NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: February 26, 2015

SUBJECT: Agenda for Board Meeting of the Authority February 26, 2015

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Incentive Programs

Bond Projects

Loans/Grants/Guarantees

Office of Recovery

Board Memorandums

Authority Matters

Executive Session

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

January 13, 2015

MINUTES OF THE MEETING

Members of the Authority present: Al Koeppe, Chairman; State Treasurer Andrew Sidamon–Eristoff; Jeffrey Stoller representing the Department of Labor and Workforce Development; Patrick Mullen representing the Commissioner of the Department of Banking and Insurance; Colleen Kokas representing the Commissioner of the Department of Environmental Protection Public Members Joseph McNamara, Vice Chairman; Larry Downes, Charles Sarlo, Fred B. Dumont, Philip B. Alagia, William J. Albanese, Sr., Second Alternate Public Member; Harold Imperatore, Third Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Absent: Public Member Massiel Medina Ferrara.

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

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

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

In accordance with the Open Public Meetings Act, Ms. 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

The next item of business was the approval of the December 9, 2014 regular and executive session meeting minutes. A motion was made to approve the minutes by Mr. McNamara, seconded by Mr. Downes, and was approved by the 12 voting members present.

Chairman Koeppe presented a proclamation to Teri Dunlop, Director of Closing Services, commemorating her 35 years of service and her upcoming retirement from the EDA.

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

BOND PROJECTS

ITEM: 2014 Carry Forward Request
REQUEST: The State Treasurer allocated $110,000,000 to the New Jersey Economic Development Authority out of the State's 2014 Private Activity Bond Cap. The Authority may elect to carry forward any unused portion of the above noted 2014 Private Activity Bond allocation with the U.S. Department of Treasury.
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Imperatore **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: Provident Group – Kean Properties L.L.C. **APPL.**#40039
LOCATION: Union/Union
PROCEEDS FOR: Construction of new building or addition
FINANCING: Series A - $44,250,000 Tax-exempt Bond
Series B - $750,000 Taxable Bond
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. McNamara AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

ITEM: Dakota Properties, Inc. **APPL.**#39293
LOCATION: Various
PROCEEDS FOR: Refinancing
FINANCING: $2,440,800 Tax-exempt Bond
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

ITEM: Twin Oaks Community Service, Inc. **APPL.**#39344
LOCATION: Various
PROCEEDS FOR: Refinancing
FINANCING: $2,416,000 Tax-exempt Bond
MOTION TO APPROVE: Mr. Downes SECOND: Mr. Stoller AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

AMENDED BOND RESOLUTIONS

I ITEM: EMI Edge, LLC **APPL.**#40363
LOCATION: Totowa Borough/Passaic
PROCEEDS FOR: Refinancing
FINANCING: $2,100,000 Tax-exempt Bond
MOTION TO APPROVE: Mr. Albanese SECOND: Mr. Imperatore **AYES: 12**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

ITEM: Higher Education Public Private Partnership Program
New Jersey City University – Student Dormitory and Dormitory Renovations
REQUEST: To approve New Jersey City University's application to develop a 425 bed dormitory on approximately 1.11 acres on the Applicant's campus and partially renovate 202 existing beds in Vodra (60,000 SF, .33 acre) and Co-op (26,614 SF, .16 acre) Hall.
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Downes **AYES: 12**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: West Campus Housing, LLC **APPL.**#40419
LOCATION: Jersey City/Hudson
PROCEEDS FOR: Construction of new building or addition
FINANCING: Series A - $54,500,000 Tax-exempt Bond
Series B - $500,000 Taxable Bond
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

Main Street Assistance Program

PROJECT: Eastern Nursing Services I, Inc. & Eastern Nursing Services II **APPL.**#40144
LOCATION: Newark/Essex
PROCEEDS FOR: Working Capital
FINANCING: 50% line of credit guarantee not to exceed $200,000
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Downes **AYES: 12**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

Petroleum Underground Storage Tank Program

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

Hazardous Discharge Site Remediation

FOR INFORMATION ONLY: Summary of Hazardous Discharge Site Remediation Fund Program projects approved by the Delegated Authority.

EDISON INNOVATION FUND

ITEM: Edison Partners VIII, LP
REQUEST: Approval request to make a $2.5 Million limited partnership investment in Edison Partners VIII, LP.
MOTION TO APPROVE: Mr. Downes SECOND: Mr. McNamara AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

ITEM: Mission 50, LLC, Merchwerks, LLC dba Cowerks, & Indiegrove, LLC
REQUEST: Approval request to award term loan funding to the top scored recipients under the board approved Request for Proposal for New Jersey Co-working space to Mission 50, LLC, Merchwerks LLC dba Cowerks and to Indiegrove, LLC.
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Stoller AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

Angel Investor Tax Credit Program

FOR INFORMATION ONLY: Technology & Life Sciences – Delegated Authority Approvals for 4th Quarter 2014 for the Angel Investor Tax Credit Program.

OFFICE OF RECOVERY

ITEM: Stronger NJ Business Grant Program Appeal – Karin H. Davis; Bethel AME Church; Gallo's Marina; Pit Crew Lube, Inc.; Express Commercial Truck Reconditioners
REQUEST: To approve the Hearing Officer's recommendation to uphold the declination of the Stronger NJ Business Grant for Karin H. Davis; Bethel AME Church; Gallo's Marina; Pit Crew Lube, Inc.; Express Commercial Truck Reconditioners
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

REAL ESTATE

ITEM: Real Estate Impact Fund
REQUEST: To approve the revisions to the Real Estate Impact Fund Program Specifications.
MOTION TO APPROVE: Mr. Albanese SECOND: Mr. Imperatore **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: East Grand Associates Urban Renewal Entity, LLC (P40400)
REQUEST: To approve the application of East Grand Associates Urban Renewal Entity, LLC for a Real Estate Impact Fund Loan in the amount of $1,270,000.
MOTION TO APPROVE: Mr. Downes SECOND: Mr. Alagia AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12
Mr. Sarlo recused himself because Mr. Jacobs, President - Jacobs' Enterprises, Inc. is a client of his firm.

INCENTIVE PROGRAMS

Economic Redevelopment and Growth Grant Program

ITEM: East Grand Associates Urban Renewal Entity, LLC
REQUEST: To approve the application of East Grand Associates Urban Renewal Entity, LLC for a project located in Elizabeth, Union County for the issuance of tax credits. The recommendation is to give up 30% of the eligible costs, not to exceed $4,794,204 in tax credits based on the budget submitted.
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Alagia AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13
Mr. Sarlo recused himself because Mr. Jacobs, President - Jacobs' Enterprises, Inc. is a client of his firm.

Grow New Jersey Assistance Program

ITEM: Barrette Outdoor Living, Inc. APPL.#39994
REQUEST: To approve the application of Barrette Outdoor Living, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Galloway Township, NJ. Project location of Galloway Township, Atlantic County qualifies as a Mega Project under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Large Number of New/Retained Full-Times Jobs; Targeted Industry, and Mega Industrial Project with Capital Investment in Excess of Minimum. The estimated annual award is $2,981,000 for a 10-year term.
MOTION TO APPROVE: Mr. Dumont SECOND: Mr. Albanese AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

ITEM: Berry & Homer, Inc. APPL.#40313
REQUEST: To approve the application of Berry & Homer, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Pennsauken Township, NJ. Project location of Pennsauken Township, Camden County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Targeted Industry, location in a municipality in Camden County with 2007 Revitalization Index greater than 465, and Capital Investment in Excess of Minimum (non-Mega). The estimated annual award is $314,500 for a 10-year term.
MOTION TO APPROVE: Mr. Downes **SECOND:** Ms. Kokas **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

ITEM: Hugo Neu Recycling, LLC APPL.#40184
REQUEST: To approve the application of Hugo Neu Recycling, LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Kearny, NJ. Project location of Kearny, Hudson County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of Minimum (non-Mega) & On Site Solar Generation of ½ of Project's Elec. Neeeds. The estimated annual award is $456,750 for a 10-year term.
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

ITEM: Insurance Services Office, Inc. APPL.#40230
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Downes **SECOND:** Ms. Kokas **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

ITEM: Insurance Services Office, Inc. APPL.#40230
REQUEST: To approve the application of Insurance Services Office, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and remain in Jersey City, NJ. Project location of Jersey City, Hudson County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development, Jobs with Salary in Excess of County Average and Large Number of Retained Full-Time Jobs. The estimated annual award is $1,773,750 for a 10-year term.
MOTION TO APPROVE: Mr. Downes **SECOND:** Ms. Kokas **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

ITEM: Rajbhog Foods NJ Inc. or Designee APPL.#40250
REQUEST: To approve the finding of jobs at risk. Mr. Albanese **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

ITEM: Rajbhog Foods NJ Inc. or Designee APPL.#40250
REQUEST: To approve the application of Rajbhog Foods NJ Inc. or Designee for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Jersey City, NJ. Project location of Jersey City, Hudson County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment In Excess of Minimum (non-Mega) and Targeted Industry (Manufacturing). The estimated annual award is $682,500 for a 10-year term.
MOTION TO APPROVE: Mr. Albanese SECOND: Mr. Alagia AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

ITEM: RedHawk Distribution, Inc. APPL.#40281
REQUEST: To approve the application of RedHawk Distribution, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Pennsauken Township, NJ. Project location of Pennsauken Township, Camden County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of Minimum (non-Mega), Targeted Industry (Manufacturing), and location in a municipality in Camden County with 2007 Revitalization Index greater than 465. The estimated annual award is $255,000 for a 5-year term.
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. McNamara AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

ITEM: Schenker, Inc. APPL.#40015
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. McNamara AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

ITEM: Schenker, Inc. APPL.#40015
REQUEST: To approve the application of Schenker, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Newark, NJ. Project location of Newark, Essex County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Transit Oriented Development, Jobs with Salary in Excess of County Average, and Targeted Industry (Logistics). The estimated annual award is $416,560 for a 10-year term.
MOTION TO APPROVE: Mr. McNamara SECOND: Mr. Alagia AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

Grow New Jersey Assistance Program - Modification

ITEM: Grow New Jersey modification request for Principis Capital LLC P39991
REQUEST: To approve the request to modify the project site previously approved by the Board. The original project site was 525 Washington Blvd., Jersey City and identified a new location at 111 Town Square Place, Jersey City.
MOTION TO APPROVE: Mr. Alagia SECOND: Mr. Imperatore AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Summary of projects post closing action approved under Delegated Authority for 4th Quarter 2014.

FOR INFORMATION ONLY: Summary of Incentives Modifications approved under Delegated Authority for 4th Quarter 2014.

FOR INFORMATION ONLY: Summary of projects approved under Delegated Authority in December 2014:

> **Direct Loan Program:** Deals for Less NY Inc. or entity to be formed (P40185); SCF Realty II, LLC (P39893)
>
> **Small Business Fund Program:** IM Broad St LLC and Business Automation Technologies, Inc. (P40206); Pasricha Properties LLC (P40035)
>
> **Premier Lender Program:** 62 Veronica LLC (P40290); 333-103 Holding Co, LLC (P40293); United Fabrics, Inc. (P40133)
>
> **Small Business Fund Program - Modification:** IK Realty Group, LLC and HS and Sons, Inc. (P39465)

FOR INFORMATION ONLY: Summary of the Retail Fuel Station Energy Resiliency Program.

REAL ESTATE

ITEM: Right of Entry Agreement Extension
REQUEST: Approval to enter into the Authority Standard Right of Entry Agreement with Gateway Community Action Partnership for a two (2) year term in order to continue to perform its environmental remedial investigation of Authority-owned property in Bridgeton, New Jersey.
MOTION TO APPROVE: Mr. Downes **SECOND:** Ms. Kokas **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 26

ITEM: Amendment to Payment in Lieu of Tax Agreement with North Brunswick Township - The Technology Centre of New Jersey
REQUEST: Approval to amend the existing Payment in Lieu of Tax ("PILOT") Agreement with the Township of North Brunswick. The amendment will revise the PILOT rates for each tenant at the Technology Centre of New Jersey.
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 26

FOR INFORMATION ONLY: Real Estate Division Delegated Authority for Leases, CCIT Grants, and Right of Entry (ROE). Licenses for Fourth Quarter 2014

PUBLIC COMMENT

There was no public comment.

EXECUTIVE SESSION

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

MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 27

The Board returned to Public Session.

There being no further business, on a motion by Mr. McNamara, and seconded by Mr. Downes, the meeting was adjourned at 11:30 am.

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, Sr. Governance & Outreach Officer
Assistant Secretary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: February 26, 2015

RE: Monthly Report to the Board

SMALL BUSINESS SUPPORTS REMAINS TOP PRIORITY

From a husband-and-wife-owned bed and breakfast in West Cape May to a fast growing manufacturer in Riverdale, hundreds of small businesses across the State took advantage of low-cost lending and recovery programs offered by the EDA last year. These companies, which benefited from a total of more than $92 million in financing, expect to create more than 1,170 new jobs.

To help lower the cost of borrowing for small businesses, the EDA partners with over 40 Premier Lender banks, providing loan participations or guarantees. Last year, precision sheet metal fabricator EVS Metal, Inc. received a loan from JP Morgan Chase Bank that included a 20 percent EDA participation to refinance its mortgage in Riverdale. Through the New Jersey Business Growth Fund, an exclusive program of the EDA and PNC Bank, the owners of The Albert Stevens Inn were able to purchase the Victorian house in West Cape May that has been the home of their bed and breakfast.

In addition to partnerships with commercial lenders, the EDA provides below-market rate direct loans that can be used for fixed assets or working capital. Family-run Breslow Home Design Center received two direct loans in 2014 to support its continued growth and operations in New Jersey. This included the purchase of a building in Livingston that the company had been leasing.

Additionally, under the Stronger NJ Business Grant and Loan programs, the EDA has supported the recovery and rebuilding of more than 1,000 Superstorm Sandy-impacted businesses throughout the State. Companies that received assistance in 2014 include Field Station: Dinosaurs, an outdoor prehistoric theme park in Secaucus, Morrison's Seafood Restaurant in Beach Haven, and family-run Bob's Marine Service in Brigantine City.

ELIGIBLITY UNDER RETAIL FUEL STATION PROGRAM EXPANDED

In January, the EDA announced revised guidelines for the Retail Fuel Station (RFS) Program, expanding eligibility for more fuel stations. In response to the challenges highlighted during Superstorm Sandy, the $7 million grant program allows retail fuel stations faster and more reliable access to back-up power during an energy emergency.

Under the new guidelines, all retail fuel stations statewide with a minimum gasoline capacity of 18,000 gallons are eligible to apply. Previously, the program was limited to those in close proximity to evacuation routes with minimum gasoline storage capacity of 30,000 gallons. Those with capacity between 18,000 and 35,000 gallons are eligible for grants of up to $15,000 for quick connects; stations with storage capacity in excess of 35,000 gallons are eligible for grants up to $65,000 for permanent generators. The voluntary program is funded through the federal Hazard Mitigation Grant Program.

Applications for the new round of funding must be submitted by March 31, 2015, to allow ample time for review, approval and funding by the August 2016 deadline for distribution of program funds. Priority will be provided to stations located at or near a bridge or tunnel and those stations that fuel county emergency vehicles.

To date, 62 stations have completed required environmental and design reviews and can now move forward with plans to install back-up power solutions using grants provided through the RFS Program. The stations approved under the RFS Program are in addition to the 22 gas stations located on the Garden State Parkway, the New Jersey Turnpike, and the Atlantic City Expressway already equipped with back-up power for outages.

FMERA CONTINUES REDEVELOPMENT EFFORTS

At its January meeting, the FMERA Board approved the issuance of a Request for Offers to Purchase (RFOTP) for Parcel B, and also voted to expand the property by approximately 22 acres. The expanded site could accommodate up to 250,000 square feet of retail and other commercial uses, along with the 302 units of housing called for in the Fort Monmouth Reuse and Redevelopment Plan (Reuse Plan). The Board also authorized the option to add an additional 12 acres to the Parcel, which would include Mallette Hall, Pruden Hall, and the related outdoor amphitheater. Expected to be issued this month, the new RFOTP for Parcel B will seek proposals that meet the Reuse Plan's objective of creating a lifestyle town center, with the goal of establishing an exciting and attractive gateway to the Fort.

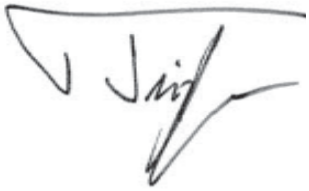
Also in January, the FMERA Board voted to make Building 2525 and the former Nurses' Quarters available through the RFOTP process. Building 2525 is an 86,400-square-foot, two-story former administration building located in the Fort's Charles Wood Area in Tinton Falls. The Reuse Plan calls for the building to be renovated for office and/or research and development use. The former Nurses' Quarters are located in the Main Post Area and total approximately 18, 655 square feet. The Reuse Plan envisions the buildings being used for residential purposes.

JANUARY 2015 CLOSED PROJECTS

In January 2015, EDA closed on nearly $47 million in assistance to support 15 projects, leveraging $72 million in public/private investment and the creation of an estimated 580 new permanent jobs and 110 construction jobs.

EVENTS

EDA representatives participated as speakers, attendees or exhibitors at 21 events in January. These included the NJBIA Women of Trenton Networking Dinner in Trenton, the NJ Economic Leadership Forum in Somerset, and the R&D Council Board of Directors Meeting in Newark.



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INCENTIVE PROGRAMS

ECONOMIC REDEVELOPMENT AND GROWTH (ERG) PROGRAM

The following summary is provided for information only. Full eligibility and review criteria can be found in the program's rules.

ECONOMIC REDEVELOPMENT AND GROWTH (ERG) PROGRAM

Created by law in 2012, and revised through P.L. 2013, c. 161, and the "Economic Opportunity Act of 2014, Part 3," P.L. 2014, c. 63 the intent of this program is to provide State incentive grants to a developer, or non-profit organization on behalf of a qualified developer, to capture new State incremental taxes derived from a project's development to address a financing gap, with $600 million authorized for qualified residential projects.

Per N.J.S.A. 34:1B-207 et seq. / N.J.A.C. 19:31-4 and the program's rules, the applicant must:

- Have a redevelopment project that is located in a qualifying area and not have begun any construction at the project site prior to submitting an application, except: if the EDA determines the project would not be completed otherwise; or if the project is undertaken in phases, a developer may apply for phases which construction has not yet commenced.
- Demonstrate to the EDA that: 1) the project shall be constructed in accordance with certain minimum environmental standards; 2) except with regards to a qualified residential project, the project will yield a net positive benefit equaling no less than 110% of the grant assistance, not to exceed 20 years; and 3) the project has a financing gap.
- Meet a 20% equity requirement.

Staff Review:

- A comprehensive net benefit analysis is conducted to ensure the project has a positive net benefit to the State of no less than 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 internal econometric analysis and modeling to assess economic outputs, impacts and likely jobs creation.

Amount of award based upon:

- Up to 75% of annual incremental State tax revenues or 85% in a Garden State Growth Zone (GSGZ) generated by the project over a term of up to 20 years, provided the combined amount of reimbursements do exceed 20% of total project cost, or 30% in a GSGZ.
- The maximum amount of any grant, including any increase in the amount of reimbursement, shall be up to 30% of total project cost, except for projects in a GSGZ, which may be up to 40%.
- Bonus amounts of up to 10% of total project cost are available if the project is: In distressed municipality which lacks adequate access to nutritious food and will include a supermarket, grocery store or prepared food establishment; In distressed municipality which lacks adequate access to health care/services and will include a health care and services center; Transit project; Qualified residential project with at least 10% of residential units reserved for moderate income housing; In highlands development credit receiving area or redevelopment area; Disaster recovery project; Aviation project; Tourism destination project; or Substantial rehabilitation or renovation of an existing structure(s).

Qualified Residential Projects:

The law authorizes $600 million in incentives for qualified residential projects, excluding transitional or homeless units, that the EDA administers as tax credits as follows: 1) $250 million for projects within 8 southernmost counties, of which: $175 million for projects in Camden/Atlantic City; $75 million for projects in municipalities with a 2007 MRI Index of 400 or higher; and $250 million for projects in: Urban Transit Hubs that are commuter rail in nature, GSGZ, Disaster recovery projects, and SDA municipalities located in Hudson County that were awarded State Aid in FY 2013 through the Transitional Aid to Localities Program; 2) $75 million for projects in distressed municipalities, deep poverty pockets, highlands development credit receiving areas or redevelopment areas; and 3) $25 million for projects located within a qualifying ERG incentive area.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: February 26, 2015

RE: **CDIP-Paulsboro Summit, LP**
Economic Redevelopment and Growth Grant Program
P #38356

Request

The Members are asked to approve the application of CDIP-Paulsboro Summit, LP ("The project" or the "Applicant") for reimbursement of certain taxes for a Paulsboro Borough, Gloucester County project under a "state incentive grant" by the EDA pursuant to the Economic Redevelopment and Growth Grant ("ERG") program set forth in N.J.S.A. 52:27D-489c ("Act").

The total project costs are estimated to be $4,595,305. The total qualified costs under the ERG Act are $4,595,305. Standard commercial ERG reimbursement is 20% of eligible cost. This project is eligible to receive 30% due to it being considered a substantial rehabilitation. The recommendation is to provide 28% of eligible costs, not to exceed $1,268,968.

Project Description

CDIP-Paulsboro Summit, LP has proposed to renovate an underutilized 1950's vintage shopping center on West Broad Street in Paulsboro. Included in the renovation is the demolition and new construction of approximately half of the existing retail complex and substantial rehabilitation of the remaining building structures.

The current shopping center is approximately 87% unoccupied except for an Italian restaurant and Chinese restaurant which lease space in the shopping center. Both tenants will continue to lease spaces after the renovations are complete. West Broad Street is the main commercial street in the township and Billingsport Road leads to the port on the Delaware River nearby. Exxon Mobile Technical Center and Paulsboro Refinery are located a short distance from the subject site.

After renovations, the site will consist of 45,000 square feet of retail space and 193 parking spaces. The Applicant has signed a lease for the anchor of the shopping center, Save-A Lot, who will be leasing approximately 15,000 square feet. Also the two existing tenants will continue to lease

approximately 6,000 square feet of space. This project is phase I of a four phase Redevelopment plan for the site. Phase II is a 60 unit, age-restricted housing project which will include 222 parking spaces. Phase III is the construction of a second 60 unit age-restricted housing project adjacent to the senior housing building constructed in phase II. Phase IV is the construction of a 15,000 square foot commercial building.

The entire redevelopment site consists of four contiguous parcels containing approximately 14 acres. The site is presently owned by AV Paulsboro, LLC who has owned the property since March of 2001. The Applicant and AV Paulsboro LLC have entered a purchase and sales contract for the site (four parcels) in the amount of $2,700,000. The value of the acquisition of the two parcels directly attributable to phase I is $1,250,000. Per an appraisal completed by Pyramid Associates dated May 30, 2014 the "as is" value of the property purchased to complete Phase I is $3.2 million.

The project is estimated to create 100 construction jobs. Upon completion of the project approximately 66 new full-time positions with an annual blended average wage of approximately $26,000 before benefits, for a total annual payroll in excess of $1.5 million. The Applicant intends to comply with the green building requirements by meeting the Green Future standards.

Construction is anticipated to start in the spring of 2015 with an estimated completion date of July 31, 2016.

Project Ownership

The Applicant CDIP-Paulsboro Summit, LP is a special purpose entity created for the Paulsboro Plaza redevelopment. Lindsay-Ore, LLC has 76% ownership interest and Bancroft Construction Company has a 24% ownership interest in CDIP-Paulsboro Summit, LP.

Lindsay-Ore is a limited liability corporation composed of two companies, Larry C. McCrae, Inc. and Artis T. Ore, Inc. Larry C. McCrae, Inc. is an electrical contracting company and Artis T. Ore, Inc. is a construction Management company. The two entities have combined development experience of 60 plus years in real estate development and construction management project business.

Bancroft Construction Company is the general contractor for the project. Bancroft Construction Company established in 1975 employs 70 full time workers and has completed various real estate projects including office buildings, laboratories, museums, and retail establishments in New Jersey, Pennsylvania, Delaware and Maryland.

Project Uses

Uses/Costs	*Total Project Costs*	*ERG Eligible Project Costs*
Acquisition	$ 1,250,000	$ 1,250,000
Improvements	$ 2,339,252	$ 2,339,252
Professional Fees	$ 607,300	$ 607,300
Financing and other cost	$ 268,753	$ 268,753
Contingency	$ 130,000	$ 130,000
TOTAL USES	$ 4,595,305	$ 4,595,305

Project Sources

The Applicant will be utilizing the following sources to complete the project:

Sources	*Amount*
Applicant Equity	$ 1,179,038
New Jersey Community Capital Loan	$ 3,316,267
The Reinvestment Fund Grant	$ 100,000
TOTAL SOURCES	**$ 4,595,305**

The Applicant received a commitment loan from New Jersey Community Capital in the amount of $3,316,267. The loan has a term of seven years and is based off an amortization of 25 years at a fixed interest rate of 6.25%. The Applicant has received a private grant from The Reinvestment Fund ("TRF") in the amount of $100,000. TRF is the recipient of funds from the Robert Wood Johnson Foundation to be used by TRF to make grants to eligible, approved New Jersey Food Access Initiative applicants for gap financing to build, advance, or maintain retail businesses that provide healthy foods and that will extend access to healthy food choices for New Jersey residents.

The sources and uses above reflect the project with the ERG subsidy excluded. The project gap is calculated based on the Equity Internal Rate of Return identified in the gap analysis, as discussed below. These returns are calculated with and without the ERG cash flow to compare the returns.

Gap Analysis

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

Without ERG	**With ERG**
Equity IRR -0.03%	Equity IRR 7.30%

As indicated in the chart above, the project would not otherwise be completed without the benefit of the ERG. **With the benefit of the ERG, the Equity IRR is 7.30% which is below the Hurdle Rate Model provided by EDA's contracted consultant Jones Lang LaSalle which**

indicates a maximum IRR of 14.53% for a retail real estate project located in Paulsboro Borough.

Net Positive Benefit Analysis

NJSA 19:31-4.5 requires that in order to determine eligibility for the ERG award, the Authority must undertake a fiscal impact analysis by determining whether public assistance provided to the proposed development will result in net positive economic benefits to the State for a period equal to 75% of the useful life of the Project, not to exceed 20 years. The Authority has conducted the required Net Benefit Analysis with the following taxes included in the Net Positive Benefit calculation:

1] 66% of the incremental annual corporate business tax;
2] 66% of the incremental gross income tax;
3] 100% of the incremental one-time tax generated from the Project's construction;
4] 100% of the incremental indirect tax revenues from spending and earnings;

The net positive benefit analysis includes 66 new full time positions with an annual blended wage of approximately $26,000 before benefits, for a total annual payroll of $1,584,000. The Net Benefit analysis supports the information noted.

The project is not deemed a destination facility. As such, none of the sales taxes collected by the State can be deemed net new based on Authority policy. The present value of the net benefits is reduced by the present value of all local and State grants, including the ERG award to the project, resulting in the present value of the Net Positive Benefits to the State of $1.5 million after applying the 110% coverage ratio.

Other Statutory Criteria

In order to be eligible for the program, the project must exhibit the following:

The economic feasibility and the need of the redevelopment incentive agreement to the viability of the project. The likelihood that the project shall upon completion is capable of generating new tax revenue in an amount in excess of the amount necessary to reimburse the developer for the project costs as provided in the redevelopment agreement.

A review of the market study performed by Deborah L. Brett & Associates and an appraisal by Pyramid Associates Real Estate Valuations, LLC display that the developer's plans and pro forma are reasonable. Based on the expected generation of $127,165 in sales tax and corporate business tax upon stabilization (with modest increases each year thereafter), the amount of incremental State and local direct taxes over the 20 year period and a 75% rebate of eligible taxes, there are adequate funds to support the reimbursement of taxes to the Applicant as outlined in the analysis. As mentioned earlier, per the project's financial returns and to obtain the funding necessary to develop this project, there is a demonstrated need for the redevelopment incentive grant agreement. EDA has received a letter of support for this project from the Mayor of Paulsboro Borough.

The Project appears to be economically feasible based on the financial strength and prior experience and track record of the Applicant in real estate development.

This project is Phase I of a four phase redevelopment plan. The project currently has an anticipated IRR of negative 0.03% without ERG and 7.30% with the ERG. The Applicant represents that the ERG incentive grant is needed for the viability of the project. Upon completion of the additional three phases, the IRR will be 14.05% which falls under the hurdle rate model provided by Jones Lang La Salle which indicates a maximum IRR of 14.53%.

The degree to which the redevelopment project within a municipality that exhibits economic and social distress will advance State, regional, local development and planning strategies, promote job creation and economic development and have a relationship to other major projects undertaken within the municipality.

The Project is located in Paulsboro Borough, Gloucester County. Unemployment in Paulsboro Borough was 13.6% versus the state average of 7.8% in 2012. Paulsboro's median household income $40,007 versus the New Jersey's median household income of $69,667 in 2012. The city of Paulsboro was hit hard by layoffs during the 2009 recession at major employers in the local area and has not recovered yet. Additionally, Paulsboro is ranked # 557 in the MRI index, is a Distressed Community and is designated as an Urban Aid Municipality

Recommendation

Authority staff has reviewed the CDIP- Paulsboro Summit LP's application and finds that it is consistent with eligibility requirements of the Act. The Treasury has reviewed the application and notified the Authority of the adequacy of the project's estimated tax revenues and specified the percentage reimbursement of total project costs. Therefore, it is recommended that the Members approve the application and authorize the CEO of the Authority to execute an Incentive Grant Agreement with the Applicant and the State Treasurer, subject to final review and approval of the Office of the Attorney General. All disbursements under the ERG program are subject to annual appropriation by the New Jersey State Legislature.

Closing of the ERG Agreement and the reimbursement of any taxes is contingent upon the Applicant meeting the following conditions regarding the Project within twelve months of approval:

1. Financing commitments for all Project funding sources are consistent with the information provided by the Applicant in its application to the Authority for the ERG; and
2. Evidence of site control and site plan approval for all properties within the Project;
3. Copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project.

Reimbursement shall commence upon:

1. Completion of construction and issuance of a permanent Certificate of Occupancy;
2. Submission of a detailed list of all eligible costs, which costs shall be satisfactory to the NJEDA; and
3. New tax revenues have been paid to the NJ Treasury and appropriated.

The NJ Treasury annually tracks taxes received from job sites and remits reimbursement equal to a percentage of funds collected during the year.

It is recommended that the members authorize the CEO of the EDA to execute any assignment agreements necessary to effectuate this transaction.

Total Eligible Project Costs: $4,595,305

Eligible Tax Credits and Recommended Award: Not to exceed $1,268,968 which equates to 28% of eligible costs over 20 years.

Timothy Lizura
President and Chief Operating Officer

Prepared by: Matthew Boyle

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: February 26, 2015

RE: **Broadway Housing Partners LLC**
Residential Economic Redevelopment and Growth Grant Program ("RES ERG")
P # 39374

Request

The Members are asked to approve the modification for Broadway Housing Partners LLC (the "Applicant") which was approved on June 10, 2014 for the issuance of tax credits for a primarily residential project in Camden.

Background

The Applicant seeks to bifurcate the project into 2 phases, one encompassing renovation of existing (four buildings with 21 residential and one commercial unit) and the second for new construction (two buildings with 38 residential and one commercial unit), as each phase has separate commencement and completion dates. While the scope of the project remains identical to the original approval, construction costs have risen resulting in a $1,700,927 increase in the total project costs to $18,994,086 from the time of the original approval (with eligible project costs rising $192,761 to $15,492,485). The recommended amount of tax credits is 39.50% of eligible costs not to exceed **$6,119,890** based on the revised budget and the amount tax credits is unchanged from the original approval. The breakdown of tax credits for phase one is $2,671,862 and for phase two is $3,448,028.

The ownership of the Applicant is identical to the original approval, which is 33.33% by members Matthew Canno, Jason Friedland and Andrew Eisenstein. These three are also partners in the developer and sponsor of the Project, Ironstone Strategic Capital Partners.

The sources of financing are identical to the original approval with the additional project costs being entirely funded by additional equity by the owners with the exception of a $40,000 which will be sourced from a Business Improvement Incentive anticipated to be approved via delegated authority.

The Applicant maintains that the RES ERG is necessary to provide gap financing necessary to move the project forward. The Applicant anticipates phase 1 renovations to commence after approval of the RES ERG modification with approximately 5 months to completion. Phase 2 would commence construction in April of 2015 with approximately 10 months to complete. Each of the phases completion dates comply with the RES ERG mandatory completion dates under the new rules.

The Project has a commitment from NJHMFA and they expect to participate in the New Jersey ENERGY STAR Homes Program. This will also satisfy the Authority's green building requirements as per the revised standards. The Project expects to satisfy the Affordable Housing standards under the RES ERG program as the Applicant intends to make 20% of the units affordable to families earning no more than 80% of the area median income level.

Project Uses

	ORIGINAL	***ORIGINAL***	***PROPOSED***	***PROPOSED***
Uses	***Total Project Costs***	***RES ERG Eligible Costs***	***Total Project Costs***	***RES ERG Eligible Costs***
Acquisition of Land and Buildings (A)	$ 2,500,000	$ 2,500,000	$ 2,300,000	$ 1,400,000
Construction & Site Improvements (B)	8,940,000	8,940,000	11,644,000	11,329,000
Professional Services	596,091	596,091	732,769	732,769
Financing & Other Costs	2,379,496	2,061,058	1,798,819	1,187,215
Contingency	1,202,575	1,084,963	843,501	843,501
Development Fee	1,675,000	0	1,675,000	0
TOTAL USES	**$17,293,162**	**$ 15,299,724**	**$18,994,089**	**$15,492,485**

Proposed ERG eligible project costs exclude costs aggregating $3,501,604 comprised of the developer fee of $1,675,000, marketing costs of $25,000, land and building adjustment from purchase price to appraisal of $900,000, construction & site improvements of $315,000 and other ineligible costs of $586,604.

(A) Acquisition of land and buildings at original approval reflects the purchase price. In the proposed columns, the total project cost of acquisition of land and buildings reflects a recently negotiated $200,000 price reduction from the seller and in the RES ERG eligible cost column the figure is further reduced by $900,000 to coincide with the current appraised value. This treatment is in accordance with the recently proposed rules for the RES ERG program which states that this asset's value shall be the lower of purchase price or appraised value.

(B) Construction & site improvements eligible costs reflect $40,000 reduction as Business Improvement Incentive is façade funding dedicated to this cost category. An additional $275,000 is deducted for the Camden grant is to be used for renovations.

Eligible Project Costs / Uses	*Phase 1*	*Phase 2*
Acquisition of Land and Buildings	$ 1,250,000	$ 150,000
Construction & Site Improvements	4,186,030	7,102,970
Professional Services	433,632	299,137
Financing & Other Costs	449,461	737,754
Contingency	320,531	522,970
Total Eligible Project Uses	**$ 6,639,654**	**$8,812,831**

Each phase meets the minimum capital investment of $5 million per the RES ERG program. Based on the budgeted project costs, phase 1 accounts for 38% of costs and phase 2 accounts for 62% of costs which constitutes how certain soft, professional and financing costs are allocated. Note that HMFA financing is NOT broken out by phase, hence the sources are listed in the chart below reflect phase 1 and 2 combined.

Project Sources

	ORIGINAL	*PROPOSED*
Sources of Financing	*Amount*	*Amount*
First Mortgage	$ 11,000,000	$ 11,000,000
HMFA ABC Program	2,000,000	2,000,000
Camden Grant	275,000	275,000
EDA Business Improvement Incentive	0	40,000
Equity (includes deferred developer fee)	3,671,009	5,679,089
Total Sources	**$ 17,293,162**	**$ 18,994,089**

The Applicant has a commitment in the amount of $11 million from a HMFA for construction and permanent financing with anticipated closing by mid February. In addition, the NJHMFA has approved a $2 million zero percent subordinated loan with no repayment until sale or transfer of the property. The Applicant is also awaiting receipt of final approval for a $275,000 grant from the City of Camden as well as the $40,000 business improvement grant from EDA. The Applicant has a commitment from Nestle to purchase the RES ERG tax credits at 93 cents per dollar (and these proceeds are recognized in the gap analysis/IRR noted hereafter).

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. The developer has increased the amount of equity being contributed since the original approval to cover the additional project costs and has benefitted from a $100 per unit increase in the monthly rent from Rowan University for the units to be occupied by authorized residents affiliated with the school. Staff analyzed the pro forma and projections of the Project and compared the returns with and without the RES ERG over a period of 11 years. The term includes one year of construction and 10 years of cash flow. For gap purposes the equity for phase one is $1,703,841 and includes $329,160 representing the portion of the

developer fee which is deemed deferred and for phase two equity is $3,102,915 and includes $452,507 representing the portion of the developer fee which is deemed deferred.

PHASE ONE

Without RES ERG	**With RES ERG**
Equity IRR 5.85%	Equity IRR 11.23%

PHASE TWO

Without RES ERG	**With RES ERG**
Equity IRR 5.00%	Equity IRR 8.02%

PHASE ONE and PHASE TWO

Without RES ERG	**With RES ERG**
Equity IRR 5.45%	Equity IRR 8.95%

The Project's economics suggest that the RES ERG benefit will have a material effect on the applicant's decision and ability to advance the Project. **With the benefit of the RES ERG, the Equity IRR for phase one is 11.23%, for phase two is 8.02% and for phase one and phase two 8.95%. All of these returns are below the rate per the Hurdle Rate Model provided by our contracted consultant, Jones Lang Lasalle which indicates a maximum IRR of 15.17% for a primarily residential project in Camden.**

Recommendation

Authority staff has reviewed the proposed modification to Broadway Housing Partners LLC application and finds that it is consistent with eligibility requirements of the Act. It is recommended that the Members approve and authorize the Authority to issue separate commitment letters to the Applicant for each phase. Phase 1 is for tax credits of 40% of eligible project costs not to exceed $2,655,861 and phase 2 is for tax credits of 39.31% of eligible project costs not to exceed $3,464,029. Each phase will have separate CPA cost certifications, timing and tax certificates issuance. Also requested is to permit minor changes in the actual costs and amounts of tax credits for each phase provided that in no instance the total tax credits represent no more than 40% of eligible costs not to exceed $6,119,890.

Timothy Lizura

Prepared by: Michael A. Conte

GROW NEW JERSEY ASSISTANCE PROGAM (GROW NJ)

The following summary is 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, and revised through P.L. 2013, c. 161 and the "Economic Opportunity Act of 2014, Part 3," the intent of this program is to provide tax credits to eligible businesses which make, acquire or lease a capital investment equal to or greater than certain minimum capital investment amounts at a qualified business facility at which it will employ certain numbers of employees in retained and/or new full-time jobs.

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 equal to, or greater than, the minimum capital investment, i.e.: Industrial, Warehousing, Logistics and R&D/Rehabilitation Projects -$20 sq. ft.; Industrial, Warehousing, Logistics and R&D/New Construction Projects-$60 sq. ft.; Other/Rehabilitation Projects-$40 sq. ft.; and Other/New Construction-$120 sq. ft.
  Minimum capital investment amounts lowered to 2/3 in GSGZs and in eight southernmost counties

- Retain full-time jobs and/or create new full-time jobs in an amount equal to or greater than, the applicable minimum requirements, as follows: Tech start ups and manufacturing businesses - 10 new/25 retained FT jobs; Other targeted industries - 25 new/35 retained FT jobs; All other businesses/industries - 35 new/50 retained FT jobs.
  Minimum employment numbers lowered to 3/4 in GSGZs and in eight southernmost counties

- Demonstrate that: 1) the qualified business facility is constructed to certain minimum environmental / sustainability standards; 2) the proposed capital investment and resultant retention and creation of eligible positions will yield a net positive benefit equaling at least 110% of requested tax credit allocation amount prior to taking into account the value of requested tax credit, and shall be based on benefits generated during the initial years following project completion (Mega Project or GSGZ – up to 30 years; GSGZ-Camden up to 35 years and equal to 100% of requested allocation; all other projects up to 20 years); 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 with evidence relating to viable alternatives to the site and ability to dispose of or carry the costs of the site, if the business moves to the alternate site.

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 internal econometric analysis and modeling to assess economic outputs, impacts and likely jobs creation.
- For material factor, staff reviews cost benefit analyses provided by the company regarding other out-of-state sites under consideration and cost of rent, property taxes, and utility costs; and, also investigates any existing labor contracts or real estate ownership that would render a re-location out of New Jersey impractical or cost prohibitive.
- For 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, the date(s) at which the EDA expects that those jobs would actually leave, or with respect to projects in a GSGZ-Camden/Atlantic City, that the provision of tax credits under the program is a material factor in the businesses decision to make a capital investment and locate there, 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.

Amount of award based upon:

- Base, gross and maximum amounts of tax credits for each new or retained full-time job, follows:

Project Type	**Base Amount** *Per Job/Per Year*	**Gross Amount** *Per Job/Per Year*	**Maximum Amount** *To be Applied Annually*
Mega Project	$5,000	$15,000	$30 million
GSGZ Project	$5,000	$15,000	$30 million/*$35 million-Camden/Atlantic City*
UTHTC Municipality	$5,000	$12,000	$10 million
Distressed Municipality	$4,000	$11,000	$8 million
Priority Area	$3,000	$10,500	$4 million *(Not more than 90% of withholdings)*
Other Eligible Area	$500	$6,000	$2.5 million *(Not more than 90% of withholdings)*
Disaster Recovery Project	$2,000	$2,000	

- Bonus – The amount of tax credit shall be increased if the qualified business facility meets any of the following priority criteria or other additional or replacement criteria determined by EDA from time to time in response to evolving economic or market conditions:

Bonus Type	**Bonus Amount**
Deep poverty pocket or Choice Neighborhoods Transportation Plan area	$1,500
Qualified incubator facility	$500
Mixed-use development with sufficient moderate income housing on site to accommodate 20% of full-time employees	$500
Transit oriented development	$2,000
Excess capital investment in industrial site for industrial use (*excludes mega projects)*	$3,000 maximum
Excess capital investment in industrial site for industrial use (m*ega projects or GSGZ projects)*	$5,000 maximum
Average salary in excess of county's existing average or in excess of average for GSGZ	$1,500 maximum
Large numbers of new and retained full-time jobs 251 to 400 401 to 600 601 to 800 801 to 1,000 1,001+	 $500 $750 $1,000 $1,250 $1,500
Business in a targeted industry	$500
Exceeds LEED "Silver" or completes substantial environmental remediation	$250
Located in municipality in eight southernmost counties with a MRI Index greater than 465	$1,000
Located within a half-mile of any new light rail station	$1,000
Projects generating solar energy for onsite use	$250
Vacant commercial building with over 1 million sq. ft. of lab space/1 year occupancy	$1,000

- Final Total Tax Credit Amount – Except for in GSGZs, the final total amount of tax credit, following the determination by EDA of the gross amount of tax credits, shall equal to 100% of the gross amount of tax credits for each new full-time job; and the lesser of 50% for each retained full-time job or the capital investment made by the applicant, per employee.
- For tax credits in excess of $40 million, the amount available to be applied by the business annually shall be the lesser of the permitted statutory maximum amount or an amount determined by EDA necessary to complete the project, determined through staff analysis of all locations under consideration and all lease agreements, ownership documents, or substantially similar documentation for the business's current in-State locations and potential out-of State location alternatives.
- Limits on Annual Tax Credits – The amount of tax credits available to be applied by the business annually shall not exceed: GSGZ/Camden/Atlantic City - $35,000,000; Mega Project/GSGZ - $30,000,000; Urban Transit Hub - $10,000,000; Distressed Municipality - $8,000,000; Priority Areas - $4,000,000 (not more than 90% of withholdings); and Other Eligible Areas - $2,500,000 (not more than 90% of withholdings).

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

APPLICANT: C&A Marketing, Inc. P40414

PROJECT LOCATION: 114-132 Tived Lane East Edison Township Middlesex County

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

APPLICANT BACKGROUND:
C&A Marketing, Inc. was founded in 2003 having corporate headquarters in New Jersey and satellite offices in London and China. It engages in the design and distribution of thousands of products from high-end photography equipment, lighting and accessories to kitchen gadgets and everything in-between. The company uses third party platforms such as Amazon and Ebay as part of its sales strategy giving consumers access to over 50,000 products right from their computer or smart device. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
The applicant submitted an economic analysis detailing the cost differential between locating this project in Edison, New Jersey and Wawayanda, New York. The analysis examines the one-time upfront costs as well as the ongoing annual costs of locating the project in either state. Under the New Jersey scenario, the company would lease a 130,000 sf. facility from a related entity. The cost benefit analysis shows that the size and cost of the two facilities are comparable except that the site in New York requires minimal renovations. In addition, the company expects payroll costs to be substantially lower at the alternative site. The company notes that without the incentive, there is no economic justification to move forward with the project in New Jersey.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of C&A Marketing, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Akiva Klein, the CEO of C&A Marketing, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $66.8M over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 174 New Jersey jobs listed in the application are at risk of being located outside the State on or before July 1, 2015, the date its current lease expires. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

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

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

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	$2,600,000	$3,650,000
New Jobs	35	77
Retained Jobs	50	174

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

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of $3,000 per year for projects located in a designated Priority Area	Edison Township is a designated Priority Area
Increase(s) Criteria		
Large Number of New/Retained Full-Time Jobs	An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 251 Full-Time Jobs at the project location resulting in an increase of $500.

On Site Solar Generation of ½ of Project's Elec. Needs	An increase of $250 per job for a project that generates ½ of its electricity via on-site solar power generation	The applicant will have solar panels that generate in excess of ½ of the applicant's electricity needs

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $3,750 = $1,875) or - **The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($3,650,000 / 10 / (77 + 174) = $1,454)** In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:
Priority Area $ 3,000

INCREASES PER EMPLOYEE:
Large Number of New/Retained F/T Jobs: $ 500
On Site Solar Generation of ½ of Project's Elec. Needs: $ 250

INCREASE PER EMPLOYEE: $ 750

PER EMPLOYEE LIMIT:
Priority Area $10,500

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

AWARD:

New Jobs:	77 Jobs X $3,750 X 100% =	$288,750
Retained Jobs:	174 Jobs X $1,454 X 100% =	$252,996
	Total:	**$541,746**

ANNUAL LIMITS:
Priority Area (Est. 90% Withholding Limit) $ 4,000,000/($335,801)

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 3,650,000
NEW FULL-TIME JOBS:	77
RETAINED FULL-TIME JOBS:	174
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD)	$ 72,206,364
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 66,788,904
TOTAL AMOUNT OF AWARD (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS)	$ 5,417,460
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 37,298
SIZE OF PROJECT LOCATION:	130,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
STATEWIDE BASE EMPLOYMENT:	174

PROJECT IS: ( ) Expansion (X) Relocation
CONSTRUCTION: (X) Yes ( ) No

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before July 1, 2015; 2) approve the proposed Grow New Jersey grant to encourage C&A Marketing, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: D. Ubinger **APPROVAL OFFICER**: J. Horezga

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

APPLICANT: First Data Corporation P40454

PROJECT LOCATION: 101 Hudson Street, 39th Floor Jersey City Hudson County

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

APPLICANT BACKGROUND:
First Data Corporation is a global payment solutions company headquartered in Atlanta, Georgia. The company provides merchant transaction processing services; credit, debit, private-label, gift, payroll and other prepaid card offerings; fraud protection and authentication solutions, ATM networks, electronic check acceptance services and mobile payment systems. The business was a part of the American Express group between 1980 and 1992. In 2007, the company was taken private by KKR & Co. L.P., a private equity firm, through an LBO transaction. The applicant has demonstrated the financial ability to undertake the project.

First Data Corporation was approved for a Grow New Jersey Award in August 2014 for the creation of 74 jobs and the relocation of the company's headquarters and business from New York City to 101 Hudson Street, 40th Floor, Jersey City.

MATERIAL FACTOR/NET BENEFIT:
First Data Corporation continues to grow and is seeking to expand its security applications and marketing teams, therefore the company is considering various locations in which to locate this growth. These operations can be located at First Data's existing facility in Omaha, Nebraska or by entering into a new lease of 24,221 sq. ft. on the 39th Floor of 101 Hudson Street, Jersey City. The company expects to grow its team and create 100 new jobs.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of First Data Corporation has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Frank J. Bisignano the CEO of First Data Corporation, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $98 million over the 20 year period required by the Statute.

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

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

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

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

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

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

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

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

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$968,840	$2,082,155
New Jobs	25	100
Retained Jobs	35	0

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

Base Grant	**Requirement**	**Proposed by Applicant**
Urban Transit Hub Municipality	Base award of $5,000 per year for projects located in a designated Urban Transit Hub Municipality	Jersey City is a designated Urban Transit Hub Municipality.
Increase(s) Criteria		
Transit Oriented Development	An increase of $2,000 per job for a project locating in a Transit Oriented Development	101 Hudson Street is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a New Jersey Transit Corporation light rail station.
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500	The proposed median salary of $105,000 exceeds the Hudson County median salary by 117% resulting in an increase of $750 per year.

Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Finance business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $8,250 = $4,125) or - **The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($2,082,155/ 10 / (100 + 0) = $2,082)** In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Urban Transit HUB Municipality		$5,000
INCREASES PER EMPLOYEE:		
Transit Oriented Development:	$2,000	
Jobs with Salary in Excess of County Average:	$ 750	
Targeted Industry (Finance):	$ 500	
INCREASE PER EMPLOYEE:		$3,250
PER EMPLOYEE LIMIT:		
Urban Transit HUB Municipality	$12,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		$8,250
AWARD:		
New Jobs:	100 Jobs X $8,250 X 100% =	$825,000
Retained Jobs:	0 Jobs X $2,082 X 100% =	$0,000
	Total:	**$825,000**
ANNUAL LIMITS:		
Urban Transit HUB Municipality	$10,000,000	
TOTAL ANNUAL AWARD		**$825,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 2,082,155
NEW FULL-TIME JOBS:	100
RETAINED FULL-TIME JOBS:	0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD)	$106,530,388
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 98,280,388
TOTAL AMOUNT OF AWARD	$ 8,250,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 105,000
SIZE OF PROJECT LOCATION:	24,221 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
STATEWIDE BASE EMPLOYMENT:	33

PROJECT IS: (X) Expansion ( ) Relocation

CONSTRUCTION: ( ) Yes ( ) No

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: M. Abraham **APPROVAL OFFICER**: T. Wells

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

APPLICANT: Stay Fresh Foods, LLC P40442

PROJECT LOCATION: 945 Sherman Ave. Pennsauken Township Camden County

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

APPLICANT BACKGROUND:
Founded in June 2012, Stay Fresh Foods, LLC (or Stay Fresh Foods) is a family business formed expressly to deliver High Pressure Pasteurization ("HPP") and value-added services to food and beverage processors. While it is a new company, it is no stranger to food production. Its management team shares a collective 65 years of food manufacturing experience. Its vision is to help processors realize the full advantages of proven HPP technology in food protection and innovation. Having spent so much time on the production side, it knows how important flexibility is in responding to processors' individual needs. Even before establishing an HPP program, it can offer assistance with product development, focus groups, and packaging consulting. A strong relationship with nearby Northeast Labs affords Stay Fresh Foods convenient access to product testing expertise. Its operating schedule allows rapid turnaround for time-sensitive products, such as the new generation of "good-for-you" fresh juices and smoothies. Aiming to be a one-stop-shop for processors, it also offers case packing, date coding, labeling, storage, and distribution services. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Stay Fresh Foods is considering an expansion into a 66,585 square foot facility in Pennsauken, NJ versus having its landlord add 8,000 square feet to its existing facility in Meriden, CT (and then leasing that additional square footage). It currently operates with 40 employees at its 24,800 sq. ft. facility in Meriden, CT. Stay Fresh Foods already has the existing infrastructure in place in the Meriden, CT location if it would need to continue its expansion in that facility. Stay Fresh Foods has the capacity with its present equipment in CT to take on the expansion and would utilize the additional square footage primarily for additional racking, not new equipment. If Stay Fresh Foods expands into Pennsauken, NJ, it would need to completely duplicate its entire operation in that facility. This duplication includes all of the production equipment as well as all of the storage needs. An expansion into Pennsauken represents a move into a new market which will provide greater expansion potential than would exist solely by remaining in its present market in CT.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Stay Fresh Foods has indicated that the grant of tax credits is a material factor in the company's location decision. Furthermore, the Authority is in receipt of an executed CEO certification by Amy Lawless, the Managing Director of Stay Fresh Foods LLC, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of approximately $18 million over the 20 year period required by the Statute.

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

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

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	$887,800	$4,745,000
New Jobs	8	40
Retained Jobs	19	0

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

Base Grant	Requirement	Proposed by Applicant
Distressed Municipality	Base award of $4,000 per year for projects located in a designated Distressed Municipality	Pennsauken Township is a designated Distressed Municipality
Increase(s) Criteria		
Capital Investment in Excess of Minimum (non-Mega)	An increase of $1,000 per job for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $3,000	The proposed capital investment of $4,745,000 is 434% above the minimum capital investment resulting in an increase of $3,000 per year.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation,	The applicant is a Manufacturing business.

	Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	
2007 Revit. Index>465 in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	An increase of $1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465	Pennsauken Township has a 2007 Revitalization Index of 481

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: - **½ of the Grant Calculation for New Full-Time Jobs (1/2 * $8,500 = $4,250)** or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($4,745,000/ 10 / (40 + 0) = $11,862) In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:

Distressed Municipality		$4,000

INCREASES PER EMPLOYEE:

Capital Investment in Excess of Minimum (non-Mega):	$3,000	
Targeted Industry (Manufacturing):	$ 500	
2007 Revit. Index>465 in Camden County:	$1,000	

INCREASE PER EMPLOYEE: $4,500

PER EMPLOYEE LIMIT:

Distressed Municipality	$11,000	

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

AWARD:

New Jobs:	40 Jobs X $ 8,500 X 100% =	$340,000
Retained Jobs:	0 Jobs X $8,500 X 50% =	$0,000
	Total:	**$340,000**

ANNUAL LIMITS:

Distressed Municipality	$ 8,000,000	

TOTAL ANNUAL AWARD **$340,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 4,745,000
NEW FULL-TIME JOBS:	40
RETAINED FULL-TIME JOBS:	0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD)	$21,191,612
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$17,791,612
TOTAL AMOUNT OF AWARD	$ 3,400,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 29,120
SIZE OF PROJECT LOCATION:	66,585 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
STATEWIDE BASE EMPLOYMENT:	40

PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: ( ) Yes (X) No

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: Justin Kenyon **APPROVAL OFFICER**: Mark Chierici

GROW NEW JERSEY ASSISTANCE PROGRAM - MODIFICATIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: February 26, 2015

SUBJECT: Grow New Jersey modification request for York Risk Services Group, Inc.
P40141

MODIFICATION REQUEST

The Board approved York Risk Services Group, Inc. for a $3,163,600 Grow New Jersey Grant Award on December 9, 2014. Since then, the company could not reach acceptable terms with the landlord of the original project site, 379 Interpace Hwy., Parsippany and has identified a new location also in Parsippany, 1 Upper Pond Road. The Board is requested to modify the previously approved award to the newly identified site.

BACKGROUND:

York Risk Services Group, Inc. is a premier provider of insurance, risk management, alternative risk, pool administration and claims management solutions to clients across hundreds of industries. It is ranked nationally as the number 3 third-party administrator based on annual revenue. The company offers claims management, a comprehensive suite of integrated managed care services and risk management services. In late 2013, York Risk Service Group acquired Ohio-based CareWorks Family of Companies. The applicant has demonstrated the financial ability to undertake the project.

MODIFICATION:

York Risk Services Group, Inc. was approved for a $3,163,600 Grow New Jersey Grant Award on December 9, 2014. Since the Board Approval date, the company could not reach acceptable lease terms at original project location and has located another suitable space to lease at 1 Upper Pond Road, Parsippany.

The site previously approved consisted of leasing 37,615 sf. at 379 Interpace Hwy., Parsippany. The company planned to relocate its headquarters and operations to that building. The proposed capital investment was $2,204,600 in renovations plus the creation of 44 new jobs to New Jersey. The alternative is to lease 33,687 sf. in Dublin, OH. The location analysis at the time of approval showed New Jersey to be the more expensive option.

The applicant still plans to house its headquarters and main operations at the new building, which is 0.4 miles from the prior location and still proposes to create 44 full-time jobs. The new leased space is slightly smaller at 30,708 sf. and the proposed capital investment is slightly lower at $2,147,510. The total Grow New Jersey Award is slightly lower than previously approved at $3,120,550 due to the

reduced capital investment impacting the value of retained jobs.

MATERIAL FACTOR/NET BENEFIT:
York Risk Services Group has submitted an economic analysis comparing leasing 30,708 sf. of office space in Parsippany, NJ to leasing 33,687 sf. of office space in Dublin, OH. If the Ohio option is pursued, it would move its headquarters from Parsippany to office space that is closer to the headquarters of its newly acquired subsidiary, CareWorks Family of Companies. The company notes that it currently has significant operations in OH that are in addition to its recently acquired subsidiary.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of York Risk Services Group, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Richard Taketa, the CEO of York Risk Services Group, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $41.1M million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 123 New Jersey jobs listed in the application are at risk of being located outside the State on or before April 1, 2015 coinciding with the proposed lease start date for Ohio. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

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

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

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

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

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

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

All other businesses/industries 35 / 50

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	$1,228,320	$2,147,510
New Jobs	25	44
Retained Jobs	35	123

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

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of $3,000 per year for projects located in a designated Priority Area	Parsippany is a designated Priority Area
Increase(s) Criteria		
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Finance business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to

	the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $3,500 = $1,750) or - **The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($2,147,510 / 10 / (44 + 123) = $1,285)** In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:
Priority Area $3,000

INCREASES PER EMPLOYEE:
Targeted Industry (Finance): $ 500

INCREASE PER EMPLOYEE: $ 500

PER EMPLOYEE LIMIT:
Priority Area $10,500

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

AWARD:

New Jobs:	44 Jobs X $3,500 X 100% =	$154,000
Retained Jobs:	123 Jobs X $1,285 X 100% =	$158,055
	Total:	**$312,055**

ANNUAL LIMITS:
Priority Area (Est. 90% Withholding Limit) $ 4,000,000/($435,701)

TOTAL ANNUAL AWARD **$312,055**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 2,147,510
NEW FULL-TIME JOBS:	44
RETAINED FULL-TIME JOBS:	123
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD)	$ 44,243,744
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 41,123,194
TOTAL AMOUNT OF AWARD (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS)	$ 3,120,550
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 58,250
SIZE OF PROJECT LOCATION:	30,708 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
STATEWIDE BASE EMPLOYMENT:	219

PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No

RECOMMENDATION:
Based on the above, staff recommends a modification request allowing the Qualified Business Facility to be located at the new address.

Prepared by: Joe Horezga

SALES & USE TAX EXEMPTION

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – SALES & USE TAX EXEMPTION (STX)

APPLICANT:	Conair Corporation		P40171
COMPANY ADDRESS:	150 Milford Road	East Windsor	Mercer County
PROJECT LOCATION:	159 Milford Road	East Windsor	Mercer County

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

APPLICANT BACKGROUND:
Conair Corporation is a designer, manufacturer and marketer of personal care appliances, small kitchen appliances and cookware, professional hair care and beauty products, hairbrushes and hair care accessories, cosmetic and organizer bags, and travel accessories. Conair has a 700,000 sf. facility in East Windsor that is the corporate headquarters and a warehouse/distribution center. The applicant also has a large distribution center in Phoenix, Arizona, a sales and marketing office in Stamford, Connecticut and a manufacturing center in Rantoul, Illinois.

PROJECT DESCRIPTION:
The applicant is seeking to construct a new 454,033 sf. facility across the street from its existing headquarters and warehouse facility. It will move its headquarters into the new facility which will have a large warehouse component. The applicant will hire an additional 150 employees over the subsequent 3 years to backfill the positions relocated from the existing building. The project meets the eligibility guidelines by virtue of being a manufacturing business and constructing a new facility that will house the headquarters of the applicant. The alternative is to build a comparable facility on owned land in Arizona.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Conair has indicated that the incentives are a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification signed by Ronald T. Diamond, the CEO of Conair, that states that the application has been reviewed and the information submitted and representations contained therein are accurate.

SCOPE OF STX BENEFITS:
Authority assistance will induce the applicant to construct a new 454,033 sf. warehouse facility in East Windsor. The business will be exempt from sales and use tax for eligible property located or placed at the eligible business location(s) for the renovation project pursuant to the terms and conditions of a project agreement. The sales tax exemption certificate applies only to property purchased for installation at the approved project site(s) and will allow the business to purchase machinery, equipment, furniture and furnishings, fixtures, and building materials, other than tools and supplies, without the imposition of sales and use tax. The sales tax exemption (STX) is administered pro rata to reflect the eligible scope of the project, based on the number of retained STX eligible full-time jobs, increased no more than 20 percent, relative to the sum of all of jobs/employees located at the approved project site(s) during the commitment duration period, subject to the Act, Regulations, and the terms of the Project Agreement. The recommended benefit is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended benefit amount. If the criteria met by the company differs from that shown herein, the benefit amount will be lowered to reflect the benefit amount that corresponds to the actual criteria that have been met.

APPROVAL REQUEST: **STX COMMITMENT DURATION:** 5 years

The Applicant has represented that the availability of this financial assistance will be an important inducement to undertake this project and to relocate full-time jobs within the State. The Authority staff recommends the award of the proposed Sales and Use Tax Exemption benefit.

ESTIMATED ELIGIBLE EXPENSES:	$	15,756,500
ESTIMATED VALUE OF STX:	$	1,102,955
STX ELIGIBLE EMPLOYEES:		273
TOTAL JOBS TO BE LOCATED AT THE PROJECT SITE:		273
MEDIAN WAGES:	$	60,000
PROJECT LOCATION IN PLANNING AREA 1 OR 2:		PA-2
OPERATED IN NEW JERSEY SINCE:		1984

PROJECT IS: (X) Expansion ( ) Relocation

CONSTRUCTION/RENOVATION: (X) Yes ( ) No

DEVELOPMENT OFFICER: D. Ubinger **APPROVAL OFFICER**: J. Horezga

STX benefit calculation formula:

Estimated Eligible Property x Sales Tax Rate = Estimated Gross Sales Tax Liability	$15,756,500 x 0.07 = $1,102,955
(Retained Full-Time Jobs (STX Eligible Jobs) / Estimated Total Occupants of the Facility) x Regulatory 20% Automatic Increase for All STX Projects = Proportionate Value (Pro Rata Eligible Scope) with 20% Increase	273/273 = 1 x 1.2 = 1.0 (capped) (max = 1.00)
Adjusted Proportionate Value x Estimated Gross Sales Tax Liability = Estimated Amount of the Sales and Use Tax Exemption Certificate	1.0 x $1,102,955 = $1,102,955

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Black United Fund Health and Human Services P40357

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

PROJECT LOCATION: 403 W. 7th Ave and 510 Grant Plainfield City (T/UA) Union

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

APPLICANT BACKGROUND:

Black United Fund Health and Human Services (BUFHHS) is a non-profit organization, which was incorporated in 1993. BUFHHS provides childcare, education and life skills to more than 300 pre-school kids, as well as after-care programs for elementary school children in Plainfield, New Jersey. Ms. Sondra Clark is the Director of BUFHHS. In addition to her responsibilities as Director of BUFHHS, she oversees the New Jersey Federation of Black Charities.

The Applicant is a not-for-profit, 501(c)(3) 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 help refinance a portion of an existing $7,000,000 tax-exempt bond issued via the Union County Improvement Authority, the proceeds of which were used to construct and equip an approximately 21,500 sq. ft. building (510 Grant Ave.) and to renovate and equip an approximately 60,000 sq. ft. building (403 W. 7th Street) used as pre-school, after-school and summer camp facilities; a portion of that bond will be paid down.

BUFHHS has also requested a $500,000 direct loan from the EDA (P40410) which will be used to pay off the balance of a loan with PNC. This loan is to be approved via Delegated Authority.

FINANCING SUMMARY:

BOND PURCHASER: Fulton Bank of New Jersey (Direct Purchase)

AMOUNT OF BOND: $4,000,000 tax-exempt bond

TERMS OF BOND: 20 years; 3.25% fixed rate tax-exempt for an initial five (5) year term. The rate will reset every five years based on the FHLBNY 5-yr advance rate plus 250 Basis Points (converted to a tax-exempt rate). Floor is the tax-exempt interest rate of 3.25%. Call option feature at the ten (10) year anniversary from the date of closing.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	$5,056,200
Finance fees	$86,800
Legal fees	$57,000
TOTAL COSTS	$5,200,000

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

PUBLIC HEARING: 02/17/15 (Published 02/02/15) **BOND COUNSEL:** McManimon,Scotland & Baumar

DEVELOPMENT OFFICER: D. Benns **APPROVAL OFFICER:** M. Chierici

LOANS/GRANTS/GUARANTEES

PREMIER LENDER PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STATEWIDE LOAN POOL PROGRAM - (PREMIER LENDER)

APPLICANT: New Jersey Restaurant Group, LLC P40444

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

PROJECT LOCATION: 4095 US Hwy 1 South, Suite:55South Brunswick Township (M)iddlesex

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

APPLICANT BACKGROUND:

New Jersey Restaurant Group, LLC is a start-up company formed in May 2012, for the purpose of establishing a franchise restaurant under the Tilted Kilt brand of restaurants. Tilted Kilt is a Celtic themed sports and entertainment bar and restaurant. The franchise was founded in 2003 and is headquartered in Tempe, AZ. There are five Tilted Kilt restaurants operating in NJ and nearly 100 franchised locations nationwide.

The restaurant will be located at 4095 US Route 1 South in Monmouth Junction, New Jersey. The area encompasses the busy Route 1 corridor of Princeton, South Brunswick and Monmouth Junction. The owners are converting an existing (unrelated) Mexican restaurant called El Dorado that recently closed at this location.

APPROVAL REQUEST:

Approve a $800,000 M&T Bank term loan with a 3-Year, 50% Authority guarantee of principal outstanding not to exceed $400,000. Guarantee will only commence upon expiration of 3 month interest only period.

FINANCING SUMMARY:

LENDER: M&T Bank

AMOUNT OF LOAN: $800,000 term loan with a 3-Year, 50% guarantee of principal outstanding not to exceed $400,000. Guarantee will only commence upon expiration of 3 month interest only period.

TERMS OF LOAN: A 3-month draw period at a variable interest rate equal to M&T Bank's Prime Rate plus 275 bps (the "Interest Rate") followed by 36 months of equal principal payments of $13,333.33 based on a 60-month amortization period plus the Interest Rate.

PROJECT COSTS:

Purchase of equipment & machinery	$710,920
Liquor License	$400,000
Renovation of existing building	$201,350
Working capital	$167,230
Franchise Fee	$75,000
Engineering & architectural fees	$52,500
Bank Commitment Fe	$8,000
Finance fees	$5,000
TOTAL COSTS	$1,620,000

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

DEVELOPMENT OFFICER: T. Gill **APPROVAL OFFICER:** T. Bossert

PREMIER LENDER PROGRAM &
MAIN STREET ASSISTANCE PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - MAIN STREET ASSISTANCE PROGRAM - (PREMIER LENDER)

APPLICANT: Patella Construction Corporation P40389

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

PROJECT LOCATION: 99 South Street Passaic City (T/UA) Passaic

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

APPLICANT BACKGROUND:

Founded in 1987, Patella Construction Corp. (d/b/a Patella Woodworking) provides premium grade architectural custom-made woodwork to clients in the Northeast and Mid-Atlantic. Patella is 100% owned by Michael Ostroff who acquired sole ownership in 2011. In order to create a total quality environment, Patella combines old world cabinetmaking skills with new world management techniques and modern technology. The company's extensive array of projects caters to Fortune 500 companies, prominent law firms and renowned financial institutions along with high-end residences, upscale restaurants and prominent retail environments. Patella has 70 employees and operates from 46,000 square feet of space in Orangeburg, New York. The company seeks larger space with plans to relocate to an owned facility of 79,984 square feet in Passaic. Patella will perform renovations and expand the building such that upon completion the square footage will be 86,123.

Requested loan to be used to for working capital.

Project related to P 40390 (term loan with EDA participation) and 40391 (EDA participation in mortgage loan) concurrently seeking approval. Applicant was also approved by EDA 10/14/14 for a Grow NJ tax credit of $10.3 million under P 39872.

APPROVAL REQUEST:

Approval is requested for a 50% one year guarantee by the Authority not to exceed $500,000 under the Main Street Assistance Program as proposed in a $1,000,000 line from Valley National Bank.

FINANCING SUMMARY:

LENDER: Valley National Bank

AMOUNT OF LOAN: $1,000,000 Valley National Bank line of credit with a 50% guarantee of principal outstanding not to exceed $500,000.

TERMS OF LOAN: Floating at Wall Street Journal Prime Rate plus 125 bp (4.5% as of 2/3/15). Interest only payments for one year.

PROJECT COSTS:

Working capital	$1,000,000
TOTAL COSTS	$1,000,000

JOBS: At Application 0 Within 2 years 70 Maintained 0 Construction 0

DEVELOPMENT OFFICER: T. Gill **APPROVAL OFFICER:** M. Conte

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STATEWIDE LOAN POOL PROGRAM - (PREMIER LENDER)

APPLICANT: Patella Construction Corporation P40390

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

PROJECT LOCATION: 99 South Street Passaic City (T/UA) Passaic

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

APPLICANT BACKGROUND:

Founded in 1987, Patella Construction Corp. (d/b/a Patella Woodworking) provides premium grade architectural custom-made woodwork to clients in the Northeast and Mid-Atlantic. Patella is 100% owned by Michael Ostroff who acquired sole ownership in 2011. In order to create a total quality environment, Patella combines old world cabinetmaking skills with new world management techniques and modern technology. The company's extensive array of projects caters to Fortune 500 companies, prominent law firms and renowned financial institutions along with high-end residences, upscale restaurants and prominent retail environments. Patella has 70 employees and operates from 46,000 square feet of space in Orangeburg, New York. The company seeks larger space with plans to relocate to an owned facility of 79,984 square feet in Passaic. Patella will perform renovations and expand the building such that upon completion the square footage will be 86,123.

Requested loan to be used to refinance existing private loans and Lakeland Bank plus purchase new equipment.

Project related to P 40389 (line of credit with EDA guarantee) and 40391 (EDA participation in mortgage loan) concurrently seeking approval. Applicant was also approved by EDA 10/14/14 for a Grow NJ tax credit of $10.3 million under P 39872.

APPROVAL REQUEST:

Approval is requested for a 40.8% ($500,000) participation in a $1,225,000 Valley National Bank loan.

FINANCING SUMMARY:

LENDER: Valley National Bank

AMOUNT OF LOAN: $1,225,000 bank loan with 40.8% ($500,000) Authority participation.

TERMS OF LOAN: Fixed for 5 years at the greater of Federal Home Loan Bank of NY Advance Rate plus 2.5% or 4.75% with rate reset at end of 5 years at similar index for another 5 years. 12 months interest only followed by 9 year fully amortizing loan.

TERMS OF PARTICIPATION: Fixed for 5 years at 5 year US Treasury or 2%, whichever is greater, plus 1.5% with a rate reset at end of 5 years at similar index for another 5 years. 12 months interest only followed by 9 year fully amortizing loan.

PROJECT COSTS:

Refinancing	$1,105,000
Purchase of equipment & machinery	$340,000
TOTAL COSTS	$1,445,000

JOBS:	At Application	Within 2 years	Maintained	Construction
	0	0	0	0
Jobs on Related P040389	0	70	0	0

DEVELOPMENT OFFICER: T. Gill **APPROVAL OFFICER:** M. Conte

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - LOCAL DEVELOPMENT FINANCING FUND PROGRAM - (PREMIER

APPLICANT: Patella Construction Corportation and 99 South Passaic LLC P40391

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

PROJECT LOCATION: 99 South Street Passaic City (T/UA) Passaic

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

APPLICANT BACKGROUND:

Founded in 1987, Patella Construction Corp. (d/b/a Patella Woodworking) provides premium grade architectural custom-made woodwork to clients in the Northeast and Mid-Atlantic. Patella is 100% owned by Michael Ostroff who acquired sole ownership in 2011. Patella has 70 employees and operates from 46,000 square feet of space in Orangeburg, New York. The company seeks larger space with plans to relocate to an owned facility of 79,984 square feet in Passaic. Patella will perform renovations and expand the building such that upon completion the square footage will be 86,123. 99 South Passaic, LLC is co-borrower which was recently formed to own the facility and is owned 80% by Michael Ostroff, 10% by Scott Glickman and 10% by Richard Whitley. Requested loan to be used to purchase real estate and perform renovations.

Project related to P 40389 (line of credit with EDA guarantee) and 40390 (EDA participation in term loan for equipment and refinance of existing debt) concurrently seeking approval. Applicant was also approved by EDA 10/14/14 for a Grow NJ tax credit of $10.3 million under P 39872.

APPROVAL REQUEST:

Approval is requested for a 30% ($1,500,000) EDA participation in a $5,000,000 Valley National Bank loan.

FINANCING SUMMARY:

LENDER: Valley National Bank

AMOUNT OF LOAN: $5,000,000 bank loan with 30% ($1,500,000) Authority participation.

TERMS OF LOAN: Fixed for 5 years at the greater of Federal Home Loan Bank of NY Advance Rate plus 2.25% or 4.50% with rate reset at end of 5 years at similar index for another 5 years. 12 months interest only followed by 108 monthly payments of principal and interest based on a 20 year amortization.

TERMS OF PARTICIPATION: Fixed for 5 years at 5 year US Treasury or 2%, whichever is greater, plus 1.5% with a rate reset at end of 5 years at similar index for another 5 years. 12 months interest only followed by 108 monthly payments of principal and interest based on a 20 year amortization.

PROJECT COSTS:

Acquisition of existing building	$3,454,500
Renovation of existing building	$1,686,000
Finance fees	$260,000
TOTAL COSTS	$5,400,500

JOBS:	At Application	Within 2 years	Maintained	Construction
	0	0	0	15
Jobs on Related P040389	0	70	0	0

DEVELOPMENT OFFICER: T. Gill **APPROVAL OFFICER:** M. Conte

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

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

DATE: February 26, 2015

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

The following residential, commercial and not-for-profit grant projects have been approved by the Department of Environmental Protection to perform upgrade, closure and site remediation activities. The scope of work is described on the attached project summaries:

UST Commercial Grant:	
Thomas Mosca	$178,181
UST Not-for-Profit Grant:	
Saint Ann Catholic Church	$486,190
UST Residential Grants:	
Timothy Mimna and Shawne Mimna	$82,382
Geraldyn Mijares-Echevarri	$303,668
Total UST Funding – February 2015	**$1,050,421**

Prepared by: Lisa Petrizzi

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

APPLICANT: Thomas Mosca P39606

PROJECT USER(S): Paul's Service Center, Inc. * * - indicates relation to applicant

PROJECT LOCATION: 676 Rt. 206 S Bordentown Township (N) Burlington

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

APPLICANT BACKGROUND:

In January 2011, Thomas Mosca, owner of Paul's Service Center, Inc., which is an auto repair shop, received an initial grant in the amount of $92,603 under P33907 to remove an underground storage tank and perform the required remediation. The tank was decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional soil and groundwater remediation which includes installing permanent monitoring wells.

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

APPROVAL REQUEST:

The applicant is requesting a supplemental grant in the amount of $178,181 to perform the approved scope of work at the project site. Because this supplemental funding request exceeds the maximum aggregate staff delegation approval of $100,000, it requires EDA's board approval. Total funding to date for this project is $270,784.

The NJDEP oversight fee of $17,818 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: $178,181

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

PROJECT COSTS:

Remediation	$178,181
NJDEP oversight cost	$17,818
EDA administrative cost	$500
TOTAL COSTS	$196,499

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Saint Ann Catholic Church P40110

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

PROJECT LOCATION: 704 Jefferson St. Hoboken City (T/UA) Hudson

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

APPLICANT BACKGROUND:

Saint Ann Catholic Church is a 501(c)(3) not-for-profit organization seeking to remove 2-3,000 gallon leaking underground storage tanks (UST) and perform the required remediation. The tanks will be decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible to perform extensive soil and groundwater remediation outside the building which includes the installation of water monitoring wells. The project site is located in a Metropolitan planning area 1 and therefore eligible for funding up to $1,000,000.

Certifications provided by the 501(c)(3) not-for-profit applicant meets the requirements for a conditional hardship grant.

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of $486,190 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $48,619 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: $486,190

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	$486,190
NJDEP oversight cost	$48,619
EDA administrative cost	$500
TOTAL COSTS	$535,309

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Timothy Mimna and Shawne Mimna P39608

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

PROJECT LOCATION: 2662 Monmouth Rd. Springfield Township (N) Burlington

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

APPLICANT BACKGROUND:

Between January 2008 and February 2013, Timothy Mimna and Shawne Mimna received an initial grant in the amount of $116,843 under P19592 and supplemental grants totaling $176,116 under P23862, P31325 and P37302 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 additional soil and groundwater remedial activities .

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 an additional supplemental grant in the amount of $82,382 to perform the approved scope of work at the project site. Because the aggregate supplemental funding including this request is $258,498, it exceeds the maximum aggregate staff delegation approval of $100,000 and therefore requires EDA's board approval. The total grant funding to date for this project is $375,341.

The NJDEP oversight fee of $8,238 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: $82,382

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remediation	$82,382
NJDEP oversight cost	$8,238
EDA administrative cost	$250
TOTAL COSTS	$90,870

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Geraldyn Mijares-Echevarri P39788

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

PROJECT LOCATION: 389 Virginia Ave. Jersey City (T/UA) Hudson

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

APPLICANT BACKGROUND:

Between September 2008 and March 2013, Geraldyn Mijares-Echevarri received an initial grant in the amount of $55,528 under P22054 and a supplemental grant in the amount of $127,933 under P37160 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 extensive soil and groundwater remediation along with site restoration.

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

APPROVAL REQUEST:

The applicant is requesting an additional supplemental grant in the amount of $303,668 to perform the approved scope of work at the project site. Because the aggregate supplemental funding exceeds the maximum aggregate staff delegation approval of $100,000, it requires EDA's board approval. Total grant funding to date for this project is $487,129.

The NJDEP oversight fee of $30,367 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: $303,668

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remediation	$303,668
NJDEP oversight cost	$30,367
EDA administrative cost	$250
TOTAL COSTS	$334,285

APPROVAL OFFICER: K. Junghans

STRONGER NJ BUSINESS LOAN PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STRONGER NJ BUSINESS LOAN PROGRAM PROGRAM

APPLICANT: Yank Marine Services LLC P39754

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

PROJECT LOCATION: 487 Main St Maurice River Township (T) Cumberland

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

APPLICANT BACKGROUND:

Yank Marine Services, LLC is a commercial boat building & repair company located on the Maurice River in Cumberland County. The company's location provides unobstructed deep water access to the Delaware Bay, the Atlantic Ocean and the Chesapeake & Delaware Canal. The company was founded on 7/08/2005.

APPROVAL REQUEST:

A $2,072,250 construction loan is requested under the Stronger NJ Business Loan Program.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $2,072,250

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

PROJECT COSTS:

Construction Unmet	$2,122,250
TOTAL COSTS	$2,122,250

JOBS: At Application 6 Within 2 years 25 Maintained 31 Construction 0

DEVELOPMENT OFFICER: R. Hernandez **APPROVAL OFFICER:** S. Novak

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STRONGER NJ BUSINESS LOAN PROGRAM PROGRAM

APPLICANT: Yank Marine Services LLC P40502

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

PROJECT LOCATION: 487 Main Street Maurice River Township (T) Cumberland

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

APPLICANT BACKGROUND:

Yank Marine Services, LLC is a commercial boat building & repair company located on the Maurice River in Cumberland County. The company's location provides unobstructed deep water access to the Delaware Bay, the Atlantic Ocean and the Chesapeake & Delaware Canal. The company was founded on 7/08/2005.

APPROVAL REQUEST:

A $50,000.00 forgivable construction loan is requested under the Stronger NJ Business Loan Program.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $50,000.00

TERMS OF LOAN: From closing to 12 months thereafter, 0% interest and no principal payments, then the loan will be forgiven provided certain conditions under the loan program are met. If these conditions are not met, then the loan will be subject to the same repayment terms of related loan #P39754.

PROJECT COSTS:

TOTAL COSTS	$0
*	

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

JOBS:

	At Application	Within 2 years	Maintained	Construction
Jobs on Related P039754	6	25	31	0

DEVELOPMENT OFFICER: R. Hernandez **APPROVAL OFFICER:** S. Novak

STRONGER NJ BUSINESS LOAN PROGRAM

SCHEDULE A

Applicant	Loan Amount	Rate and Terms
Yank Marine Services LLC	$2,072,250	30 year term. 24 months of 0% interest followed by 336 months of interest payments based on the 5 year US Treasury rate. Rate reset at each 10 year anniversary. During the first 24 months of the loan no principal payments are due. Thereafter, equal monthly payments of principal in an amount adequate to fully amortize the loan over the remaining term.
Yank Marine Services LLC	$50,000	From closing to 12 months thereafter, 0% interest and no principal payments, then the loan will be forgiven provided certain conditions under the loan program are met. If these conditions are not met, then the loan will be subject to the same repayment terms of related P#39754 (above).

DRAFT

STRONGER NJ BUSINESS GRANT PROGRAM APPEALS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Tim Lizura
President/Chief Operating Officer

DATE: February 26, 2015

SUBJECT: Stronger NJ Business Grant Program Appeals – Toms River Country Club; Viking Yachting Center, Inc.; Valkyrie Squash Club LLC; and Ventnor City Community Church.

Pursuant to the appeal process approved by the Board at the June 10, 2014 Board meeting, applicants to the Stronger NJ Business Grant program may challenge the EDA's decisions by submitting in writing to the EDA no later than 30 calendar days from the date of the denial, an explanation as to how the applicant has met the program criteria. A Hearing Officer is assigned to each project to provide an independent review of the appeal.

The Hearing Officer's review includes reviewing the appeal letter, the application and file, as well as speaking directly with the applicant and relevant Office of Recovery staff. The applicants have been sent the Hearing Officer's report in advance of the Board Meeting. They have been given an opportunity to reach out directly to the Hearing Officer to discuss the decision, and have been notified of the date and time of the Board Meeting.

At this meeting, the Board is being asked to consider four appeals: Toms River Country Club; Viking Yachting Center, Inc.; Valkyrie Squash Club LLC; and Ventnor City Community Church. Attached to this memo you will find the Hearing Officer's recommendation, the Hearing Officer's letter to the applicant, the declination letter and the applicant's appeal. I have reviewed the attached and I concur with the recommendation that the declinations under the Stronger NJ Business Grant Program for Toms River Country Club; Viking Yachting Center, Inc.; Valkyrie Squash Club LLC; and Ventnor City Community Church.

Tim Lizura

attachments

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Tim Lizura, President/Chief Operating Officer
Members of the Authority

FROM: Dina Khmelnitsky
Kara Kopach
Hearing Officers

DATE: February 26, 2015

SUBJECT: Stronger NJ Business Grant Program Appeals
Toms River Country Club – 514579
Viking Yachting Center, Inc. – 53749
Valkyrie Squash Club – 54039
Ventnor City Community Church – 510401

Request:
The Members are asked to approve the Hearing Officers' recommendations to uphold the declinations of the Stronger NJ Business Grants for Toms River Country Club; Viking Yachting Center, Inc.; Valkyrie Squash Club LLC; and Ventnor City Community Church.

Background:
Pursuant to the appeal process approved by the Board at the April 30, 2013 Special Board meeting, and revised at the June 10, 2014 Board Meeting, applicants to the Stronger NJ Business Grant program may challenge the EDA's decisions by submitting in writing to the EDA no later than 30 calendar days from the date of the denial, an explanation as to how the applicant has met the program criteria. A Hearing Officer is assigned by the CEO to each project to provide an independent review of the appeal. Dina Khmelnitsky and Kara Kopach have fulfilled the role of Hearing Officer to review the following appeals and have completed the review with legal guidance from the Attorney General's Office.

Each appeal has been reviewed and letters have been sent to each applicant with the Hearing Officer's recommendations. The applicant was notified in the letter that they have the opportunity to provide comments or exceptions directly to the Hearing Officer. Letters are attached to this memo.

Based on the review of the appeals submitted by the applicants and the analysis prepared by the initial review team from the EDA, the Hearing Officers recommend the following:

Business Name	Reason for Decline	Discussion
Toms River Country Club	Business is a privately-owned recreation facility that serves a predominantly higher income clientele.	Applicant is a Country Club, complete with a 9-hole golf course, tennis courts, swimming pools and member dining. Applicant's website contains a menu of membership pricing, most of which are several thousands of dollars per year.
Viking Yachting Center, Inc.	Business is a privately-owned recreation facility that serves a predominantly higher income clientele. Additionally, business has liquid assets that exceed $1 million.	Applicant's business is that of a privately-owned, full-service yachting center. Applicant supplied the EDA with three consecutive monthly bank statements showing they had over $1 million dollars in the company account post-storm.
Valkyrie Squash Club LLC	Business is a privately-owned recreation facility that serves a predominantly higher income clientele.	Applicant is a privately-owned Squash club catering to higher income clientele with Professional Coaches and a set membership fee menu.
Ventnor City Community Church	Business is a non-profit involved in non-commercial or non-industrial activities or has facilities that do not provide a public service that further economic development.	Applicant's business is that of a not-for-profit church whose primary business activities are non-commercial or non-industrial activities which do not further economic development. Additionally, this non-profit does not file tax returns.

Recommendation:

As a result of careful consideration of the above appeal in consultation with the Attorney General's Office, the recommendation of the Hearing Officers is to uphold the declination of the Stronger NJ Grant application for Toms River Country Club; Viking Yachting Center, Inc.; Valkyrie Squash Club LLC; and Ventnor City Community Church.

Prepared by: Dina Khmelnitsky

STRONGER NJ NEIGHBORHOOD AND COMMUNITY REVITALIZATION PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: February 26, 2015

SUBJECT: Extension of project completion deadline for the Stronger NJ Neighborhood and Community Revitalization Program

Request:

The Members are asked to approve a six month extension of the completion deadline for eligible applicants under the Stronger NJ Neighborhood and Community Revitalization Program ("NCR") for both Streetscape Revitalization ("Streetscape") and Development and Public Improvements ("D&I") programs from December 31, 2015 to July 1, 2016.

Background:

On October 8, 2013, the Board approved the Guide to Program Funds for the NCR Streetscape program. This Board action also included extending the project completion date for both Streetscape and D&I programs to December 31, 2015. At that time, staff believed that this deadline would give applicants sufficient time to complete their projects while allowing the Authority enough time to fully disburse funds within the deadline set by the federal Department of Housing and Urban Development ("HUD").

The award process, including the federally required environmental and historic reviews conducted by the Department of Environmental Protection ("DEP"), has had the unanticipated effect of pushing back the construction schedules originally submitted with applications. It has become evident that many of the approved projects would require additional time to complete construction.

In order to best serve our applicants, the EDA can provide NCR applicants with the opportunity to extend their fund disbursement deadline to July 1, 2016, while remaining HUD compliant. Applicants would be apprised of this opportunity in writing and required to inform the Authority of

whether they request the extension by March 31, 2015. As part of this extension request, applicants must provide a revised construction schedule and demonstrate that the extension is required to mitigate delays beyond their control. Staff will review the revised schedule and reason for the extension, and thereafter inform the applicant if their extension request has been approved. All appropriate agreements between the applicant and the Authority would be revised accordingly.

Recommendation:

The Members are asked to approve the extension of the completion deadline for the NCR Streetscape and D&I programs from December 31, 2015 to July 1, 2016.

Tim Lizura/ml

Prepared by: Kim Ehrlich

BOARD MEMORANDUMS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura, President/Chief Operating Officer

DATE: February 26, 2015

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, 352 projects have been assisted, which represents approximately $170 million in loans with approximately $51 million in Authority guarantees. 2014 volume to date was 14 projects assisted, which represents approximately $8.5 million in bank loans with $2.1 million in Authority guarantees. Average loan size is approximately $600,000.

There are 104 loans in the active portfolio, which represents $40.8 million in loans with EDA guarantee exposure of approximately $11.3 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 October 2014, and was deemed satisfactory. Overall, loans were closed in conformity with approvals and documented properly.

There were no new transfers to SLM or guarantees drawn in 2014. To date, ten guarantees totaling $1.7 million have been transferred to Special Loan Management. Of those, six guarantees totaling $865,000 (or 1.7% of total exposure over time), have been called since the start of the program all of which have been have been written off. It should be noted that the amount written off has been offset by approximately $1.2 million in guarantee fees, together with approximately $500M in application and commitment fees.

The agreement with PNC expired on December 31, 2014. PNC has requested that the Authority extend the program for an additional year, with a goal of $25 million in loan volume. PNC has agreed to maintain the interest rate on their fixed rate loans at the five year Treasury + 225 bp (current indicative rate is 3.6%). For applicants that choose the variable interest rate option, the rate will remain at 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. Consistent with prior program extensions, it is requested that the CEO or President have authority to negotiate alternative interest rate changes, not to exceed 50 bp, as may be requested by PNC. It should also be noted that PNC is considering extending the term available for the PNC loan to up to a ten year term. The Authority guaranty will continue to be a five year guarantee. If the loan term is extended, the change will be incorporated into the amended Program Agreement.

It is recommended that the "New Jersey Business Growth Fund" program be extended for one year. 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

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

DATE: February 26, 2015

SUBJECT: Projects Approved Under Delegated Authority - **For Informational Purposes Only**

The following projects were approved under Delegated Authority in January 2015:

NJ Main Street Program:

1) Cedar Barista USA LLC (P40210), located in Carlstadt Borough, Bergen County, was formed in 1992 as an importer of food products specializing in beans, spices, olives, olive oil and tahini. The Company purchases inventory primarily from Turkey, Israel, Lebanon and Mexico. Cedar sells its inventory to restaurants and caterers and retail markets in New York and New Jersey. Valley National Bank approved an $800,000 working capital line of credit contingent upon a 50% Authority guarantee of principal outstanding, not to exceed $400,000. Currently, the Company has six employees and plans to create six new positions over the next two years.

Premier Lender Program:

1) Woodbridge Township Ambulance & Rescue Squad, Inc. (P40244), located in Woodbridge Township, Middlesex County, is a not-for-profit organization that was incorporated in 1997, but has been in operation for the last 77 years to provide first aid and rescue services. The Provident Bank approved a $2,660,000 loan contingent upon a five-year, 50% Authority guarantee of principal outstanding, not to exceed $1,325,000. Proceeds will be used to refinance an existing mortgage. The Company currently has 36 employees and plans to create twelve new positions over the next two years.

Stronger NJ Business Loan Program:

1) Hobby Lobby Marine (P39045), located in Dover Township, Ocean County, was founded in 1965 as a family-owned boat dealer and marina that has been operating in Toms River, NJ for over 50 years. Boat sales are the core of the business; the Company also services boats and provides boat slips. The Company was approved for a $1,408,786 working capital loan to reimburse working capital expenses incurred after Superstorm Sandy.

New Jersey Business Growth Fund - Modification:

1) Ellis Real Estate Holdings LLC (P40431), located in Gloucester City, Camden County, was formed as a real estate holding entity for the operating company, Elite Eyecare Associates P.C. ("Elite"). Elite is an optometrist business, which started 23 years ago. PNC Bank approved a renewal of a $311,556 bank loan with a 57 month, 25% guarantee of principal outstanding, not to exceed $77,889. Original loan proceeds were used to purchase commercial real estate to be used for business operations. All other terms and conditions of the original approval remain unchanged.

Small Business Fund Program - Modification:

1) T Hook Carpet and Flooring LLC (P39593), located in Stafford Township, Ocean County, was founded in 2010 as an installer and retailer of flooring. In September 2014, the NJEDA approved a $310,000 direct loan to purchase and renovate a commercial property to relocate the business for improved visibility. After obtaining the appraisal and environmental study the Company decided not to proceed because there were clean up issues that could not be resolved with the property's seller. The borrower executed a new purchase contract reducing the loan from $310,000 to $249,000 and changed the location from 657 E. Bay Avenue to 905 E. Bay Avenue. All other terms and conditions of the original approval remain unchanged.

Stronger NJ Business Loan Program - Modification:

1) Shrewsbury River, Inc. and Shrewsbury River Associates (P38636). On December 10, 2013, the Authority approved a $3,000,000 term loan, subsequently modified to $4,913,805 on May 16, 2014 for construction to Shrewsbury River, Inc. and Shrewsbury River Associates under the Stronger New Jersey Business Loan Program. During the closing process, the project budget was revised downward reflecting current costs and adjustments to Duplication of Benefit amounts resulting in a reduction in the loan to $4,116,839. All other terms and conditions of the loan remained the same. On January 6, 2015, the loan closed.

Tim Lizura
/ml

Prepared by: D. Lawyer
DL/gvr

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

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

DATE: February 26, 2015

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. Staff has reported to the board quarterly on the status of the funds.

Below is the funding availability as of fourth quarter ending on December 31, 2014:

PUST:
As of December 31st, remaining cash and unfunded appropriations (including budget approved appropriations for FY 2015) net of commitments was $11.7 million available to support an estimated $49 million pipeline of projects, of which approximately $ 5.6 million are under review at EDA.

HDSRF:
As of December 31st, remaining cash and unfunded appropriations (including budget approved appropriations for FY 2015) net of commitments was $27 million available to support an estimated $40.4 million pipeline of projects, of which approximately $1.2 million are under review at EDA.

Prepared by: Lisa Petrizzi

AUTHORITY MATTERS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Chairman Al Koeppe

DATE: February 26, 2015

RE: Organizational Matters

Chief Executive Officer Michele Brown has tendered her resignation, effective February 17, 2015. I am recommending that the Board approve the appointment of Melissa Orsen as CEO. Melissa is currently serving as Deputy Commissioner of the New Jersey Department of Community Affairs (DCA), where she helps to oversee a budget of more than $3.8 billion and a workforce of approximately 400 employees.

Melissa has had a distinguished career in the public sector, previously serving as Chief of Staff to Lieutenant Governor Kim Guadagno. In this capacity, her work focused on coordinating and implementing statewide economic growth and job creation strategies; during this time, Melissa also served on the EDA Board as the Governor's designee. She joined the Lieutenant Governor's staff from DCA, where she held several key roles, including Chief of Staff and Chief Counsel for the New Jersey Council on Affordable Housing. Ms. Orsen has also served as a Deputy Attorney General for the State.

Melissa's background, education and work experience are varied and strong. She has a well-defined reputation for successfully working through complex situations. Melissa has a wide range of both experience-based and subject-matter knowledge and an established record of thoughtful and effective leadership.

As approved by the Board in September 2012, the EDA has an organizational structure that includes a CEO and the subordinate position of President/Chief Operating Officer. In accordance with this model, Melissa will provide strategic direction in partnership with the Board and the Administration; sound ethical and governance processes; secure the tools and resources necessary of the work at hand; select and mentor key staff; and serve as the principal representative of the EDA throughout the State.

In his role of President/COO, Timothy Lizura will continue to manage the highly technical and increasingly diverse core operations of the organization, providing leadership of business operations, including the Authority's incentive and financing program portfolio, real estate development, and financial and accounting matters.

Recommendation

To approve the appointment of Melissa Orsen as Chief Executive Officer at a salary of $225,000, effective March 9, 2015.