investment.

**Precision Custom Coatings LLC,** which executed a $506,250 Business Retention and Relocation Assistance Grant (BRRAG) to retain 225 jobs in Totowa. Precision Custom Coatings is a manufacturer of industrial textile products including coated and uncoated, non-woven and knitted fabrics used in automotive, bedding, filtration and apparel applications. This assistance will enable the company to expand in Totowa, as opposed to relocating to a competing location in Virginia. This assistance will leverage $4.25 million in capital investment.

**Tire Corral of America, LLC,** which closed on a $90,000 guarantee of a PNC Bank loan. Woodbury-based Tire Corral specializes in selling and installing tires to individual and commercial customers, as well as other automotive services. As a result of this assistance, the company expects to create 4 new jobs within two years.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 31 events in November. These included the 5th Annual Sustainable Jersey Awards Luncheon in Atlantic City, the Resources for Mercer Manufacturers event in Ewing and the NJ Entrepreneurs & Tech Startup Meetup in Somerset.
EDA staff also attended events to discuss changes to New Jersey’s business incentives enabled by the New Jersey Economic Opportunity Act of 2013, including the NJ League of Municipalities Conference in Atlantic City, two events hosted by the Elizabeth Development Company at Kean University and the County Plaza Building in Jersey City, and the Choose NJ Site Selector Luncheon in Philadelphia.
AUTHORITY MATTERS
MEMORANDUM

TO: Members of the Authority

FROM: Michele Brown
Chief Executive Officer

RE: 2014 Strategic Business Plan

DATE: December 10, 2013

We are pleased to share with the members the proposed 2014 Strategic Business Plan that has been reviewed by the Policy and Audit Committees and referred to the full Board.

Following this year’s Board Strategic Planning Retreat in July, staff and committee chairs reworked some key aspects of the Plan, namely in the areas of Strategic Imperatives and related Goals. We also agreed on a new operating rhythm to ensure that Strategic Plan discussions are ongoing and collaborative.

The Strategic Imperatives have been modified to reflect evolution in the Authority, while remaining true to our mission. The Imperatives have been re-ordered so that the mission-driven imperative is first and the Authority-centered imperatives follow to create alignment and support.

The revised Strategic Imperatives are:

1) Grow NJ’s economy through financial assistance and partnerships with businesses and municipalities to encourage economic growth, revitalization, and rebuilding;
2) Advance a financially sustainable business platform while focusing on mission driven investments;
3) Expand and improve resources, infrastructure, and processes to better support the effectiveness of EDA programs and initiatives, raise employee engagement and job satisfaction, and ultimately enhance the customer experience.

Under the first Strategic Imperative, several new goals were added to reflect our committee structure and our priorities of small businesses and communities, incentives, community development, and emerging technologies.

From our discussion at the Strategic Planning Retreat and ongoing feedback, we clarified other opportunities in small business lending, real estate functions and the landmark New Jersey Economic Opportunity Act. We have incorporated new objectives related to these
key priorities in our updated plan to ensure relevance, forward-thinking and maximum use of resources.

To leverage the deep expertise of our members, in the second half of 2013 we began to include a Strategic Discussion at each Board Committee meeting. We intend to expand upon these discussions in 2014 by including quarterly reports on progress against the 2014 Strategic Business Plan for the DLRC, Real Estate, and Incentives Committees. These quarterly reports will include progress against measures and an overview of our progress against each goal.

The EDA is committed to achieving our objectives and ensuring we anticipate and meet our customers' needs. The companion Fiscal Plan that is being presented today outlines the staffing and other resources required to achieve our objectives.

Thank you all again, for your enthusiastic participation and commitment to our Strategic Plan process. It is our guide for 2014 and beyond as we endeavor to achieve excellence on behalf of our constituents and stakeholders.

Attachment
Prepared by: Kim Ehrlich
2014 NJEDA STRATEGIC PLAN

Strategic Imperative 1:

Grow NJ’s economy through financial assistance and partnerships with businesses and municipalities to encourage economic growth, revitalization, and rebuilding.

Goal 1: Align EDA’s financial resources, staff capacity, and delivery mechanisms with the needs of small businesses and communities

- Review the Authority’s capacity to manage risk and make adjustments to risk tolerance approach to benefit small businesses
- Engage in a customer-centric approach to financial assistance activities, from a more user friendly website and revised online application to post-closing services
- Focus resources on active premier lenders/local community banks and increase impact to small businesses through Community Development Financial Institutions
- Review and make recommendations to leverage loan products to align with geographic areas emphasized in the New Jersey Economic Opportunities Act
- Leverage awareness of Stronger NJ programs to increase impact to small businesses via the Business Action Center and other partners to ensure maximum use of resources and penetration into target
- Successfully integrate Superstorm Sandy recovery efforts into core business functions.

Measure: Approve $250 million in financial support for Sandy recovery activities to small businesses and communities

Measure: Provide $30 million in assistance through approved loans to small businesses

Goal 2: Leverage opportunities presented by the New Jersey Economic Opportunities Act for greater urban impact and industry focus

- Successfully launch new incentive programs and manage implementation, including post-launch policy and administration considerations
- Manage reputational risk and fiduciary responsibility through a transparent user-friendly application and underwriting process
- Develop informational and marketing materials customized to targeted areas and industries
- Ensure stakeholder awareness of new programs through communications and outreach plan.
**Goal 3: Leverage partnerships with municipalities to advance community development in targeted areas**

- Define a process utilizing Business Development and Real Estate resources to identify and complete Community Development projects with a clear exit strategy
- Implement Equity Investment Fund for community development real estate projects to leverage existing EDA resources
- Advance core projects that will provide a service to other State agencies while providing revenue to the EDA
- Partner with FMERA to advance identified projects at Fort Monmouth to assist with FMERA’s goal of asset monetization
- Further focus on Camden, Trenton, Passaic, and Paterson utilizing the tools provided in the New Jersey Economic Opportunities Act and continue to leverage partnerships and create linkages with agencies, such as the Department of Labor, the Department of Community Affairs and the Business Action Center, to create synergies and maximize impact in these communities.

**Measure**: Develop and launch an Equity Fund product by end of 2nd Q

**Measure**: Publicly advertise a Notice of Interest for development opportunities for EDA owned land on the Camden Waterfront by end of 2nd quarter

**Goal 4: Provide resources to meet the needs of emerging technology companies by supporting strategic partners**

- Capitalize on urban-centric technology employment trends by advancing an investment strategy and fostering accelerators in urban areas
- Collaborate with equity partners to identify additional capital resources needed for the marketplace
- Evaluate risk tolerance approach for emerging technology investments and lending to preserve capital while fulfilling segment need for technical assistance and matchmaking
- Continue to refine partnerships with key entities, such as the NJ Council on Innovation, the Secretary of Higher Education and the Business Action
Center to identify, develop and support the needs of emerging technology companies and to develop stronger ties with business and academia.

**Measure:** Provide $10 million in support of technology companies

**Strategic Imperative 2:**
*Advance a financially sustainable business platform while focusing on mission driven investments*

**Goal 1: Opportunistically deploy assistance that supports a sustainable business platform**

- Maintain a sustainable financial model to ensure the EDA’s ability to support mission driven projects and policies and to guide targeted productivity
- Develop an integrated risk management plan to determine decision making and investments
- Continue with strategy of the sale of non-mission critical Authority owned real estate assets

**Measure:** Sale of one non-mission critical asset

**Measure:** Invest in two identified economic development activities that have earning potential, such as limited investments in mixed use projects or ventures

**Goal 2: Generate increased operating revenues while outpacing increases in expenses**

- Ensure that fees and asset earnings meet program costs and expenses while maintaining EDA’s mission and focus on small businesses
- Continue efforts to minimize the increase to asset management costs.

**Measure:** Limit increases of controllable asset management costs to 3.5% over 2013 budget

**Measure:** Grow top line revenue by 10%
**Goal 1: Strengthen existing staff capacity and embrace new methodologies for recruiting outside talent**

- Conduct internal talent reviews to determine key positions critical to execution of EDA strategy
- Identify and deliver targeted leadership and professional development sessions
- Maintain a long-term focus on learning agility, for both existing staff and new hires
- Adopt the concept of “constant recruiting” using multiple staff members, increase usage of social media to increase candidate awareness, partner with colleges and universities to cultivate effective recruiting sources, and strive to create a more diverse and dynamic workforce
- Apply EDA policies openly, fairly, and consistently
- Ensure that the business model addresses the changing external environment by creating an HR strategy to assess organizational competency that includes change identification, employee awareness and commitment, coaching, learning and performance management.

**Measure**: Create a comprehensive training plan to include leadership development, technical skills, and soft skills by the end of Q1. Communicate opportunities to staff during Q2. Source, plan, and implement during second half of 2014.

**Measure**: Enter into partnerships with 2 local colleges and universities to attract new talent by end of year. Create 2 new relationships with organizations that focus on the needs of diverse professionals in order to improve workforce demographics by end of year.

**Goal 2: Leverage internal talent to create value through process improvement initiatives**

- Examine existing business processes for efficiency and make recommendations for change
- Revitalize existing business continuity and disaster recovery plans
- Research best practices in government records management and retention. Begin planning a records management governance model.
Measure: Form a cross-functional team to create project selection criteria in developing a “Project Selection and Identification” (Gating) process and by the end of Q1

Measure: Create an inventory of higher value/lower risk projects by the end of Q2

Measure: Refresh existing disaster recovery plans by the end of Q3. Communicate plan locations, content, and maintenance strategy by the end of 2014

Goal 3: Continue the multi-year goal of implementing the new Enterprise Resource Planning/Loan Management System, improve secure network and data access, and revitalize IT policy

- Build the Project Management Team to support the existing State Contract Project Manager
- Complete Phase II of the project: Installation and initial system development and configuration
- Research and begin to implement best practices for remote network access and mobile device usage
- Refresh and create clear and thorough IT policies and communicate enhancements to all employees.

Measure: Source ERP system development vendor and execute contract during Q1. Create a development environment and deploy “out of box” ERP solution and new loan module during Q2. Implement workflows for loan module and configure 50% of ERP during Q3. Final configuration of ERP and begin loan management data migration by end of 2014. Further customization, testing, and training, with go-live dates in 2015.

Measure: Research, craft, and disseminate a comprehensive set of IT policies in 2014 – to include decision on standards for remote user access to EDA’s systems and data during the first half of 2014. Begin implementation, create new policies and communicate to staff and user groups by end of year.
report that the FY14 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 134 by year-end; therefore, the FY14 Plan provides for 10 vacant positions at an average fully-loaded cost of roughly $112,000 each. As noted, many of these vacancies have been tailored to reflect the anticipated volume of incentive financing activity.

Also reflected are the following benefit expense items:

- While the EDA contribution to PERS increases in the aggregate over FY13, the amount reflected in the Plan is below last year, as the obligation is now being spread among the anticipated 40 staff in the Office of Recovery. That portion will be a reimbursable fringe item;
- Estimated post-employment benefit of $814,000 is actuarially established;
- Health insurance premiums increased, on average, 8.5% depending on plan and level of coverage selected, however, approx 20.6% of total premiums are expected to be paid by employees, up from 11.8% in the FY13 Plan.

Program Costs represent expenditures that align with specific programs, projects, and initiatives. At $6,860,000, the FY14 Plan provides for an increase of 12% over FY13 Projected, and is attributable to anticipated feasibility costs of $500,000, related to two State projects in the cities of Trenton and Cape May ($375,000 and $125,000, respectively).

In summary, management believes the compilation of the FY14 Fiscal Plan has been a collective process that interrelates with and supports the FY14 Business Plan. At its meeting of November 15th, the Plan was reviewed by the Audit Committee which concurred it is fiscally responsible and aligns with the FY14 Business Plan; accordingly, Board’s approval is requested.

Prepared by:

Richard LoCascio, CPA
Director – Accounting & Financial Reporting
## NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

### 2014 FISCAL PLAN

<table>
<thead>
<tr>
<th>Operating Revenue:</th>
<th>2013 Actual</th>
<th>2013 Projected</th>
<th>Actual Over/(Under) Plan</th>
<th>% Variance</th>
<th>2014 Fiscal Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing Fees</td>
<td>$6,786,000</td>
<td>$6,053,200</td>
<td>($732,800)</td>
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<td>$12,171,000</td>
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<td>Lease Revenue</td>
<td>4,704,000</td>
<td>5,137,900</td>
<td>343,900</td>
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<td>5,281,000</td>
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<td>Interest from Notes</td>
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<td>5,500,000</td>
<td>200,000</td>
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<td>Agency Fees</td>
<td>1,830,000</td>
<td>1,048,300</td>
<td>(781,700)</td>
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<td>882,000</td>
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<tr>
<td>Program Services</td>
<td>1,044,500</td>
<td>951,700</td>
<td>(92,800)</td>
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<td>1,246,500</td>
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<td>Venture Fund Distributions/Warrants</td>
<td>650,000</td>
<td>1,258,000</td>
<td>(608,000)</td>
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<td>250,000</td>
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<td>Real Estate Development Fees</td>
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<td>928,800</td>
<td>(826,700)</td>
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<td>1,498,000</td>
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<td>Sale of Assets</td>
<td>1,375,000</td>
<td>990,000</td>
<td>(385,000)</td>
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<td>180,000</td>
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<tr>
<td>Late Fees and Other</td>
<td>50,000</td>
<td>25,000</td>
<td>(25,000)</td>
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<td>50,000</td>
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<tr>
<td><strong>Total Operating Revenue</strong></td>
<td>23,591,000</td>
<td>22,492,900</td>
<td>(1,098,100)</td>
<td>-4.7%</td>
<td>26,859,500</td>
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<table>
<thead>
<tr>
<th>Non Operating Revenue:</th>
<th>2013 Actual</th>
<th>2013 Projected</th>
<th>Actual Over/(Under) Plan</th>
<th>% Variance</th>
<th>2014 Fiscal Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest from Cash Investments</td>
<td>2,300,000</td>
<td>2,403,000</td>
<td>103,000</td>
<td>4.5%</td>
<td>2,875,000</td>
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<tr>
<td><strong>Total Non Operating Revenue</strong></td>
<td>2,300,000</td>
<td>2,403,000</td>
<td>103,000</td>
<td>4.5%</td>
<td>2,875,000</td>
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</tbody>
</table>

| Total Revenue | 25,891,000 | 24,895,900 | (995,100) | -3.8% | 29,734,500 |

<table>
<thead>
<tr>
<th>Administrative Expenses</th>
<th>2013 Actual</th>
<th>2013 Projected</th>
<th>Actual Over/(Under) Plan</th>
<th>% Variance</th>
<th>2014 Fiscal Plan</th>
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<tr>
<td>Personnel and Benefits</td>
<td>16,086,000</td>
<td>14,657,500</td>
<td>(1,428,500)</td>
<td></td>
<td>16,730,000</td>
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<td>General and Administrative</td>
<td>2,024,600</td>
<td>1,742,900</td>
<td>(271,700)</td>
<td></td>
<td>2,135,000</td>
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<tr>
<td><strong>Total Administrative Expenses</strong></td>
<td>19,110,600</td>
<td>16,400,400</td>
<td>(150,200)</td>
<td>-0.8%</td>
<td>18,865,500</td>
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<table>
<thead>
<tr>
<th>Costs &amp; Losses</th>
<th>2013 Actual</th>
<th>2013 Projected</th>
<th>Actual Over/(Under) Plan</th>
<th>% Variance</th>
<th>2014 Fiscal Plan</th>
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<tbody>
<tr>
<td>Interest</td>
<td>241,400</td>
<td>241,400</td>
<td></td>
<td></td>
<td>132,000</td>
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<tr>
<td>Cost of Assets Sold</td>
<td>165,000</td>
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<td>165,000</td>
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<tr>
<td>Program</td>
<td>5,974,000</td>
<td>5,124,905</td>
<td>(849,05)</td>
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<td>6,860,000</td>
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<tr>
<td><strong>Total Costs</strong></td>
<td>6,380,400</td>
<td>6,366,305</td>
<td>(15,105)</td>
<td>-0.2%</td>
<td>7,157,000</td>
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</tbody>
</table>

| Total Expenses & Costs | 25,391,000 | 23,766,700 | (1,624,300) | -6.4% | 27,020,500 |

| Net Operating Earnings | $500,000 | $1,129,195 | $629,195 | 125.8% | $2,714,000 |

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### CASH TRANSACTIONAL ITEMS

<table>
<thead>
<tr>
<th>Operating Revenue:</th>
<th>2014 Fiscal Plan</th>
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<tbody>
<tr>
<td>FMERO Staff Reimbursement</td>
<td>$1,246,500</td>
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<tr>
<td>Loss recoveries</td>
<td>336,100</td>
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<tr>
<td><strong>Total Operating Revenue</strong></td>
<td>1,582,600</td>
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<table>
<thead>
<tr>
<th>Administrative Expenses</th>
<th>2014 Fiscal Plan</th>
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<tr>
<td>FMERO Personnel &amp; Benefits</td>
<td>1,246,500</td>
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<tr>
<td>Office of Recovery Personnel &amp; Benefits</td>
<td>873,800</td>
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<tr>
<td>Disaster Recovery A-131 Audit</td>
<td>30,000</td>
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<td>ERP Procurement</td>
<td>240,000</td>
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<table>
<thead>
<tr>
<th>Program Costs</th>
<th>2014 Fiscal Plan</th>
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<tr>
<td>FMERO Deputy AG Fees</td>
<td>275,000</td>
</tr>
<tr>
<td>Fort Monmouth Tech Centre</td>
<td>50,000</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>300,000</td>
</tr>
</tbody>
</table>

| **Total Expenses & Costs** | 2,811,500 | 2,831,200 | 19,700 | 0.7% | 2,928,200 |

| Net Cash Transactional Items | ($865,000) | ($1,311,900) | ($446,900) | ($7,911,000) |
### Revenue Detail

#### Financing Fees
<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Actual</th>
<th>2013 Projected</th>
<th>2014 Fiscal Plan</th>
<th>Variance</th>
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<tr>
<td>Application Fees</td>
<td>$615,000</td>
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<td>($15,000)</td>
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<tr>
<td>Bond Closing Fees-Private</td>
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<td>$600,000</td>
<td>$600,000</td>
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<tr>
<td>Bond Closing Fees-State</td>
<td>$600,000</td>
<td>$600,000</td>
<td>($600,000)</td>
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<tr>
<td>Bond Closing Fee - Port Authority</td>
<td>$300,000</td>
<td>$588,000</td>
<td>288,000</td>
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<tr>
<td>Bond refunding Fees-Private</td>
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<td>$175,000</td>
<td>$123,000</td>
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<tr>
<td>Bond refunding Fees-State</td>
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<td>$300,000</td>
<td>$300,000</td>
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<tr>
<td>Commitment Fees Credit</td>
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<td>Loan Closing Fees Credit</td>
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<td>$45,000</td>
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<td>Guarantee Closing Fees</td>
<td>$226,000</td>
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<td>($150,000)</td>
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<tr>
<td>Real Estate (P3) Closing Fees</td>
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<tr>
<td>Commitment Fees BEIP</td>
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<td>$29,000</td>
<td>($33,000)</td>
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<tr>
<td>Commitment Fees BRRAG</td>
<td>$342,000</td>
<td>$48,500</td>
<td>($293,500)</td>
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<tr>
<td>Closing Fees BEIP</td>
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<td>$175,700</td>
<td>$43,700</td>
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<td>Angel Tax Credit Approval Fees</td>
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<td>GROW NJ Approval Fees</td>
<td>$396,000</td>
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<td>Hub Tax Credit Approval Fees</td>
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<td>Hub Tax Credit Issuance Fees</td>
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<td>Other</td>
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#### Lease Revenue
<table>
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<tr>
<th>Description</th>
<th>2013 Actual</th>
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<tbody>
<tr>
<td>NY Daily News</td>
<td>$119,000</td>
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<td>Commercialization Ctr &amp; Expansion</td>
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<tr>
<td>IDEA</td>
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<td>Technology Centre of NJ</td>
<td>$2,282,000</td>
<td>$2,343,900</td>
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<td>Waterfront Tech Ctr at Camden</td>
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<td>$1,992,000</td>
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<td>Total Lease Revenue</td>
<td>4,794,000</td>
<td>5,137,900</td>
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#### Agency Fees
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<td>Board of Public Utilities Clean Energy</td>
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<td>Historic Trust Fund</td>
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<td>NJ Local Development Financing Fund</td>
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#### Program Services
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<th>2014 Fiscal Plan</th>
<th>Variance</th>
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<td>BEIP Service Fees</td>
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<tr>
<td>BRRAG Service Fees</td>
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<td>HUB Tax Transfer Fee</td>
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<td>Municipal Economic Recovery Initiative</td>
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<td>Public/Private Partnership</td>
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<td>Tech Ctr Allocation</td>
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<td>SWM Business Service Fees</td>
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#### Real Estate Development and Mgt Fees

### Development Fees
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<tr>
<td>Camden Prison</td>
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<td>($100,000)</td>
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<td>Greystone</td>
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<td>($50,000)</td>
<td>$50,000</td>
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<tr>
<td>Merial</td>
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<td>($150,000)</td>
<td>$150,000</td>
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<tr>
<td>IMAX Site</td>
<td>$10,000</td>
<td>($10,000)</td>
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<td>New Brunswick Cultural Center (NBCC)</td>
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<td>($40,000)</td>
<td>$40,000</td>
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<tr>
<td>HCFAA</td>
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<td>Technical Assistance - Rowan U.</td>
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<td>State Police Barracks</td>
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<td>Total Development Fees</td>
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### Management Fees
<table>
<thead>
<tr>
<th>Description</th>
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<th>Variance</th>
</tr>
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<tr>
<td>Aquarium</td>
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<td>$631,900</td>
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<td>NJ Performing Arts Center</td>
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<td>State Office Buildings</td>
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<tr>
<td>Technology Center of NJ</td>
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<td>Waterfront Tech Parking Lot</td>
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<td>910,500</td>
<td>928,800</td>
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Total RE Development&Mgt Fees: $1,755,500
## NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

### 2014 Fiscal Plan

#### Administrative Expenses

<table>
<thead>
<tr>
<th></th>
<th>2013 Approved Plan</th>
<th>2013 Projected</th>
<th>Actual</th>
<th>Over/(Under)</th>
<th>% Variance</th>
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<tr>
<td><strong>SALARY EXPENSE</strong></td>
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<tr>
<td></td>
<td>$10,854,000</td>
<td>$9,893,200</td>
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<td>($960,800)</td>
<td>-8.9%</td>
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<td><strong>FRINGE BENEFITS</strong></td>
<td></td>
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<tr>
<td>Social Security</td>
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<td>705,000</td>
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<td>Pension Costs</td>
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<td>1,091,000</td>
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<td>Non-health related Ins.</td>
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<td>148,500</td>
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<td>183,500</td>
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<td>Health Insurance</td>
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<td>1,735,000</td>
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<td>(261,000)</td>
<td>2,243,000</td>
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<tr>
<td>Less: Employee Contri bution</td>
<td>(300,000)</td>
<td>(299,200)</td>
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<td>(800)</td>
<td>(464,000)</td>
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<td>814,000</td>
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<td>Prescription Ins.</td>
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<td>Vision Care</td>
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<td>14,000</td>
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<td>21,000</td>
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<tr>
<td><strong>TOTAL FRINGE BENEFITS</strong></td>
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<td>4,764,300</td>
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<td>(467,700)</td>
<td>-8.9%</td>
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<tr>
<td><strong>TOTAL PERSONNEL AND FRINGE</strong></td>
<td>$16,086,000</td>
<td>$14,657,500</td>
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<td>($1,428,500)</td>
<td>-8.9%</td>
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</tbody>
</table>

|                      |                    |                |        |              |            |
| Total Salaried Employees | 138                | 134            |        | (4)          | 144        |

| **2014 Fiscal Plan** |                    |                |        |              |            |
|                      | $16,730,000        |                |        |              |            |

- The table above outlines the 2013 approved, projected, and actual administrative expenses for the New Jersey Economic Development Authority. The table also includes the over/(under) plan and the percentage variance for each category.

- The total personnel and fringe for the year 2014 is $16,730,000, with a total of 144 employees.
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
2014 Fiscal Plan  
Administrative Expenses

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Part-time Employees</td>
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<td>$20,000</td>
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<td>$38,000</td>
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<td>Publications &amp; Subscriptions</td>
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<td>13,700</td>
<td>500</td>
<td>77,000</td>
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<td>Local Travel &amp; Meetings</td>
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<th>Contract Services</th>
<th>2013 Financial Audit</th>
<th>2013 HR Consultation</th>
<th>2013 Governor's Authorities Unit Assessment</th>
<th>2014 Fiscal Plan</th>
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<td>(500)</td>
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<td>Furniture/Equipment lease/purchase</td>
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<td>Stationary &amp; Supplies</td>
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<table>
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<td>90,000</td>
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<tr>
<td>Janitorial</td>
<td>157,000</td>
<td>132,000</td>
<td>(25,000)</td>
<td>119,000</td>
<td>119,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes/PILOT</td>
<td>59,000</td>
<td>59,000</td>
<td></td>
<td>60,000</td>
<td>60,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grounds</td>
<td>47,000</td>
<td>42,000</td>
<td>(5,000)</td>
<td>51,000</td>
<td>51,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking Lot</td>
<td>20,300</td>
<td>14,200</td>
<td>(6,100)</td>
<td>64,000</td>
<td>64,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mechanical Maintenance</td>
<td>109,600</td>
<td>73,700</td>
<td>(35,900)</td>
<td>108,800</td>
<td>108,800</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL BUILDING MANAGEMENT</strong></td>
<td>597,900</td>
<td>526,400</td>
<td>(71,500)</td>
<td>-12.0%</td>
<td>615,300</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility Management</td>
<td>32,000</td>
<td>29,000</td>
<td>(3,000)</td>
<td>-9.4%</td>
<td>31,000</td>
<td>31,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Gen'l &amp; Admin. Expense</th>
<th>2013 $2,924,600</th>
<th>2013 $2,742,900</th>
<th>2013 ($181,700)</th>
<th>2014 Fiscal Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL ADMINISTRATIVE (Excl FM/OR)</strong></td>
<td>$19,010,600</td>
<td>$17,400,400</td>
<td>($1,610,200)</td>
<td>-8.5%</td>
</tr>
</tbody>
</table>
## 2014 FISCAL PLAN

### Program Cost Detail

<table>
<thead>
<tr>
<th></th>
<th>2013 Fiscal Plan</th>
<th>2013 Projected Actual</th>
<th>Actual Over/(Under) Plan</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Asset Management</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Fees</td>
<td>$1,041,600</td>
<td>$1,247,800</td>
<td>$206,200</td>
<td>$1,171,000</td>
</tr>
<tr>
<td>Maintenance and Repair</td>
<td>167,000</td>
<td>212,000</td>
<td>45,000</td>
<td>112,500</td>
</tr>
<tr>
<td>Rent</td>
<td>1,234,700</td>
<td>1,105,200</td>
<td>(129,500)</td>
<td>1,133,000</td>
</tr>
<tr>
<td>Taxes and PILOT</td>
<td>461,500</td>
<td>505,200</td>
<td>43,700</td>
<td>661,500</td>
</tr>
<tr>
<td>Tenant Billing System</td>
<td>50,000</td>
<td>57,500</td>
<td>7,500</td>
<td>20,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>1,136,300</td>
<td>1,163,205</td>
<td>26,905</td>
<td>1,101,000</td>
</tr>
<tr>
<td><strong>Total Asset Management</strong></td>
<td>$4,091,100</td>
<td>$4,345,905</td>
<td>$254,805</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

| **Outreach**         |                  |                       |                          |          |
| Contracts            | 400,000          | 325,000               | (75,000)                 | 400,000  |
| Outreach Support     | 30,000           | 35,000                | 5,000                    | 40,000   |
| Events & Sponsorship | 60,000           | 60,000                |                          | 60,000   |
| List Rental/Postage  | 10,000           | (10,000)              |                          |          |
| **Total Outreach**   | 500,000          | 420,000               | (80,000)                 | -16.0%   | 500,000 |

| **Consultation/Legal** |                  |                       |                          |          |
| Deputy AG Contracted Fees (Excl. FMERO) | 725,000 | 800,000 | 75,000 | 865,000 |
| BEIP iDMS Programming | 75,000          | 195,000               | 120,000                  | 150,000  |
| Camden Waterfront Survey | 35,000        | (35,000)              |                          | 35,000   |
| Urban/Real Estate Advisory Services | 200,000 | (200,000) | 500,000 |
| **Total Feasibility Consultation** | $1,035,000 | $995,000 | (40,000) | -3.9% | 1,550,000 |

| **Services**         |                  |                       |                          |          |
| Appraisals of Collateral | 25,000         | 4,500                 | (20,500)                 | 25,000   |
| Credit Reporting Services | 10,000        | 8,000                 | (2,000)                  | 10,000   |
| Realtor Commissions  | 13,000           | 61,000                | 48,000                   | 260,000  |
| **Total Services**   | 48,000           | 73,500                | 25,500                   | 53.1%    | 295,000 |

| **Insurance**        |                  |                       |                          |          |
| Property & Liability Insurance | 175,000 | 170,000 | (5,000) | 184,000 |
| **Total Insurance**  | 175,000          | 170,000               | (5,000)                  | -2.9%    | 184,000 |

| **Other**            |                  |                       |                          |          |
| Camden Waterfront Landscaping | 22,000 | 22,000 | 22,000 |
| Debt Servicing       | 29,900           | 24,500                | (5,400)                  | 30,000   |
| Filing Fees          | 6,000            | 6,000                 |                          | 6,000    |
| Program Related Travel & Meetings | 55,000 | 40,000 | (15,000) | 50,000 |
| Searches-Titles, Leins, Property | 2,000 | 5,000 | 3,000 |
| Other                | 10,000           | 23,000                | 13,000                   | 12,000   |
| **Total Other**      | 124,900          | 120,500               | (4,400)                  | -3.5%    | 125,000 |

### Total Program Costs

|                      | $5,974,000        | $6,124,905            | $150,905                 | 2.5%     | $6,860,000 |

COMBINATION PRELIMINARY AND BOND RESOLUTIONS
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Yeshiva Orchos Chaim, Inc.  P38738
PROJECT USER(S): Same as applicant  * - indicates relation to applicant
PROJECT LOCATION: Various  Lakewood Township  Ocean County
GOVERNOR'S INITIATIVES:
(X) Urban  () Edison  () Core  () Clean Energy

APPLICANT BACKGROUND:
Yeshiva Orchos Chaim, Inc., a 501(c)(3) not-for-profit organization established in 2001, is a boy's elementary school on Oberlin Avenue with 985 students in grades kindergarten through eighth. Bnos Orchos Chaim is a girl's school with 300 students that currently goes up to fifth grade on Chestnut Street in Lakewood. The schools have experienced exponential growth, starting with 87 boys in a rented facility. Mr. Joseph Teichman is the President of the organization. The project is currently being reviewed by the Attorney General's office relating to the First Amendment's Establishment Clause.

The Authority closed a $6 million tax-exempt bond (P28879) for Yeshiva Orchos Chaim on July 12, 2010, with a 25 year term, at a 4.7% fixed rate. The Bond proceeds were used to consolidate existing bank and private debt used to acquire land and building and construct the addition to the Oberlin Ave School and the addition to the Chestnut Street School.

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

APPROVAL REQUEST:
Authority assistance will enable the Applicant to payoff an existing $4.5 million TD Bank loan, $500,000 TD Bank Time Loan and bond issuance costs.

FINANCING SUMMARY:

BOND PURCHASER: TD Bank (Direct Purchase)

AMOUNT OF BOND:

<table>
<thead>
<tr>
<th>Series A</th>
<th>Series B</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,856,000 Tax-Exempt Bond</td>
<td>$2,244,000 Tax-Exempt Bond</td>
</tr>
</tbody>
</table>

TERMS OF BOND:

- 25 years; fixed rate for the first 10 years; subject to a call option and rate reset at each 10th anniversary based on the tax-exempt equivalent of the then existing 10 Year U.S. Treasury Note plus 240 basis points, with a floor of 5.10% prior to converting to a tax-exempt equivalent. The current tax-exempt equivalent is 3.1% as of December 2, 2013.

ENHANCEMENT: N/A

PROJECT COSTS:

| Refinancing | $5,000,000 |
| Finance fees | $65,000 |
| Legal fees | $35,000 |
TOTAL COSTS
$5,100,000

JOBS: At Application 78  Within 2 years 10  Maintained 0  Construction 0

PUBLIC HEARING: 12/10/13 (Published 11/26/13)  BOND COUNSEL: Wolff & Samson
DEVELOPMENT OFFICER: T. Gill  APPROVAL OFFICER: M. Krug
LOANS/GRANTS/GUARANTEES
STRONGER NJ BUSINESS LOAN PROGRAM
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STRONGER NJ BUSINESS LOAN PROGRAM PROGRAM

APPLICANT: Atlantis Realty Associates, LLC

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 909 Cedarbridge Avenue

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

APPLICANT BACKGROUND:
Susskind and Almallah Eye Associates, PC ("SAEA" or "the Company") is a surgical optometry practice that was formed in 1962. The Company has been under the control of the current owner, Dr. Omar Almallah, since 1986. SAEA currently has five locations (Marlboro, Toms River, Whiting, Barnegat and Brick) with 22 full-time and 10 part-time employees. Atlantis Realty Associates, LLC ("ARA") is a related real estate holding company that owns three of the properties (Marlboro, Toms River and Brick) that are occupied by SAEA. The Toms River and Brick locations were impacted by Superstorm Sandy. Of note, ARA did not own the Brick location at the time of the storm. It purchased the property July of 2013 for $800,000 and is now seeking to complete renovations totaling $2.56 million. In addition, the Company will purchase $200,000 of equipment and fixtures. ARA has requested a $2.39 million loan, which will be used in combination with $370,000 of equity to complete the project.

APPROVAL REQUEST:
Approval is requested for a $2,390,000 construction loan under the Stronger NJ Business Loan Program as proposed.

FINANCING SUMMARY:
LENDER: NJEDA
AMOUNT OF LOAN: $2,390,000
TERMS OF LOAN: EDA Funding - 24 months of 0% interest followed by 18 years of interest payments based on the 5-year Treasury rate with a rate reset at the end of the eighth year. During the first 24 months no principal payments are due followed by 18 years of principal payments in an amount to fully amortize the loan.

PROJECT COSTS:
Construction of new building or addition $2,560,000
Purchase of equipment & machinery $200,000

TOTAL COSTS $2,760,000

JOBS: At Application 22 Within 2 years 2 Maintained 22 Construction 27

DEVELOPMENT OFFICER: V. Pepe
APPROVAL OFFICER: S. Brady
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STRONGER NJ BUSINESS LOAN PROGRAM PROGRAM

APPLICANT: Shrewsbury River, Inc. P38636
PROJECT USER(S): Shrewsbury River Associates *
* - indicates relation to applicant
Shrewsbury River, Inc.
PROJECT LOCATION: 16 Ocean Avenue Sea Bright Borough (N) Monmouth
GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Shrewsbury River, Inc. dba McLoone's Rum Runner is an upscale waterfront restaurant located on the Shrewsbury River in Sea Bright, NJ. The building was destroyed in Superstorm Sandy and the applicant is requesting $3,000,000 to rebuild. Timothy McLoone, the majority owner, is seeking a 30-year amortization. Currently, Timothy McLoone is the majority owner in 7 additional bar/restaurants on the Jersey shore. McLoone's Rum Runner has been named by NewJersey.com as the best upscale bar with waterviews. McLoone's is best known for its great water views and its Boathouse Deck outdoor dining. Their piano bar has been voted #1 on the Jersey shore for many years.

APPROVAL REQUEST:
A $3,000,000 30-year term loan to finance construction costs under the Stronger NJ Business Loan program is requested.

FINANCING SUMMARY:
LENDER: NJEDA
AMOUNT OF LOAN: $3,000,000
TERMS OF LOAN: Interest for the first 24 months of the loan term will be 0%, followed by 336 months of interest payments at a fixed rate set at closing equal to the average five (5) year US Treasury rate as published by the Federal Reserve the week prior to closing of the Loan (Indicative rate as of November 22, 2013 = 1.37%). The interest rate will reset for each 10-year period thereafter based on the then prevailing average five (5) year US Treasury rate as publishing by the Federal Reserve the week prior to the end of each 10-year period. There will be a 24-month principal moratorium followed by 336 months of equal principal payments.

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of new building or addition</td>
<td>$4,305,000</td>
</tr>
<tr>
<td>Working capital</td>
<td>$195,585</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>$4,500,585</td>
</tr>
</tbody>
</table>

JOBS: At Application 0 Within 2 years 30 Maintained 0 Construction 36

DEVELOPMENT OFFICER: H. Friedberg APPROVAL OFFICER: T. Bossert
DIRECT LOANS
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - DIRECT LOAN PROGRAM

APPLICANT: Vish LLC
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 605 Jersey Ave, North Brunswick Township (Middlesex)
GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Vish, LLC ("Vish" or "Company") was founded in 2004 by Vishal and Shiv Kukreja. Vish is primarily a plastic recycler and processor. Vish purchases recyclable plastics from various companies through the creation of recycling programs, then sorts and processes the material into a usable form by the end purchaser.

The proceeds of this loan will refinance some equipment that was purchased at the end of 2012, which was financed under the Company's line of credit and to finance some additional equipment.

The Authority currently participates in a mortgage to Akcorp, a real estate holding company that has common ownership. This loan has been handled as required.

APPROVAL REQUEST:
Approve a $700,000 direct term loan.

FINANCING SUMMARY:
LENDER: NJEDA
AMOUNT OF LOAN: $700,000
TERMS OF LOAN: 10-Year Term/10-Year Amortization
Fixed rate of 5-Year UST + 150bps, with a floor of 3%, rate reset after the 5th year at the same index.

PROJECT COSTS:

| Refinancing | $571,355 |
| Purchase of equipment & machinery | $128,645 |
| Finance fees | $13,325 |

TOTAL COSTS $713,325

JOBS: At Application 18 Within 2 years 20 Maintained 18 Construction 0

DEVELOPMENT OFFICER: T. Gill
APPROVAL OFFICER: J. Wentzel
APPLICANT: Eastern Nursing Services I, Inc. and Eastern Nursing Services II, P38699

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

PROJECT LOCATION: 60 Park Place Newark City (T/UA) Essex

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

APPLICANT BACKGROUND:
Eastern Nursing Services I, Inc. ("ENSI" or "the Company") was formed in 1994 by the current owners, Charles Nuzzo and Rosemarie Malpero. The Company provides personal care services including grocery shopping, meal preparation, light housekeeping, and in-home skilled nursing care including but not limited to wound care, injections, IV infusions and tube feeding. Eastern Services II, Inc. ("ENSII") is a common ownership company that was formed in 1997 and provides the staffing for ENSI. The companies are located in Newark and have a total of more than 650 part-time employees.

ENSI is seeking a $400,000 line of credit from The Provident Bank ("Provident") for working capital needs. Provident has approved the line of credit contingent upon a 50% EDA guarantee under the Main Street Program.

APPROVAL REQUEST:
Approval is requested for a 50% line of credit guarantee not to exceed $200,000 under the Main Street Program as proposed.

FINANCING SUMMARY:
LENDER: The Provident Bank

AMOUNT OF LOAN: $400,000 with a 50% guarantee of principal outstanding not to exceed $200,000.

TERMS OF LOAN: Floating rate at Prime plus 100 basis points. 1-year term. Interest-only with full principal and interest due upon maturity.

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working capital</td>
<td>$400,000</td>
</tr>
<tr>
<td>Refinancing</td>
<td>$200,000</td>
</tr>
<tr>
<td>Finance fees</td>
<td>$5,000</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$605,000</strong></td>
</tr>
</tbody>
</table>

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

DEVELOPMENT OFFICER: T. Gill

APPROVAL OFFICER: S. Brady
PETROLEUM UNDERGROUND STORAGE TANK PROGRAM
MEMORANDUM

TO: Members of the Authority

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

DATE: December 10, 2013

SUBJECT: PUST and HDSRF Program Funding Status
(For Informational Purposes Only)

In December, 2012, the members approved a change in the administration of the subject programs as a result of new Treasury guidance for fund transfers. Provided herein is the remaining funding after November approvals and those proposed for December. Treasury has also been notified of the November approvals and will encumber the funds for those approvals.

PUST:
As of November 1, the UST fund held by EDA had approximately $7.9 million in net cash (including cash and unfunded 2011-2013 appropriations net of commitments) which was sufficient to fund November board actions of approximately $1.78 million, $227.6 thousand of delegated approvals (provided herein) and December Board actions of $783 thousand, also provided herein.

HDSRF:
As of November 1, the HD fund held by EDA had approximately $47.7 million in net cash (including cash and unfunded 2011-2013 appropriations net of commitments) available to fund November board actions of approximately $3.05 million, $62 thousand of delegated approvals (provided herein) and December board actions of $5.48 million, also provided herein.

Prepared by: Kathy Junghans
MEMORANDUM

TO: Members of the Authority

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

DATE: December 10, 2013

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

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

**UST Residential Grants:**

William and Barbara Connington  $128,938
Reza Shahrokh  $93,955

**Total UST Residential Grants**  $222,893

**UST Commercial Grants:**

Sabino Guanci  $142,646
David Leiningen  $301,181
Skyway Vehicle  $115,895

**Total UST Commercial Grants:**  $559,722

**Total UST Grants for December 2013**  $782,615

Prepared by: Kathy Junghans
APPLICANT: William Connington and Barbara Connington

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 26 East Clinton Ave, Bergenfield Borough (N) Bergen

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

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

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

APPROVAL REQUEST:
The applicants are requesting grant funding in the amount of $128,938 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $12,894 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: $128,938

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>$128,938</td>
</tr>
<tr>
<td>NJDEP oversight cost</td>
<td>$12,894</td>
</tr>
<tr>
<td>EDA administrative cost</td>
<td>$250</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$142,082</strong></td>
</tr>
</tbody>
</table>

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

APPLICANT: Reza Shahrokh

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 35 Birchwood Terrace Wayne Township (N) Passaic

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

APPLICANT BACKGROUND:
Between October 2011 and January 2013, Reza Shahrokh received grants totaling $22,698 under P36100 and P37562 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. This funding request exceeds the maximum approval of aggregate supplemental funds of $100,000 and therefore requires EDA's board approval.

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 $93,955 to perform the approved scope of work at the project site for a totaling funding to date of $116,653.

The NJDEP oversight fee of $9,396 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: $93,955

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:
Upgrade, Closure, Remediation $93,955
NJDEP oversight cost $9,396
EDA administrative cost $250

TOTAL COSTS $103,601

APPROVAL OFFICER: K. Junghans
APPLICANT: Sabino Guanci

PROJECT USER(S): Syed Family, LLC

PROJECT LOCATION: 22 Bloomfield Avenue, Bloomfield Township (T/UA) Essex

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

APPLICANT BACKGROUND:
Between April 1999 and August 2004, Sabino Guanci, the former owner and operator of the project site which was a gasoline station, received grants totaling $290,210 under P10753, P10753s, and P15908 to remove four underground storage tanks (USTs) and perform the required remediation. The NJDEP has determined that the supplemental project costs are technically eligible to perform extensive soil remediation. In an agreement with the current owner, Syed Family, Sabino Guanci remains financially responsible for the cleanup.

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

APPROVAL REQUEST:
The applicant is now requesting an additional supplemental grant in the amount of $142,646 to fund these costs for a total funding to date of $432,856.

The NJDEP oversight fee of $14,265 is the customary 10% of the grant amount. This estimate 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: $142,646

TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act

PROJECT COSTS:
Upgrade, Closure, Remediation $142,646
NJDEP oversight cost $14,265
EDA administrative cost $500

TOTAL COSTS $157,411

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

APPLICANT: David Leininger

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 617 Route 9 South, Lower Township (T), Cape May

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

APPLICANT BACKGROUND:
In November 2006, David Leininger, the owner of the project site, received a grant in the amount of $74,562 under P17598 for the closure of the five underground storage tanks (USTs.) Currently the project site includes an apartment complex and a vacant car wash which had historically been used as a gasoline station. The tanks had not been used since the 1960s. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform extensive offsite soil remediation.

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 $301,181 to perform the approved scope of work at the project site for a total funding to date of $375,743.

The NJDEP oversight fee of $30,119 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: $301,181

TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act.

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrade, Closure, Remediation</td>
<td>$301,181</td>
</tr>
<tr>
<td>NJDEP oversight cost</td>
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<tr>
<td>EDA administrative cost</td>
<td>$250</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$331,549</strong></td>
</tr>
</tbody>
</table>

APPROVAL OFFICER: K. Junghans
APPLICANT: Skyway Vehicle

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 221 Raymond Boulevard Newark City (T/UA) Essex

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

APPLICANT BACKGROUND:
In November 2011, Skyway Vehicle received a grant in the amount of $62,400 under P34276 to remove a 4000-gallon leaking underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The project site, formerly a gas station, now operates as a used auto sale and truck rental lot. The NJDEP has determined that the supplemental project costs are technically eligible to perform extensive groundwater remediation.

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

APPROVAL REQUEST:
The applicant is requesting grant funding in the amount of $115,895 to perform the approved scope of work at the project site for a total funding to date of $178,295.

The NJDEP oversight fee of $11,590 is the customary 10% of the grant amount. This estimate 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: $115,895

TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrade, Closure, Remediation</td>
<td>$115,895</td>
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<tr>
<td>NJDEP oversight cost</td>
<td>$11,590</td>
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<td>EDA administrative cost</td>
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<td><strong>TOTAL COSTS</strong></td>
<td><strong>$127,985</strong></td>
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</tbody>
</table>

APPROVAL OFFICER: K. Junghans
TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: December 10, 2013

SUBJECT: Petroleum Underground Storage Tank Program - Delegated Authority Approvals
(For Informational Purposes Only)

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

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

Below is a summary of the Delegated Authority approvals processed by Finance & Development for the period November 01, 2013 to November 30, 2013

<table>
<thead>
<tr>
<th>Summary:</th>
<th>$227,641</th>
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<tbody>
<tr>
<td>Leaking tank grants awarded</td>
<td>14</td>
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<tr>
<td>Non-leaking tank grants awarded</td>
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<table>
<thead>
<tr>
<th>Applicant</th>
<th>Description</th>
<th>Grant Amount</th>
<th>Awarded to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belfiore, John (P38353)</td>
<td>Supplemental grant for upgrade, closure and remediation</td>
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<td>$7,239</td>
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<tr>
<td>Binns, Robert (P38571)</td>
<td>Supplemental grant for upgrade, closure and remediation</td>
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<td>Doyle, Mary (P38552)</td>
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<tr>
<td>Fenske, Christopher and Wendy (P33659)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<td>Lakatos, Dorothy (P38526)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<td>McHale, Mary (P38550)</td>
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<td>Meszaros, William (P38541)</td>
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<td>Pistorio, Mike (P38528)</td>
<td>Partial initial grant for upgrade, closure and remediation</td>
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<td>Rastatter, Odalys (P38502)</td>
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<td>$22,800</td>
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<td>Rebelo, Helder (P38441)</td>
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<tr>
<td>Applicant</td>
<td>Description</td>
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</tr>
<tr>
<td>-----------------------------------</td>
<td>-------------------------------------------------------</td>
<td>--------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Reformed Church of Linden (P38521)</td>
<td>Supplemental grant for upgrade, closure and remediation</td>
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<td>Roller, Adam (P38481)</td>
<td>Supplemental grant for upgrade, closure and remediation</td>
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<td>$35,073</td>
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<td>Sakos, Fern A. (P38525)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<td>Thompson, Jeff (P38506)</td>
<td>Partial initial grant for upgrade, closure and remediation</td>
<td>$15,728</td>
<td>$15,728</td>
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</tbody>
</table>

14 Grants Total Delegated Authority funding for Leaking applications. $227,641

Prepared by: Kathy Junghans, Finance Officer
HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: December 10, 2013

SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

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

Commercial Grant:
Camden Redevelopment Agency (Former RCA Building 8) $865,243

Municipal Grant:
Borough of Somerville (BDA-Somerville Landfill) $4,614,000

Total HDRSF funding for December 2013 $5,479,243

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

APPLICANT: Camden Redevelopment Agency (Former RCA Bldg 8)  
PROJECT USER(S): Same as applicant  
PROJECT LOCATION: Front and Cooper Streets, Camden City (T/UA), Camden  
GOVERNOR'S INITIATIVES: (X) Urban  
( ) Edison  
( ) Core  
( ) Clean Energy  

APPLICANT BACKGROUND:  
Between February 2005 and July 2009, Camden Redevelopment Agency ("CRA") received grants totaling $2,431,828 to perform Preliminary Assessment (PA), Site Investigation (SI), and Remedial Investigation (RI) at the project site identified as Block 72, Lot 1. The project site, which was the historic former Radio Corporation of America (RCA) manufacturing facility, has suspected environmental areas of concern (AOCS). CRA currently owns the project site and has satisfied proof of site control. It is CRA's intent, upon completion of the environmental investigation activities, to redevelop the project site for "The Lofts" residential village development.

NJDEP has approved this request for RI & 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 has been calculated off 75% of the RA costs ($851,398) and 100% of the RI costs ($13,845). This grant will not exceed the limit for Camden Redevelopment Agency for 2013. The remaining 25% of the RA portion is being provided through funding granted by the New Jersey Redevelopment Authority and a Camden Economic Recovery Board grant.

APPROVAL REQUEST:  
CRA is requesting grant funding to perform RI & RA in the amount of $865,243 at the Former RCA Building 8 project site for a total funding to date of $3,297,071.

FINANCING SUMMARY:  
GRANTOR: Hazardous Discharge Site Remediation Fund  
AMOUNT OF GRANT: $865,243  
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>$1,135,197</td>
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<tr>
<td>Remedial investigation</td>
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<tr>
<td>EDA administrative cost</td>
<td>$500</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$1,149,542</strong></td>
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</tbody>
</table>

APPROVAL OFFICER: K. Junghans
APPLICANT: Borough of Somerville (BDA-Somerville Landfill) P38794

PROJECT USER(S): Same as applicant

PROJECT LOCATION: Route 206 Somerville Borough (T) Somerset

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

APPLICANT BACKGROUND:
Between November 2006 and February 2011, the Borough of Somerville received grants totaling $3,911,806 under P17401, P17977, P28140, P29648 and P34449 to perform Remedial Investigation (RI) activities at the project site. The project site, identified as Block 124, Lots 1, 21 and 23.01 is a former sanitary landfill which has potential environmental areas of concern (AOCs). The Borough of Somerville currently owns the project site, which is located in a Brownfield Development Area (BDA) 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 commercial re-use.

NJDEP has approved this supplemental 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 within a BDA. The grant has been calculated off 75% of the RA costs ($4,614,000). The grant will not exceed the limit for the Borough of Somerville for 2013. The Borough passed a resolution to file a loan application with the NJDEP and the NJ Environmental Infrastructure Trust for the remaining 25% portion.

APPROVAL REQUEST:
The Borough of Somerville is requesting supplemental grant funding to perform RA in the amount of $4,614,000 at the Somerville Landfill project site for a total funding to date of $8,525,806.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $4,614,000

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>
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<td>EDA administrative cost</td>
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</table>

TOTAL COSTS $6,152,500

APPROVAL OFFICER: K. Junghans
TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: December 10, 2013

SUBJECT: Hazardous Discharge Site Remediation Fund - Delegated Authority Approvals
(For Informational Purposes Only)

Pursuant to the delegations approved by the Board in May 2006, the Chief Executive Officer ("CEO") with a Director may approve new grants under the Hazardous Discharge Site Remediation Fund up to $100,000 and may approve supplemental awards for existing grants (of any size) up to an aggregate of $100,000, provided that the aggregate amount of the supplemental awards do not exceed $100,000.

Below is a summary of the Delegated Authority approval processed by staff during the month of November 2013.

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Description</th>
<th>Grant</th>
<th>Awarded to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dobrovolsky, Michael and Nancy P38589</td>
<td>25% Remedial Action matching grant.</td>
<td>$17,343</td>
<td></td>
</tr>
<tr>
<td>McCarthy, Paul P38419</td>
<td>25% Remedial Action Grant</td>
<td>$7,620</td>
<td></td>
</tr>
<tr>
<td>Santelli Brothers Automotive P38561</td>
<td>25% Remedial Action Grant</td>
<td>$37,061</td>
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<tr>
<td>3 Grants</td>
<td>Total Grant Funding for November 2013</td>
<td>$62,024</td>
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Prepared by: Kathy Junghans
URBAN TRANSIT HUB TAX CREDIT PROGRAM
Urban Transit Hub Tax Credit Program

Created by law in 2007, the intent of this program is to encourage capital investment and increased employment in targeted urban rail transit hubs to catalyze economic development in the areas.

Per N.J.S.A. 52:27D-489 a. through o. / N.J.A.C. 19:31-4 and the program’s rules, applicant must:

- for a qualified business facility, a business other than a tenant, make or acquire capital investments of at least $50 million at a qualified business facility, located in an urban transit hub*, and employ not fewer than 250 full-time employees; if the business is a tenant, make or acquire capital investments of at least $17.5 million and, along with up to two other tenants, employ at least 250 full-time employees.
- for a qualified residential project, make or acquire capital investments of at least $50 million, but not be required to meet employment requirements.
- for a qualified mixed use facility, make or acquire capital investments equaling at least $17.5 million at a qualified business facility; and employ not fewer than 250 full-time employees.
- for a qualified residential project that includes a mixed-use project, make or acquire capital investments of at least $17.5 million at a qualified business facility, but not be required to meet employment requirements.

- *Urban Transit Hub property boundaries based on certain proximity to various rail and light rail stations, as well as utilization of a freight rail line.
- transfer of an existing job from one location in the state to another, may be considered the creation of a new job if the business proposed to transfer existing jobs as part of a consolidation of business operations and the business’s CEO submits a certification indicating that the existing jobs are at-risk of leaving the state and the business intends to employ not fewer than 500 full-time employees at the qualified business facility.
- meet a net benefit test

Staff Review:

- A comprehensive net benefit analysis is conducted to ensure the project has a positive net benefit to the State of at least 110%. The economic impact model used by the EDA includes multipliers from the RIMS II data base, published by the US Department of Commerce, along with our own econometric analysis and modeling to assess economic outputs, impacts and likely jobs creation. In addition to this information we also estimate likely personal and corporate earnings yield from a given project. EDA estimates both direct and indirect impacts on a one-time and ongoing basis. Direct impacts are those that result from capital flows for people and material directly associated with the project. (i.e. on site workers salaries, construction materials, etc.) Indirect impacts are those from cash flows other than those generated directly from the project (i.e. sandwich makers, equipment repair companies, and local retail.) One-time benefits are those associated with the project’s capital investment while the ongoing benefits are attributable to the project’s annual economic activity.
- In addition, staff undertakes a rigorous underwriting analysis of the project.
- For an application involving intra-State job transfers, EDA Board shall make a separate determination to verify and confirm that the jobs are at risk of leaving the state as attested to in a CEO certification.

Amount of the award based upon:

- Tax credits up to 100% of qualified capital investments over an eight year period; developers may apply for a credit of up to 35% of their capital investment in a qualified residential project. Tax credit award reduced by 20 percent if less than 200 employees are employed, even if a business relocates to an urban transit hub from another location in the same municipality. Per program rules, the amount of the tax credit award cannot exceed the amount of the project’s capital investment.
MEMORANDUM

TO: Members of the Authority
FROM: Tim Lizura
       President and Chief Operating Officer
DATE: December 10, 2013
SUBJECT: MMC-DB Group LLC
          Urban Transit Hub Tax Credit Program
          P # 37746

Request
The Members are asked to approve the Urban Transit Hub Tax Credit (“UTHTC”) program application MMC-DB Group, LLC referred to as the Applicant under P.L. 2007, c.346, P.L. 2008, as amended. The Applicant is a joint venture of two entities, MMC-GL, LLC and or related entities (“MMCGL”) and HPF VIII Paterson, LLC and or affiliates (“HPF”). Two urban renewal entities will be created which will be assigned the ground lease who will in turn master lease their interests in MMCGL and HPF. MMC-HCC Management Services, LLC (“MMCHCC”) will own the improvements and employ all employees being counted towards the UTHTC requirement of 250 full time workers at the project site. The Hampshire Companies, LLC (“Hampshire”) is the sole member of Hampshire Partners VIII, LLC which is the fund manager and general partner of Hampshire Partners Fund VIII, L.P. (“HPFLP”) which in turn is the sole member of HPF. While the two joint venture members of the Project are not related by ownership and the Project will consist of two separate buildings on separate parcels of land adjacent to one another, these two Project components are each dependent upon St. Joseph’s Regional Medical Center (“SJRMC”) driving the demand for their services and both buildings will be developed along similar time lines.

The land on which Tower A (conference and hotel facility) will be constructed is subject to a 99 year ground lease from St. Joseph’s Hospital and Medical Center with Medical Missions for Children, Inc. (“MMC”) a not for profit organization. MMC is currently is the ground lessee and they will assign this interest to MMCGL. The ground lease will be further transferred to Hamilton Plaza Urban Renewal Entity, LLC (“HPUR”) for PILOT purposes. HPUR will master lease the completed Tower A to MMC-HCC Management Services, LLC (“MMCHCC”) which will own and operate the hotel and conference center. MMCHCC will contract via an operations service agreement with Roedel Companies, LLC (“Roedel”) pursuant to which Roedel will operate the hotel, banquet conference center and parking. MMCHCC will also contract with Hilton Hotels for the franchise flag for the hotel. The ownership of Tower A is ultimately intended to be donated to a private operating foundation which will benefit MMC and St. Joseph’s Children’s Hospital.
The land on which Tower B (medical office facility) will be constructed consists of three parcels (two owned by HPF and a third subject to purchase agreement) which will be transferred to a yet to be formed urban renewal entity ("UR") for PILOT purposes. This UR will own the improvements to be constructed as the medical facility. The medical office facility will be operated, managed and leased by the UR or a related entity.

The Project consists of the construction of the two new towers A and B on an eligible site, with at least 250 employees, in Paterson, New Jersey. Employees within the two facilities will count towards the UTHTC requirement of 250 full time workers at the Project site. The employers of the full-time positions in Tower B will be a combination of the anticipated subtenants and other occupants of the building, including the hospital, medical school, physicians practice groups, self-employed medical professionals and the like. It should be reiterated that the Economic Opportunity Act of 2013 ("EOA") expressly provides that the required minimum 250 full-time positions in a UTHTC project of this kind may be employed by any number of employers.

Staff is recommending approval of a tax credit in the amount up to $105,559,214 or $10,555,921 annually for 10 years. At the time of the CPA certification after Project completion, if the Applicant does not have 200 new jobs at the project site the UTHTC is reduced to $84,447,371 or $8,444,737 annually for 10 years. The Project’s total cost is $138,593,446 and eligible cost is $105,559,214.

With respect to an application received by the authority prior to the effective date of the EOA P.L.2013, c.161 (C.52:27D-489p et al.) for a qualified business facility that is located on or adjacent to the campus of an acute care medical facility, (a) the minimum number of full-time employees required for eligibility under the program may be employed by any number of tenants or other occupants of the facility, in the aggregate, and the initial satisfaction of such requirement following completion of the project shall be deemed to satisfy the employment requirements of the program in all respects, and (b) if the capital investment in the facility exceeds $100,000,000, the determination of the net positive benefit yield shall be based on the benefits generated during a period of up to 30 years following the completion of the project, as determined by the authority. Note that should the Applicant’s actual capital investment fall below $100,000,000 thereby resulting in a net benefit term of 20 years, the amount of the UTHTC would be reduced to approximately $83 million.

**Project Description**

The Applicant is proposing to construct a mixed use Project as part of the campus of St. Joseph’s Regional Medical Center, an acute care hospital facility in downtown Paterson, NJ. The Project would consist of two towers, each housing a primary business unit (a hotel / conference center or Tower A and a medical office facility or Tower B). Tower A is a 153,200 square foot structure consisting of a 132-room hotel, 40,000 square foot conference center/banquet facility and a parking facility with 189 new spaces. Tower B is a 104,874 square foot medical teaching and office facility together with a parking facility with 40 new spaces. The Project will be constructed on several parcels of vacant land. More specifically, Tower A is located at 703 Main Street on land owned by SJRMC. Tower B is located at 770-780 Main Street with 770 to 778 Main Street owned by HPF and 780 Main Street owned by NJ Transit (and subject to purchase contract being negotiated with HPF). It has been represented by the Applicant that the parcel owned by NJ Transit is non-essential and the proposed
Project can be re-designed and constructed without significant changes in the event this parcel is not acquired by HPF.

The Applicant anticipates employing at least 250 full-time employees at the new facility.

The Applicant has applied for the UTHTC to make the capital investment in the Project financially feasible. The Project Site has been verified to be in an eligible municipality and is located within one mile of the Paterson station of NJ Transit. The Applicant will construct the Project in accordance with the BPU pay for performance standards to satisfy the Green Building Requirements of the UTHTC Program. The Project has received a letter of support in November 2013 from the Passaic County Board of Chosen Freeholders, and the Municipal Counsel of the City of Paterson adopted a resolution in support of the project in October 2013 which includes a to be negotiated PILOT agreement for the Project. It is noted that the Mayor has expressed indifference with the Project.

Under the UTHTC rules, the Applicant must employ at least 250 full time employees at the Project Site by April 26, 2017. The Applicant expects to commence construction in the first quarter of 2014 and be completed with both towers in mid 2016. The estimated total capital investment in the Project as it relates to the construction of the two towers, furniture and equipment and all soft and professional costs is approximately $138 million. The eligible capital investment of the costs relative to the development of the Applicant’s space was determined to be $105,559,214 which does not include land, developer fees and other ineligible costs. The Authority recommends approval of this Project for a tax credit in an amount up to $105,559,214.

**Project Ownership**

The Applicant is a joint venture between Medical Missions for Children, Inc. (which is headquartered at St. Joseph’s Children’s Hospital) and HPFVII Paterson, LLC (which is sponsored and controlled by The Hampshire Companies, LLC). MMC is a charitable organization that provides the expertise of medical specialists from tier-one mentoring institutions to effectively diagnose and treat infectious diseases, illnesses and injuries in 110 impoverished nations around the globe. This medical diplomacy is achieved through the volunteer assistance of 8,400 hospitals and millions of allied healthcare workers worldwide. Expertise is shared through a broad curriculum of cutting-edge medical education broadcast on MMC’s Medical Broadcasting channel, through remote diagnostic consultations and follow up care using MMC’s telemedicine outreach program, and through a virtual video library of content to those researchers around the globe who wouldn’t otherwise have access to such information.

The Hampshire Companies, LLC (“Hampshire”) is a privately held, fully integrated real estate firm headquartered in Morristown, NJ. Hampshire has over fifty years of experience in acquiring, developing, leasing, repositioning, managing, financing and disposing of real estate. Hampshire has 102 real estate professionals dedicated to creating value on behalf of its investors and currently owns and operates a diversified portfolio of 259 properties in 28 states totaling over 23 million square feet.

Roedel has been selected as the Project’s hotel and conference center operator is an approved franchisee of Hilton Hotels (with Hilton Garden Inn being the Applicant’s brand of choice here). In 1968 Fred Roedel started branding hotels under the Susse Chalet and Grand Chalet Hotels and by the time it was sold to Olympus Real Estate Trust in 2000 the portfolio reach 55 properties in the Northeast and raised $250 million in capital. Thereafter Mr. Roedel teamed with his two sons and

MMC-DB Group LLC
December 10, 2013
created Roedel Companies, LLC and subsequently formed RGH Hospitality (to manage hotels) and ROK Builders (to design, construct and renovate properties). The current portfolio consists of nine owned hotels from New Hampshire to Florida under various flags (Hilton, Hampton Inn, Holiday Inn and La Quinta Inn). Additionally another sixty properties have been renovated, maintained by and/or managed by Roedel for other third party owners since 2007. Roedel has three hundred employees and is headquartered in Wilton, New Hampshire.

Refer to the Confidential Memorandum of Analysis immediately following this analysis for details on the financial capacity and resources of the joint venture partners.

**Project Budget (Uses of Funds):**

<table>
<thead>
<tr>
<th>Tower A</th>
<th>Total Development Cost</th>
<th>Eligible Capital Investment</th>
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</thead>
<tbody>
<tr>
<td>Land,(imputed value of the ground lease)</td>
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<td>$ 0</td>
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<tr>
<td>Construction &amp; Site Improvements</td>
<td>$48,400,000</td>
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<tr>
<td>Architect &amp; Engineering, Insurance, Legal, and Other Professional Fees</td>
<td>$ 3,670,000</td>
<td>$ 3,670,000</td>
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<td>Furniture, Fixtures and Equipment</td>
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<td>$ 0</td>
</tr>
<tr>
<td>Subtotal Tower A</td>
<td>$85,425,000</td>
<td>$66,995,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tower B</th>
<th>Total Development Cost</th>
<th>Eligible Capital Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land (imputed value of the ground lease)</td>
<td>$ 9,826,470</td>
<td>$ 0</td>
</tr>
<tr>
<td>Construction &amp; Site Improvements</td>
<td>$30,302,263</td>
<td>$30,302,263</td>
</tr>
<tr>
<td>Architect &amp; Engineering, Insurance, Legal, and Other Professional Fees</td>
<td>$ 1,329,250</td>
<td>$ 1,329,250</td>
</tr>
<tr>
<td>Furniture, Fixtures and Equipment</td>
<td>$ 2,450,000</td>
<td>$ 2,450,000</td>
</tr>
<tr>
<td>Interest on Financing</td>
<td>$ 2,189,475</td>
<td>$ 2,189,475</td>
</tr>
<tr>
<td>Soft Cost</td>
<td>$ 3,841,668</td>
<td>$ 0</td>
</tr>
<tr>
<td>Contingency</td>
<td>$ 2,293,226</td>
<td>$ 2,293,226</td>
</tr>
<tr>
<td>Developer Fee</td>
<td>$ 936,094</td>
<td>$ 0</td>
</tr>
<tr>
<td>Subtotal Tower B</td>
<td>$53,168,446</td>
<td>$38,564,214</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$138,593,446</strong></td>
<td><strong>$105,559,214</strong></td>
</tr>
</tbody>
</table>

The UTHTC eligible project costs above exclude the cost of land, development fees, leasing commissions, debt service reserve and operating reserves.
Sources of Funds for the Project:

<table>
<thead>
<tr>
<th>Tower A</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second Mortgage Loan Empire State EB 5</td>
<td>$67,000,000</td>
</tr>
<tr>
<td>Equity (1)</td>
<td>$7,795,000</td>
</tr>
<tr>
<td>Developer Fee and Land Value</td>
<td>$10,630,000</td>
</tr>
<tr>
<td><strong>Total Sources Tower A</strong></td>
<td><strong>$85,425,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tower B</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage Loan Hampshire Global Partners</td>
<td>$37,000,000</td>
</tr>
<tr>
<td>Developer Fee and Land Value</td>
<td>$10,762,564</td>
</tr>
<tr>
<td>Equity (2)</td>
<td>$5,405,882</td>
</tr>
<tr>
<td><strong>Total Sources Tower B</strong></td>
<td><strong>$53,168,446</strong></td>
</tr>
</tbody>
</table>

(1) Applicant is exploring a bridge loan in first mortgage position during construction which would reduce or eliminate the equity requirement.

(2) Applicant has indicated that this amount may be reduced based upon additional loan funds provided by the joint venture partner, HPF or its affiliates.

The Applicant has provided a letter of intent from Empire State EB5 for up to $67 million in financing (5 years interest only at 4.5% fixed) for Tower A and a term sheet from Hampshire Global Partners, LLC for up to $37 million (3 years interest only at 10%) for Tower B. The pro-forma assumes that permanent financing can be achieved at 5% interest on a 30 year amortization in conjunction with the sale of the UTHTC’s at 85% of face value.

Net Positive Benefit Analysis

Pursuant to the UTHTC rules, the Authority calculates the Net Positive Benefit of the Project based on the new jobs to the state. From a net benefit perspective; there are a total of 321 new full time jobs to be created in New Jersey. The analysis used the RIMS based average salary for the 181 medical office workers at $61,563 and the remaining 140 employees in the hotel/conference center with an average wages of $33,531.

The Authority conducted the required Net Benefit Analysis for this project based on 321 jobs at the Project site and has found that the cumulative net present value of the Net Positive Benefits to the state of New Jersey over 30 years is approximately $80 million using a 6% discount rate. The total Net Benefit to the State includes one-time construction costs associated with the proposed Paterson facility, direct tax revenue (corporate business tax, gross income tax, incremental real estate tax in accordance with the proposed Pilot agreement with the City, hotel tax and sales taxes related to the hotel and conference facility) and the indirect tax revenue expected to be generated by the Company over 30 years.

The present value of the award is the value of the nominal 10 years of tax credits, which when discounted at 6% provides the 110% net benefits required. In this instance, the nominal award is $108,230,301 representing the cumulative value of the award over 10 years. Discounted at 6%, the net
present value of the award is $79.7 million. Should the Applicant not create 200 new jobs at the site, the maximum grant would be approximately $84 million (which equates to 80% of the recommended award).

As of November 30, 2013, $347,583,228 in tax credits have been approved under the UTHTC program for qualified residential projects and $728,540,647 for commercial projects for a total of $1,076,123,875. This figure excludes four projects awarded credits in October and November after the residential solicitation. Additionally, $501,731,293 in tax credits have been approved under the Grow NJ Program. After approval of this Project and a new Grow project being presented for approval for $40 million of credits at the same meeting, the total tax credits approved under the UTHTC and Grow NJ Programs will increase to $1,723,414,382.

Recommendation

Staff has reviewed the application for consistency with the Act and Rules, as amended, implementing the UTHTC Program and recommends approval of the following:

1] Application for a tax credit in a maximum amount estimated at $105,559,214. If 200 new jobs are not created at the Project site, the amount of the award is reduced to $84,447,371. The NJEDA will provide the Applicant with an approval letter for the total amount of the credit.

2] The Applicant will have to meet the employment test one time (at CPA certification post construction completion). Applicant will need to certify that there are at least 200 new jobs to New Jersey (or the tax credit amount is reduced 20%). The 80% statewide employment test will be applied only one time. It will be applied to the Applicant and those entities that are deemed affiliates of the Applicant. It will also be applied to all locations in New Jersey (exclusive of the Project site) and be tested in the aggregate for all entities or affiliates contributing employment to the Project.

3] Should the CPA certified eligible capital investment after completion be less than $100 million, then the net benefits over 20 years shall be the limiting factor on the UHTC resulting in a figure of $83,274,438.

Pursuant to the rules governing the program, the project will need to meet certain milestones within 12 months of approval in order to maintain the project’s credit approval.

These milestones include:

1) Site control
2) Site plan approval
3) Other project specific items which may be added
Upon project completion, the Authority shall issue a tax credit certificate based on the final qualified costs, not to exceed the approved amount. The tax credit certificate shall indicate that the Applicant may take one tenth of the total credit annually over ten years when accompanied by a letter issued by NJEDA indicating the project is compliant with program guidelines. The EOA stipulates that once the 250 full-time positions have been certified, the Applicant is no longer subject to the annual employment certification requirement for the program.

Tim Lizura
President and Chief Operating Officer

Prepared by: Michael A. Conte
NJEDA Economic Impact Model

Annual Corp Spending: $71,025,300
Final Demand Output Multiplier: 1.60x
Indirect Annual Spending: $42,631,507.09
At 3.5% Tax Rate: $1,492,103
Annual Payroll: $6,743,787.80
Indirect Effect Earnings Multiplier: 1.43x
Indirect Earnings: $269,752
At 4% Tax Rate: $1,492,103

State Indirect Ongoing
Annual Corp Spending: $71,025,300
Final Demand Output Multiplier: 1.60x
Indirect Annual Spending: $42,631,507.09
At 3.5% Tax Rate: $1,492,103
Annual Payroll: $6,743,787.80
Indirect Effect Earnings Multiplier: 1.43x
Indirect Earnings: $269,752
At 4% Tax Rate: $1,492,103

Total State Ongoing Net Benefits
Annual Net Benefit: $4,326,854
Cumulative Net Benefit (3yrs w/ 3% yearly inflation): $205,851,890
Present Value @6%: $83,275,997

One Time
Construction Value: $55,684,200
Direct One Time Taxes on Spending: $3,897,894
Direct Construction Multiplier: 1.59x
Indirect One Time Spending: $32,720,036
Spending Tax Rate: 7.0%
Ind One Time Taxes on Spending: $2,290,403
Assumed Portion of Const. on Labor: 50%
Dir One Time Earnings: $27,842,100
Earnings Tax Rate: 5%
Dir One Time Taxes on Earning: $1,392,105
Direct Effect Earnings Multiplier: 1.48x
Indirect One Time Earnings (50% of Construction): $13,316,876
Earnings Tax Rate: 5%
Ind One Time Taxes on Earnings: $665,844

Total One Time Tax Benefits: $4,348,351

Total State Benefits
Total One Time Tax Benefits: $4,348,351
Total State Ongoing Benefits (PV @ 6%): $83,275,997
Total Benefits: $87,624,344

Implied Maximum Loan at 110% Coverage Ratio Before Adjustments: $79,658,444

Maximum HUB Award Test
Total Qualifying Costs (NJEDA Cost Analysis sheet): $105,559,214
Maximum HUB Amount: $79,658,444
Nominal Value of the HUB Credits: $108,230,301
MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: December 10, 2013

RE: PHMII Associates, L.L.C.
Urban Transit Hub Tax Credit Program (“UTHTC”)
P# 37909

Request

The Members are asked to approve the Urban Transit Hub Tax Credit (“UTHTC”) program application (under P.L. 2007, c.346, P.L. 2008, as amended on July 26, 2011) for PHMII Associates, L.L.C. (“PHM” or the “Applicant”). The address is 3 Journal Square, Jersey City, New Jersey also referred to as the “Project” where the new construction is being proposed. Tax credits are available for up to 35% of the total qualified capital investment per project with a maximum of $33 million, whichever is less. The Applicant applied for UTHTC’s under the 2012 Urban Transit HUB Tax Credit Residential Competitive Solicitation (“RS”). PHM did not comply with all eligibility criteria as outlined in the RS primarily due to their inability to provide a financial commitment for the debt as part of the Project’s capital structure. Therefore, there was no UTHTC’s awarded to this Applicant when the Members of the Authority approved several other projects on April 9, 2013. PHM is now applying for $19,776,911 of UTHTC credits (which is the identical amount previously sought via the RS) under the Economic Opportunity Act of 2013, as signed into law on September 18, 2013. The Project scope and costs have not changed materially since the RS. The owners and developer of the Project is a joint venture between Hartz Mountain Industries, Panepinto Properties and PGM Associates, L.L.C.

Tax credits are available for up to 35% of the total qualified capital investment per project with a maximum of $33 million, whichever is less. The total costs of the Project are estimated to be $75,641,001. The total eligible costs under the UTHTC program are $61,007,001. The recommended award of tax credits is 32.49% of the eligible costs, not to exceed $19,776,911 or $1,977,691 annually for 10 years.
**Project Description**

This Project involves a proposed mixed use development located on a 2.47 acre site located in the Journal Square Redevelopment Area and is directly across Kennedy Boulevard from the Port Authority Transit Center in Jersey City, New Jersey. The site is located in an urban transit hub within one half mile of the Journal Square Transportation Center Port Authority PATH subway station. Due to its location and its redevelopment designation, the Project is a priority redevelopment site for the City of Jersey City. The site had its first phase completed in 1988, is unique topographically in that it is developed with a 4-level parking structure that along its Cottage Avenue frontage provides lower level at grade access to the garage while along the Kennedy Boulevard frontage the top deck of the garage is level with Kennedy Boulevard. The initial phase includes a 903 space parking garage, 6,000 square feet of retail and a 278,000 square foot 9-story office building. The retail space functions as a Chase Bank and the office is fully occupied by Broadridge Financial Solutions, Inc. The garage provides all the required parking for the office as well as public parking principally used by the Transportation Center located across Kennedy Boulevard. The site was approved for a second tower to be built on top of the parking facility, however has yet to proceed due to difficult market conditions over the past two decades which has severely limited development projects in the immediate vicinity. In 2012 the existing office building and the parking structure were sold to an unrelated entity with the Applicant retaining air rights for the proposed phase as well as entitled them leaseback ability for 675 parking spaces within the garage.

The Project is comprised of 240 residential rental units in a thirteen story tower in downtown Jersey City encompassing approximately 218,000 gross square feet (excludes the existing parking). Once the second phase is completed there will be 698 parking spaces remaining (205 parking spots are lost as a result of the new construction) with 120 dedicated to the new residential tower, 228 for the office building and 350 for the general public. The residential component will consist of rental units with a mix of 89 studios, 115 one bedroom, 31 two bedroom and 5 three bedroom units with a rentable building area (“RBA”) of approximately 173,555 square feet. There is also anticipated to be 2,400 square feet of retail, 8,000 square feet of lobby / common area and 4,000 square feet for the leasing office and community room. Residential rental rates are anticipated to range from $1,588 per month for a 495 square foot studio to $2,468 a month for a 1,410 square foot three bedroom unit. Many apartments are expected to have a view of the Manhattan skyline with amenities including a fitness center, meeting rooms, a dog run, and play area for children and bike storage facility.

The area of the proposed Project is dominated by aging housing stock which is not conducive to attracting new residents. Rents in the residential and retail market in Journal Square have been trending downward and it is indicative that only one new residential project has been bought on line in the past twenty five years.

The Applicant anticipates finalizing all funding sources, permitting, design completion and awarding a GMP contract by the 3rd quarter of 2014, to be followed by a construction period of approximately 24 months. Construction is expected to be completed in the 4th quarter of 2016. The application did not contain any information that contradicts the Applicant’s representation that the Project will be completed within the stated timeframe.

PHMII Associates, L.L.C.
December 10, 2013

2
Although applicants for the residential project portion of the UTHTC program are not required to maintain certain employment levels, it is estimated that this Project will create approximately 400 construction jobs and an estimated 8 permanent jobs.

The Applicant has received a letter of support from the Mayor of Jersey City and intends to meet Green Building requirements by complying with BPU’s pay for performance standards including solar panels to enhance the energy efficiency of the facility. This letter indicates that since the City has an ample supply of affordable housing, there is no requirement made by the City that the Project contains inclusionary affordable units. Also noted in the Mayor’s letter, the most critical need in the Journal Square area is residential development that will bring the 24-7 presence to support the existing retail businesses which today are struggling due to insufficient demand. The creation of 240 new households as a result of this Project will enhance foot traffic and increase users for the existing small businesses like dry cleaners, banks, restaurants and other retailers which exist in the immediate vicinity. The draw of the easy access to Newark and New York City through the Journal Square transit station coupled with quality residential living this Project presents will help to make Journal Square an ideal residential urban community. The Mayor also noted their confidence in the Developer in design and execution as well as their track record of quality projects delivered in timely fashion and honoring their commitments to the community. Additionally the Project will generate an estimated $530,000 in additional annual real estate taxes in the first year after completion for the City of Jersey City as well as spur future development activity. The Applicant has indicated their pursuit of a real estate tax abatement agreement with the City based upon the recently formulated standard stipulating payments calculated at ten percent of revenues.

The Applicant has received preliminary site plan approval from the Planning Board of the City of Jersey City with final site plan anticipated to be adopted by resolution in December of 2013. The Applicant anticipates successful negotiation of a tax abatement on the Project with the City of Jersey City. The Applicant has demonstrated site control via executed parking structure and development lease with the Site owner regarding the parking spaces necessary for the Project as well as the air rights above which the Project construction will occur.

**Developer Capacity**

The Project will be developed by PHMII Associates, L.L.C. The team consists of:

- **Panepinto Properties, Inc. – Member**
  Panepinto Properties, Inc. was founded in 1973 by Joseph Panepinto, President and CEO. Total employment of the firm is fifteen and headquarters is Jersey City. Mr. Panepinto has dedicated his professional career to development projects in Jersey City. Noteworthy projects include the Gotham a 220 unit luxury residential tower on the waterfront with a 340 space parking garage and 15,000 square feet of retail, Harborside Plaza a 600,000 square foot office tower, 50-90 Columbus a 2.1 million square foot mixed use development and Trump Towers which encompassed 862 residential units. Panepinto often partners with other developers like Ironstate Development and Mack-Cali Realty. Panepinto’s portfolio consists of over 3 million square feet office space in service or under development, developed or manages over 3,000 apartment units and has over 130,000 square feet of retail use.
• **Hartz Mountain Industries, Inc. –Member**

Hartz Mountain Industries, Inc. headquartered in Secaucus, New Jersey, was founded in 1966 and is one of the largest privately held owners of commercial real estate in the US. Hartz’s portfolio includes the ownership and operations of over 200 buildings in New York and Northern New Jersey comprising over 38 million square feet and over 200 acres of vacant land for future development. Primary locations include Edison, Ridgefield Park, Jersey City, Kearny, Linden, Hanover, Secaucus, Weehawken and Newark. Hartz owns and manages a diversified real estate portfolio including first class corporate offices, warehouse and distribution facilities, hotels, single and multi-family developments, retail centers, movie theaters and restaurants. Hartz is a full service real estate company with in-house staff and expertise in all disciplines, including leasing, finance, architecture, construction, property management, environmental, accounting, marketing and legal with total employment of one hundred forty. Hartz Industries, Inc. primary ownership remains in founder Leonard Stern’s Trust with day to day operations run by Emanuel Stern.

• **PGM Associates, L.L.C. –Member**

PGM Associates, L.L.C. is the real estate holding company for PGM Associates a partnership between Frank Guarini and Peter Mangin. Mr. Guarini has been involved in numerous real estate projects in Jersey City and surrounding areas over the past two decades.

Other development team members include: AJD Construction as general contractor, Dean Marchetto Architects as lead architect, Dresdner Robin as civil engineers, Barone Engineering as structural engineers, CEC Engineers Cooperative, Inc. as mechanical engineers and Sustainable Solutions as green building consultants.

**Project Ownership**

The Applicant is a single purpose limited liability company and urban renewal entity. The Applicant is owned by it members, Hartz Mountain-NJ, LLC 1%, Hartz Mountain Industries, Inc. 48%, Journal Square Plaza II Corporation 1%, Joseph A. Panepinto 2008 Grantor Retained Trust 25% and PGM Associates Holdings, LLC 25%. The later entity is owned 80% by Frank Guarini and 20% by Peter Mangin.

**Project Uses and Sources**

The Applicant proposes the following uses for the Project:

<table>
<thead>
<tr>
<th>Uses</th>
<th>Total Project Costs</th>
<th>HUB Eligible Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$ 13,800,000</td>
<td>$ 0</td>
</tr>
<tr>
<td>Construction of Building &amp; Site Improvements</td>
<td>$ 53,238,304</td>
<td>$ 53,238,304</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$ 2,280,000</td>
<td>$ 2,280,000</td>
</tr>
<tr>
<td>Interest on Financing</td>
<td>$ 2,021,065</td>
<td>$ 2,021,065</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$ 2,002,000</td>
<td>$ 1,168,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>$ 2,299,632</td>
<td>$ 2,299,632</td>
</tr>
<tr>
<td><strong>TOTAL USES</strong></td>
<td><strong>$ 75,641,001</strong></td>
<td><strong>$ 61,007,001</strong></td>
</tr>
</tbody>
</table>
HUB eligible costs exclude land, working capital, marketing and other project expenses that do not fit within the UTHTC definition of eligible hard or soft costs.

<table>
<thead>
<tr>
<th>Sources of Financing</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investors Savings Bank: three years interest only at 30 day Libor plus 300 basis points (4.5% is assumed).</td>
<td>$ 35,000,000</td>
</tr>
<tr>
<td>Applicant Equity</td>
<td>$ 40,641,001</td>
</tr>
<tr>
<td>Total</td>
<td>$ 75,641,000</td>
</tr>
</tbody>
</table>

The Applicant has received a term sheet for construction loan from Investors Savings Bank, as noted above. The lender for the permanent financing has not yet been identified and has been assumed to achieve proceeds of $47 million based on 80% loan to value at year one of stabilization at 4.25% with a thirty year amortization. The Applicant is contributing the existing land and parking which unencumbered and is collectively valued at $13.8 million as supported by an appraisal. The capital structure illustrates that equity will comprise 54% during construction and 37% upon conversion to permanent which represents modestly more conservative proportions than the majority of the prior Authority projects which have been approved for UTHTC’s.

**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 HUB over 10 years of operating performance.

<table>
<thead>
<tr>
<th>Without HUB</th>
<th>With HUB*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity IRR 3.55%</td>
<td>Equity IRR 10.55%</td>
</tr>
</tbody>
</table>

* Includes assumption that the UTHTC’s are sold at 85% of face value with proceeds received annually over ten years.

The Project's economics suggest that the HUB benefit will have a material effect on the Applicant's decision and ability to advance the Project. **With the benefit of the HUB, the Equity IRR is 10.55%. This is below the maximum market rate of 20% as adopted by the Members of the Authority and as indicated in the Competitive Residential Solicitation.**

**Recommendation**

Staff has reviewed the application for consistency with the Act and Rules, as amended, implementing the UTHTC Program and recommends approval of the following:

Application for a tax credit in a maximum amount estimated at $19,776,911 representing 32.49% of the eligible capital investment. The NJEDA will provide the Applicant with an approval letter for a

PHMII Associates, L.L.C.
December 10, 2013
tax credit amount that will reflect that the Applicant at a maximum will receive $19,776,911. In addition, the NJEDA may provide approval of assignment of tax credits by the Applicant, as may be required by the Applicant for financing and completion of the Project.

Pursuant to the rules governing the program, the project will need to meet certain milestones within 12 months of approval in order to maintain the project's credit approval. These milestones include:

1. Site control
2. Site plan approval
3. Other project specific items which may be added

Upon project completion and the satisfaction of certain conditions to be outlined in the commitment letter, the Authority shall issue a tax credit certificate based on the final qualified costs, not to exceed the approved amount. The tax credit certificate shall indicate that the Applicant may take one-tenth of the total credit annually over ten years when accompanied by a letter issued by NJEDA indicating the project is compliant with program guidelines.

 Prepared by: Michael Conte

PHMII Associates, L.L.C.
December 10, 2013
LEGACY GROW NEW JERSEY ASSISTANCE PROGRAM
The following summaries are provided for information only. Full eligibility and review criteria can be found in the program’s rules.

**GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)**

Created by law in 2012, the intent of this program is to provide tax credits to eligible businesses which make, acquire or lease a capital investment of at least $20 million at a qualified business facility at which it will employ at least 100 full-time employees in retained full-time jobs or create at least 100 new full-time jobs in an industry identified by the EDA as desirable for the State to maintain or attract.

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

- make, acquire, or lease a capital investment totaling not less than $20,000,000.
- employ not fewer than 100 full-time employees in retained full-time jobs at the qualified business facility, or create at least 100 new full-time jobs at the qualified business facility in an industry identified by the Authority as desirable for the State to maintain or attract.
- demonstrate to the Authority that: the proposed capital investment and the resultant retention and creation of eligible positions will yield a net positive benefit, equaling at least 110 percent of the requested tax credit allocation amount, to the State; and, the award of tax credits will be a material factor in the business’s decision to create or retain the minimum number of full-time jobs for eligibility under the program.

**Staff Review:**

- A comprehensive net benefit analysis is conducted to ensure the project has a positive net benefit to the State of at least 110%. The economic impact model used by the EDA includes multipliers from the RIMS II data base, published by the US Department of Commerce, along with our own econometric analysis and modeling to assess economic outputs, impacts and likely jobs creation. In addition to this information we also estimate likely personal and corporate earnings yield from a given project. EDA estimates both direct and indirect impacts on a one-time and ongoing basis. Direct impacts are those that result from capital flows for people and material directly associated with the project. (i.e., on site workers salaries, construction materials, etc.) Indirect impacts are those from cash flows other than those generated directly from the project (i.e., sandwich makers, equipment repair companies, and local retail). One-time benefits are those associated with the project’s capital investment while the ongoing benefits are attributable to the project’s annual economic activity.
- To determine material factor, staff reviews the cost benefit analyses provided by the company regarding other out-of-state sites under consideration, which include factors such as cost of rent, property taxes, and utility costs. Staff also investigates the existence of any existing labor contracts or real estate ownership that would render a relocation out of New Jersey impractical or cost prohibitive.
- For an application involving intra-State job transfers, EDA Board shall make a separate determination to verify and confirm that the jobs are at risk of leaving the state as attested to in a CEO certification.
- If the business reduces the total number of its full-time employees in the State by more than 20% from the tax period prior to approval, then the business shall forfeit its credit for that tax period and going forward until such time as its full-time employment in the State has increased to the 80% level. Proposed new jobs under Grow NJ count towards full-time employment in the State.

**Amount of award based upon:**

- Tax credits equal to $5,000 per job, per year for a period of 10 years for each new or retained full-time job determined by the Authority to be located at the qualified business facility; bonus award of up to an additional $3,000 per job, per year of the amount of the original tax credits, as determined by the Authority, considering whether the business: (1) is an industry identified by the Authority as desirable for the State to maintain or attract*; (2) locates or relocates to a location within a qualified incentive area adjacent to, or within one-half mile walking distance or active short-distance-shuttle service of, a public transit facility, defined as a rail station, light rail station or bus hub; a threshold of 10% of employees must utilize the Commuter Tax Benefit program with a minimum withholding of $30 per month; (3) creates jobs using full-time employees in eligible positions whose annual salaries, according to the Department of Labor and Workforce Development, are greater than the average full-time salary in this State (currently $56,385); or (4) is locating to a project site that is or has been negatively impacted by the approval of a “qualified business facility,” as defined pursuant to section 2 of P.L. 2007, c. 346 (N.J.S.A. 34:1B-208). Per program rules, the amount of the tax credit award shall not exceed the lesser of one tenth of the capital investment certified by the Authority or $4,000,000; and, the number of new full-time jobs for which a business receives a tax credit shall not exceed the number of retained full-time jobs for which a business receives a tax credit, unless the business qualifies by creating at least 100 new full-time jobs in an industry identified by the Authority as desirable for the State to maintain or attract*.  

* These industries have been identified in the Draft State Strategic Plan and approved by the Board as: Advanced Manufacturing, Transportation, Logistics and Distribution, Life Sciences, Technology, Health, Finance, Food Production and Processing, and Corporate Headquarters.
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

APPLICANT: United Parcel Service General Services Co. P38394

PROJECT LOCATION: 100 Interpace Parkway Parsippany-Troy Hills Township Morris County

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

APPLICANT BACKGROUND:
United Parcel Service General Services Co. is a subsidiary of United Parcel Service (“UPS”) and serves as the company’s technology support group. UPS was founded in 1907 as a private messenger and delivery service and has grown to be the world’s largest package delivery company, delivering 16.3 million pieces per day in over 220 countries. UPS is headquartered near Atlanta, Georgia and is well known for its brown delivery trucks. The company relies heavily on its information technology networks and systems, including the internet, to process, transmit, and store electronic information, and to manage a variety of business processes and activities. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
The company is planning to close its facility in Paramus and is searching for a location to build a state of the art replacement facility that would accommodate both its current and future staffing needs. UPS has targeted a site in Parsippany, New Jersey where it would construct a four-story 200,000 sq ft building to house 716 eligible employees. The company’s alternative is to locate the project near its other major data center in Alpharetta, Georgia.

In 2010, United Parcel Service General Services Co. closed its facility in Morristown, New Jersey. The Authority provided a BRRAG to the company to keep the 741 Morristown jobs in the State by relocating them to other sites in New Jersey. 96 of those jobs were relocated to Paramus at the time and are subject to the terms of the BRRAG agreement. In the event the applicant goes forward with the new project in New Jersey, those jobs will relocate again from Paramus to Parsippany but are not included in the count of eligible employees under the Grow New Jersey program.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and as a result the management of UPS 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 that states that the application has been reviewed and the information submitted and representations contained therein are accurate. It is estimated that the project would have a net benefit to the State of $379.0 million over the 15 years that the company would be committed to keep the jobs here.

FINDING OF JOBS AT RISK:
The applicant has certified that the 716 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 jobs listed in the application are at risk of being located outside of New Jersey.

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; 2) approve the proposed Grow New Jersey grant to encourage UPS to maintain 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.

After the approval of this project and other projects for consideration by the Authority today, the total amount of tax credits approved under the Grow New Jersey Assistance Program will increase to $541,731,293 and the total combined approvals under HUB and Grow New Jersey to $1,723,414,382.

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 $20 million after board approval, but no later than July 28, 2017.
3. No employees that are subject to a BEIP, BRRAG, or Urban Transit Hub 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, or Urban Transit Hub is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

### Grant Calculation

<table>
<thead>
<tr>
<th>BASE GRANT PER EMPLOYEE:</th>
<th>$5,000</th>
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<table>
<thead>
<tr>
<th>BONUS INCREASES:</th>
<th>($1,000 per item with a max of $3,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDUSTRY:</td>
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<tr>
<td>PUBLIC TRANSIT:</td>
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<tr>
<td>HIGH SALARIES:</td>
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<tr>
<td>AFFECTED SITE:</td>
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</tr>
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</table>

| BONUS PER EMPLOYEE: | $1,000 |

| TOTAL GRANT PER EMPLOYEE: | $6,000 |

<table>
<thead>
<tr>
<th>ELIGIBLE JOBS:</th>
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<tbody>
<tr>
<td>New Jobs:</td>
</tr>
<tr>
<td>Retained Jobs:</td>
</tr>
<tr>
<td>Total:</td>
</tr>
</tbody>
</table>

| ANNUAL CREDIT AMOUNT ($4,000,000 max): | $4,000,000 |

| TOTAL AMOUNT OF AWARD: | $40,000,000 |
| TERM:                  | 10 years    |
| ESTIMATED ELIGIBLE CAPITAL INVESTMENT: | $57,160,602 |
| QUALIFIED INCENTIVE AREA: | PA-1         |
| MEDIAN WAGES:          | $122,000    |
| STATEWIDE BASE EMPLOYMENT: | 2,658       |
| PROJECT IS: ( ) Expansion (X) Relocation |
| CONSTRUCTION: (X) Yes ( ) No |
| DEVELOPMENT OFFICER: M. Abraham | APPROVAL OFFICER: K. McCullough |
GROW NEW JERSEY ASSISTANCE PROGRAM
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

APPLICANT: IDT Corporation, IDT International Corp. & IDM Domestic Telcom, Inc. P38726

PROJECT LOCATION: 520 Broad Street Newark Essex County

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

APPLICANT BACKGROUND:
IDT Corporation, founded in 1990 and headquartered in Newark, NJ, is a consumer services focused company with operations primarily in the telecommunications industry and payment services. Through IDT Telecom, a subsidiary, the company provides a suite of prepaid and rechargeable international long distance calling and payment products, including international money transfers. IDT is also a leading wholesale carrier of international long-distance telephone calls. In addition, IDT also has a majority stake in companies providing video storage and processing software (Fabrix Systems) and an on-line platform (Zedge) for mobile phone consumers interested in obtaining free and relevant games, apps, and personalization content including ringtones, wallpapers and games. In addition to Newark, IDT currently has NJ offices in Piscataway and Lakewood. The applicant has demonstrated the financial ability to undertake the project.

IDT International Corp. is the entity remitting employee withholding and IDT Domestic Telecom, Inc. is the entity formed to receive the Grow New Jersey tax credits (collectively with IDT Corporation, “IDT” or “IDT Corporation”).

MATERIAL FACTOR/NET BENEFIT:
IDT is currently evaluating location options for its New Jersey workforce in a facility that best accommodates the company. The company’s current lease at 550 Broad Street, Newark has expired and it is leasing on a month by month extension. The choice is between moving into a building which it owns and is currently vacant at 520 Broad Street, Newark or Blue Hill Plaza in Pearl River, NY. The project will involve the retention of 508 IDT employees in Newark and 20 employees from Piscataway, plus the creation of 40 new jobs.

The Authority previously awarded the applicant a BEIP to provide an incentive to IDT to relocate employees to its facility at 520 Broad Street, Newark. IDT is currently in the compliance period of this grant which runs through 2015. If the company moves to New York, it plans on satisfying its BEIP obligations by moving its Newark employees in two phases to maintain 150 employees in Newark until the end of the BEIP commitment duration on February 15, 2015.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of IDT Corporation has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification 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 $132 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 528 New Jersey jobs listed in the application are at risk of being located outside the State on or before January 1, 2014. 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.
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, 2014; 2) approve the proposed Grow New Jersey grant to encourage IDT Corporation to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

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.

Grant Calculation

<table>
<thead>
<tr>
<th>BASE GRANT PER EMPLOYEE:</th>
<th>$5,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Transit HUB</td>
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<table>
<thead>
<tr>
<th>INCREASES:</th>
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<tr>
<td>Transit Oriented Development:</td>
<td>$2,000</td>
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<td>Jobs with Salary in Excess of County/GSGZ Average:</td>
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<td>Large Number of New/Retained F/T Jobs:</td>
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<tr>
<th>INCREASE PER EMPLOYEE:</th>
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<tr>
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<table>
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<tr>
<th>LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:</th>
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<table>
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<tr>
<th>AWARD PER EMPLOYEE:</th>
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<tbody>
<tr>
<td>New Jobs: 40 Jobs X $8,000 X 100% =</td>
<td>$ 320,000</td>
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<tr>
<td>Retained Jobs: 528 Jobs X $8,000 X 50% =</td>
<td>$2,112,000</td>
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<td>Total: $2,432,000</td>
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<th>ANNUAL LIMITS:</th>
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<td>Urban Transit HUB</td>
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<tr>
<th>TOTAL ANNUAL AWARD</th>
<th>$2,432,000</th>
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<tr>
<td><strong>ESTIMATED ELIGIBLE CAPITAL INVESTMENT:</strong></td>
<td><strong>MINIMUM</strong></td>
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<td>NEW FULL-TIME JOBS:</td>
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<td>RETAINED FULL-TIME JOBS:</td>
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<td>TOTAL AMOUNT OF AWARD:</td>
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<td>TERM:</td>
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<td>MEDIAN WAGES:</td>
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<td>SIZE OF PROJECT LOCATION:</td>
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<td>STATEWIDE BASE EMPLOYMENT:</td>
<td>677</td>
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<td>PROJECT IS:</td>
<td>(X) Relocation</td>
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<tr>
<td>CONSTRUCTION:</td>
<td>(X) Yes ( ) No</td>
</tr>
<tr>
<td>DEVELOPMENT OFFICER:</td>
<td>M. Abraham</td>
</tr>
<tr>
<td>APPROVAL OFFICER:</td>
<td>T. Wells</td>
</tr>
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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

APPLICANT: Marathon Data Operating Co., LLC

PROJECT LOCATION: 3600 Route 66 Neptune Township Monmouth County

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

APPLICANT BACKGROUND:
Marathon Data Operating Co., LLC (Marathon), formed in 1984, provides office management, fully integrated cloud based field force automation software, and marketing services solutions, primarily to the pest control, HVAC and plumbing industries. The software can be accessed anywhere, anytime to provide the ultimate control and convenience for mobile workforce companies of any size. Marathon was voted by Inc. Magazine one of America's fastest growing companies and one of the best places to work in New Jersey for the past three years. The customer base includes 5,000 businesses throughout the United States. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Marathon has experienced significant growth over the past few years and is considering creating 35 new jobs to support the increased volume. The lease for the corporate headquarters in Wall Township expires in early 2014 and is nearing capacity with 74 employees. The applicant has a 7,000 s.f. underutilized facility in Boston, housing 18 employees, with its lease expiring December 31, 2018. Management is considering relocating the corporate office to a 23,742 s.f. facility in Neptune, capable of housing the retained and new employees, totaling 109 jobs, or moving to Boston. At the Boston location, there is an additional 3,500 s.f. available for expansion to 10,518 s.f. Space planners have determined the 10,518 s.f. would be adequate to house the existing and new employees.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Marathon Data Operating Co., 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 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 $13.6 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 74 New Jersey jobs listed in the application are at risk of being located outside the State on or before March 31, 2014. 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.

APPROVAL REQUEST:
The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before March 31, 2014; 2) approve the proposed Grow New Jersey grant to encourage Marathon Data Operating Co., 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.
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.

Grant Calculation

BASE GRANT PER EMPLOYEE:

| Distressed Municipality | $4,000 |

INCREASES:

| Targeted Industry | $500 |

INCREASE PER EMPLOYEE:

| $500 |

PER EMPLOYEE LIMIT:

| Distressed Municipality | $11,000 |

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:

| $4,500 |

AWARD PER EMPLOYEE:

| New Jobs: 35 Jobs X $4,500 X 100% = $157,500 |
| Retained Jobs: 74 Jobs X $4,500 X 50% = $166,500 |
| Total: $324,000 |

ANNUAL LIMITS:

| Distressed Municipality | $8,000,000 |

TOTAL ANNUAL AWARD

| $324,000 |
**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:**

<table>
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<tr>
<th>MINIMUM</th>
<th>PROPOSED</th>
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<tbody>
<tr>
<td>$949,680</td>
<td>$1,570,000</td>
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</table>

**NEW FULL-TIME JOBS:**

- 25 OR 35

**RETAINED FULL-TIME JOBS:**

- 35 OR 74

**TOTAL AMOUNT OF AWARD:**

- $3,240,000

**TERM:**

- 10 years

**MEDIAN WAGES:**

- $61,457

**SIZE OF PROJECT LOCATION:**

- 23,742 sq. ft.

**STATEWIDE BASE EMPLOYMENT:**

- 109

**PROJECT IS:**

- (X) Expansion
- ( ) Relocation

**CONSTRUCTION:**

- (X) Yes
- ( ) No

**DEVELOPMENT OFFICER:**

- J, Kenyon

**APPROVAL OFFICER:**

- M. Krug
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

APPLICANT: VF Sportswear, Inc. and Subsidiaries  P38763

PROJECT LOCATION: 545 Washington Blvd Jersey City Hudson County

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

APPLICANT BACKGROUND:
VF Sportswear, Inc. ("Sportswear") is a wholly owned subsidiary of VF Corporation, a public company focused on diversified, lifestyle apparel, footwear and related products. Sportswear oversees the Kipling brand, known for its sports bags, watches and accessories, and Nautica, a manufacturer primarily of men's wear. The parent company includes 35 well known clothing brands, including Lee, Wrangler, Eastpak and Northface. Eric C. Wiseman is Chairman, President and Chief Executive Officer of VF Corporation and Karen Murray is President of VF Sportswear. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Sportswear currently employs 260 people in two New York City locations and is considering moving 175 jobs to either Jersey City or Norwalk, CT to reduce overhead. The jobs to be relocated include several senior executives, finance, accounting, retail operations, and other administrative groups. Project costs are estimated to exceed $7.7 million.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and as a result the management of VF Sportswear, 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 that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $22.7 million over the 20 year period required by the Statute.

APPROVAL REQUEST:
The Members of the Authority are asked to approve the proposed Grow New Jersey grant to encourage VF Sportswear, Inc. to relocate to 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.

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.
**Grant Calculation**

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

**INCREASES:**
- Transit Oriented Development: $2,000
- Jobs with Salary in Excess of County/GSGZ Average: $500

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

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

**LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:**
$7,500

**AWARD PER EMPLOYEE:**
- New Jobs: 175 Jobs X $7,500 X 100% = $1,312,500
- Retained Jobs: 0 Jobs X $7,500 X 50% = 0

Total: $1,312,500

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

**TOTAL ANNUAL AWARD**
$1,312,500

**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:**
$1,705,720 $7,715,456

**NEW FULL-TIME JOBS:**
25 OR 175

**RETAINED FULL-TIME JOBS:**
35 0

**TOTAL AMOUNT OF AWARD:**
$13,125,000

**TERM:**
10 years

**MEDIAN WAGES:**
$86,700

**SIZE OF PROJECT LOCATION:**
42,643 sq. ft.

**STATEWIDE BASE EMPLOYMENT:**
0

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

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

**DEVELOPMENT OFFICER:**
M. Abraham

**APPROVAL OFFICER:**
M. Krug
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

APPLICANT: WebiMax LLC

PROJECT LOCATION: 2 Aquarium Loop Camden City Camden County

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

APPLICANT BACKGROUND:
Founded in July 2008 in Mt. Laurel, New Jersey, WebiMax LLC is a leader in online and digital marketing services. The company focuses on pay-per-click advertising, search engine optimization, search engine marketing, paid search, social media, website design and development, and reputation management. With over 125 employees and 4 offices worldwide, WebiMax was named number 37 on the 2012 Inc. 500 list. The company also earned the number 5 position on The Agency 100 list (2013). The Agency 100 is an annual ranking of the fastest-growing advertising and marketing agencies in the United States. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
The company is looking for new space to relocate its existing workforce and accommodate its future growth. It is considering either Camden, New Jersey or Newark, Delaware, the latter being less expensive. The location analysis submitted to the Authority shows Camden to be the more expensive option and, as a result, the CEO of WebiMax LLC has certified that the grant of tax credits is a material factor in the company’s decision to make a capital investment and locate in Camden. The Authority is in receipt of an executed CEO certification 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 in Camden. It is estimated that the project would have a net benefit to the State of $46 million over the 35 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 50 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.

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 WebiMax 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.

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.

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<thead>
<tr>
<th>Grant Calculation</th>
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<tbody>
<tr>
<td><strong>BASE GRANT PER EMPLOYEE:</strong></td>
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<tr>
<td>Garden State Growth Zone</td>
</tr>
<tr>
<td><strong>INCREASES:</strong></td>
</tr>
<tr>
<td>Transit Oriented Development:</td>
</tr>
<tr>
<td>Targeted Industry:</td>
</tr>
<tr>
<td>2007 Revit. Index&gt;465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem:</td>
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<tr>
<td><strong>INCREASE PER EMPLOYEE:</strong></td>
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<tr>
<td><strong>PER EMPLOYEE LIMIT:</strong></td>
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<tr>
<td>Garden State Growth Zone</td>
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<tr>
<td><strong>LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:</strong></td>
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<tr>
<td><strong>AWARD PER EMPLOYEE:</strong></td>
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<tr>
<td>New Jobs: 100 Jobs X $8,500 X 100% =</td>
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<tr>
<td>Retained Jobs: 50 Jobs X $8,500 X 100% =</td>
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<tr>
<td>Total:</td>
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<td><strong>ANNUAL LIMITS:</strong></td>
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<td>Garden State Growth Zone and MRERA</td>
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<tr>
<td><strong>TOTAL ANNUAL AWARD</strong></td>
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<table>
<thead>
<tr>
<th>ESTIMATED ELIGIBLE CAPITAL INVESTMENT:</th>
<th>MINIMUM</th>
<th>PROPOSED</th>
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<tbody>
<tr>
<td>NEW FULL-TIME JOBS:</td>
<td>19 OR 100</td>
<td></td>
</tr>
<tr>
<td>RETAINED FULL-TIME JOBS:</td>
<td>27 50</td>
<td></td>
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| TOTAL AMOUNT OF AWARD: | $12,750,000 |
| TERM: | 10 years |
| MEDIAN WAGES: | $37,000 |
| SIZE OF PROJECT LOCATION: | 8,755 sq. ft. |
| STATEWIDE BASE EMPLOYMENT: | 50 |
| PROJECT IS: (X) Expansion  ( ) Relocation |
| CONSTRUCTION: (X) Yes  ( ) No |
| DEVELOPMENT OFFICER: J. Kenyon |
| APPROVAL OFFICER: D. Sucsuz |
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

APPLICANT: Biovail Americas Corporation and subsidiaries

PROJECT LOCATION: 400 Somerset Corporate Blvd Bridgewater Township Somerset County

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

APPLICANT BACKGROUND:
Biovail Americas Corporation is the United States holding company of Valeant Pharmaceuticals International. Valeant Pharmaceuticals is a multi-national specialty pharmaceutical company that develops, manufactures, and markets a broad range of pharmaceutical products and medical devices. The company’s specialty pharmaceutical and over-the-counter products are marketed under brand names and are sold in the United States, Canada, Australia and New Zealand, where the company focuses most of its efforts on products in the dermatology and neurology therapeutic classes. Recently, Valeant acquired Bausch & Lomb whose core businesses include ophthalmic pharmaceuticals, contact lenses and lens care products, and ophthalmic surgical devices and instruments. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
As a result of the acquisition of Bausch & Lomb, Valeant now owns Bausch & Lomb’s headquarters building in downtown Rochester, New York. Valeant is in the process of determining where to locate the company’s combined U.S. Headquarters. Should the applicant choose to remain in New Jersey, it would relocate to a 310,000 sq ft facility that it would lease in Bridgewater. In addition to the 274 existing New Jersey jobs, the company estimates that it will bring another 550 new jobs to the State. The alternative is to relocate to Rochester, New York and inhabit the Bausch & Lomb building.

Both Valeant and Bausch & Lomb have existing BEIP agreements approved by the Authority in 2003 and 2008, respectively. The company has reached an agreement with the Authority to end the existing grants and forfeit a portion of the payments that are currently due. This modification is being presented to the board for approval at today’s meeting.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and as a result the management of Biovail Americas Corporation has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification 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 $432.2 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 274 New Jersey jobs listed in the application are at risk of being located outside the State on or before July 31, 2014. 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.

APPROVAL REQUEST:
The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before July 31, 2014; 2) approve the proposed Grow New Jersey grant to encourage Biovail Americas Corporation to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain
criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

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.

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<tr>
<th>Grant Calculation</th>
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<tr>
<td><strong>BASE GRANT PER EMPLOYEE:</strong></td>
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<tr>
<td>Priority Area</td>
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<tr>
<td><strong>INCREASES:</strong></td>
</tr>
<tr>
<td>Jobs with Salary in Excess of County/GSGZ Average:</td>
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<tr>
<td>Large Number of New/Retained F/T Jobs:</td>
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<tr>
<td>Targeted Industry:</td>
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<tr>
<td><strong>INCREASE PER EMPLOYEE:</strong></td>
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<tr>
<td><strong>PER EMPLOYEE LIMIT:</strong></td>
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<tr>
<td>Priority Area</td>
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<tr>
<td><strong>LESSE OF BASE + INCREASES OR PER EMPLOYEE LIMIT:</strong></td>
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<tr>
<td><strong>AWARD PER EMPLOYEE:</strong></td>
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<tr>
<td>New Jobs:</td>
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<tr>
<td>Retained Jobs:</td>
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<tr>
<td><strong>Total:</strong></td>
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<tr>
<td><strong>ANNUAL LIMITS:</strong></td>
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<tr>
<td>Priority Area</td>
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<tr>
<td>NEW FULL-TIME JOBS:</td>
<td>25 OR</td>
<td>550</td>
</tr>
<tr>
<td>RETAINED FULL-TIME JOBS:</td>
<td>35</td>
<td>274</td>
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<tr>
<td><strong>Biovail Americas Corporation</strong></td>
<td><strong>Grow New Jersey</strong></td>
<td><strong>Page 3</strong></td>
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<tr>
<td><strong>TOTAL AMOUNT OF AWARD:</strong></td>
<td>$ 39,502,500</td>
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<tr>
<td><strong>TERM:</strong></td>
<td>10 years</td>
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<tr>
<td><strong>MEDIAN WAGES:</strong></td>
<td>$ 172,000</td>
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<tr>
<td><strong>SIZE OF PROJECT LOCATION:</strong></td>
<td>310,000 sq. ft.</td>
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<tr>
<td><strong>STATEWIDE BASE EMPLOYMENT:</strong></td>
<td>274</td>
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<tr>
<td><strong>PROJECT IS:</strong></td>
<td>(X) Expansion</td>
<td>(X) Relocation</td>
</tr>
<tr>
<td><strong>CONSTRUCTION:</strong></td>
<td>(X) Yes</td>
<td>( ) No</td>
</tr>
<tr>
<td><strong>DEVELOPMENT OFFICER:</strong></td>
<td>M. Abraham</td>
<td>APPROVAL OFFICER: K. McCullough</td>
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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - ANGEL INVESTOR TAX CREDIT

APPLICANT(S)/ANGEL INVESTOR:
Robert M. Kargman & Marjie Kargman

APPLICANT(S)/ANGEL INVESTOR LOCATION:
Boston, MA

NJ EMERGING TECHNOLOGY BUSINESS:
Edge Therapeutics, Inc.

TECHNOLOGY BUSINESS NJ LOCATION:
139 South Street New Providence Borough Union County

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

TECHNOLOGY BUSINESS BACKGROUND:
Edge Therapeutics Inc., is a private, clinical stage biopharmaceutical company focused on developing and commercializing life-saving hospital products that improve patient outcome by addressing acute, fatal or debilitating conditions after brain hemorrhage that have no current effective treatment.

INDUSTRY:
( ) Advanced Computing ( ) Information ( ) Renewable Energy
( ) Advanced Materials ( ) Life Sciences
( X ) Biotechnology ( ) Medical Device
( ) Electronic Device ( ) Mobile Communications

DESCRIPTION OF QUALIFIED INVESTMENT:
The applicant presented a non-refundable investment of cash to Edge Therapeutics, Inc. in exchange for stock in the company.

APPROVAL REQUEST:
The Members of the Authority are asked to approve the proposed Angel Tax Credit to Robert M. Kargman & Marjie Kargman to encourage the investment in a New Jersey emerging technology business.

QUALIFIED INVESTMENT DATE: 05/08/2013
QUALIFIED INVESTMENT: $1,455,685.00
TAXPAYER APPROVAL YEAR: ( 2013 ) $145,569.00
TOTAL NUMBER OF EMPLOYEES (Worldwide): 6
NEW JERSEY FULL-TIME EMPLOYMENT AT APPLICATION: 6

DEVELOPMENT OFFICER: C. Smith
APPROVAL OFFICER: C. Smith
Enclosed for your review, discussion and approval is the proposed FY14 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 FY14 Strategic Business Plan.

You will note the 2014 Strategic Business Plan details imperatives in support of our three key business objectives: 1) to grow New Jersey’s economy, 2) advance a financially sustainable business platform, and 3) expand and improve resources, infrastructure and processes to support the overall effectiveness of the Authority’s programs. The first objective is primarily reflected within the Fiscal Plan’s revenue and program cost projections; the second and third, with fiscally responsible expense and cost constraints.

The proposed Fiscal Plan reflects a deliberative approach in the projection of operating revenues, expenses and costs. With the Administration’s prioritized initiatives, including incentive financing, we are projecting increased activity in the related programs which, we believe, will result in higher fee revenue in 2014. Relative to 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 138 planned for FY13 to 144 for FY14, including positions related to Incentives, Underwriting, and Customer Care. Associated G&A expenses reflect an increase of 5% over FY13 Plan to cover needed upgrades in IT hardware and software.

At $2,714,000, FY14 planned NOE is higher than both FY13 Planned and Projected activity, and is primarily attributable to the anticipated growth in the revised ERGG and Grow-NJ incentive programs. Other significant revenue categories are anticipated to remain flat with FY13 Plan (Interest on Notes) or generate modest growth in revenue (Lease Revenue, Interest on Investments). Since the Fiscal Plan is seen as a metric of performance, management is pleased to
BOARD MEMORANDUMS
MEMORANDUM

TO: Members of the Authority

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

DATE: December 10, 2013

SUBJECT: Bausch and Lomb Incorporated (“B&L”) – P23720
Madison, New Jersey
Business Employment Incentive Program Grant (“BEIP”)

Request:

Wind up the BEIP by recapturing part of the grant in advance of the company’s parent, Biovail, executing a new GROW NJ application which will be considered by the members under a separate action for Biovail, making a minimum new capital investment in the approximate amount of $16 million in New Jersey and the creation or retention of jobs as required under the GROW NJ program.

Background:

B&L was founded in 1853 and maintains its global headquarters in Rochester, New York. The core businesses include soft and rigid gas permeable contact lenses, lens car products, ophthalmic surgical and pharmaceutical products.

In September, 2008, the members approved a 55%/10 year grant to encourage B&L to transfer 70 jobs from Rochester and Tampa, Florida to a 30,000 square foot facility in Madison. Current employment is 112. To date approximately $128,000 has been disbursed and an additional $1.6 million pending review.

Due to internal growth and its recent merger with Valeant Pharmaceuticals North America LLC, B&L’s parent company, Biovail, is considering a location decision in either New Jersey or Rochester for its consolidated operations.

Biovail has indicated that an award of GROW NJ incentive is a material factor in the decision to remain in New Jersey, and in order to include the jobs previously reported under the BEIP for B&L as at risk jobs for the new incentive and for the parent company to enter into a new GROW NJ incentive agreement, B&L is required to first terminate its BEIP.
The recapture amount, which will recognize the years the company was in compliance and require repayment calculated pursuant to the policies adopted by the Board for 'sliding scale recapture in October, 2004, must be paid before the execution of the GROW NJ incentive agreement.

As part of the new GROW NJ application, B&L’s parent expects to make a new $16 million capital investment in New Jersey and will agree to comply with any other term or conditions of the new GROW NJ agreement. Should B&L’s parent not proceed with making this new capital investment in New Jersey, the BEIP will remain in place and the company will be required to meet the terms and conditions of that agreement through the remaining commitment duration (2024).

**Recommendation:**

Consent to the wind up of the BEIP by recapturing part of the grant, and repayment of the recapture amount before the execution of a new GROW NJ incentive agreement being considered by the members for the parent company, Biovail, for its intent to make a new $16 million capital investment in New Jersey, the creation and retention of at risk jobs and compliance with the terms of the GROW NJ agreement.

Timothy J. Elzura  
President and Chief Operating Officer

Prepared by: Jennifer Niles
MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President and Chief Operating Officer
DATE: December 10, 2013
SUBJECT: Valeant Pharmaceuticals North America, LLC and Biovail Americas Corp.—P14984
Bridgewater Township, New Jersey
Business Employment Incentive Program Grant (“BEIP”)

Modification Request:

Wind up the BEIP by recapturing part of the grant in advance of the company’s parent company, Biovail, executing a new GROW NJ application which will be considered by the members under a separate action, in consideration of Biovail making a minimum new capital investment in an approximate amount of $16 million in New Jersey and the creation or retention of jobs as required under the GROW NJ program.

Background:

Valeant Pharmaceuticals North America, LLC. ("Valeant") is the successor to the original grantees, Biovail Pharmaceuticals Inc. and Biovail Technologies, Ltd. ("collectively, Biovail"). In 2008, due to corporate restructuring, Biovail Pharmaceuticals transitioned all of its business to a subsidiary, BTA Pharmaceuticals, Inc., which subsequently was acquired by Valeant in 2010.

In September 2003, the members approved a 60%/10 year grant to encourage Biovail to relocate and consolidate its US Operations from Morrisville, NC and Chantilly, VA to Bridgewater Township and the creation of 200 new jobs. Current employment is 159. To date approximately $1.2 million has been disbursed and an additional $2.5 million is pending review.

Due to internal growth and its recent merger with Bausch & Lomb, Valeant’s parent, Biovail is considering a location decision in either New Jersey or Rochester for its consolidated operations.

Biovail has indicated that an award of GROW NJ incentive is a material factor in the decision to remain in New Jersey, and in order to include the jobs previously reported under the BEIP for Valeant as at risk jobs for the new incentive and for the parent company to enter into a new GROW NJ incentive agreement, Valeant is required to first terminate its BEIP.
The recapture amount, which will recognize the years the company was in compliance and require repayment calculated pursuant to the policies adopted by the Board for 'sliding scale recapture in October, 2004, must be paid before the execution of the GROW NJ incentive agreement.

As part of the new GROW NJ application, Valeant’s parent expects to make a new $16 million capital investment in New Jersey and will agree to comply with any other term or conditions of the new GROW NJ agreement. Should Valeant’s parent not proceed with making this new capital investment in New Jersey, the BEIP will remain in place and the company will be required to meet the terms and conditions of that agreement through the remaining commitment duration (2018).

Recommendation:

Consent to the wind up of the BEIP by recapturing part of the grant, and repayment of the recapture amount before the execution of a new GROW NJ incentive agreement being considered by the members for the parent company, Biovail, for its intent to make a new $16 million capital investment in New Jersey, the creation and retention of at risk jobs and compliance with the terms of the GROW NJ agreement.

Timothy J. Lizura
President and Chief Operating Officer

Prepared by: Colette Frazier
MEMORANDUM

TO: Members of the Authority
FROM: Timothy Lizura
President and Chief Operating Officer
DATE: December 10, 2013
SUBJECT: Terracycle, Inc.
$351,851 Edison Innovation Loan with Warrants (P29096)

Request:
The NJEDA (EDA) is requested by Terracycle (TCI) to approve a Line of Credit (LOC) facility provided by Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S). This LOC will be backed by a cash deposit in a Capital Management Account (WCMA), which will be the sole security interest of the bank. The EDA will be required to amend its existing UCC filing to carve out and surrender its lien position on the WCMA, up to the proposed maximum amount of $2,631,580, to MLPF&S.

TCI will be only required to pre-fund the WCMA in anticipation of a business expense, with the first cash deposit minimum of $100,000. The LOC limit is $2.5 million. Since the WCMA has a 95% margin in place, the corresponding cap on the WCMA is $2,631,580. The EDA will be required to release its lien on the WCMA up to the cap of $2,631,580.

The Members of the Authority are requested to approve the EDA’s consent to the credit facility as well as consent to carving-out and surrendering its lien position to MLPF&S up to the maximum proposed amount of $2,631,580.

Background:
Terracycle, Inc. was formed in 2001 as an environmentally-conscious company focused on converting waste to consumer products. In June 2010, TCI received a $1,000,000 Edison Innovation Fund loan, with warrants, to fund advancements in its technology. The loan is secured by lien on all assets, a negative pledge on intellectual property, and a springing lien on the same to be filed in the event of a default. The 5 year loan has been repaid as agreed.

In September 2013, TCI created a wholly owned subsidiary TerraCycle, US LLC (TC US) without any transfer of assets or liabilities until Jan 1, 2014. After January 1st, 2014, TC US will be responsible for all receivables and expenses related to the US business as well as staff who work exclusively on the US business. The company is currently developing implementation plans with respect to the asset transfer and will request consent to at a later date when the structure is finalized. If EDA cannot consent to the asset transfer, TCI will repay the loan.
Currently, TCI intends to establish a LOC with MLPF&S, a subsidiary of Bank of America. This LOC will be secured by a cash deposit in a Working Capital Management Account (WCMA). The proposed commitment under this LOC will not exceed $2.5 million. Funds (from normal business income) that TerraCycle would have used to pay such expenses (for example, payroll, shipping, legal fees) would be deposited in WCMA prior to the business expense on an ‘as needed’ basis. Terracycle is not required to maintain a minimum balance in the pledged cash account. Rather, TCI will pre-fund the WCMA whenever it elects to pay normal business expenses through the LOC. There will be a 95% margin associated with the WCMA. At no time, will TCI fund the cash account with more than $2,631,580 which corresponds to 95% of the $2.5 million LOC commitment.

MLPF&S will have a perfected security interest in the WCMA and WCMA will be MLPF&S’s sole security for the LOC. The EDA will be required to amend its collateral position by filing a UCC3 statement that specifically carves out and surrenders the WCMA account from EDA’s collateral interests. No secondary liens will be permitted on the WCMA account. The EDA retains a blanket lien on all other assets including accounts receivables which are currently two times the amount of the maximum LOC commitment of $2.5 million.

By having the additional asset and liability that net out, TCI will be able to secure a reduction in certain insurance rates as well as a tax benefits for the planned corporate restructure. Prior to the admission of an investor into TC US, TCI intends to contribute the LOC to TC US increasing its tax basis in the wholly owned subsidiary and providing TCI a reduction in tax liability resulting from the spin-off of TC US.

Recommendation:
Since this is a cash backed LOC and does not create an extra financial burden on the company, it is recommended that NJEDA consent to this credit facility as well as consent to carving-out and surrendering its lien position to MLPF&S up to the maximum proposed amount of $2,631,580.

Prepared by: Kamran Hashmi, Venture Officer
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: December 10, 2013

SUBJECT: Accounting for Defaulted Loans

Request:
Consent to writing off the loans on the attached grid from the financial statements of the Authority. EDA will retain its legal rights against the borrower and/or guarantors will continue to pursue collection of these loans until potential sources of recovery are extinguished.

Background:
Pursuant to the Authority’s loan servicing policies and as required by generally accepted accounting principles, all active loans in Special Loan Management are reviewed periodically to identify those to be removed as assets on the Authority’s financial statements (i.e. “written off”). Staff considers the payment history, company operations, collateral value in liquidation and the strength of personal guarantors to assess which loans offer limited likelihood of future recovery and should be written off.

Presently, staff is recommending the write-off of the four (4) loans on the attached grid totaling $2,416,522. EDA will retain its legal rights against the borrower and/or guarantors. With the exception of H.K. Buzby where all collateral has been sold and personal guarantors have been discharged in bankruptcy, staff will continue to pursue collection of these loans until all potential sources of recovery are extinguished. All are rated Loss and are fully (100%) reserved.

Recommendation:
Write off the loans on the attached grid. Staff will continue to monitor these loans for the potential of future recovery as described above.

Prepared by: Jon Maticka
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
      President and Chief Operating Officer

DATE: December 10, 2013

SUBJECT: Credit Delegations for Loan and Guarantee Programs

Request:

1) Create new delegations to staff [Level 2: CEO or President with SVP or Managing Director with staff] to remove from the financial statements of the Authority defaulted loans for the purposes of accounting treatment under Generally Accepted Accounting Principles “GAAP” when loans are fully reserved and EDA retains its legal rights against the borrower and guarantors. Staff and the Attorney General’s office will continue to pursue collection and recovery of these loans;

2) Amend existing delegations previously granted by the Members to streamline the loan approval, closing and servicing process and improve customer service and create efficiencies for staff with these routine matters that pose limited financial risk to the Authority; and

3) Amend existing delegations to increase staff’s authority to enter into settlements or compromises of EDA’s legal rights against the borrower, guarantors and/or collateral to $500,000 (from $300,000 as recommended herein) when there exists little to no chance for further recovery, with concurrence from the Attorney General’s office.

Background:

Beginning in July 2003 and at various times over the past ten years, the Members’ approval has been sought to delegate authority to staff for certain financing and incentive approvals to create efficiencies for our customers and our business. Staff periodically evaluates the delegations as the business needs of our customers and the Authority evolve.

New Delegation:

During the normal course of business, certain credit facilities to customers deteriorate and staff adjusts the risk rating and consequently, the reserves against those loans. When a loan is downgraded to the rating of ‘loss’ it is deemed to have a remote likelihood of recovery, and is therefore reserved 100% on the Authority’s books. Because these loans are fully reserved and the net value to the Authority is none, they can and should be ‘written off’ our financial statements under Generally Accepted Accounting Principles “GAAP”. In these cases, to comply with GAAP and create flexibility to staff, who will continue to monitor and pursue remedies
against borrowers, a new delegation permitting staff to write off loans (with recourse) for accounting treatment is requested.

This new delegation [Level 2: CEO or President with SVP or Managing Director] will facilitate the accounting adjustment only for removal of loans from our books when 1) the loan has been reserved 100%; 2) no payments have been received for 12 months and/or there is no reasonable expectation for resumption of payments within a year; and 3) EDA retains legal recourse against all obligors and is not compromising its ability to collect the debt. Staff will continue to fully pursue collection of these loans pursuant to EDA’s loan servicing policies.

Revisions to Existing Delegations:

Presently, we recommend the following revisions to delegations for loans and guarantees. Approvals under delegated approval are for projects where a modification is needed for a demonstrable business purpose and is considered to be in the best interest of the Authority.

1. Extend commitment dates for new loans and guarantees from six (6) months (as approved by the Members on June 14, 2005) to as needed up to a maximum of two (2) years from the must close by date in the commitment letter to provide flexibility to applicants which due to reasons beyond their control need more time to close. Extensions will only be granted to those projects where there has been no material adverse change since original approval by or reported to Board, and there is a reasonable expectation the project will be completed and the loan repaid. [Level 4 – Director with staff – (no change)]

2. Increase the maximum term (original term plus extensions) on performing loans rated Special Mention or better from the current 10 years (approved July 9, 2003 and amended March 10, 2009 to increase the limit to $1 million) to a maximum term not to exceed the original loan amortization at approval (e.g. 20 years for a loan approved with a 10 year term with 20 year amortization) provided the borrower demonstrates minimum debt service coverage of 1.0 times and current Loan to Value ratio is the lesser of 100% or the LTV at approval. [Level 4 – Director with staff (no level change)]

3. Increase the maximum loan amount for subordination, substitutions or releases of collateral from $500,000 (approved July 9, 2003) to $1,250,000 when a) the loan to value ratio after the release or subordination is not greater than the loan to value indicated in the original or most recent project approval; or b) the amount of the collateral compromised represents less than 10% of the present collateral value. This aligns post closing modifications delegations with the current delegations for new loan approval amounts. [Level 3 SVP or Managing Director (no change in level)]

4. Increase the delegation from the current $300,000 (approved July 9, 2003, and amended November 13, 2007) to $500,000 [Level 2 CEO or President with SVP or Managing Director (no change in level)] for settlements and compromises with concurrence by the Attorney General’s office, where no greater recovery is foreseeable by staff. EDA agrees to accept the settlement amount as full repayment of the obligation and writes off the remaining balance without recourse.

This increase will facilitate negotiations on defaulted credits, where collateral values and/or obligated parties are substantially impaired and a partial payment will represent the best potential
for recovery. As many settlement proposals involve third parties where timing is essential, staff’s ability to react quickly often impacts the success of settlement negotiations.

**Recommendation:**
Consent to the creation of a new delegation to allow staff flexibility to write-off defaulted loans in accordance with GAAP while continuing to enforce remedies and pursue collections efforts, amend existing delegations to provide efficiency for our customers, improve internal processes, and support recovery of defaulted loans, while ensuring that appropriate oversight and risk controls are in place.

These actions will continue to be reported to the Members quarterly.

Prepared by: David Lawyer and Daniel Weick
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: December 10, 2013

SUBJECT: Incentives Delegations

Request:

1. Create new delegations for New Jersey Angel Investor Tax Credit ("Angel");

2. Establish guidelines and delegations for certain debarment matters;

3. Increase the existing delegation and amend the approval level for commitment extensions for the Business Retention & Relocation Assistance “BRRAG”, Urban Transit Hub (“HUB”), the Economic Redevelopment and Growth (“ERG”) and GROW NJ Assistance (“GROW”) from one six (6) month extension to successive six (6) month extensions up to a maximum of two (2) years provided the project scope and cost remain unchanged and the project evidences forward progress; and

4. Expand current delegation to staff to approve the assignment of reimbursements under ERG when used to monetize financing for the project provided no amendments to the ERG agreement are required.

Background:

Beginning in July 2003 and as various times over the past ten years, the members’ approval has been sought to delegate signing authority to staff on a certain financing and incentive transactions to create efficiencies for our customers and to provide fluidity to our business.

New Delegations:

Angel:

On January 31, 2013, Governor Christie signed the NJ Angel Investor Tax Credit Act (P.L.2013, c. 14) to stimulate the growth of New Jersey’s technology sector through providing tax credits for certain non-refundable investments in emerging technology businesses. Under the Act, which is administered by EDA, in consultation with Division of Taxation, taxpayers are allowed a credit against their corporate business tax or gross income tax equal to 10% of the qualified investments in NJ emerging technology businesses. A qualified investment must be a non-refundable transfer of cash by a person or entity not controlled or controlling the NJ emerging
technology business. The transfer must be in exchange for one of various assets listed in the Act (including stock, partnership or joint venture interest, licenses, options, marketing rights) or for a purchase, production, or research agreement; the asset or agreement must be an executed documented. To qualify as a NJ emerging technology business, these companies are required to have fewer than 225 employees, of which 75% are located in NJ and are employed full time, (defined as working 35 hours per week at least 80% of that time at the project site). These companies must have one of nine eligible technologies as their primary business line and have either qualified research expenses to be reimbursed or are conducting either pilot scale manufacturing or commercializing their technology in New Jersey. The maximum credit for a qualified investment per investor is limited to $500,000; the maximum credits EDA may award under the program is $25 million per calendar year.

Because certain qualified investments are routine in the angel investor community and entail a more straightforward review, staff is requesting delegation to approve these tax credits [Level 3: SVP or Managing Director] when:

1. award of up to $100,000 in Angel Investor Tax Credits based on an investment in an emerging technology company; and
2. the investment is made in exchange for stock & warrants; and
3. the NJ emerging technology business qualifies because it has qualified research expenses.

All other applications, such as those involving investments greater than $100,000, investments in exchange for other assets (convertible debt or other conversion-like features), NJ emerging technology businesses qualifying based on pilot scale manufacturing or technology commercialization, will continue to require Board approval. All applications that staff recommends denying will also require Board action.

Debarment:

All potential applicants to EDA’s programs are required to answer legal questions as part of the application process. Incentive customers, who are often required to make changes to those incentives over the long commitment terms of their agreements, are required to refresh their responses from time to time, when they request changes to their incentive agreements.

Because our incentive customers are typically large companies, they are subject to more legal issues during the course of ordinary business than their smaller counterparts.

Historically, EDA has required that an applicant’s affirmative response to any of the legal questions, especially those in which an applicant has entered a guilty plea or an admission of liability be subject to a full review by the Attorney General’s office to determine whether EDA should debar the applicant from receiving incentives.

Frequently, by the time the company applies to the Authority, either the State or the federal government has entered into a corporate integrity agreement, a deferred prosecution agreement or a consent order with the applicant pursuant to which the company has made changes to the corporate policies that led to the offense.

It is in these instances, that staff is recommending delegation [Level 2: CEO or President/COO with SVP] in consultation with the Attorney General’s office for the following actions:
1. If the company is subject to a corporate integrity agreement, a deferred prosecution agreement or a consent order, and is in good standing thereunder staff may determine not to debar the company.

2. All recommendations to debar will continue to come to the board.

Proposed Revisions:

**BRRAG, HUB, ERG and GROW:**

1. Extend the existing delegation [Level 4: Director] on the BRRAG, HUB, ERG and GROW from one six (6) month commitment extension to successive six (6) month extensions up to a maximum of two (2) years provided the project continues to evidence forward progress, there are no substantive changes in the project scope or cost and there is reasonable expectation that the project will be completed.

2. Delegate the authority to staff [Level 3: SVP or Managing Director] to approve the assignment of reimbursements under ERG when used to monetize financing for the project provided no amendments to the ERG agreement are required.

Recommendation:

Consent to new delegations for Angel and Debarment and amend existing delegations to BRRAG, HUB, ERG & GROW to provide efficiency for our customers while ensuring that appropriate oversight and signing authority under these delegations protects our management of these accounts. These actions will continue to be reported to the Members quarterly.

Prepared by: Lisa Coane
MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura, President/Chief Operating Officer

DATE: December 11, 2012

SUBJECT: PNC Business Growth Fund

On September 14, 2004, the Board approved the “New Jersey Business Growth Fund” (BGF) which expanded the relationship between PNC Bank and the Authority. This program supports our small business strategy and enhances our ability to meet the needs of New Jersey small businesses. Through the Business Growth Fund, PNC agreed to make $100 million in low interest loans available to fund New Jersey companies committed to job creation or retention (for manufacturers). Capital made available by PNC Bank is offered at below market interest rates, with a fixed or variable rate option. EDA provides either a 25% or 50% guarantee on loans of up to $3 million for qualified projects under the program.

Since program inception, 336 projects have been assisted, which represents approximately $158 million in loans with approximately $48 million in Authority guarantees. 2013 volume to date is 12 projects assisted, which represents approximately $6.1 million in bank loans with $1.5 million in Authority guarantees. Average loan size is approximately $450,000.

There are 149 loans in the active portfolio, which represents $72.2 million in loans with EDA guarantee exposure of approximately $17.9 million. It should be noted that under the agreement with PNC, the maximum aggregate exposure to the Authority is $10 million. The last review of the BGF portfolio was in June 2013, and was deemed satisfactory. Overall, loans were closed in conformity with approvals and documented properly.

At this time, there is one project in the active portfolio that is delinquent. There were no new transfers to SLM or guarantees drawn in 2013. To date, ten guarantees totaling $1.7 million have been transferred to Special Loan Management. Of those, six guarantees totaling $865,000, have been called since the start of the program all of which have been have been written off.
The agreement with PNC will expire on December 31, 2013. PNC has requested that the Authority extend the program for an additional year, with a commitment of $25 million in loan volume. In an effort to be more competitive, PNC has agreed to reduce the interest rate on their fixed rate loans by 25 basis points. Therefore the fixed rate option will be the five year Treasury + 225 bp (current indicative rate is 3.65%). For applicants that choose the variable interest rate option, the rate will now be the WSJ Prime minus 25 bp (current indicative rate is 3.0%). These rates compare favorably to conventional commercial loan rates being offered, which are currently in the 4%-6% range. It is requested that the CEO continue to have authority to negotiate alternative interest rate changes, not to exceed 50 bp, as may be requested by PNC.

It is recommended that the “New Jersey Business Growth Fund” program be extended for one year with the program modification described above. This program supports our small business strategy and enhances our ability to meet the needs of New Jersey small businesses. To effectuate this, the Agreement with PNC Bank will be amended subject to DAG review.

Prepared by: S. Mania
MEMORANDUM

TO: Members of the Authority
FROM: Timothy Lizura
       President and Chief Operating Officer
DATE: December 10, 2013
RE: Retail Fuel Station–Energy Resiliency Program – MOU

Request:

The Members of the Authority are requested to review and approve the MOU between the Authority and the New Jersey Office of Emergency Management (NJOEM) for the Retail Fuel Station – Energy Resiliency Program (RFS-ERP). Approval is requested to authorize Michele Brown, CEO or Tim Lizura, President and COO to execute the MOU on behalf of the EDA. The MOU is included as Attachment A.

Background:

As presented and approved at the EDA November 2013 Board meeting, the RFS-ERP has been developed as a result of extensive power outages experienced across the State that rendered liquid fuel pumps and point of sale systems at many retail fuel stations inoperable after Superstorm Sandy. The RFS-ERP is a voluntary program designed to assist owners/operators of retail fuel stations with enhancing their operational resiliency.

The RFS-ERP will be capitalized with approximately $7 million in Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program funding. The NJ Office of Emergency Management (NJOEM) designated as Grantee for the FEMA funding has requested the EDA, as sub-grantee, act as program administrator.

The MOU outlines the responsibilities of the EDA and the NJOEM for the RFS-ERP. As noted, EDA will solicit, receive and review applications for the program. If deemed eligible, EDA will requisition grant funds from NJOEM for disbursement. EDA shall be primarily responsible for
compliance with the Stafford Act and all applicable FEMA regulations that govern the program. NJOEM, among other responsibilities, will review applications submitted by the EDA and, if approved, submit them to FEMA for review and approval. The NJOEM shall execute a separate Sub-grant Agreement with EDA for each batch of applications approved by FEMA and shall disburse reimbursement requests to the EDA.

The Program Guidelines were approved at the EDA November 2013 Board meeting. The Program Guidelines have been modified since originally approved. The modifications include a process modification involving EDA staff’s review of application intake. There will now be a preliminary application required in order for FEMA to perform the required historic preservation and environmental reviews, followed by a pre-approval letter from EDA to the applicant requesting supplemental information in order to fully process the application. FEMA has also confirmed that flood insurance will be required (if a project is located in the V Flood Zone) and must be maintained in perpetuity in the amount of the grant award, while also requiring a deed restriction to be placed on the project site.

The MOU between the NJEDA and NJOEM outlines each agency’s respective duties for the RFS-ERP. Applications will be made available following the December 10, 2013 EDA Board meeting.

Recommendation:

The Members are requested to approve the following:

1) The RFS-ERP MOU, in substantially final form, between the Authority and the NJOEM (Attachment A) subject to the review and approval of the Office of the Attorney General;
2) Authorization allowing Michele Brown, CEO or Tim Lizura, President and COO to execute the MOU.

Prepared by: Sandy Zeglarski and Lisa Petrizzi
MEMORANDUM OF UNDERSTANDING
BY and BETWEEN
THE STATE OF NEW JERSEY
OFFICE OF EMERGENCY MANAGEMENT
AND
THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

This Memorandum of Understanding (“MOU”) is made and entered into between the New Jersey Office of Emergency Management, hereinafter referred to as the “NJOEM” or “Grantee”, and the New Jersey Economic Development Authority, a body corporate and politic established in but not of the Department of the Treasury, hereinafter referred to as “NJEDA” or “Sub-grantee”, having an office at 36 West State Street, Trenton, New Jersey 08625, and relates to an application for a grant under the Federal Emergency Management Agency (“FEMA”) Hazard Mitigation Grant Program (“HMGP”) for presidentially declared major disaster DR-4086, which relates to Superstorm Sandy. NJOEM and the NJEDA are hereinafter collectively referred to as the “Parties”.

WHEREAS, the NJOEM, on behalf of the State of New Jersey (“State”), has been designated as Grantee to receive, administer and disburse FEMA funding for cost effective mitigation activities in the State; and

WHEREAS, Grantee is desirous of obtaining funding under FEMA’s HMGP, which is authorized by Section 404 of the Stafford Act, to implement the Retail Fuel Station Energy Resiliency Program (the “Program”); and

WHEREAS, pursuant to NJSA 34:1B-1 et seq., the Legislature established the NJEDA as the State’s primary economic development agency; and

WHEREAS, because of the NJEDA’s expertise in financial matters, NJOEM would like the NJEDA to serve as Sub-grantee for the Program; and

WHEREAS, under current information provided, FEMA has determined that the NJEDA is eligible to serve as Sub-grantee for the Program, subject to approval of an application for a grant and execution of a State-local sub-grant agreement with the NJOEM; and

WHEREAS, NJEDA is agreeable to serving as Sub-grantee for the Program, subject to the terms and conditions set forth herein; and

WHEREAS, Grantee has the fiduciary responsibility to ensure that HMGP funds are spent on eligible Sub-grantee facilities and projects, and are properly reimbursed to the Sub-grantee; and

WHEREAS, the Parties wish to set forth their mutual understanding as to their respective duties and responsibilities in connection with implementing the Program.

NOW, THEREFORE, in consideration of the promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:
Responsibilities of NJEDA

1. NJEDA agrees to solicit, receive and review applications from eligible retail fuel station entities for funding the purchase of backup generators and/or quick connect switches for the purpose of providing retail fuel in emergencies along designated evacuation routes (the “Project”).

2. A preliminary application will be received during an eight week period. This preliminary application will include information necessary for FEMA to perform an environmental and historic preservation review. Completed applications will be reviewed on a first come rolling basis and submitted individually to NJOEM via NJOEM’s MB3 system (“MB3”) and separately to FEMA. NJEDA has already submitted an executed Exhibit A, attached hereto, identifying individuals to serve as agents for this Program.

3. After the initial application period, the NJEDA will analyze the Program to determine its success and decide whether to recommend a change in scope or extension of the application period.

4. Once FEMA provides an approval of its environmental and historic preservation review, along with any applicable conditions, NJEDA will notice the applicant and request that supplemental application documents be submitted necessary for NJEDA to perform the grant eligibility review.

5. If the NJEDA deems an application complete and determines that the applicant is eligible for a grant under the Program, the NJEDA will submit the attachments and completed individual worksheets via MB3 to NJOEM.

6. Once NJOEM approves a batch of applications, it will apply for a sub-grant from FEMA. If awarded by FEMA, the NJEDA agrees to administer the Program under the HMGP Five Percent Initiative and in accordance with Program guidelines approved by the NJEDA board on November 15, 2013 as may be amended from time to time. The Five Percent Initiative is designed for mitigation activities that are difficult to evaluate using FEMA-approved cost effectiveness methodologies. FEMA has made a preliminary determination that the Program is eligible under the Five Percent Initiative program guidelines.

7. The NJEDA shall execute a separate State-local sub-grant agreement (“Sub-grant Agreement”) with NJOEM for each batch of applications approved by FEMA, upon receipt of a Notice of Award from FEMA. Among other things, the Sub-grant Agreement will list the conditions of approval for each application based on environmental and historic preservation reviews.

8. The NJEDA agrees to submit for NJEDA management approval those applications approved by FEMA. If approved by NJEDA management, a grant agreement will be prepared for execution by the applicant and the NJEDA.

9. After an applicant completes the Project, submits the Project completion documents to the NJEDA and provides evidence satisfactory to the NJEDA that it has complied with the State and federal prevailing wage requirements, a site inspection will be performed to ensure that the Project has been successfully completed. If the NJEDA has decided that it has, the NJEDA will upload documents and update the applicant’s worksheets onto the MB3 for the purpose of requisitioning the grant funds from NJOEM.

10. The NJEDA shall be primarily responsible for compliance with and agrees to obtain a working knowledge of the Stafford Act and all applicable FEMA regulations as provided in 44 CFR and FEMA policies that govern the Program, and shall adhere to the Stafford Act and those applicable regulations and policies, including but not limited to OMB Circulars A-87, A-102, A-110 and A-133 and FEMA Hazard Mitigation Assistance Unified Guidance (2013) as a condition to the acceptance and expenditure of said FEMA funding.
11. As a further condition to the acceptance and expenditure of FEMA funding, the NJEDA hereby agrees to follow all applicable NJOEM guidelines, regulations and directives, including, but not limited to, the following:

- Use NJEMGrants.org, as applicable, to access forms and submit Requests For Reimbursement ("RFR") and supporting documentation to NJOEM.
- Promptly notify NJOEM and FEMA upon learning that a Project involves any of the following:
  - Work taking place in a floodplain or wetland;
  - Relocated Project;
  - Change in the function of a facility; or
  - Work affecting a facility with historic significance.

Such Projects have the potential to be subject to additional FEMA review as they may trigger additional federal compliance requirements in accordance with the National Historic Preservation Act ("NHPA"), the National Environmental Policy Act ("NEPA"), Executive Order 11988 (Floodplain Management), Endangered Species Act ("ESA") and other applicable federal laws.

12. Subject to claims of attorney-client and/or deliberative privilege, the NJEDA agrees that all Project documents will be made available to NJOEM, FEMA, Department of Homeland Security, Office of Inspector General or to any other State of Federal agency as determined necessary by NJOEM, including but not limited to all documentation substantiating eligible costs.

13. All records, reports, documents and other material delivered or transmitted to NJOEM by the NJEDA shall become the property of NJOEM, except as may otherwise be subject to rights of a third party.

14. NJEDA agrees to report to NJOEM on the status and financial transactions of each batch of applications on a quarterly basis using MB3.

15. The NJEDA agrees to negotiate a memorandum of understanding with the New Jersey Department of Environmental Protection (DEP) and the New Jersey Board of Public Utilities (BPU) under which DEP will agree to perform periodic inspections of the subject generators and the BPU will agree to create and maintain a database of applicant information.

16. The NJEDA agrees to monitor NJEMGrants.org for any changes in laws, regulations, policy or procedure which may affect the Program requirements.

17. The NJEDA hereby acknowledges that failure to adhere to all applicable State and federal laws, regulations, policies and directives may result in suspension and/or termination of funding by FEMA and/or all or part of the de-obligation of previously received funding. Specific requirements will be contained in the State-local sub-grant agreement.
Responsibilities of NJOEM

1. NJOEM agrees to review the applications submitted to it by the NJEDA within five (5) business days of their submission and, if approved, promptly submit them to FEMA for review and approval.

2. If requested by NJEDA, and if substantiated by the results of an NJEDA analysis, NJOEM agrees to request that FEMA extend the Program deadline and/or the scope of the Program, as applicable.

3. The NJOEM shall execute a separate Sub-grant Agreement with NJEDA for each batch of applications approved by FEMA, upon receipt of a Notice of Award from FEMA.

4. NJOEM agrees to maintain NJEMGrants.org subject to the availability of funding.

5. NJOEM shall, through the NJEDA’s assigned staff, review the NJEDA’s Request For Reimbursements, assist the NJEDA in correcting any deficiencies, and disburse reimbursement requests to the NJEDA within five (5) business days of their submission.

6. NJOEM shall communicate, electronically or in writing, to the NJEDA, in a timely manner, any changes in laws, regulations, policy or procedure which affect the Program requirements through NJEMGrants.org, or appropriate alternate written or electronic methods of communication.

7. NJOEM shall provide periodic technical assistance, advice on best practices and other education outreach programs to assist the NJEDA in the formulation and management of the Program (see Disclaimer paragraph below).

Term of Agreement

This MOU shall remain in full force and effect as long as the NJEDA has outstanding Program grants that have not been closed out, unless terminated sooner pursuant to the terms herein. The NJEDA’s obligation under any record retention requirement shall survive the termination of this MOU, as may be required. Any changes in regulations, policies or procedures applicable to disaster funding shall constitute an amendment to this Agreement.

Third Party Beneficiaries

The NJEDA acknowledges that this MOU is intended for the benefit of the NJOEM as Grantee and the NJEDA as Sub-grantee and does not confer any rights upon any third parties.

Disclaimer

1. In its capacity as Grantee and State fiduciary of FEMA and other federal grant funds, the NJOEM provides technical assistance and education outreach programs to current and potential sub-grantees of the FEMA Hazard Mitigation Grant Program.
2. Technical assistance includes the application of specific knowledge to a specific situation in order to address a specific need and as such is not a legal opinion or an endorsement of a sub-grantee’s grants management practice. Education outreach programs include general programmatic grants management guidance for a sub-grantee to use in administering its own grants management program. NJOEM does not render legal opinions to sub-grantees, but rather provides information intended to assist a sub-grantee to prudently manage its own grants management program by employing effective methods and sound practices to manage FEMA grants.

3. Technical assistance and other grants management information provided by NJOEM and adopted by a sub-grantee does not serve as NJOEM’s endorsement of a sub-grantee’s grants management practice and does not relieve a sub-grantee of the responsibility of assuring that its grants management practice is in compliance with applicable laws, regulations and policies as required by the FEMA Hazard Mitigation Grant Program.

4. A sub-grantee, by its decision to participate in the FEMA Hazard Mitigation program, bears the ultimate responsibility for ensuring compliance with all applicable State and federal laws, regulations and policies. As such, NJEDA bears the ultimate consequences of any adverse decisions rendered by NJOEM, FEMA, or any other State and federal agencies with audit, regulatory, or enforcement authority that is expressly related to an action or inaction by the NJEDA. Throughout the grants management process, NJOEM, as the State fiduciary of this federal funding, reserves the right to demand that a sub-grantee comply with all applicable State and federal laws, regulations and policies, and take any and all other actions it deems appropriate to protect those funds for which it is responsible.

Cooperation between Parties

The Parties hereto acknowledge that the successful completion of each Party’s duties and the purposes of the Program will require cooperation. The Parties agree to work cooperatively to achieve the purposes of this MOU.

Compensation

Administrative costs are allowable as provided in 44 C.F.R. Part 13 and OMB Circular A-87.

Miscellaneous

1. This MOU shall be effective as of the final execution date of the Parties and, unless terminated sooner as set forth herein, shall continue until all post-closing activities of the Program are completed.
2. Each Party shall have the right to terminate this MOU upon 30 days prior written notice to the other Party. In the event of such termination, all responsibilities for administering and enforcing the terms and conditions of the Program shall be with the NJOEM.
3. Except as otherwise provided herein, the Parties may modify or amend this MOU only by a writing signed by both of the Parties.
4. The recitals appearing above are made part of this MOU and are specifically incorporated herein by reference.
IN WITNESS WHEREOF, the Parties have executed this MOU on the day, month and year indicated.

NEW JERSEY OFFICE OF EMERGENCY MANAGEMENT

<table>
<thead>
<tr>
<th>Witness</th>
<th>State Coordinating Officer</th>
<th>Date</th>
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<tbody>
<tr>
<td>Name:</td>
<td>Name:</td>
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<td>Telephone Number:</td>
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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

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<tr>
<th>Witness</th>
<th>Chief Elected/Appointed Official</th>
<th>Date</th>
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</thead>
<tbody>
<tr>
<td>Name:</td>
<td>or Chief Executive Officer</td>
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<tr>
<td>Title:</td>
<td></td>
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<tr>
<td>Telephone Number:</td>
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Exhibit A

Designation of Applicant’s Agent

Provide the information below for 1 primary and 2 alternate individuals that will be designated as agents.

Primary Agent’s Name: Lisa Petrizzi, Assistant Director, 609-858-6722, lpeterzi@njeda.com
Title:
Telephone number:
Email Address:

Alternate Agent’s Name: Edward Clark, Senior Project Officer, 609-858-6763, eclark@njeda.com
Title:
Telephone number:
Email Address:

Alternate Agent’s Name:
Title:
Telephone number:
Email Address:

I, as Chief Elected or Appointed Official of the Subgrantee am authorized to execute and file an Application for Public Assistance on behalf of the Subgrantee for the purpose of obtaining certain State and Federal financial assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93-288 as amended). The above named agents(s) is/are authorized to represent and act on behalf of the Subgrantee in all dealings with the State of New Jersey on all matters pertaining to the management of grants and disaster assistance received from FEMA as required by this MOU.

[Signature]
Chief Elected/Appointed Official or Chief Executive Officer
Name:
Title:
Telephone Number:

[Date]
Exhibit B

POLICIES ELIGIBLE FOR CORRECTIVE ACTION

The policies below are examples of the policies eligible for corrective action by NJOEM. They are NOT inclusive of all actions which may be subject to corrective action.

<table>
<thead>
<tr>
<th>Policy</th>
<th>Summary of Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances</td>
<td>Expenses related to Project Worksheets (PW) must be within the scope of the PW</td>
</tr>
<tr>
<td>Requests For Reimbursement (RFR)</td>
<td>RFRs must exceed $2,500 per submission</td>
</tr>
<tr>
<td>Compliance</td>
<td>Subgrantees who receive grant funds greater than $500,000 are required to comply with OMB Circular A-133 and proactively work with NJOEM to correct any deficiencies.</td>
</tr>
<tr>
<td>Federal Funding Accountability and Transparency Act (FFATA)</td>
<td>It is the responsibility of the Subgrantee to provide information as requested by NJOEM to comply with the Federal Funding Accountability and Transparency Act.</td>
</tr>
<tr>
<td>Document Retention</td>
<td>Subgrantee must maintain original documentation throughout the life of the PW and retain the documentation for a minimum period of three years after closeout (44 CFR 13.42)</td>
</tr>
<tr>
<td>Unused Funds</td>
<td>Subgrantee is responsible for identifying, in a timely manner, all funds not used after the completion of a project and upon identification to immediately return those funds to NJOEM (44 CFR 206.205 and NJOEM policy)</td>
</tr>
<tr>
<td>Return of De-Obligated Funds and Interest</td>
<td>Subgrantee is required to return all de-obligated funds to NJOEM within 60 calendar days of notice as well as remit any interest accrued on grant funds (44 CFR 13.21)</td>
</tr>
<tr>
<td>Fraud, Waste or Abuse</td>
<td>Initial findings by NJOEM indicating fraud, waste or abuse may have immediate impact on funding and be reported.</td>
</tr>
<tr>
<td>Quarterly Reporting</td>
<td>All competed and accurate quarterly reports are due within 15 days after the end of the quarter (44 CFR 206.204)</td>
</tr>
<tr>
<td>Procurement</td>
<td>All procurement must be in compliance with state and federal law and regulations to include taking affirmative steps to assure that minority firms, women’s business enterprises and labor surplus area firms are used when possible (44 CFR 13.36)</td>
</tr>
<tr>
<td>Project Timelines</td>
<td>All projects are required to be completed within the milestones stated in the regulations. It is the responsibility of the Subgrantee to file a timely request for extension if so required (44 CFR 206.204)</td>
</tr>
<tr>
<td>Special Provisions</td>
<td>Subgrantees are required to comply with NEPA and NHPA</td>
</tr>
<tr>
<td>Debarred and Suspended Contractors</td>
<td>Subgrantees shall not make any awards to debarred, suspended or otherwise ineligible contractors (44 CFR 13.36 (b) (8) and <a href="http://www.epls.gov">www.epls.gov</a>)</td>
</tr>
</tbody>
</table>
MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President and COO
DATE: December 10, 2013
SUBJECT: Projects Approved Under Delegated Authority - For Informational Purposes Only

The following project was approved under Delegated Authority in November 2013:

**Stronger NJ Loan Program:**

1) Purpuri Shoes, Inc. (P38545 & P38657), located in Dover Township, Ocean County, was founded in 1915 by the grandfather of the present owner, Richard Purpuri, who took over the business from his father in 1994. Purpuri Shoes is a specialty shoe store that specializes in diabetic and comfort footwear. Mr. Purpuri is a Certified Pedorthist trained to modify footwear and employ supportive devices to address conditions affecting the feet and lower limbs. The Company was approved for a four year, $70,000 working capital loan and a $192,000 10 year term loan to finance construction of a second-story to the building damaged by Superstorm Sandy. Currently, the Company has one employee.

2) Twin City Pharmacy, Inc. (P38605), located in South Plainfield Borough, Middlesex County, has been operating as a retail pharmacy since 1972. Superstorm Sandy’s damages totaled approximately $18,000 and were comprised of water damage, produce spoilage and wind damage to exterior signs. The Company was approved for a $150,000 loan. Proceeds will be used for working capital, to assist in growing the business. The Company currently has 32 employees and plans to create one new job over the next two years.

Prepared by: D. Lawyer
DL/gvr
REAL ESTATE
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: 2014 Operating Budget for the Technology Centre of New Jersey, L.L.C.

DATE: December 10, 2013

Summary
I request that the Members’ approve the attached 2014 operating budget (“2014 Budget”) for the Technology Centre of New Jersey, L.L.C. (“LLC”).

Background
The LLC is formed as a result of a joint venture between the Authority and the AFL-CIO Building Investment Trust (“BIT”). The Authority, through its Real Estate Division, is the LLC’s managing member and is charged with the day-to-day operations of the Technology Centre, which includes preparing the annual operating budget.

For your review and approval is the attached 2014 Budget, which includes projected revenues and budgeted expense categories. The 2014 Budget is based on projections using 2013 actual costs and revenues with inflationary adjustments where anticipated.

The 2014 Budget includes the forecasted year end 2013 results, which indicate that the project will have sufficient revenue to support the 2014 Budget. Net Income for 2013 is estimated to be $2,355,965, with the following preferred rate of return payments (PRR payments) to the BIT:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 BIT PRR Payments</td>
<td>$2,058,400</td>
</tr>
<tr>
<td>Accrued BIT PRR Payments</td>
<td>$396,200</td>
</tr>
<tr>
<td>Total BIT PRR Payments</td>
<td>$2,454,660</td>
</tr>
</tbody>
</table>

The BIT’s preferred returns were fully paid in 2013 and are anticipated to be fully paid in 2014. Of the 2013 estimated Administration Fees due the Authority in the amount of $230,900, $149,700 will be paid, with an estimated accrual of $81,200 through the end of the year. Accrued Administration Fees from prior years will be partially paid in 2014 in the amount of $343,002, leaving an ending accrued balance due the Authority of $130,733.
The 2014 projected Net Cash Flow is greater than 2013 primarily due to rent increases for Rutgers University, Merial Limited and Actavis, Inc. (formerly Watson Pharmaceuticals, Inc.). The LLC’s 2014 projected Return on Investment is estimated to be approximately 5.02%. Under the Operating Agreement, implementing the annual operating budget is subject to BIT approval.

**Recommendation**
I am requesting that the Members approve the 2014 operating budget for the Technology Centre of New Jersey, L.L.C.

Timothy J. Lizura  
President and Chief Operating Officer

Attachment  
Prepared by: Juan Burgos
MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
Chief Operating Officer/President

DATE: December 10, 2013

RE: Brokerage Services Contracts
Technology Centre of New Jersey & Tech Expansion Site

Summary
I am asking the Members to approve the award of brokerage services contracts to CBRE of Saddle Brook, New Jersey for the sale of the Technology Centre of New Jersey and the Tech Expansion Site in North Brunswick, New Jersey.

Background
The Real Estate Division publicly advertised a Request for Qualifications and Proposals (RFQ/P) for brokerage services with regard to the sale of the Technology Centre of New Jersey and Tech Expansion Site. Pursuant to the terms of the RFQ/P, the Authority has the ability to add additional properties to the scope of services.

Site tours were held and questions and answers were posted on the Authority’s website. Three (3) firms submitted proposals in response to the solicitation. The proposals were reviewed for compliance and evaluated based on the qualifications, experience, and other requirements as outlined in the RFQ/P (reference attached Evaluation Committee memo for detailed information).

CBRE is the highest ranked firm and meets all the criteria outlined in the RFQ/P. It is recommended that CBRE be retained to provide these services for a 2 year period with two, one (1) year renewal options. CBRE’s commission rates are .75% for the Tech Centre and 1.0% for the Tech Expansion site. The commission rates are fixed for the contract and renewal terms. CBRE’s fee proposal includes the lowest commission rates for this contract.

The Authority’s LLC partner agrees with the recommendation to contract with CBRE for the Technology Centre of New Jersey. Final approval of the selection of CBRE will be subject to receipt and approval of its campaign contribution compliance documentation. In the alternative, if CBRE is found to be non-compliant, we are seeking approval to enter into a contract with the second highest scoring responsible bidder, subject to receipt and approval of campaign
contribution compliance documentation, as listed on the attached Evaluation Committee memo.

**Recommendation**

In summary, I ask for the Members’ consent to award brokerage services contracts for the sale of the Technology Centre of New Jersey and the Tech Expansion site to CBRE based on the commission rates outlined in their proposal and subject to approval of the Chief Operating Officer/President and the Attorney General’s Office.

[Signature]

Timothy J. Lizura
Chief Operating Officer/President

Attachment

Prepared by:  Christine Roberts and
Donna Sullivan
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Evaluation Committee

FROM: Cathleen A. Schweppenheiser
Senior Project Officer, Real Estate Division

DATE: November 26, 2013

SUBJECT: Real Estate Brokerage Services - 2013-RED-RFQ/P-BRK-0030

The Real Estate Division publicly advertised a Request for Qualifications and Proposals (RFQ/P) for Real Estate Brokerage Services with regard to the sale of the Technology Centre of New Jersey and Tech Expansion site. Site tours were held and questions and answers were posted on the NJEDA website.

Three (3) firms submitted proposals in response to the solicitation which were publicly opened. The proposals were reviewed for compliance and evaluated based on the qualifications, experience, and other requirements as outlined in the RFQ/P. The following are the results of the ranking of the proposals (see attached score sheet for detailed information):

<table>
<thead>
<tr>
<th>Company</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBRE, Saddle Brook, NJ</td>
<td>1</td>
</tr>
<tr>
<td>Jones Lang LaSalle, Parsippany, NJ</td>
<td>2</td>
</tr>
<tr>
<td>Cushman Wakefield, East Rutherford, NJ</td>
<td>3</td>
</tr>
</tbody>
</table>

CBRE’s commission rates are .75% for the Tech Centre and 1.0% for the Tech Expansion site. The commission rates are fixed for the contract and renewal terms. CBRE is the highest ranked firm and meets all the criteria outlined in the RFQ/P. It is recommended that CBRE be retained to provide these services for a two (2) year period with two one year (1) renewal options. If this recommendation is acceptable, please sign below and we will seek Board approval at the December meeting. We will also seek approval from NJEDA’s LLC partner prior to the Board meeting. Thank you for your consideration.

APPROVED:

Timothy J. Lizura, COO/President  

Date  

Donna T. Sullivan, Director, Real Estate Division  

Date  

Christine Roberts, Real Estate Asset Manager  

Date  

Juan Burgos, Senior Project Officer  

Date  

Cathleen A. Schweppenheiser, Senior Project Officer  

Date
<table>
<thead>
<tr>
<th>Name of Firm</th>
<th>City and State</th>
<th>Demonstrated Experience (15 POINTS MAX)</th>
<th>Qualification and Experience of Lead Broker (15 POINTS MAX)</th>
<th>Approach and Plans (20 POINTS MAX)</th>
<th>Qualification, Experience and Ability of Firm to Provide Real Estate Financial Analysis 10 POINTS MAX</th>
<th>Ability to Articulate and Achieve a Work Plan to Market and Sell Property (10 POINTS MAX)</th>
<th>Fee Proposal Tech Centre (25 POINTS MAX)</th>
<th>Fee Proposal Tech Expansion (5 POINTS MAX)</th>
<th>Total Score</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAMPLE</td>
<td>SAMPLE</td>
<td>15</td>
<td>15</td>
<td>20</td>
<td>10</td>
<td>10</td>
<td>25</td>
<td>5</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>CBRE</td>
<td>Saddle Brook, NJ</td>
<td>8.33</td>
<td>7.66</td>
<td>20</td>
<td>3.66</td>
<td>10</td>
<td>25</td>
<td>5</td>
<td>75.65</td>
<td>1</td>
</tr>
<tr>
<td>JONES LANG LaSALLE</td>
<td>Parsippany, NJ</td>
<td>14.66</td>
<td>12.66</td>
<td>16.66</td>
<td>6.66</td>
<td>9</td>
<td>10</td>
<td>5</td>
<td>74.64</td>
<td>2</td>
</tr>
<tr>
<td>CUSHMAN WAKEFIELD</td>
<td>East Rutherford, NJ</td>
<td>12.66</td>
<td>15</td>
<td>16.33</td>
<td>6.66</td>
<td>9</td>
<td>5</td>
<td>5</td>
<td>69.65</td>
<td>3</td>
</tr>
</tbody>
</table>

PROPOSALS MUST BE SCORED USING A ZERO (0) TO NUMBER OF MAXIMUM POINTS FOR EACH EVALUATION CRITERIA AS INDICATED ABOVE.
MEMORANDUM

TO: Members of the Authority

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

DATE: December 10, 2013

SUBJECT: NJEDA Office of Recovery – Hurricane Sandy 
Appointment of Accountability Officer and Contract Manager – Business 
Process Outsourcing

Request:

The Members are asked to designate Herbert Orand as the Authority’s “Accountability Officer” and Frederick Cole as the Contract Manager for the Business Process Outsourcing Services Contract.

Background:

Pursuant to paragraph 7 of Executive Order 125 (Christie), the Authority is directed to appoint an “Accountability Officer” to oversee the responsible disbursement and utilization of Hurricane Sandy-related federal reconstruction resources allocated and administered by the Authority. Steve Quattro was appointed to this position at the April 9, 2013 Board Meeting. As Mr. Quattro is no longer working directly with the Office of Recovery, Mr. Orand, Program Accountant, will serve as his replacement.

In addition, The Division of Purchase and Property’s procurement process requires that a State Contract Manager be designated to oversee the implementation of the contract for Business Process Outsourcing Services with Public Financial Management, Inc. At this time, the Authority’s SVP of Operations, Frederick Cole will assume the responsibilities of State Contract Manager.

Recommendation:

Based on the above, it is recommended that Herbert Orand be appointed as the Authority’s Office of Recovery Accountability Officer as required by Executive Order 125 and Frederick Cole be designated as the State Contract Manager.