



MEMORANDUM

TO: Members of the Authority

FROM: Melissa Orsen
Chief Executive Officer

DATE: May 15, 2015

SUBJECT: Agenda for Board Meeting of the Authority May 15, 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

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

April 14, 2015

MINUTES OF THE MEETING

Members of the Authority present: Al Koepp, Chairman; Steve Petrecca representing the State Treasurer; Jeffrey Stoller representing the Department of Labor and Workforce Development; Patrick Mullen representing 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, Fred B. Dumont, Philip B. Alagia, Patrick Delle Cava, William J. Albanese, Sr., Second Alternate Public Member; Harold Imperatore, Third Alternate Public Member.

Present via conference call: Massiel Medina Ferrara, and Rodney Sadler, Non-Voting Member.

Absent: Public Member Charles Sarlo.

Also present: Melissa Orsen, 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 Koepp called the meeting to order at 10 a.m.

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the March 12, 2015 meeting minutes. A motion was made to approve the minutes by Mr. Stoller, seconded by Mr. Mullen, and was approved by the 11 voting members present.

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

AUTHORITY MATTERS

ITEM: 2014 Comprehensive Annual Report

REQUEST: To approve the Authority's comprehensive annual report for 2014, as required under Executive Order No. 37 (2006).

MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Dumont **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

President and CEO Lizura recognized former EDA CEO Michele Brown in the audience.

Mr. Albanese entered the meeting at this time.

INCENTIVE PROGRAMS

Economic Redevelopment and Growth Grant Program

ITEM: Carrino Plaza Apartments, LLC

APPL.#39030

REQUEST: To approve the application of Carrino Plaza Apartments, LLC for a project located in Newark, Essex County for the issuance of tax credits. The recommendation is to award 30% of the eligible costs, not to exceed \$5,253,522, in tax credits based on the budget submitted.

MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Stoller **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Mr. Alagia recused himself because Essex County was involved in the project.

Mr. Delle Cava entered the meeting at this time.

ITEM: Lincoln Towers Urban Renewal, LP

APPL.#40548

REQUEST: To approve the application of Lincoln Towers Urban Renewal, LP for a project located in Newark, Essex County for the issuance of tax credits. The recommendation is to award 20.80% of the eligible costs, not to exceed \$11,500,000, in tax credits based on the budget submitted.

MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Downes **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

Grow New Jersey Assistance Program

ITEM: Gemesis, Inc.

APPL.#40680

REQUEST: To approve the application of Gemesis, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Woodbridge Township, NJ. Project location of Woodbridge Township in Middlesex 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 Transit Oriented Development. The estimated annual award is \$420,000 for a 10-year term.

MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. McNamara **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ITEM: LMT Mercer Group, Inc.

APPL.#40673

REQUEST: To approve the finding of jobs at risk.

MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Alagia

AYES: 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

ITEM: LMT Mercer Group, Inc.

APPL.#40673

REQUEST: To approve the application of LMT Mercer Group, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Trenton, NJ. Project location of Trenton, Mercer County qualifies as a Garden State Growth Zone under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Targeted Industry (Manufacturing) and GSGZ Ind. Project with Capital Investment In Excess of Minimum. The estimated annual award is \$1,554,000 for a 10-year term.

MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Mullen

AYES: 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: New York Life Insurance Company

APPL.#40595

REQUEST: To approve the finding of jobs at risk.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

Mr. Mullen recused himself because the Department of Banking & Insurance regulates the entity.

ITEM: New York Life Insurance Company

APPL.#40595

REQUEST: To approve the application of New York Life Insurance Company 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 Transit Oriented Development, Jobs with Salary in Excess of County Average, Large Number of New/Retained Full-Time Jobs, and Targeted Industry (Finance). The estimated annual award is \$3,389,575 for a 10-year term.

MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. Stoller

AYES: 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

Mr. Mullen recused himself because the Department of Banking & Insurance regulates the entity.

ITEM: Seldat, Inc.

APPL.#40628

REQUEST: To approve the application of Seldat, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Piscataway, NJ. Project location of Piscataway Township, Middlesex 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 Full-Time Jobs and On Site Solar Generation of ½ of Project's Electrical Needs. The estimated annual award is \$5,153,600 for a 10-year term.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

ITEM: Volunteers of America Delaware Valley, Inc.

APPL.#40682

REQUEST: To approve the finding of material factor in the decision to make capital investment and locate in Camden.

MOTION TO APPROVE: Mr. Mullen **SECOND:** Mr. Downes

AYES: 13

RESOLUTION ATTACHED AND MARKED EXHIBIT:10

ITEM: Volunteers of America Delaware Valley, Inc.

APPL.#40682

REQUEST: To approve the application of Volunteers of America Delaware Valley, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Camden, NJ. Project location of Camden, Camden County qualifies as a Garden State Growth Zone under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Transit Oriented Development, Jobs with Salary in Excess of GSGZ Average, and location in a municipality in Camden County with 2007 Revitalization Index greater than 465. The estimated annual award is \$633,750 for a 10-year term.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT:11

ITEM: Brown Brothers Harriman & Co. APPL.#40713
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Downes **SECOND:** Ms. Kokas **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT:12

ITEM: Brown Brothers Harriman & Co. APPL.#40713
REQUEST: To approve the application of Brown Brothers Harriman & Co. 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 Transit Oriented Development, Jobs with Salary in Excess of County Average, Large Number of New/Retained Full-Time Jobs, and Targeted Industry (Finance). The estimated annual award is \$2,773,160 for a 7-year term.
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT:13

BOND PROJECTS

Preliminary Resolutions

ITEM: MSC State & River LLC APPL.#40717

This Item Was Withheld From Consideration.

ITEM: Uncommon Properties, LLC APPL.#40716

This Item Was Withheld From Consideration.

Public Hearing Only

ITEM: BUF Health and Human Services Corporation, Inc. APPL.#40357
LOCATION: Plainfield/Union
PROCEEDS FOR: Refinancing
FINANCING: \$3,700,000 Tax-exempt Bond
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

Direct Loan Program

PROJECT: Cooperative Business Assistance Corporation
LOCATION: Camden/Camden
PROCEEDS FOR: Loan Funding
FINANCING: \$250,000 Loan
MOTION TO APPROVE: Mr. Mullen **SECOND:** Mr. Imperatore **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

APPL.#40434

Premier Lender Program

PROJECT: Bayshore Holdings LLC & Tre Belle Figlie, LLC
LOCATION: Union Beach/Monmouth
PROCEEDS FOR: Acquisition of existing building
FINANCING: \$1,305,000 bank loan with a 50% (\$652,500) EDA participation
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Imperatore **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

APPL.#40669

Petroleum Underground Storage Tank Program

ITEM: Summary of Petroleum UST Remediation, Upgrade & Closure Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Ms. Kokas **SECOND:** Ms. Ferrara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

PROJECT: Croitor Feed
LOCATION: Middle Township/Cape May
PROCEEDS FOR: Remediation
FINANCING: \$41,231 Petroleum UST Remediation, Upgrade and Closure Fund Grant

APPL.#40397

PROJECT: Mullica Hill Shell and Garage
LOCATION: Harrison Township/Gloucester
PROCEEDS FOR: Remediation
FINANCING: \$48,571 Petroleum UST Remediation, Upgrade and Closure Fund Grant

APPL.#39871

PROJECT: Robert So
LOCATION: Edison Township/Middlesex
PROCEEDS FOR: Remediation
FINANCING: \$42,446 Petroleum UST Remediation, Upgrade and Closure Fund Grant

APPL.#40399

PROJECT: Wilson's Service Station
LOCATION: East Orange/Essex
PROCEEDS FOR: Upgrade, Closure, & Remediation
FINANCING: \$143,622 Petroleum UST Remediation, Upgrade and Closure Fund Grant

APPL.#39794

PROJECT: Josefa Ramaroson
LOCATION: Freehold Township/Monmouth
PROCEEDS FOR: Remediation
FINANCING: \$38,534 Petroleum UST Remediation, Upgrade and Closure Fund Grant

APPL.#40558

Hazardous Discharge Site Remediation Fund Program

ITEM: Summary of NJDEP Hazardous Discharge Site Remediation Fund Program projects approved by the Department of Environmental Protection.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

PROJECT: Borough of Fanwood (Fmr Livingston-Wilbur Corp.)
LOCATION: Fanwood/Union
PROCEEDS FOR: Remedial Investigation
FINANCING: \$295,707

APPL.#40450

PROJECT: Borough of Fanwood (Fmr Livingston-Wilbur Corp.)
LOCATION: Fanwood/Union
PROCEEDS FOR: Remedial Action
FINANCING: \$53,540

APPL.#40451

PROJECT: Borough of Franklin Lakes (Haledon DPW)
LOCATION: Haledon/Passaic
PROCEEDS FOR: Remedial Action/Remedial Investigation
FINANCING: \$104,860

APPL.#40433

PROJECT: Jersey City redevelopment Agency (Grant Cleaners & DB)
LOCATION: Jersey City/Hudson
PROCEEDS FOR: Remedial Action/Remedial Investigation
FINANCING: \$374,499

APPL.#40589

OFFICE OF RECOVERY

Stronger New Jersey Business Program Appeals

ITEM: Stronger NJ Business Grant Program Appeal – Dorset Convenience and E.T.C. Plumbing, LLC
REQUEST: To approve the Hearing Officer’s recommendation to uphold the declination of the Stronger NJ Business Grant for Dorset Convenience and E.T.C. Plumbing, LLC.
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Mullen **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

Stronger New Jersey Business Loan Program

ITEM: Extension of project completion deadline for the Stronger NJ Business Loan Program
REQUEST: To approve the completion deadline for eligible applicants under the Stronger NJ Business Loan Program from May 13, 2015 to July 1, 2016.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Mullen **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Summary of projects approved under Delegated Authority in first Quarter 2015

FOR INFORMATION ONLY: Incentives Modifications

FOR INFORMATION ONLY: Summary of projects approved under Delegated Authority in first Quarter 2015 for the Hazardous Discharge Site Remediation Fund.

FOR INFORMATION ONLY: Summary of projects approved under Delegated Authority in first Quarter 2015 for the Petroleum Underground Storage Tank Program.

FOR INFORMATION ONLY: Retail Fuel Station – Energy Resiliency Program

FOR INFORMATION ONLY: Projects approved under Delegated Authority

Small Business Fund Program: BUF Health and Human Services, Inc. (P40410); Community Asset Preservation Corporation (P39984); Power Precision Realty, LLC (P40395)

Premier Lender Program: Scott Real Estate LLC (40538)

Camden ERB: Camden Coalition of Healthcare Providers (P40671)

Community Economic Development Program - Modification: Greater Wildwoods Tourism Improvement and Development Authority (P39676)

ITEM: Camden Baseball, LLC
\$1,999,943 Local Development Financing Fund Loan
REQUEST: Accept a \$.25 surcharge per ticket over the next 15 years as full settlement of the approximate \$2 million previously written off LDF Direct Loan to support the transfer of the Campbell's Field stadium from Rutgers University to the Camden County Improvement Authority.
MOTION TO APPROVE: Mr. McNamra **SECOND:** Mr. Petrecca **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

REAL ESTATE

ITEM: Amending the February 11, 2014 Action
Aviation Research & Technology Park
Stockton Aviation Research and Technology Park of New Jersey, Inc. as Co-
Grantee to the \$2.5 Million USEDPA Public Works Grant

REQUEST: To approve removing condition three (3) from the February 11, 2014 board action,
which required that South Jersey Development District transfer the lease with the
Federal Aviation Administration to Stockton Aviation Research and Technology
Park of New Jersey, Inc.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Mullen **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

ITEM: Lockheed Martin Corporation
Waterfront Technology Center at Camden

REQUEST: Approval to enter into a ten year, six month lease between Lockheed Martin
Corporation and the NJ Economic Development Authority for 5,285 rentable
square feet on the first floor of the Waterfront Technology Center at Camden, as
well as approximately 25% of the existing rooftop space for additional equipment.

MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. Imperatore **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

ITEM: Rutgers, The State University
The Technology Centre of New Jersey

REQUEST: Approval to enter into a lease amendment between Rutgers, The State University
and the NJ Economic Development Authority to extend the term of its lease for a
re-measured 26,975 square feet in the building at the Technology Centre of New
Jersey known as "Tech III" for an additional 5 years.

MOTION TO APPROVE: Mr. Mullen **SECOND:** Mr. Imperatore **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

FOR INFORMATION ONLY: Real Estate Division Delegated Authority for Leases, CCIT
Grants, and Right of Entry/Licenses for First Quarter 2015.

FOR INFORMATION ONLY: Real Estate Division Delegated Authority approval of projects
under the Streetscape Revitalization Program.

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: Mr. Downs **SECOND:** Ms. Kokas **AYES:** 13

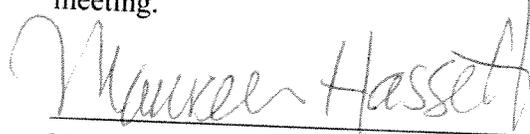
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

The Board returned to Public Session.

There being no further business, on a motion by Mr. Alagia, and seconded by Mr. Imperatore, the meeting was adjourned at 11:15 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.



Maureen Hassett, SVP, Finance & Development
Assistant Secretary



MEMORANDUM

TO: Members of the Authority

FROM: Melissa J. Orsen
Chief Executive Officer

DATE: May 15, 2015

RE: Monthly Report to the Board

EDA AND FMERA LAUNCH ENHANCED WEBSITES

Last week, EDA launched a revamped website designed to more easily connect users with information on the various programs and services the Authority offers. The new NJEDA.com provides for a more intuitive and user friendly interface with a cleaner homepage that logically categorizes programs and services according to the types of businesses they are designed to assist. This allows for users unfamiliar with EDA to browse offerings based on their company's needs. The website also maintains EDA's high level of commitment to transparency, offering updated incentive activity reports and enhanced Board meeting minutes.

In mid-April, FMERA also launched a more user friendly website to better showcase the broad array of redevelopment opportunities available at the Fort. The website – fortmonmouthnj.com – includes enhanced accessibility for developers and other stakeholders, including the ability to browse available properties on the Fort, get detailed information about those properties, and view current and closed Requests for Offers to Purchase.

NEW JERSEY NOW HOME TO LARGEST EXPANSION IN GOYA FOODS' HISTORY

At the end of April, Goya Foods, the largest Hispanic-owned food company in the United States, officially opened its new sustainable corporate headquarters in New Jersey. As the largest expansion in Goya's history, the new center features a 600,000-square-foot warehouse and 42,000-square-foot corporate office space in Jersey City, as well as a renovated 240,000-square-foot production facility in Secaucus, totaling nearly 900,000 square feet on 58 acres of land. Constructed to provide a net zero carbon foot print, Goya said the Jersey City facility will be 100 percent powered by a solar powered energy system using 12,000 panels on 11 acres of rooftop.

To celebrate the opening, Goya plans to donate 20,000 pounds of food to five local food pantries, funds to The Golden Door Charter School in Jersey City to help construct a playground,

and institute an annual \$20,000 scholarship to The Hudson County Schools of Technology-County Prep High School Culinary Program.

Approved in 2011 for tax credits under the Urban Transit Hub Tax Credit Program, the new facility involves the estimated private investment of \$127 million and helped to ensure the retention of more than 500 jobs. The company also anticipates the creation of 100 new jobs. In addition, Goya said that 150 on-site construction jobs were created as well. Prior to receiving its first annual tax credit, Goya will need to certify to EDA project completion, including independent verification of actual capital investment and jobs. The company will have to annually certify that they are upholding the terms of their agreement in order to receive the credit each year.

Goya President Bob Unanue said, “We planted our roots in New Jersey in 1974, when this whole area was still swamplands and pig farms. We were one of the first businesses to come into the Meadowlands. We believed then, and we believe now, that being in New Jersey allows us to continue to deliver the best possible service to our loyal consumers and customers throughout the region.”

EDA TAPS LIFE SCIENCES PROFESSIONALS TO SERVE AS EXECUTIVES-IN-RESIDENCE AT CCIT

At the end of April, EDA announced the appointment of six professionals to our recently created Executive-in-Residence program. Developed in collaboration with BioNJ, Executives-in-Residence will mentor and advise the emerging growth companies located at CCIT in North Brunswick. CCIT tenants will also be able to seek advice on non-scientific business topics as they grow their companies, and Executives will also offer lectures on topics of interest and relevance.

Designed for life sciences executives in transition, the program offers several benefits to those individuals participating, including: an office suite at CCIT; the title of Executive-in-Residence; exposure on the EDA’s website; and, access to multiple technology networks in the state, including BioNJ.

The first group of Executives-in-Residence includes Jean E. Merrill, PhD, of Morristown; Joseph DePinto of Skillman; Catherine Abbadie, PhD, of Princeton; Dana Darst, MSJ, of Pennington; Paul Jeffrey of Ortley Beach; and Neil R. Milano of Montclair.

The rolling application process is highly competitive, with appointments of new Executives to be made on a quarterly basis.

CLOSED PROJECTS

Through April 2015, EDA provided more than \$571 million in assistance to 97 projects, supporting the creation of an estimated 2,500 new jobs and 1,600 construction jobs and leveraging more than \$782 million in total public/private assistance.

EVENTS

EDA representatives participated as speakers, attendees or exhibitors at 32 events in April. These included the Authority-hosted Premier Lender Breakfast in Princeton, NJBA's 5th Annual Women in Banking Conference in Somerset, Brookhaven National Laboratory's Resiliency Workshop in Upton, NY, and the CCSNJ Business Financing Workshop in Cherry Hill.



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. 52:27D-489a / 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 and \$75 million for projects in municipalities with a 2007 MRI Index of 400 or higher; 2) \$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; 3) \$75 million for projects in distressed municipalities, deep poverty pockets, highlands development credit receiving areas or redevelopment areas; and 4) \$25 million for projects located within a qualifying ERG incentive area.



MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: May 15, 2015

RE: **7 Long Street Doddtown LLC**
Residential Economic Redevelopment and Growth Grant Program (“RES ERG”)
P #39492

Request

As created by statute, the Economic Redevelopment and Growth (ERG) Program offers state incentive grants to finance development projects that demonstrate a financing gap. Applications to the ERG Program are evaluated to determine eligibility in accordance with P.L. 2013, c. 161 and as amended through the “Economic Opportunity Act of 2014, Part 3,” P.L. 2014, c. 63, based on representations made by applicants to the Authority. Per N.J.S.A. 52 :27D-489a et seq. / N.J.A.C. 19:31-4 and the program’s rules, developers or non-profit organizations on behalf of a qualified developer, must have a redevelopment project located in a qualifying area, demonstrate that the project has a financing gap, meet minimum environmental standards, meet a 20% equity requirement, and, except with regards to a qualified residential project, yield a net positive benefit to the state. With the exception of Residential ERG projects, grants are made annually based on the incremental eligible taxes actually generated as a result of the project.

The Members are asked to approve the application of 7 Long Street Doddtown, LLC (the “Applicant”) for a Project located in East Orange, Essex County (the “Project”), for the issuance of tax credits pursuant to the RES ERG program.

The total costs of the Project are estimated to be \$12,532,052 and of this amount \$11,182,830 are eligible costs under the RES ERG program. The recommendation is to give 30% of eligible costs, not to exceed \$3,354,849. A primarily residential project is eligible to receive a RES ERG tax credit of up to 20% of the total eligible project costs. 7 Long Street Doddtown, LLC is also eligible for a bonus of an additional 10% (for a total of 30%) because the applicant has demonstrated they will reserve 40% of the residential units for moderate income housing. The Project meets EDA’s requirements for a RES ERG redevelopment project involving the rehabilitation of an existing building.

Project Description

Doddtown Plaza Apartments is located at 37-69 Long Street in East Orange, Essex County. The project was built in 1977 and consists of 4 three story buildings containing 60 family rental units. All units are receiving assistance through a project based HUD section 8 contract. The apartment complex contains twenty-nine one-bedroom units, twenty-two two-bedroom units, and nine three-bedroom units. The site is within 1 mile of elementary schools, shopping malls, and a pharmacy. The units have fully equipped electric kitchens, vinyl flooring and air conditioning. Amenities include a laundry facility, community room, on-site management office, a 60 space parking lot and a playground. Renovations include the replacement of kitchen cabinets; new energy efficient appliances will be installed in all of the units, and bathroom renovations including floor and fixture replacement. Other improvements include security system upgrades, painting, upgrading heating and roofing system and improvement of common areas.

The current owners, H&C Development Association, constructed the property in 1977 and have owned the property since that time. The property is currently under contract with the Applicant for a purchase price of \$5.4 million. Per the appraisal report prepared by KTR Real Estate Advisors, LLC dated October 30, 2014, the “as is” value of the property is \$5.6 million.

The property is located within a Smart Growth Area and an Urban Coordinating Council (UCC) Target Area. This Project will comply with the New Jersey Housing and Mortgage Finance Agency’s (“NJHMFA”) Energy Star Equivalency Program. An estimated completion date for the rehabilitation of the project complies with the RES ERG deadline of July 1, 2018.

Although applicants for the RES ERG program are not required to maintain certain employment levels, it is estimated that this Project, per the Applicant, will create approximately 45 temporary construction jobs during rehabilitation and retain three full time positions at the project site as a result of the ERG subsidy.

Project Ownership

The Applicant is a single purpose entity that will be 99.99% owned by an Investor Member LLC to be created through AEGON USA Realty Advisors, LLC and 0.01% by Doddtown MM LLC, a single purpose entity. Carthage Advisors, LLC is the developer of the project and sole managing member of Doddtown MM LLC. NJEDA received a certification from the highest ranking officer of the General Partner, Doddtown MM LLC, as to the accuracy of the information submitted for the project.

Since its founding in 1999 Carthage Advisors, LLC has developed and preserved more than 1,000 units of affordable Housing. Most of Carthage Advisor’s portfolio of projects are located in New York City. Carthage Advisors received a commitment for a project, Mciver Homes, from NJHMFA in 2014 which consists of the rehabilitation of 87 senior units in East Orange.

Project Uses

The Applicant proposes the following uses for the Project:

<i>Uses</i>	<i>Total Project Costs</i>	<i>RES ERG Eligible Amount</i>
Acquisition of Land and Buildings	\$ 5,400,000	\$ 5,400,000
Construction & Site Improvements	4,066,000	4,066,000
Professional Services	349,369	349,369
Financing & Other Costs	1,192,430	892,861
Contingency	474,600	474,600
Development Fee	1,049,653	0
TOTAL USES	\$ 12,532,052	\$ 11,182,830

RES ERG eligible project costs exclude ineligible costs aggregating \$1,349,222, which include the developer fee of \$1,049,653 and Reserve Escrows of \$299,569.

<i>Sources of Financing</i>	<i>Amount</i>
Senior Debt	\$ 5,229,879
ERG Monetization	2,214,200
Equity	
LIHTC	3,869,815
Deferred Developer Fee	1,049,653
Additional Developer Equity	98,505
Interim Income	70,000
Total	\$ 12,532,052

The Applicant is anticipated to receive a firm commitment for conduit construction and permanent financing at NJHMFA's May 2015 board meeting. The permanent debt financing will be structured as a public offering in HUD's 223(f) program. The permanent debt will have a 35 year amortization, with a 15 year loan term at a fixed interest rate of 4.86%. As part of its approval, NJHMFA reviews and approves all components of the financing in addition to the development fee.

As part of its permanent financing structure the Applicant has received a commitment letter from the tax credit syndicator, AEGON USA Realty Advisors, LLC, who will be providing the Low Income Housing Tax Credit equity in the amount of \$3.87 million and RES ERG Tax credit equity in the amount of \$2.2 million. The present value of the \$3,354,849 RES ERG stream of tax credits discounted at 6% is \$2,329,432 which equates to .95¢ per dollar thereby meeting the minimum .75 ¢ program threshold.

Development Fee

The amount of developer fee allowed for eligible rehabilitation or new construction costs will be limited to 15% of total development costs excluding land, pre-operational expenses, and escrows and reserves pertaining to permanent takeout financing. Total development fee includes all hard and soft costs, in addition to applicable financing fees. Developer fee at project construction completion or stabilization shall not exceed 8% (out of the 15% total) with the balance being deferred and taken through projected cash flow. This is consistent with NJHMFA's approach.

The Applicant has demonstrated to both NJHMFA and EDA that the project will not generate sufficient cash flow to return the entire developer fee within five years of project stabilization. The maximum developer fee of 15% for this project is not expected to be achieved until year 9.

RES ERG projects are required to have a minimum of 20% equity in the project based on the total projects costs. The equity sources of capital in 7 Long Street Doddtown, LLC are deferred developer fee of \$1.05 million, additional developer equity of \$98,505 Interim income during construction of \$70,000 and LIHTC equity syndicated by AEGON USA Realty Advisors, LLC in the amount of \$3.87 million which collectively is 41% of total project costs.

Other Statutory Criteria

In order to be eligible for the program, the Authority is required to consider the following items:

The economic feasibility and the need of the redevelopment incentive grant agreement to the viability of the redevelopment project.

The Project is located in the City of East Orange, NJ an urban aid municipality. The City has struggled economically and socially. The unemployment rate for East Orange as of February of 2015 was 9.4% compared to 7.0% for the state of New Jersey. The City is mainly comprised of residential units with some industrial projects. Approximately 73% of the population rents their residence most of which are affordable.

The Project appears to be economically feasible based on the track record of the developer and their management team as well as the funding sources and subsidies that have been made available to this project.

The Authority is in receipt of a Market Feasibility Analysis dated April 20, 2015 on the Project prepared by Rosin & Associates LLC, a third party consultant who issued their determination of current and future market conditions. The study demonstrates the continued market demand for the Project and supports the financial assumptions included in the Project pro forma.

The extent of economic and social distress in the municipality and the area to be affected by the redevelopment project. The extent to which the redevelopment project will advance State, regional and local development and planning strategies, promote job creation and economic development and have a relationship to other major projects undertaken within the municipality.

The subject property is located in East Orange, Essex County. The population of the City has remained stable since 2010 when it was 64,270 and projections for annual growth of .20% through 2018 when it is estimated to be 64,915. The majority of the housing units were renter occupied with 19.8% of the population living below the poverty line in 2012. There are multiple sections of the City that are designated as Urban Enterprise zones. As of 2013 the median household income of this population was \$36,068 well below the state of New Jersey's median household income of \$67,458. Additionally, East Orange is ranked # 560 in the MRI index, is a Distressed Community and is designated as an Urban Aid Municipality. The rehabilitation of this aging affordable rental housing project will improve the social distress of the community and retain affordable housing units for the city of East Orange.

Recommendation

Authority staff has reviewed the application for 7 Long Street Doddtown, LLC 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 an approval letter to the Applicant.

Issuance of the RES ERG tax credits are contingent upon the Applicant meeting the following conditions:

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the RES ERG; and
2. Evidence of site control and site plan approval for the Project; and
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.
4. Evidence that the Project complies with N.J.A.C. 19:31-4.3(a) (3).

Tax Credits shall be issued upon:

1. Completion of construction and issuance of a Certificate of Occupancy (no later than July 1, 2018; and
2. Submission of a detailed list of all eligible costs, which costs shall be certified by a CPA and satisfactory to the NJEDA; and
3. Evidence that eligible project costs are in excess of \$10 million certified by a CPA.

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

The New Jersey Economic Opportunity Act of 2013 provides a total of \$600 million in tax credits to be utilized towards eligible residential based projects. This allocation is further separated into five additional allocations to assist projects meeting certain geographic and/or economic criteria. This project being located in East Orange, Essex County, qualifies to be funded under the allocation for projects located in a Distressed Municipality. The initial total of this allocation was \$75 million. The balance after this board meeting dated May 15, 2015 leaves \$43.2 million tax credits remaining.

Total Eligible Project Costs: \$11,182,830.

Eligible Tax Credits and Recommended Award: Not to exceed \$3,354,849 which equates to 30% of eligible project costs over 10 years.



Timothy Lizura

Prepared by: Matthew Boyle



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: May 15, 2015

SUBJECT: **Chambers Crescent, LLC**
Residential Economic Redevelopment and Growth Grant Program (“RES ERG”)
P #39516

Request:

This memorandum will approve the addition of The Lakewood Housing Authority (“LHA”) as the co-applicant to Chambers Crescent, LLC. Under the proposed structure, LHA as the co-applicant would be the recipient of the ERG tax credits. LHA is not a partner in the ownership entity, but has a vested interest in the project’s success. Community Investment Strategies, (“CIS”) the applicant, will ground lease the property from the LHA for a term of up to 99 years. The applicant, Chambers Crescent, LLC has no commonality of ownership with the land owner.

Background:

On November 10, 2014, the Members of the Authority approved the application of Chambers Crescent, LLC (“the Applicant”), for a project located in Lakewood, Ocean County for the issuance of tax credits pursuant to the RES ERG program set forth in the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161 (“Act”).

The total costs related to this primarily residential project are estimated to be approximately 16,282,723 and of this amount \$13,458,114 are eligible costs under the RES ERG program. The recommendation is to give up to 30% of eligible costs, not to exceed \$4,037,434.

Chambers Crescent, LLC, located in Lawrenceville, New Jersey is the applicant and developer for the Project’s financing.

Chambers Crescent LLC, is a subsidiary of Community Investment Strategies Inc. "CIS". Since its founding in 1994, CIS has developed a broad spectrum of multi-family properties, ranging from garden apartments to mid- and high-rise complexes, valued in excess of \$400 million. CIS is a fully integrated real estate organization specializing in multi-family housing, including 55+, senior housing and mixed-use redevelopments, as well as market-rate and affordable housing. The company's diverse portfolio includes more than 3,000 apartment-rental units located in the northeast, with a high concentration in New Jersey. CIS has successfully completed over 20 Low Income Housing Tax Credit projects with New Jersey Housing and Mortgage Finance Agency ("NJHMFA") throughout the State.

Project Description

Chambers Crescent is an existing family project located at 483 Cedarbridge Avenue; the site is approximately 6.92 acres. Currently on the property are 63 units of public housing in twelve residential buildings. The project consists of 34 two-bedroom units and 29 three-bedroom units. CIS will acquire the existing units and ground lease the land from the Lakewood Housing Authority, as The Rental Assistance Demonstration "RAD" requires some ongoing involvement/ownership by the Public Housing Authority.

Chambers Crescent will involve the substantial renovation of 53 of the existing units in 10 of the buildings. New construction will involve the replacement of 9 units in two buildings. An on-site porter's unit will be added, for a total of 63 units. A new community building will also be constructed for the tenants use.

The substantial rehabilitation of 53 units in 10 of the residential buildings will include upgrading the electrical systems, installing new individual heating and cooling systems, individual hot water heaters, and duct work; and new Energy Star thermostats will be installed. The gas service to the stoves will be disconnected and converted to electric; plumbing and electrical work for stackable washer/dryers will be installed; and utility closets for washers/dryers will be created. Hardwired smoke and CO detectors will be installed; treads and handrails will be replaced, as necessary; new flooring will be installed throughout units, and drywall will be repaired or replaced, as needed. New kitchen cabinetry will be installed; doors, hardware, lighting, and plumbing fixtures will be replaced; all appliances will be replaced with Energy Star rated equipment; painting will be done. Four new accessible units will be created, and the Project will meet the building code requirements by retro-fitting additional units so they are also accessible.

The existing buildings will receive new vinyl siding, flashing, and trim; and brick veneer will be repaired, where necessary. Electricity will be provided to crawl spaces of the buildings to allow for heat trace tape and sump pumps; new doors, mailboxes, doorbell/ knockers, and unit numbers will be installed. Attic ventilation and insulation will be installed. All asphalt shingled roofs will be removed and replaced, and new gutters will be installed. Rehabilitation will also include significant site work and landscaping, and a reconfiguration of interior roadways to improve vehicular access and greatly increase parking capacity.

Relocation and/or disruption to existing tenants will be minimized as most of the improvements will be done with the tenants in place. If the construction of new units requires it, tenants in the units to be demolished will be temporarily re-located off site, following HUD rules.

An estimated completion date for the rehabilitation of the project complies with the RES ERG deadline of July 1, 2018.

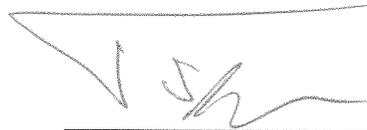
Project Ownership

On January 22, 2013 the Lakewood Housing Authority (“LHA”) selected CIS as the developer for the Chambers Crescent project through their RFP process. The applicant, Chambers Crescent, 2014, LLC has no commonality of ownership with the land owner. CIS will ground lease the property from the LHA at the cost of \$72,000 annually, for a term of up to 99 years. Additionally, they will purchase the buildings from the LHA for \$2,990,000.

The applicant for the Project’s financing has formed a limited liability company known as Chambers Crescent, LLC, such entity also to be known as the “Sponsor” and/or “Borrower.” CIS Lakewood LLC will be the managing member of Chambers Crescent, LLC, holding 0.01% ownership interest. Christiana Folio will be the principal of the managing member. Enterprise will be the investor member, holding 99.99% ownership interest.

Recommendation:

The requested change in ownership is for the RES ERG Incentive has no impact on the ability of the project to get financed or completed.



Timothy Lizura

Prepared by: Jenell Johnson

GROW NEW JERSEY ASSISTANCE PROGRAM (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 (<i>Not more than 90% of withholdings</i>)
Other Eligible Area	\$500	\$6,000	\$2.5 million (<i>Not more than 90% of withholdings</i>)
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 (<i>excludes mega projects</i>)	\$3,000 maximum
Excess capital investment in industrial site for industrial use (<i>mega projects or GSGZ projects</i>)	\$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	\$500
401 to 600	\$750
601 to 800	\$1,000
801 to 1,000	\$1,250
1,001+	\$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).

alternative location. 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:

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
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
<i>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</i>	

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$3,080,000	\$56,700,233
New Jobs	25	350
Retained Jobs	35	50

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
Mega Project	Base award of \$5,000 per year for projects designated as a Mega Project	A Qualified Business Facility located in an Urban Transit Hub Municipality that

		qualifies as a Mega Project by virtue of being in a Urban Transit HUB housing a business of any kind having a capital investment in excess of \$50,000,000 and having more than 250 employees created or retained.
Increase(s) Criteria		
Deep Poverty Pocket or Choice Neighborhood	An increase of \$1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood	11 – 15 James Street is located in a Deep Poverty Pocket.
Transit Oriented Development	An increase of \$2,000 per job for a project locating in a Transit Oriented Development	11 – 15 James 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 \$125,000 exceeds the County median salary by 162% resulting in an increase of \$1,000 per year.
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 400 Full-Time Jobs at the project location resulting in an increase of \$500.
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 Technology 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	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * \$10,500 = \$5,250) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$56,700,233 / 10 / (350 + 50) = \\$14,175$) <p>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.</p>

<u>Grant Calculation</u>	
BASE GRANT PER EMPLOYEE:	
Mega Project	\$5,000
INCREASES PER EMPLOYEE:	
Deep Poverty Pocket:	\$1,500
Transit Oriented Development:	\$2,000
Jobs with Salary in Excess of County Average:	\$1,000
Large Number of New/Retained F/T Jobs:	\$ 500
Targeted Industry (Technology):	\$ 500
INCREASE PER EMPLOYEE:	<u>\$5,500</u>
PER EMPLOYEE LIMIT:	
Mega Project	\$15,000
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:	\$10,500
AWARD:	
New Jobs:	350 Jobs X \$10,500 X 100% = \$ 3,675,000
Retained Jobs:	50 Jobs X \$10,500 X 50% = \$ 262,500
Total:	\$3,937,500
ANNUAL LIMITS:	
Mega Project	\$30,000,000
TOTAL ANNUAL AWARD	\$3,937,500

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 56,700,233
NEW FULL-TIME JOBS:	350
RETAINED FULL-TIME JOBS:	50
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$142,811,021
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$103,436,021
TOTAL AMOUNT OF AWARD:	\$ 39,375,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	\$ 125,000
SIZE OF PROJECT LOCATION:	77,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
CITY FROM WHICH JOBS WILL BE RETAINED IN NEW JERSEY?	Newark City
STATEWIDE BASE EMPLOYMENT:	482
PROJECT IS: (X) Expansion () 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 twelve months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before September 1, 2017; 2) approve the proposed Grow New Jersey grant to encourage Audible, 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: P. Ceppi

APPROVAL OFFICER: J. Horezga

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

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

APPLICANT: CareKinesis, Inc. P40709

PROJECT LOCATION: 228 Strawbridge Drive Moorestown Twp. Burlington County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

CareKinesis, Inc., founded in 2009, is a technology-based pharmacy solutions provider focused on organizations that service individuals with complex medication needs. Incorporating its specialized web-based platform and a robotic adherence packaging system with pharmacist intervention, CareKinesis helps clients manage medication risk and results in better medication outcomes and greater operational efficiency. The primary target market for CareKinesis is Programs of All Inclusive Care for Elderly (PACE). Since 2011, CareKinesis contracts to provide comprehensive pharmacy services at 52 PACE Centers in 16 states to more than 6,000 patients. The applicant is headquartered in Moorestown, NJ with 110 employees nationwide and 74 full-time employees in Moorestown. The applicant has demonstrated the financial ability to undertake the project.

The applicant received an Edison Innovation VC loan of \$500,000 that was fully repaid in 2013. The Authority currently holds a warrant position in the Company.

MATERIAL FACTOR/NET BENEFIT:

The company is quickly outgrowing its current space and is considering expanding into a larger facility in Moorestown, NJ or Philadelphia, PA. The lease at its current facility in Moorestown will be ending at the end of the year with no capacity to expand. The project will support the retention of 74 full-time employees and the creation of 191 jobs.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of CareKinesis, 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 Calvin H. Knowlton the CEO of CareKinesis, 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 \$78 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 74 New Jersey jobs listed in the application are at risk of being located outside the State on or before January 1, 2016, which coincides with the current lease's expiration. 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:

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
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:

<u>Minimum Full-Time Employment Requirements</u>	<u>(New / Retained Full-time Jobs)</u>
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 Burlington 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	\$1,988,400	\$5,949,125
New Jobs	19	191
Retained Jobs	27	74

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	Moorestown Twp. is a

	for projects located in a designated Priority Area	designated Priority Area.
Increase(s) Criteria		
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 \$90,000 exceeds the Burlington County median salary by 63% resulting in an increase of \$250 per year.
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 265 Full-Time Jobs at the project location resulting in an increase of \$500.
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 Health 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 * \$4,250 = \$2,125) or

- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (\$5,949,125 / 10 / (191 + 74) = \$2,244)

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:

Jobs with Salary in Excess of County Average: \$ 250
 Large Number of New/Retained F/T Jobs: \$ 500
 Targeted Industry (Health): \$ 500

INCREASE PER EMPLOYEE: \$ 1,250

PER EMPLOYEE LIMIT:

Priority Area \$10,500

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: \$ 4,250

AWARD:

New Jobs:	191 Jobs X \$4,250 X 100% =	\$811,750
Retained Jobs:	74 Jobs X \$4,250 X 50% =	<u>\$157,250</u>
Total:		\$969,000

ANNUAL LIMITS:

Priority Area (Est. 90% Withholding Limit) \$ 4,000,000/(\$648,422)

TOTAL ANNUAL AWARD **\$969,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 5,949,125
NEW FULL-TIME JOBS:	191
RETAINED FULL-TIME JOBS:	74

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$ 88,164,390
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 78,474,390
TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS)	\$ 9,690,000

ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	\$ 90,000
SIZE OF PROJECT LOCATION:	74,565 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
CITY FROM WHICH JOBS WILL BE RETAINED IN NEW JERSEY?	Moorestown
STATEWIDE BASE EMPLOYMENT:	74
PROJECT IS: (X) Expansion	() 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 January 1, 2016; 2) approve the proposed Grow New Jersey grant to encourage CareKinesis, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: C. Caruso**APPROVAL OFFICER:** T. Wells

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

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

APPLICANT: Contemporary Graphics and Bindery, Inc. and Affiliates P40774

PROJECT LOCATION: 1200 Ferry Avenue Camden City Camden County

GOVERNOR’S INITIATIVES:

(X) NJ Urban Fund () Edison Innovation Fund () Core () Clean Energy

APPLICANT BACKGROUND:

Contemporary Graphics and Bindery, Inc., formed in 1988, is an FDA approved manufacturer of pharmaceutical and non-pharmaceutical packaging, whose operations include design, printing and finishing. The applicant is federally designated by the Small Business Administration (SBA) as a HUBZone certified business, and is currently located in a 115,000 SF industrial space in the Pennsauken, NJ HUBZone. The company currently employs 188 individuals on a full-time basis. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

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

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

Staff reviewed the project and finds support for management’s assertion that the award of tax credits is a material factor in the company’s decision to locate in Camden. If Contemporary Graphics and Bindery, Inc. chooses the Camden option, the company would establish a 124,700 SF manufacturing facility in Camden. The alternative is to relocate the company’s operations to a 105,000 SF facility in Philadelphia.

This project represents a significant positive step forward for Camden’s redevelopment efforts, bringing 226 full-time jobs to the city. It is estimated that the project would have a net benefit to the State of \$58.9 million over the 35 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 170 New Jersey jobs listed in the application are at risk of being located outside the State. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the award of the Grow New Jersey tax credits is a material factor in the applicant’s decision to make a capital investment and locate in Camden.

ELIGIBILITY AND GRANT CALCULATION:

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

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

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
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:

<u>Minimum Full-Time Employment Requirements</u>	<u>(New / Retained Full-time Jobs)</u>
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-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	\$1,662,667	\$7,474,436
New Jobs	8	56
Retained Jobs	19	170

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
Garden State Growth Zone	Base award of \$5,000 per year for projects located in a Garden State Growth Zone	Camden is a Garden State Growth Zone
Increase(s) Criteria		
Deep Poverty Pocket or Choice Neighborhood	An increase of \$1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood	1200 Ferry Avenue is located in a Deep Poverty Pocket.
Transit Oriented Development	An increase of \$2,000 per job for a project locating in a Transit Oriented Development	1200 Ferry Avenue is located in a Transit Oriented Development by virtue of being within 1 mile (GSGZ project) of the midpoint of a Port Authority Transit Corporation rail station.
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 Manufacturing business.
Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min	An increase of \$1,000 per job for a Mega Project or a project located in a Garden State Growth Zone for each additional amount of capital investment that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$5,000	The proposed project is in a Garden State Growth Zone. The proposed capital investment of \$7,474,436 is 349% above the minimum capital investment resulting in an increase of \$5,000 per year.
2007 Revit. Index>465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem	An increase of \$1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465	Camden City has a 2007 Revitalization Index of 566

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

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	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs ($1/2 * \\$15,000 = \\$7,500$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$7,474,436 / 10 / (56 + 170) = \\$3,307$) <p>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.</p>

Grant Calculation**BASE GRANT PER EMPLOYEE:**

Garden State Growth Zone \$ 5,000

INCREASES:

Deep Poverty Pocket: \$ 1,500

Transit Oriented Development: \$ 2,000

Targeted Industry: Manufacturing \$ 500

Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min: \$ 5,000

2007 Revit. Index>465 in Camden \$ 1,000

INCREASE PER EMPLOYEE:\$ 10,000**PER EMPLOYEE LIMIT:**

Garden State Growth Zone \$15,000

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:

\$ 15,000

AWARD:

New Jobs: 56 Jobs X \$15,000 X 100% = \$ 840,000

Retained Jobs: 170 Jobs X \$15,000 X 100% = \$2,550,000**Total: \$3,390,000****ANNUAL LIMITS:**

Garden State Growth Zone and MRERA \$35,000,000

TOTAL ANNUAL AWARD**\$3,390,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 7,474,436
NEW FULL-TIME JOBS:	56
RETAINED FULL-TIME JOBS:	170

GROSS BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD)	\$ 92,831,993
NET BENEFIT TO THE STATE (OVER 35 YEARS, NET OF AWARD):	\$ 58,931,993
TOTAL AMOUNT OF AWARD:	\$ 33,900,000
TERM:	10 years
MEDIAN WAGES:	\$ 32,705
SIZE OF PROJECT LOCATION:	124,700 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
CITY FROM WHICH JOBS WILL BE RETAINED IN NEW JERSEY?	Pennsauken
STATEWIDE BASE EMPLOYMENT:	188
PROJECT IS: <input type="checkbox"/> Expansion <input checked="" type="checkbox"/> Relocation	
CONSTRUCTION: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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 award of the Grow New Jersey tax credits is a material factor in the applicant's decision to make a capital investment and locate in Camden; 2) approve the proposed Grow New Jersey grant to encourage Contemporary Graphics and Bindery, Inc. to locate in Camden. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: J. Kenyon

APPROVAL OFFICER: D. Poane

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

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

APPLICANT: Fidelity Global Brokerage Group, Inc. and subsidiaries P40516

PROJECT LOCATION: 499 Washington Blvd., 2nd Floor Jersey City Hudson County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Fidelity Global Brokerage Group, Inc. is a Massachusetts corporation that was created to act as a holding company to two subsidiaries, National Financial Services LLC and Fidelity Brokerage Services LLC. Fidelity Global Brokerage Group is a wholly owned subsidiary of FMR, LLC, better known as Fidelity Investments Mutual Funds. National Financial Services LLC (“NFS”), a Delaware limited liability corporation, is a registered broker-dealer with the Securities and Exchange Commission (“SEC”) and Financial Industry Regulatory Authority (“FINRA”). The company for nearly 30 years has provided clearing, trading platform and other operational financial services to the broker/dealer community including institutional and individual investors. NFS also offers an on-line brokerage platform, compliance support, middle-office outsourcing, record keeping tools and retirement and high-net worth products.

Fidelity Brokerage Services LLC, (“FBS”), formed in 1978, is also a registered broker-dealer with the SEC and FINRA. The company, a Delaware limited liability corporation, provides brokerage products, solutions and services to retail and institutional investors and third party intermediaries. The company operates its business units, which include a range of the Fidelity Investments’ products and services to individual investors through its walk-in investor centers by phone and online.

The companies are headquartered in Massachusetts and currently have 755 full-time positions in New Jersey, of which 704 are located at 499 Washington Blvd., Jersey City. The applicant has demonstrated the financial ability to undertake the project through the support of its parent company through the support of its parent company.

NFS was approved for two previous BEIP grants: (i) first one originating in 2002 to create 110 full-time employees, when the company relocated from New York City to Jersey City. The 2002 BEIP is currently in the commitment period of the grant which expires on 1/1/17; and (ii) NFS was approved for a second BEIP award in 2011 for the creation of an additional 240 jobs. All jobs are located at 499 Washington Blvd., Floors 3, 4, 5 and 6, Jersey City.

MATERIAL FACTOR/NET BENEFIT:

Fidelity Global Brokerage Group, Inc. and its subsidiaries are evaluating long term location options to locate 200 new full-time jobs. The new jobs are anticipated to come from growth within the companies. The companies would lease an additional 46,360 sq. ft. at the facility in Jersey City or locate this expansion at its owned campus in Covington, Kentucky.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Fidelity Global Brokerage Group, LLC has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Gerard J. McGraw, the CEO of Fidelity Global Brokerage Group, 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 \$211 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:

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
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
<i>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</i>	

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

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

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	\$1,854,400	\$8,808,400
New Jobs	25	200
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	499 Washington Blvd. 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	The Retained Full-Time Jobs will receive the same Grant

<p>replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</p>	<p>Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</p>
<p>All other projects</p>	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - 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 (\$8,808,400/ 10 / (200 + 0) = \$4,404) <p>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.</p>

<u>Grant Calculation</u>		
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:		<u>\$ 3,250</u>
PER EMPLOYEE LIMIT:		
Urban Transit HUB Municipality		\$12,000
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		\$ 8,250
AWARD:		
New Jobs:	200 Jobs X \$8,250 X 100% =	\$1,650,000
Retained Jobs:	0 Jobs X \$8,250 X 50% =	<u>\$ 0,000</u>
	Total:	\$1,650,000
ANNUAL LIMITS:		
Urban Transit HUB Municipality		\$10,000,000
TOTAL ANNUAL AWARD		<u>\$1,650,000</u>

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 8,808,400
NEW FULL-TIME JOBS:	200
RETAINED FULL-TIME JOBS:	0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD)	\$227,562,026
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$211,062,026
TOTAL AMOUNT OF AWARD	\$ 16,500,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	\$ 105,000
SIZE OF PROJECT LOCATION:	46,360 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
CITY FROM WHICH JOBS WILL BE RETAINED IN NEW JERSEY?	N/A
STATEWIDE BASE EMPLOYMENT:	755
PROJECT IS: (X) Expansion	() 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 approve the proposed Grow New Jersey grant to encourage Fidelity Global Brokerage Group, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: M. Abraham

APPROVAL OFFICER: T. Wells

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:

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
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:

<u>Minimum Full-Time Employment Requirements</u>	<u>(New / Retained Full-time Jobs)</u>
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/Warehouse/Logistics/R&D – Rehabilitation Project for a manufacturing 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	\$1,240,520	\$2,498,310
New Jobs	10	13
Retained Jobs	25	77

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-Troy Hills Township is a designated Priority Area
Increase(s) Criteria		
Targeted Industry	An increase of \$500 per job for a business in a Targeted	The applicant is a Manufacturing business.

	Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	
Exceeds LEEDs Silver or Substantial Env. Remed.	An increase of \$250 per job for a facility exceeding the Leadership in Energy and Environmental Design’s “Silver” rating standards or for a project that completes substantial environmental remediation	The applicant proposes achieving a LEEDs Gold rating.

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	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - 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 (\$2,498,310 / 10 / (13 + 77) = \$2,775) <p>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.</p>

<u>Grant Calculation</u>		
BASE GRANT PER EMPLOYEE:		
Priority Area		\$ 3,000
INCREASES PER EMPLOYEE:		
Targeted Industry (Manufacturing):	\$ 500	
Exceeds LEEDs Silver:	\$ 250	
INCREASE PER EMPLOYEE:		
		<u>\$ 750</u>
PER EMPLOYEE LIMIT:		
Priority Area	\$10,500	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		
		\$ 3,750
AWARD:		
New Jobs:	13 Jobs X \$3,750 X 100% =	\$ 48,750
Retained Jobs:	77 Jobs X \$3,750 X 50% =	<u>\$144,375</u>
	Total:	\$193,125
ANNUAL LIMITS:		
Priority Area (Est. 90% Withholding Limit)	\$4,000,000/(\$341,184)	
TOTAL ANNUAL AWARD		
		<u>\$193,125</u>

ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 2,498,310
NEW FULL-TIME JOBS: 13
RETAINED FULL-TIME JOBS: 77

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): \$ 31,391,533
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$ 29,460,283
TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS) \$ 1,931,250

ELIGIBILITY PERIOD: 10 years
MEDIAN WAGES: \$ 85,000
SIZE OF PROJECT LOCATION: 31,013 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
CITY FROM WHICH JOBS WILL BE RETAINED IN NEW JERSEY? West Orange Township
STATEWIDE BASE EMPLOYMENT: 177
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 November 1, 2015; 2) approve the proposed Grow New Jersey grant to encourage Groupe SEB USA 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**

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

APPLICANT: Impax Laboratories, Inc. and subsidiaries P40795

PROJECT LOCATION:	215 Wood Ave.	Middlesex Borough	Middlesex County
	236-237 Lackland Ave.	Middlesex Borough	Middlesex County
	250 Lackland Ave.	Middlesex Borough	Middlesex County
	400 South Ave.	Middlesex Borough	Middlesex County
	200 South Ave.	Middlesex Borough	Middlesex County
	253 Wagner St.	Middlesex Borough	Middlesex County
	100 Somerset Corporate Blvd.	Bridgewater Twp.	Somerset County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Impax Laboratories, Inc., (“Impax Labs”) a Delaware corporation formed in 1995 and headquartered in California, is a technology-based specialty pharmaceutical company specializing in drug delivery and formulation expertise. Impax Labs, currently headquartered in Hayward, CA, manufactures and markets generic pharmaceutical products with capabilities that include research and development and commercial manufacturing of approx. 1.2 billion units of pharmaceuticals annually in various dosage forms. Impax Labs also has manufacturing capacity in Taiwan; and Philadelphia, PA serves as its primary packaging facility for products both domestic and international.

Impax Labs recently acquired Tower Holdings, Inc. which includes the operating subsidiaries of Amdrea Pharmaceuticals LLC and Lineage Therapeutics, located in Horsham, PA and CorePharma LLC, located in Middlesex, NJ. CorePharma, founded in 1998, specializes in the development, manufacturing and commercialization of complex generic and branded pharmaceutical products across a variety of dosage forms and therapeutic categories, producing almost 500 million tablets and capsules annually. CorePharma currently operates six facilities, totaling approx. 109,000 square feet of space, in Middlesex. These facilities accommodate all research and development, manufacturing, packaging, and warehousing activities, currently with currently 241 full-time employees. The facilities are U.S. Food and Drug Administration (FDA) registered and licensed to manufacture and distribute controlled substances.

MATERIAL FACTOR/NET BENEFIT:

Since the acquisition of CorePharma LLC by Impax Laboratories, Inc., the company is evaluating site locations to upgrade and renovate its manufacturing capabilities with either a significant capital investment at the current locations in Middlesex, NJ or the relocation of the manufacturing operations currently in NJ to existing Impax facilities in Pennsylvania, California and Taiwan. Impax Labs has the capacity at the other plants to absorb the increased manufacturing activity without incurring significant costs or requiring build out of new space. In addition, management is considering relocating chief administrative offices to either New Jersey or Pennsylvania, to have its administrative and manufacturing operations closer in proximity. The options for an administrative office are to lease a 24,000 sq. ft. office facility in Bridgewater, NJ or in Horsham, PA. The project consists of the retention of 241 jobs in Middlesex Borough and creation of 50 new jobs in Bridgewater Twp.

The six facilities that the company currently operates together with a new facility to be leased as the administrative office are deemed to be a “Complex of buildings” as the buildings are part of the same financing plan and operational plan.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Impax Laboratories, 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 G. Frederick Wilkinson, the CEO of Impax Laboratories, 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 \$108 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 241 New Jersey jobs listed in the application are at risk of being located outside the State on or before March 17, 2017, the first expiration date of the lease in one of the current facilities and when the jobs would begin to move out-of-state. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

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:

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects	\$ 20 (Middlesex locations)
Industrial/Warehouse/Logistics/R&D – New Construction Projects	\$ 60
Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects	\$ 40 (Bridgewater)
Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects	\$120
<i>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</i>	

- 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 (Middlesex) and a Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Project (Bridgewater) for a manufacturing business in Middlesex and Somerset Counties, 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 (Middlesex)	\$2,194,540	\$14,000,000
Capital Investment (Bridgewater)	\$ 960,000	\$ 3,500,000
New Jobs (Middlesex)	10	0
Retained Jobs (Middlesex)	25	241
New Jobs (Bridgewater)	10	50
Retained Jobs (Bridgewater)	25	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
Priority Area	Base award of \$3,000 per year for projects located in a designated Priority Area	Middlesex Borough and Bridgewater Twp. are designated Priority Areas.
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 \$14,000,000 in Middlesex is 537% above the minimum capital investment resulting in an increase of \$3,000 per year.
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 \$81,000 exceeds the Middlesex County median salary by 43% resulting in an increase of \$250 per year. The proposed median salary of \$200,000 exceeds the Somerset County median

		salary by 210% resulting in an increase of \$1,500 per year.
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 291 Full-Time Jobs at the project locations resulting in an increase of \$500.
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 Life Science 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 (Middlesex)	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - $\frac{1}{2}$ of the Grant Calculation for New Full-Time Jobs ($\frac{1}{2} * \\$7,250 = \\$3,625$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$14,000,000 \text{ Cap. Inv.} / 10 / (0 + 241) = \\$5,809$) <p>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.</p>
All other projects (Bridgewater)	The Retained Full-Time Jobs will receive the lesser of:

- 1/2 of the Grant Calculation for New Full-Time Jobs (1/2 * \$5,500 = \$2,750) or
- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (\$3,500,000 Cap. Inv. / 10 / (50 + 0) = \$7,000)

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 (Middlesex)

BASE GRANT PER EMPLOYEE:

Priority Area \$ 3,000

INCREASES PER EMPLOYEE:

Capital Investment in Excess of Minimum (non-Mega): \$ 3,000
 Jobs with Salary in Excess of County Average: \$ 250
 Large Number of New/Retained F/T Jobs: \$ 500
 Targeted Industry (Life Sciences): \$ 500

INCREASE PER EMPLOYEE: \$ 4,250

PER EMPLOYEE LIMIT:

Priority Area \$10,500

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: \$ 7,250

AWARD:

New Jobs: 0 Jobs X \$7,250 X 100% = \$ 0
 Retained Jobs: 241 Jobs X \$7,250 X 50% = \$ 873,625

Total: **\$ 873,625**

ANNUAL LIMITS:

Priority Area (Est. 90% Withholding Limit) \$4,000,000/(\$568,386)

TOTAL ANNUAL AWARD **\$ 873,625**

<u>Grant Calculation (Bridgewater)</u>		
BASE GRANT PER EMPLOYEE:		
Priority Area		\$ 3,000
INCREASES PER EMPLOYEE:		
Jobs with Salary in Excess of County Average:	\$ 1,500	
Large Number of New/Retained F/T Jobs:	\$ 500	
Targeted Industry (Life Sciences):	\$ 500	
INCREASE PER EMPLOYEE:		<u>\$ 2,500</u>
PER EMPLOYEE LIMIT:		
Priority Area		\$10,500
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		\$ 5,500
AWARD:		
New Jobs:	50 Jobs X \$5,500 X 100% =	\$ 275,000
Retained Jobs:	0 Jobs X \$5,500 X 50% =	\$ 0
	Total:	\$ 275,000
ANNUAL LIMITS:		
Priority Area (Est. 90% Withholding Limit)		\$4,000,000/(\$478,800)
TOTAL ANNUAL AWARD		<u>\$ 275,000</u>

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$14,000,000 (Middlesex) \$3,500,000 (Bridgewater)
NEW FULL-TIME JOBS:	0 (Middlesex)
RETAINED FULL-TIME JOBS:	241 (Middlesex)
NEW FULL-TIME JOBS:	50 (Bridgewater)
RETAINED FULL-TIME JOBS:	0 (Bridgewater)
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$120,046,164
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$108,559,914
TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS)	\$ 11,486,250
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	\$81,000 (Middlesex) \$200,000 (Bridgewater)
SIZE OF PROJECT LOCATION:	109,727 sq. ft. (Middlesex) 24,000 sq. ft. (Bridgewater)
NEW BUILDING OR EXISTING LOCATION?	Existing

INDUSTRIAL OR NON-INDUSTRIAL FACILITY?Industrial/Middlesex
Non-Industrial/Bridgewater**CITY FROM WHICH JOBS WILL BE RETAINED IN NEW JERSEY?**

Middlesex Borough

STATEWIDE BASE EMPLOYMENT:

241

PROJECT IS: (X) Expansion () 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.
6. For the purposes of the project completion certification and annual reports required pursuant to the incentive agreement, to the extent an eligible position in Middlesex that was the basis of the award no longer exists, the company shall include as a retained full-time job at Bridgewater an otherwise new eligible position at Bridgewater that is filled by a full-time employee, provided that the position is included in the order of the date of hire and is not the basis for any other incentive award.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before March 15, 2017; 2) approve the proposed Grow New Jersey grant to encourage Impax Laboratories, 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:** T. Wells

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

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

APPLICANT: Jackson Hewitt Inc. and Subsidiaries P40714

PROJECT LOCATION: 10 Exchange Place Jersey City Hudson County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Jackson Hewitt Inc. and Subsidiaries (“Jackson Hewitt” or “JH”) established in 1985, provides professional tax preparation services, with over 25 years of experience. The firm provides its services across the country, including Puerto Rico, and operates in more than 6,300 offices. Other services include assisting in audits involving tax returns filed by JH, reviewing previously filed tax returns at no cost, and flexible payment services to the IRS. The applicant has demonstrated the financial ability to undertake the project through the support of its parent company.

The applicant closed on a BEIP (P11126) in September 1999 for jobs to be created in Parsippany-Troy Hills. These BEIP employees are the subject of this Grow NJ application. A portion of the existing BEIP Award will need to be paid back to the EDA if the Grow NJ Award is granted.

MATERIAL FACTOR/NET BENEFIT:

Jackson Hewitt seeks to consolidate its operations, to be located in either New Jersey or bifurcated between New York City and Sarasota, FL. The NJ location would be housed in an approximately 24,000 square foot facility in Jersey City. The alternative location(s) would be a 9,000 square foot facility in Lower Manhattan, New York City, for 33 of the 69 retained employees; and a 10,000 square foot space in Sarasota, FL for the balance of 36 retained employees.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Jackson Hewitt 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 David Prokupek, the CEO of Jackson Hewitt, 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 \$24.6 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 69 New Jersey jobs listed in the application are at risk of being located outside the State on or before October 31, 2015, as this is the date its current lease expires. It would happen immediately for the positions moving to New York City and gradually into 2016 for the positions moving to Florida. 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:

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
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:

<u>Minimum Full-Time Employment Requirements</u>	<u>(New / Retained Full-time Jobs)</u>
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 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	\$974,880	\$3,652,845
New Jobs	35	0
Retained Jobs	50	69

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	10 Exchange Place is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a New Jersey Transit Corporation 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 \$113,330 exceeds the Hudson County median salary by 134.7% resulting in an increase of \$750 per year.

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

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	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs ($1/2 * \\$7,750 = \\$3,875$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$3,652,845 / 10 / (0 + 69) = \\$5,293$) <p>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.</p>

Grant Calculation**BASE GRANT PER EMPLOYEE:**

Urban Transit HUB Municipality	\$ 5,000
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INCREASES PER EMPLOYEE:

Transit Oriented Development:	\$ 2,000
Jobs with Salary in Excess of County Average:	\$ 750

INCREASE PER EMPLOYEE:

\$ 2,750

PER EMPLOYEE LIMIT:

Urban Transit HUB Municipality	\$12,000
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LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:

\$ 7,750

AWARD:

New Jobs:	0 Jobs X \$7,750 X 100% =	\$ 0,000
Retained Jobs:	69 Jobs X \$7,750 X 50% =	<u>\$267,375</u>

Total:	\$267,375
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ANNUAL LIMITS:

Urban Transit HUB Municipality	\$10,000,000
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TOTAL ANNUAL AWARD

\$267,375

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 3,652,845
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NEW FULL-TIME JOBS:	0
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RETAINED FULL-TIME JOBS:	69
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GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$ 27,226,257
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NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 24,552,507
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TOTAL AMOUNT OF AWARD:	\$ 2,673,750
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ELIGIBILITY PERIOD:	10 years
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MEDIAN WAGES:	\$ 113,330
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SIZE OF PROJECT LOCATION:	24,372 sq. ft.
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NEW BUILDING OR EXISTING LOCATION?	Existing
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INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
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CITY FROM WHICH JOBS WILL BE RETAINED IN NEW JERSEY:	Parsippany-Troy Hills
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STATEWIDE BASE EMPLOYMENT:	73
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PROJECT IS: (X) Expansion	(X) Relocation
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CONSTRUCTION: (X) Yes	() No
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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 October 31, 2015; 2) approve the proposed Grow New Jersey grant to encourage Jackson Hewitt 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: Mathew Abraham

APPROVAL OFFICER: Mark Chierici

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

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

APPLICANT: Medidata Solutions, Inc. P40799

PROJECT LOCATION: 194 Wood Avenue South Woodbridge Township Middlesex County

GOVERNOR’S INITIATIVES:

(X) NJ Urban Fund (X) Edison Innovation Fund () Core () Clean Energy

APPLICANT BACKGROUND:

Medidata Solutions, Inc. (“Medidata”) is a global provider of cloud-based solutions for clinical research in life sciences. Medidata products and services streamline the design, planning and management of key aspects of the clinical development process, including protocol development, investigator benchmarking and budgeting, contract research organization (“CRO”) benchmarking and budgeting, and the capture, management, analysis and reporting of clinical trial data. Medidata was founded in 1999. As of December 31, 2014, Medidata had 1,077 employees. In New Jersey, there are currently 196 employees. The applicant has demonstrated the financial ability to undertake the project.

Medidata previously received a BEIP Award (P#16152) for \$642,010, closed December, 2004. No jobs from the BEIP Award are included in this Grow Award application.

MATERIAL FACTOR/NET BENEFIT:

Medidata experienced 22% growth last year and continues to grow by expanding its platform offerings. The applicant is seeking to grow its US workforce and grow its NJ staff. Its lease of space in Edison is expiring in December of 2015. Medidata would like to relocate in New Jersey to a site in Woodbridge. It is considering the lease of a 50,648 sq. ft. facility in Woodbridge, and will be hiring 150 new employees at that site. The alternative location is a 36,251 sq. ft. facility in Las Vegas, NV. Although a smaller square footage, the applicant has stated the space in NV would be able to accommodate all the projected new staffing associated with the project.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Medidata Solutions, 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 Tarek Sherif, the CEO of Medidata Solutions, 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 \$52.9 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:

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
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
<i>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</i>	

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

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

As a Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Project, for a technology 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	\$2,025,920	\$8,000,000
New Jobs	25	150
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
Distressed Municipality	Base award of \$4,000 per year for projects located in a designated Distressed Municipality	Woodbridge Township is a designated Distressed Municipality
Increase(s) Criteria		
Jobs with Salary in Excess of	An increase of \$250 per job	The proposed median salary of

County/GSGZ Average	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	\$106,000 exceeds the Middlesex County median salary by 87.7% resulting in an increase of \$500 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 Technology 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	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * \$5,000 = \$2,500) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (\$8,000,000 / 10 / (150 + 0) = \$5,333) <p>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.</p>

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Distressed Municipality		\$ 4,000
INCREASES PER EMPLOYEE:		
Jobs with Salary in Excess of County/GSGZ Average	\$ 500	
Targeted Industry (Technology)	\$ 500	
INCREASE PER EMPLOYEE:		<u>\$ 1,000</u>
PER EMPLOYEE LIMIT:		
Distressed Municipality		\$11,000
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		\$ 5,000
AWARD:		
New Jobs:	150 Jobs X \$5,000 X 100% =	\$ 750,000
Retained Jobs:	0 Jobs X \$5,000 X 50% =	<u>\$ 0,000</u>
	Total:	\$ 750,000
ANNUAL LIMITS:		
Distressed Municipality		\$ 8,000,000
TOTAL ANNUAL AWARD		<u>\$ 750,000</u>

ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 8,000,000
NEW FULL-TIME JOBS: 150
RETAINED FULL-TIME JOBS: 0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): \$ 60,363,169
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$ 52,863,169
TOTAL AMOUNT OF AWARD: \$ 7,500,000
ELIGIBILITY PERIOD: 10 years
MEDIAN WAGES: \$ 106,000
SIZE OF PROJECT LOCATION: 50,648 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
CITY FROM WHICH JOBS WILL BE RETAINED IN NEW JERSEY? Edison
STATEWIDE BASE EMPLOYMENT: 196
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.
6. The applicant will maintain the 196 existing positions for the duration of the Grow NJ award. The number of new positions that are part of this Grow NJ award will only be counted above and beyond the first 196 positions at the proposed project site.

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: Diane Ubinger

APPROVAL OFFICER: Mark Chierici

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

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

APPLICANT: Northeast Precast LLC P40737

PROJECT LOCATION: 92 Reese Road Millville City Cumberland County

GOVERNOR’S INITIATIVES:

(X) NJ Urban Fund () Edison Innovation Fund () Core () Clean Energy

APPLICANT BACKGROUND:

Northeast Precast LLC (“Northeast Precast” or the “Company”) is a manufacturer of precast concrete, sold under the Superior Walls franchise. The Company operates one plant in Millville, NJ, and its owner, also owns 60% of a precast manufacturing plant in Salisbury, NC. Precast concrete is made by pouring concrete into molds at a manufacturing plant, allowing the concrete to cure under controlled conditions and then transporting it as a finished structure to a project site where it is installed. Many components of bridges, highways and buildings can be made through the precast process rather than by being poured on-site. Sales in the industry have been growing and are generated primarily through state and federal transportation agencies and through the residential and commercial real estate industry. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

Northeast Precast LLC seeks to expand its operations in either New Jersey or North Carolina. The NJ location would be housed in a 67,000 square foot facility, which would increase in size to 117,000 SF, post renovations. The alternative location would be a 110,000 square foot facility in Salisbury, NC, which would expand to 135,000 square feet after renovations. Northeast Precast anticipates the project will begin on or around September 1, 2015 and be completed on or around September 30, 2016. If the Grow Award is not granted, operations in NJ will cease and everything will be moved to NC, but if the Grow Award is granted, the expansion will occur in NJ and the NC operations will also continue.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Northeast Precast LLC has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by John Ruga, the Owner & President of Northeast Precast 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 \$11.6 million, over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 87 New Jersey jobs listed in the application are at risk of being located outside the State on or before September 30, 2016, as this is the date by which the alternate location is estimated to be completed and would be ready for the employees to utilize. 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:

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
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
<i>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</i>	

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$1,560,000	\$4,548,950
New Jobs	8	53
Retained Jobs	19	87

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	Millville City is a designated Distressed Municipality
Increase(s) Criteria		
Deep Poverty Pocket or Choice Neighborhood	An increase of \$1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood	92 Reese Road is located in a Deep Poverty Pocket.
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 \$4,548,950 is 192% 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, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing 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	Millville City has a 2007 Revitalization Index of 526.

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.

<p>All other projects</p>	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - 1/2 of the Grant Calculation for New Full-Time Jobs (1/2 * \$10,000 = \$5,000) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (\$4,548,950/ 10 / (53 + 87) = \$3,249) <p>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.</p>
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Grant Calculation

BASE GRANT PER EMPLOYEE:

Distressed Municipality	\$ 4,000
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INCREASES PER EMPLOYEE:

Deep Poverty Pocket:	\$ 1,500
Capital Investment in Excess of Minimum (non-Mega):	\$ 3,000
Targeted Industry (Manufacturing):	\$ 500
2007 Revit. Index>465 in Cumberland:	\$ 1,000

INCREASE PER EMPLOYEE:	<u>\$ 6,000</u>
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PER EMPLOYEE LIMIT:

Distressed Municipality	\$ 11,000
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LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:	\$ 10,000
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AWARD:

New Jobs:	53 Jobs X \$10,000 X 100% =	\$530,000
Retained Jobs:	87 Jobs X \$ 3,249 X 100% =	<u>\$282,663</u>

Total:	\$812,663
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ANNUAL LIMITS:

Distressed Municipality	\$8,000,000
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TOTAL ANNUAL AWARD	<u>\$812,663</u>
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ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 4,548,950
NEW FULL-TIME JOBS:	53
RETAINED FULL-TIME JOBS:	87

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$ 19,712,569
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 11,585,939
TOTAL AMOUNT OF AWARD:	\$ 8,126,630
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	\$ 40,000
SIZE OF PROJECT LOCATION:	117,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
CITY FROM WHICH JOBS WILL BE RETAINED IN NEW JERSEY:	Millville
STATEWIDE BASE EMPLOYMENT:	98
PROJECT IS: (X) Expansion () 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 September 30, 2016; 2) approve the proposed Grow New Jersey grant to encourage Northeast Precast 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

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

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

APPLICANT: Rubbercycle, LLC P40683

PROJECT LOCATION: 1985 Rutgers University Blvd. Lakewood Township Ocean County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Rubbercycle, LLC recycles used tires and manufactures rubber surfacing products. It has developed a proprietary devulcanization method that uses relatively low temperatures and environmentally friendly additives creating a low cost high quality grade rubber product. All of its manufacturing occurs in its Lakewood New Jersey facility. Rubbercycle’s primary product line consists of playground and fitness mats. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

Rubbercycle is considering expanding its current manufacturing and headquarters operation in Lakewood, NJ or relocating the entire operation to Walkkill, NY. Should the company choose to remain within the state, it would commit to a long-term lease, add additional manufacturing capacity and increase its employment. If the project occurs in New York, the company would enter into a long term lease increasing its manufacturing capacity and hire additional employees.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Rubbercycle, LLC has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Morris Hassan, the CEO of Rubbercycle, 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 \$6.5M million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 25 New Jersey jobs listed in the application are at risk of being located outside the State on or before September 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:

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
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:

<u>Minimum Full-Time Employment Requirements</u>	<u>(New / Retained Full-time Jobs)</u>
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 - Rehabilitation Project for a manufacturing business in Ocean 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	\$1,066,667	\$2,750,000
New Jobs	8	15
Retained Jobs	19	25

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	Lakewood Township is a designated Distressed Municipality
Increase(s) Criteria		

Deep Poverty Pocket or Choice Neighborhood	An increase of \$1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood	1985 Rutgers University Blvd. Lakewood Township is located in a Deep Poverty Pocket.
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 \$2,750,000 is 158% 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, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing 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	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * \$9,000 = \$4,500) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (\$2,750,000 / 10 / (15 + 25) = \$ 6,875) <p>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.</p>

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Distressed Municipality		\$ 4,000
INCREASES PER EMPLOYEE:		
Deep Poverty Pocket:	\$ 1,500	
Capital Investment in Excess of Minimum (non-Mega):	\$ 3,000	
Targeted Industry (Manufacturing):	\$ 500	
INCREASE PER EMPLOYEE:		<u>\$ 5,000</u>
PER EMPLOYEE LIMIT:		
Distressed Municipality	\$11,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		\$ 9,000
AWARD:		
New Jobs:	15 Jobs X \$9,000 X 100% =	\$135,000
Retained Jobs:	25 Jobs X \$9,000 X 50% =	<u>\$112,500</u>
	Total:	\$247,500
ANNUAL LIMITS:		
Distressed Municipality	\$ 8,000,000	
TOTAL ANNUAL AWARD		<u>\$247,500</u>

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 2,750,000
NEW FULL-TIME JOBS:	15
RETAINED FULL-TIME JOBS:	25

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$ 8,970,393
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 6,495,393
TOTAL AMOUNT OF AWARD:	\$ 2,475,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	\$ 50,000
SIZE OF PROJECT LOCATION:	80,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
CITY FROM WHICH JOBS WILL BE RETAINED IN NEW JERSEY?	Lakewood Township
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: 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 September 1, 2015; 2) approve the proposed Grow New Jersey grant to encourage Rubbercycle, LLC to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: J. Kenyon

APPROVAL OFFICER: J. Horezga

UEZ/SALEM SALES TAX EXEMPTION



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: May 15, 2015

SUBJECT: The Chemours Company F.C., LLC. (“Chemours”)
\$1,162,808 Salem County Energy Sales Tax Exemption (“S-STX”)

Approval Request:

Consent to the approval of Chemours’ application to participate in the S-STX program.

Background:

Chemours was formed in 2014 as a wholly-owned subsidiary of the E.I. du Pont de Nemours and Company (“DuPont”) to separate its performance chemical manufacturing sector from its other core sectors. Chemours operates as a standalone company which employs 470 former DuPont employees. Chemours and DuPont are co-occupants in Chambers Works, a 1,500 acre site in Deepwater, Salem County.

In August 2014, DuPont was approved for a S-STX for having 671 employees of which 93% (624) were involved in the manufacturing process. The value of that award was \$1,500,000. The previously awarded S-STX will continue to remain in place for DuPont through August, 2015 for its post separation remaining workforce of 105 jobs of which 85% (89) are involved in the manufacturing process. As a result of the separation, Chemours is now seeking a new S-STX for its energy costs.

To qualify for the program, Chemours must independently meet the statutory criteria of having 50 employees with at least 50% involved in the manufacturing process. Chemours employs 470 jobs of which 79% (371) are manufacturing jobs and therefore are eligible for the program. .

The estimated annualized S-STX benefit to Chemours is \$1,162,808 which is based on an estimate of the next twelve months electric and gas usage of \$16,611,541 multiplied by 7% sales tax.

Recommendation

Consent to the approval of Chemours application to participate in the S-STX program for one year.

FILM TAX CREDIT TRANSFER PROGRAM

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - FILM TAX CREDIT**

APPLICANT: Cover 3 Productions, LLC

APPLICANT BACKGROUND:

Cover 3 Productions, LLC is the production company responsible for "Abandoned in the Dark". Kane Hodder stars in this anthology film comprised of 4 short horror/suspense stories seamlessly connecting to one another with extreme tension and gripping real life conflict.

APPROVAL REQUEST:

Authority assistance will enable the applicant to receive a 20% tax credit for Qualified Film Production Expenses incurred in New Jersey for its production titled "Abandoned in the Dark." The principal photography began in June 2014.

This application has been reviewed by the New Jersey Motion Picture and Television Commission.

PRINCIPAL PHOTOGRAPHY BEGAN: June 2014

DATE OF PROJECT COMPLETION: November 2014

PRINCIPAL MARKET(S) FOR WHICH PRODUCTION IS INTENDED:

Cable Television
DVD
VOV

PROJECT COSTS (Initial Application Estimate):

Total Production Expenses (Less Post-Production Costs)	\$36,102
Total New Jersey Production Expenses	\$19,552
Total New Jersey Post Production Expenses	\$ 3,929

Percentage of Required Costs in New Jersey 65.04%

Maximum Tax Benefit Amount \$4,696

Applicant's Fiscal Year End December

FINANCE OFFICER: Joe Horezga **COUNSEL:** DAG

APPLICATION RECEIVED DATE: 10/23/2014 (Application #76)

APPLICATION APPROVED DATE:

CURRENT OR INITIAL ALLOCATION YEAR(S): SFY2015

Prepared by: Joe Horezga

AMENDED BOND RESOLUTIONS

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - REFUNDING BOND PROGRAM**

APPLICANT: Princeton Charter School

P40934

PROJECT USER(S): Princeton Charter School *
Princeton Symphony Orchestra

* - indicates relation to applicant

PROJECT LOCATION: 100 Bunn Dr. Princeton Borough (N) Mercer

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

APPLICANT BACKGROUND:

Princeton Charter School (PCS), is a not-for-profit charter school, funded by public monies and operated independently by a board of trustees under a charter granted by the NJ Department of Education in January of 1997 and subsequently renewed twice. The School began as a 4th - 6th grade elementary school and now educates more than 340 students in grades kindergarten through 8. The School is in good standing with the Dept. of Education. Paul Josephson is the President and Lawrence Patton is the Head of School.

The Princeton Charter School is situated on a seven acre campus located in north west Princeton just above North Harrison Street. Younger students attend classes in the K-4 building of 15,480 sq. ft. and a separate three-story 4,500 sq. ft. school building houses grades 5-8. The Campus Center addition, completed in 2010, provides a 17,000 sq. ft. multi-use facility that houses a black-box theater, a gymnasium, an art studio and classrooms for music.

In 2008, Authority assistance via tax-exempt bond financing of \$8,420,000 (Appl. P22638 & P22684) enabled PCS to (i) construct the campus center consisting of art, music and theatre classrooms and a gymnasium; (ii) make improvements and renovations to the main classroom building, stairways and the cafeteria; (iii) refinance conventional debt for expansion of the school in 2001; (iv) refinance a tax-exempt second mortgage and (v) refund the tax-exempt bond from 2001. Proceeds of the 2001 Bond were used to refinance the acquisition and renovation of the elementary school facilities. The 2008 Bond was purchased by Capital One Bank, N.A. as a variable rate bond swapped to a fixed rate of 4.11% with a final maturity in 2031.

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

REFUNDING REQUEST:

Authority assistance will enable the Applicant to refund the outstanding balance of the 2008 Bond plus pay costs of issuance. Refunding the prior bond will take advantage of a decline in interest rates with the resultant savings in interest expense benefitting PCS's annual operating budget.

FINANCING SUMMARY:

BOND PURCHASER: Peapack-Gladstone Bank (Direct Purchase)

AMOUNT OF BOND: \$7,415,000 Tax-exempt Bond

TERMS OF BOND: 25 years; Variable interest rate based on the tax-exempt equivalent of one month LIBOR plus 1.90% for 10 yr. option; 1.95% for 15 yr. option or 2.00% for 20 yr. option. On the closing date the applicant may enter into a fixed interest rate swap for 10, 15 or 20 years to be determined at closing. Indicative fixed rates as of 3/13/15 are 2.77% for 10 yrs., 2.92% for 15 yrs. and 3.00% for 20 years. The bonds are also subject to call option and rate reset corresponding to the interest rate option chosen.

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond(s) to be refund	\$7,062,576
Swap Termination	\$215,000
Legal fees	\$50,000
Contingency	\$43,624
Finance fees	\$35,000
Accounting fees	\$8,800
TOTAL COSTS	\$7,415,000

PUBLIC HEARING: 05/15/15 (Published 04/30/15) **BOND COUNSEL:** McManimon, Scotland & Baumar
DEVELOPMENT OFFICER: D. Bennis **APPROVAL OFFICER:** T. Wells

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - REFUNDING BOND PROGRAM**

APPLICANT: Ranney School

P40982

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 235 Hope Road

Tinton Falls Borough (N)

Monmouth

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

APPLICANT BACKGROUND:

The Ranney School is a 501(c)(3) not-for-profit organization and an independent college preparatory school with more than 800 students and 93 teachers in Pre-K through grade 12, located on 60 acres in Tinton Falls, NJ. The CFO of the Ranney School is Charles Zalewski and Patricia Marshall is the Assistant Head of School for Academics.

The Authority assisted Ranney School in 1998 with an \$8,000,000 tax-exempt bond (P10189) for the construction of a new Upper and Middle School Academic Complex and Dining Hall. In 2007, the school closed on a \$23.4MM Tax Exempt Bond (P18418 & P18380), which refunded the balance of the 1998 issue and provided funding for the construction a new Lower School Academic Complex, renovation of the athletic center and various other athletic facilities.

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.

REFUNDING REQUEST:

Authority assistance will enable the applicant to current refund the outstanding balance of the 2007 bond issues. The school will also extend the final maturity of the bonds to 25 years.

FINANCING SUMMARY:

BOND PURCHASER: Wells Fargo Bank (Direct Purchase)

AMOUNT OF BOND: \$21,210,000 Tax-Exempt Bond

TERMS OF BOND: 25 years; Variable rate of interest equal to 67% of 1 month LIBOR plus 1.25%. At closing, the borrower may enter into a fixed interest rate swap with Wells Fargo Bank for the first 10 years. The fixed interest rate is estimated to be 3.91% as of April 8, 2015.

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond(s) to be refund	\$20,960,000
Legal fees	\$125,000
Finance fees	\$125,000
TOTAL COSTS	<hr/> \$21,210,000 <hr/>

PUBLIC HEARING: 05/15/15 (Published 04/30/15) **BOND COUNSEL:** McManimon, Scotland & Baumar
DEVELOPMENT OFFICER: T. Gill **APPROVAL OFFICER:** M. Chierici

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - REFUNDING BOND PROGRAM**

APPLICANT: Springpoint at the Atrium, Inc.

P40994

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 20, 29, 40 Riverside Avenue Red Bank Borough (N) Monmouth

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

APPLICANT BACKGROUND:

Springpoint at the Atrium, Inc. is a 501(c)(3) not-for-profit organization and an affiliate of Springpoint Senior Living, Inc. Springpoint and its affiliates have been providing quality housing and other health and personal care services to the elderly and disabled in NJ for over 50 years. The Atrium was formed in 2006 for the sole purpose of acquiring the project facility known as the Atrium at Navesink Harbor (the "Atrium"). The Atrium, a 148,000 sq. ft. continuing care retirement community, is located on approximately 1.92 acres in Red Bank along the Navesink River and consists of 80 independent living units, 43 skilled nursing beds and 19 residential healthcare units. Gary T. Puma is the President and Chief Executive Officer.

In 2011, the Authority closed on a \$10,000,000 Series A and \$10,000,000 Series B Bond (collectively the 2011 Bonds) which enabled the Applicant to (i) refinance taxable debt, (ii) purchase .96 acres land to be used as a resident and employee parking lot, and (iii) pay all or a portion of the costs of issuance. The 2011 Bonds were purchased by Capital One Bank as variable rate bonds with maturities through 2036. The Series A Bond is currently swapped to a fixed rate of 3.42% and the Series B Bond is swapped to a fixed rate of 1.37%.

Since 1998, Springpoint Senior Living, Inc. and its affiliates have financed or refinanced several of its facilities over the years with EDA tax-exempt bonds. Currently outstanding is approx. \$135 million, which is comprised of the following projects: 1) Springpoint Senior Living Obligated Group Series 1998 and Series 2010 (Appl. P10254 and P33583); 2) Springpoint at Montgomery Inc. Series 2012 (Appl. P37660 & P37663); and 3) Marcus L. Ward Home (Winchester Gardens) Series 2014 (Appl. P39622).

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.

REFUNDING REQUEST:

Authority assistance will enable the Applicant to refund the outstanding balance of the 2011 Bonds plus finance a portion of the closing costs, including a swap termination fee and a debt service reserve fund. The proposed refunding will enable the Applicant to achieve the following benefits: (i) extend the existing fixed interest rate period from December 1, 2016 to a new 10 or 15 year term, thus mitigating the rate reset and renewal risks; (ii) lower its overall costs of debt service costs by reducing the spread on the variable interest rate formula; (iii) adjust the final maturity and amortization, as permissible, to manage its debt service costs; and (iv) convert to a more favorable covenant and collateral structure as compared with the existing terms.

This project is being presented in conjunction with Appl. P41001 to refinance taxable debt and pay costs of issuance for total tax-exempt bond financing not to exceed \$26 million.

FINANCING SUMMARY:

BOND PURCHASER: Peapack-Gladstone Bank (Direct Purchase)

AMOUNT OF BOND: Series A
 \$21,437,000 (est.) Tax-Exempt Bond (Part of a \$26,000,000 total tax-exempt bond financing with Appl. P41001)

TERMS OF BOND: 25 years; Variable interest rate based on the tax-exempt equivalent of 1-month LIBOR plus 1.90% for a 10 year option or plus 2.00% for a 15 year option, as determined on the day of closing. On the closing date, the applicant may enter into a fixed interest rate swap at 2.60% for the 10 year option or 2.78% for the 15 year option (rates are estimates as of 4/28/15); subject to rate resets and call options corresponding to the interest rate option chosen.

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond(s) to be refund	\$19,712,000
Debt service reserve fund	\$1,200,000
Swap Termination	\$225,000
Finance fees	\$200,000
Legal fees	\$60,000
Accrued interest to redemption date	\$40,000
 TOTAL COSTS	 <u>\$21,437,000</u>

PUBLIC HEARING: 05/15/15 (Published 04/30/15) **BOND COUNSEL:** McCarter & English, LLP

DEVELOPMENT OFFICER: D. Bennis

APPROVAL OFFICER: T. Wells

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

APPLICANT: Springpoint at the Atrium, Inc.

P41001

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 20, 29, 40 Riverside Avenue Red Bank Borough (N) Monmouth

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

APPLICANT BACKGROUND:

Springpoint at the Atrium, Inc. is a 501(c)(3) not-for-profit organization and an affiliate of Springpoint Senior Living, Inc. Springpoint and its affiliates have been providing quality housing and other health and personal care services to the elderly and disabled in NJ for over 50 years. The Atrium was formed in 2006 for the sole purpose of acquiring the project facility known as the Atrium at Navesink Harbor (the "Atrium"). The Atrium, a 148,000 sq. ft. continuing care retirement community, is located on approximately 1.92 acres in Red Bank along the Navesink River and consists of 80 independent living units, 43 skilled nursing beds and 19 residential healthcare units. Gary T. Puma is the President and Chief Executive Officer.

In 2011, the Authority closed on a \$10,000,000 Series A and \$10,000,000 Series B Bond (collectively the 2011 Bonds) which enabled the Applicant to (i) refinance taxable debt, (ii) purchase .96 acres land to be used as a resident and employee parking lot, and (iii) pay all or a portion of the costs of issuance. The 2011 Bonds were purchased by Capital One Bank as variable rate bonds with maturities through 2036. The Series A Bond is currently swapped to a fixed rate of 3.42% and the Series B Bond is swapped to a fixed rate of 1.37%.

Since 1998, Springpoint Senior Living, Inc. and its affiliates have financed or refinanced several of its facilities over the years with EDA tax-exempt bonds. Currently outstanding is approx. \$135 million, which is comprised of the following projects: 1) Springpoint Senior Living Obligated Group Series 1998 and Series 2010 (Appl. P10254 and P33583); 2) Springpoint at Montgomery Inc. Series 2012 (Appl. P37660 & P37663) and 3) Marcus L. Ward Home (Winchester Gardens) Series 2014 (Appl. P39622).

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 refinance conventional debt and pay certain costs of issuance.

This project is being presented in conjunction with Appl. P40994 to refund the 2011 Bonds and pay costs of issuance for total tax-exempt bond financing not to exceed \$26 million.

FINANCING SUMMARY:

BOND PURCHASER: Peapack-Gladstone Bank (Direct Purchase)

AMOUNT OF BOND: Series B
\$4,563,000 (est.) Tax-Exempt Bond (Part of a \$26,000,000 tax-exempt bond financing with P40994)

TERMS OF BOND: 5 years; Variable interest rate based on the tax-exempt equivalent of 1 month LIBOR plus 1.65%. (Estimated rate as of 4/28/15 is 1.19%.)

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	\$4,481,640
Legal fees	\$35,000
Finance fees	\$35,000
Accrued Interest	\$11,360
TOTAL COSTS	\$4,563,000

JOBS: At Application 85 Within 2 years 2 Maintained 0 Construction 0

PUBLIC HEARING: 05/15/15 (Published 04/30/15) **BOND COUNSEL:** McCarter & English, LLP

DEVELOPMENT OFFICER: D. Bennis **APPROVAL OFFICER:** T. Wells

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

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

APPLICANT: 24 Park Way, LLC

P40824

PROJECT USER(S): Triangle Manufacturing Co. Inc. *

* - indicates relation to applicant

PROJECT LOCATION: 24 Park Way

Upper Saddle River Borough Bergen

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

APPLICANT BACKGROUND:

24 Park Way, LLC was formed to acquire real estate for its related operating company, Triangle Manufacturing Co. Inc. (Triangle). For more than 50 years, Triangle has been a customer focused, value-added engineering/manufacturing partner to medical companies across the globe. Triangle specializes in the precision engineering and manufacturing of highly complex, tight-tolerance machined parts and assemblies. They have two state-of-the-art facilities: manufacturing medical instruments and surgical implants, and commercial manufacturing. Triangle's medical manufacturing experience extends to a wide variety of products including implantable devices and surgical instruments with a specialized expertise in powered hand tools. The CEO is Neal Strohmeyer.

Triangle is a long term customer of the Authority, with its first bond financing dating back to 1980. The most recent transaction was a \$2.8 million tax-exempt bond (P36048) that closed in June 2011 with the proceeds used to acquire new manufacturing equipment. Other outstanding bonds include a \$2.2 million tax-exempt bond (P20707) in May 2008 for the purchase of new manufacturing equipment, a \$2.9 million tax-exempt bond (P20706) in May 2008 to acquire and renovate a building, at 25 Park Way, and a \$2.3 million tax-exempt bond (P16555) in November 2005 to acquire new equipment and for building renovations. All other bonds have been paid in full.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to purchase the building at 24 Park Way and pay the cost of issuance.

FINANCING SUMMARY:

BOND PURCHASER: Santander Bank (Direct Purchase)

AMOUNT OF BOND: up to \$4,275,000 Tax-Exempt bond

TERMS OF BOND: 25 years; Variable interest rate at the tax-exempt equivalent of 2.5% above the 1 month LIBOR; subject to call options every 10th anniversary of the closing. On the closing date the borrower may enter into a fixed interest rate swap for 10 years. Indicative fixed interest rate, for the first 10 years, as of 4/29/2015 is 3.48%

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	\$4,275,000
Renovation of existing building	\$500,000
Cost of Issuance	\$43,375
TOTAL COSTS	<hr/> \$4,818,375 <hr/>

JOBS: At Application 210 Within 2 years 13 Maintained 0 Construction 4

PUBLIC HEARING: 05/15/15 (Published 04/29/15) **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi,
DEVELOPMENT OFFICER: T. Gill **APPROVAL OFFICER:** J. Horezga

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

APPLICANT: Congregation Birchas Chaim

P40987

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 1111 Vine Avenue

Lakewood Township (T/UA) Ocean

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

APPLICANT BACKGROUND:

Congregation Birchas Chaim, a 501(c)(3) not-for-profit organization established in 1999, operates a boy's high school and post high school. The school includes 100 students in a 24,000 sq. ft. building, which the organization has recently moved into in Lakewood. Samuel Stein is the Dean of the school. The project has been reviewed and approved by the Attorney General's Office relating to the First Amendment's Establishment Clause.

The applicant is a 501(c)(3) not-for-profit entity for which the Authority may issue tax exempt bonds as permitted under Section 103 and Section 145 of the 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 refinance existing debt of \$2,237,946. The difference between the project costs and the bond amount will be funded through the applicant's equity.

FINANCING SUMMARY:

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

AMOUNT OF BOND: \$2,237,946 Tax-exempt Bond

TERMS OF BOND: 20 years; Rate of interest fixed for 5 years at the tax-exempt equivalent of 4.75%. The rate will be reset on every fifth anniversary of the Bond, for a term of 5 years, to a rate equal to the tax-exempt equivalent of the Federal Home Loan Bank Rate, plus 2.50%, with a floor of the tax-exempt equivalent of 4.75%.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	\$3,309,150
Finance fees	\$28,900
Legal fees	\$26,500
TOTAL COSTS	\$3,364,550

JOBS: At Application 10 Within 2 years 4 Maintained 0 Construction 0

PUBLIC HEARING: 05/15/15 (Published 05/01/15) **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi
DEVELOPMENT OFFICER: T. Gill **APPROVAL OFFICER:** D. Poane

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

APPLICANT: Flamingo Properties LLC

P40979

PROJECT USER(S): Pollaro Custom Furniture, Inc. *

* - indicates relation to applicant

PROJECT LOCATION: 480 Mundet Place Hillside Township (T/UA) Union

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

APPLICANT BACKGROUND:

Flamingo Properties LLC is wholly owned by Frank V. Pollaro, and will acquire and lease manufacturing space to its related operating company, Pollaro Custom Furniture, Inc. Founded in 1988 by Frank Pollaro, Pollaro Custom Furniture, Inc. is a supplier of premium custom furniture to residential and corporate clients throughout the United States. Recently, the company has focused its expansion efforts on international markets, including the Middle East, Holland and Asia, as well as pursuing contracts in the luxury yacht market.

Pollaro Custom Furniture, Inc. will relocate its entire existing manufacturing operation from its current 15,000 sq. ft. rented location in Union, NJ to Hillside, NJ. This project will include the purchase of a building, machinery, equipment and renovations. The Authority approved a \$2,518,750 Grow NJ tax credit for Pollaro on January 2, 2015 (P39849).

APPROVAL REQUEST:

Authority assistance will enable the applicant to acquire, renovate and equip a 58,600 sq. ft. building on 3.7 acres as well as pay costs of issuance. The difference between the project costs and the bond amount will be funded through the applicant's equity.

FINANCING SUMMARY:

BOND PURCHASER: Provident Bank N.A. (Direct Purchase)

AMOUNT OF BOND: \$2,800,000 Tax-Exempt Bond

TERMS OF BOND: 15 years; Fixed interest rate for 10 years equal to the tax-exempt equivalent of the 10-year US Treasury Security yield plus 2.25% (with a floor of 4.50%). The rate will be reset after year 10 at the tax-exempt equivalent of the 5-year US Treasury Security yield plus 2.25% (with a floor of 3.875%). The estimated rate as of 04/30/2015 is 2.93%.

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	\$2,800,000
Land	\$700,000
Purchase of equipment & machinery	\$315,000
Renovation of existing building	\$165,000
Legal fees	\$35,000
Relocation Costs	\$34,000
Furniture & Fixtures	\$25,000
Engineering & architectural fees	\$17,000
Finance fees	\$15,000
Accounting fees	\$12,000
Environmental Investigation and Remediation	\$5,000

TOTAL COSTS

\$4,123,000

JOBS: At Application 25 Within 2 years 5 Maintained 0 Construction 1

PUBLIC HEARING: 05/15/15 (Published 04/30/15) **BOND COUNSEL:** McManimon, Scotland & Baumar

DEVELOPMENT OFFICER: T. Gill **APPROVAL OFFICER:** D. Poane

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

APPLICANT: Hudson Community Enterprises, Inc.

P40743

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 68-70 Tuers Avenue 780

Jersey City (T/UA)

Hudson

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

APPLICANT BACKGROUND:

Established in 1957, Hudson Community Enterprises, Inc. (HCE) is a 501(c)(3) not-for-profit corporation based in New Jersey that offers employment opportunities to individuals with disabilities. Employment within the company is either full or part time depending on each individual's qualifications, interests, and the company's business needs. Unique to this company is an intensive employee assistance program that assists its employees with disabilities, to maintain their employment and train for advancement. The company currently employs more than 475 individuals with disabilities in the various businesses that it operates. Throughout the years, HCE's mission has remained constant "to create employment opportunities for community residents". Joseph Brown is the President of Hudson Community Enterprises, Inc.

The Authority assisted HCE with bond financing and a bond refunding project in December 2012 (P37666 and P37700). The funds were used to refinance conventional debt and purchase machinery and equipment. The total of the amount was not to exceed \$1,520,000. These prior projects will remain status quo.

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 refinance conventional debt, acquire machinery and equipment, and pay costs of issuance.

FINANCING SUMMARY:

BOND PURCHASER: The Provident Bank (Direct Purchase)

AMOUNT OF BOND: \$1,500,000 Tax-Exempt Bond

TERMS OF BOND: 15 years; The rate of interest will be fixed for the first 10 years at the tax-exempt equivalent of the seven year US Treasury Note plus 250 basis points. The interest rate will reset in year 11 for the remainder of the term at the tax-exempt equivalent the five year US Treasury Note plus 250 basis points. The estimated rate is 2.75% as of March 12, 2015.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	\$868,000
Purchase of equipment & machinery	\$501,000
Soft Costs	\$43,000
Finance fees	\$35,000
Legal fees	\$28,000
Debt service reserve fund	\$25,000
TOTAL COSTS	<hr/> \$1,500,000

PRELIMINARY RESOLUTIONS

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

APPLICANT: MSC State & River LLC

P40717

PROJECT USER(S): Mastery Schools of Camden, Inc. *

* - indicates relation to applicant

PROJECT LOCATION: East State St. and River Ave. Camden City (T/UA) Camden

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

APPLICANT BACKGROUND:

MSC State & River LLC was recently formed to hold title to real estate for the benefit of schools operated by Mastery Charter Schools ("Mastery"). Mastery is a nationally recognized leader in school transformation and currently operates 16 charter schools serving 10,380 students in Philadelphia, PA and Camden, NJ.

Mastery stands out for its skill at taking violent, low performing schools and turning the schools into high performing, supportive community schools. Judy Tschirgi is the Chair and Scott Gorden is the CEO of Mastery.

Mastery Schools of Camden, Inc. ("Mastery Camden"), a 501(c)(3) organization, is the newest branch of Mastery, opened in 2014 as a renaissance school project as approved and defined under the educational initiatives of the NJ Urban Hope Act. It currently operates an elementary school for 380 students in grades K-5 in two temporary locations, North Camden Elementary located at 800 Erie St. and Cramer Hill Elementary located at 1033 Cambridge Ave. Mastery Camden is in good standing with the NJ Department of Education.

The project will be occupied by Mastery Schools of Camden, Inc., a 501(c)(3) not-for-profit entity. The bonds are expected to be issued as Qualified School Construction Bonds pursuant to Section 54F of the Internal Revenue Code of 1986.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to construct a three-story, 85,000 sq. ft. school building on 3.9 acres of vacant land currently owned by the City of Camden Redevelopment Agency (CCRA). The Applicant and CCRA executed a redevelopment agreement for the site in February 2015. The new school will hold 750 students in grades K-8 and will include a gym, a digital library and a cafeteria with auditorium seating and outdoor space.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	\$24,248,000
Original Issue Discount	\$18,000,000
Engineering & architectural fees	\$4,849,000
Interest during construction	\$1,800,000
Land	\$628,000
Purchase of equipment & machinery	\$600,000
Legal fees	\$500,000
Finance fees	\$150,000

TOTAL COSTS

\$50,775,000

JOBS: At Application 48 Within 2 years 38 Maintained 0 Construction 224

PUBLIC HEARING: N/A

BOND COUNSEL: Chiesa, Shahinian & Giantomasi

DEVELOPMENT OFFICER: M. Piliere

APPROVAL OFFICER: T. Wells

LOANS/GRANTS/GUARANTEES

DIRECT LOAN PROGRAM

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - DIRECT LOAN PROGRAM**

APPLICANT: Community Loan Fund of New Jersey, Inc.

P40712

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 108 Church Street

New Brunswick City (T/UA) Middlesex

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

APPLICANT BACKGROUND:

Community Loan Fund of New Jersey, Inc. d/b/a New Jersey Community Capital ("NJCC") is a 501(c)(3) not-for-profit formed in 1987 to provide innovative financing and technical assistance to organizations that support housing and sustainable community development ventures that increase jobs, improve education and strengthen neighborhoods. NJCC is a Community Development Financial Institution. The Company's primary mission is to revitalize neighborhoods through flexible financing, technical assistance and consulting services.

The proceeds of this loan in conjunction with \$14 million in funding from foundations and financial institutions will provide capital support for the newly launched South Jersey Economic Initiative Fund ("SJEIF"). Through SJEIF, NJCC will provide flexible capital and capacity building efforts to catalyze economic growth and workforce development in low-income areas of Cumberland, Gloucester, Salem, and Atlantic Counties.

NJCC has an existing \$750,000 loan-to-lender (P#37473) that closed in October 2012 and a \$500,000 loan (P#37830) that closed in May 2013 to support NJCC's Rebuild program. In addition, the Authority approved a \$500,000 Economic Recovery Board grant in 2011 to provide lending capital to eligible business establishments in Camden for the purpose of energy efficiency and health and life safety improvements (the "Camden POWER Fund").

APPROVAL REQUEST:

Approval is requested for a \$1,000,000 Direct Loan as proposed.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: \$1,000,000

TERMS OF LOAN: Fixed for five years at the five-year US Treasury rate or 2.00%, whichever is higher, plus 50 basis point. Rate reset at the five year anniversary equal to the five-year US Treasury rate or 2.00%, whichever is higher, plus 50 basis points. Interest only payments for the first 5 years, then five years of principal and interest payments. The Loan will be disbursed in three (3) tranches with 1/3 funded at closing, followed by additional disbursements of 1/3 each once 75% of the previous tranche has been committed, provided that all funds have been committed within two (2) years of closing. 10 year term, 15 year amortization.

PROJECT COSTS:

Lending Equity	\$12,760,930
Predevelopment	\$1,679,070
Grants	\$560,000
TOTAL COSTS	\$15,000,000

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

DEVELOPMENT OFFICER: M. Piliere

APPROVAL OFFICER: T. Bossert

LOCAL DEVELOPMENT FINANCING FUND PROGRAM

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

APPLICANT: 3rd St Holdings, LLC

P40649

PROJECT USER(S): Pets First, Inc. *
Impact Design, Inc. *

* - indicates relation to applicant

PROJECT LOCATION: 248-256 3rd street Elizabeth City (T/UA) Union

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

APPLICANT BACKGROUND:

3rd Street Holdings, LLC is a recently formed entity which will own a 37,500 square foot industrial facility in Elizabeth. The building will be occupied by Pets First, Inc. and Impact Design, Inc. which are related to the applicant via common ownership. Founded in 2003, Pets First imports and wholesales pet clothing and accessories which are licensed from professional and amateur sports teams (principally NFL, MLB, NBA and NCAA). Products are sold through pet retailers, mass merchants, sporting goods stores, college book stores and specialty gift shops. Impact Design was founded in 1993 and operates as an importer of fashion accessories.

Pets First and Impact Design rent 25,000 square foot of space from related entity Virginia Street Holdings, LLC. NJEDA provided a \$396,875 loan which closed in July of 2008 (\$288,836 owed as of 4/22/15 with a 7/1/18 maturity) under P 20296 to assist in the purchase. This Elizabeth location and warehouse space in Tennessee will no longer be utilized as the new property will allow for expansion and consolidation.

APPROVAL REQUEST:

Approval is requested for a \$380,000 direct loan.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: \$380,000

TERMS OF LOAN: Fixed for five years at five year US Treasury or 2%, whichever is greater, plus 1.5% with a rate reset at similar index for another five years. 10 year term based on 20 year amortization.

PROJECT COSTS:

Acquisition of existing building	\$1,900,000
Finance fees	\$20,000
TOTAL COSTS	\$1,920,000

JOBS: At Application 20 Within 2 years 10 Maintained 0 Construction 0

DEVELOPMENT OFFICER: M. Athwal

APPROVAL OFFICER: M. Conte

PREMIER LENDER PROGRAM



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: May 15, 2015

SUBJECT: Atlantic Stewardship Bank

Request:

The Members are asked to approve the addition of Atlantic Stewardship Bank as a Premier Lender.

Background:

Stewardship Financial Corporation (“Corporation”) is a one-bank holding company, which was incorporated under the laws of the State of New Jersey in January of 1995 to serve as a holding company for Atlantic Stewardship Bank (“Bank”). The Corporation was organized at the direction of the Board of Directors of the Bank for the purposes of acquiring all of the capital stock of the Bank. Pursuant to the New Jersey Banking Act of 1948 and pursuant to the approval of the shareholders of the Bank, the Corporation acquired the Bank and became its holding company on November 22, 1996. The only significant activity of the Corporation is ownership and supervision of the Bank. The Bank is a commercial bank formed under the laws of the State of New Jersey on April 26, 1994. Throughout 2014 the Bank operated from its main office at 630 Godwin Avenue, Midland Park and its ten branches located in northern New Jersey. The Corporation is subject to the supervision and regulation of the Board of Governors of the Federal Reserve System (“FRS”). The Bank’s deposits are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to the applicable limits. The operations of the Corporation and the Bank are subject to the supervision and regulation of the FRS, the FDIC and the New Jersey Department of Banking and Insurance.

The Corporation, through the Bank, conducts a traditional commercial banking business, offers deposit services including personal and business checking accounts and time deposits, money market accounts and regular savings accounts. The Corporation structures the Bank’s specific products and services in a manner designed to attract the business of small and medium sized businesses and the professional community as well as those residing, working and shopping in

Bergen, Morris and Passaic counties. The Corporation engages in a wide range of lending activities and offers commercial, consumer, residential real estate, home equity and personal loans. In addition, in forming the Bank, the members of the Board of Directors envisioned a community-based institution which would serve the local communities surrounding its branches, while also providing a return to its shareholders. This vision has been reflected in the Bank's tithing policy, under which the Bank tithes 10% of its pre-tax profits to worthy Christian and civic organizations in communities where the Bank maintains its branch locations.

Atlantic Stewardship Bank and The Authority participated in one transition which closed in 2014 (\$3 million Bank loan and \$1 million direct EDA which refinanced another lender's mortgage to a car wash and auto service center). The Bank and EDA has had several discussions on specific loan projects over the past few years as well as meetings with staff to discuss EDA products and developing a working relationship. Also, the Bank has hired three employees (Credit Officer from TD Bank, EVP – Commercial Loan Division Manager from Provident Bank and VP/Loan Officer from TD Bank) over the past three years and these individuals have prior business experience with EDA. We believe these additional lenders' history and previous experience with the Authority will drive production between the Bank and EDA. The Bank is targeting loans in the \$1 million to \$5 million range across various industries. The majority of transactions consummated by the Bank are real estate secured (and are primarily owner occupied) although the Bank will also consider receivable financing and equipment financing. The Bank expects to complete three to five new deals with the NJEDA within the first year of Premier Lender status and is also exploring the possibility of purchasing EDA bond issues. Finally, Atlantic Stewardship Bank is an approved SBA lender, participating in all of the programs offered by the SBA.

The Corporation had total assets of \$693.6 million at FYE14. Main categories include; \$467.7 million of net loans, \$10.1 million in cash, and \$124 million in securities held for sale and \$55 million in securities held to maturity. Total loan portfolio rose 10% over FYE 13 and consisted of: residential real estate (16%), commercial real estate (60%), construction loans (0.8%), commercial business loans (16%), consumer loans (6%) and SBA guaranteed loans (1%). The Corporation continued its policy to sell the majority of its residential real estate loans in the secondary market, certain residential real estate loans were placed into the portfolio to partially compensate for payoffs and normal amortization. In FYE14, the Corporation had allowances for loan losses of \$9.6 million which compares to \$9.9 million one year prior as the current year reflects a negative \$50,000 provision and FYE13 recorded a \$3.77 million provision. Additionally there was \$1,385,000 in loans charged-off and \$1,122,000 in recoveries in FYE14. This compares to \$5,021,000 in loan charge-offs and \$520,000 in recoveries in FYE13. The majority of the loan portfolio is to residents and businesses located in northern New Jersey and the surrounding area. Nonaccrual loans were \$3,628,000 and past due loans \$3,694,000 at FYE14 which is a marked improvement over the \$10.2 million and \$8.5 million, respectively, reported one year prior. The Corporation had \$635 million of total liabilities at FYE14, with \$556 million of deposits on hand. At FYE14, there were \$78 million of other liabilities, which were primarily debt outstanding with the FHLB of \$67 million.

In 2014, the Corporation generated interest income of \$24.9 million (down 6% from prior year), interest expense of \$21.8 million, non-interest income of \$2.9 million, and posted net income of \$3.1 million. The net interest margin fell 8 basis points in 2014 reflective of the lower yields on assets due to a prolonged period of low interest rates. After dividends of \$683,000 (up \$50,000 from prior year) the net income available to common shareholders was \$2.4 million which compares favorably to the \$1.84 million reported the previous year. The Corporation's capital levels continue to remain strong with a Tier 1 leverage ratio of 9.04% and a total risk based capital of 14.78%, far exceeding the regulatory requirements of 4% and 8%, respectively, to be considered a "well capitalized" institution.

The Corporation has 6.1 million outstanding shares of common stock with a market value of \$33 million as of 4/30/15. The stock is publically traded on the Nasdaq Capital market.

The Bank provided their full credit policy manual for review and was consistent with the Authority's policies and procedures expectations. The policy manual addressed loan approval authorities, collateral, portfolio management, problem loan management, and risk rating guidelines. The Bank provided three underwriting samples for approved projects involving the extension of working capital and the purchase of real estate. Credit facilities of the projects financed (which all included SBA 504 companion loans) included a \$800,000 Bank loan to finance the purchase of a 27,500 square foot property in Irvington for a food wholesaler, a \$3.8 million Bank mortgage for a plumbing supply business to purchase a 144,000 square foot facility in Cranford and a \$1 million loan to buy a 15,000 square foot property on three acres in Mahwah for a landscaping business. The structure and risk profile of these specific credit facilities were reasonable and representative of what the Authority would consider in loan participation and/or guarantee. All underwriting samples contained a detailed analysis of the income statement, balance sheet, loan terms and conditions, business description, management experience and guarantor analysis. The Corporation has sold 15 participations totaling \$13 million in loan balances to seven lending institutions.

Recommendation

Approval of Atlantic Stewardship Bank as a Premier Lender is recommended.



Prepared by: Michael A. Conte, Senior Credit Underwriter

HAZARDOUS DISCHARGE SITE REMEDIATION FUND



MEMORANDUM

TO: Members of the Authority
FROM: Timothy Lizura
President/Chief Operating Officer
DATE: May 15, 2015
SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

The following municipal grant projects have been approved by the Department of Environmental Protection for grants to perform Remedial Action activities. The scope of work is described on the attached project summaries.

HDSRF Municipal Grants:

Township of Aberdeen (former South River Metals Products)	\$1,549,522
Township of Aberdeen (former South River Metals Products)	<u>\$ 766,408</u>

Total HDSRF Funding – May 2015 **\$2,315,930**

Prepared by: Kathy Junghans

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

APPLICANT: Township of Aberdeen (former South River Metals Prod) P41022

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

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

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

APPLICANT BACKGROUND:

The project site, identified as Block 39, Lot 1 is the former South River Metals Products facility which has potential environmental areas of concern (AOCs). The Township of Aberdeen owns the project site and has satisfied proof of site control. The project site is approximately 13 acres and will be subdivided into two parcels of which 70% will be redeveloped for affordable housing and 30% will be redeveloped for recreation and conservation. It is the Township's intent for this grant application to redevelop this portion of the project site for affordable housing.

According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 50% of the costs of Remedial Action (RA) for projects involving the redevelopment of contaminated property for affordable housing.

NJDEP has approved this request for RA grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A. The grant is awarded based on a calculation equal to 50% of the RA costs (\$1,549,522). The matching 50% (\$1,549,521) grant funds are being provided by RPM Development who is the designated developer for the project.

APPROVAL REQUEST:

The Township of Aberdeen is requesting a \$1,549,522 grant to perform RA at the former South River Metals Products project site. The Township is also requesting a \$766,408 grant on related application P41023 for RA activities supported by a recreation and conservation end use. Total funding for these approvals is \$2,315,930.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$1,549,522 (50% Matching Grant)

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	\$3,099,043
EDA administrative cost	\$500
TOTAL COSTS	\$3,099,543

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Township of Aberdeen (former South River Metals Prod) P41023
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 100 Church St. Aberdeen Township (N) Monmouth
GOVERNOR'S INITIATIVES: () Urban () Edison (X) Core () Clean Energy

APPLICANT BACKGROUND:

The project site, identified as Block 39, Lot 1 is the former South River Metals Products facility which has potential environmental areas of concern (AOCs). The Township of Aberdeen owns the project site and has satisfied proof of site control. The project site is approximately 13 acres and will be subdivided into two parcels of which 30% will be redeveloped for recreation and conservation and 70% will be redeveloped for affordable housing. It is the Township's intent for this grant application to redevelop this portion of the project site for recreation and conservation.

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

NJDEP has approved this request for RA grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A. The grant is awarded based on a calculation equal to 75% of the RA costs (\$766,408). The matching 25% (\$255,469) grant funds are being provided by RPM Development who is the designated developer for the project.

APPROVAL REQUEST:

The Township of Aberdeen is requesting a \$766,408 grant to perform RA at the former South River Metals Products project site. The Township is also requesting a \$1,549,522 grant on related application P41022 for RA activities supported by an affordable housing end use. Total funding for these approvals is \$2,315,930.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$766,408 (75% Matching Grant)

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	\$1,021,877
EDA administrative cost	\$500
TOTAL COSTS	<u><u>\$1,022,377</u></u>

APPROVAL OFFICER: K. Junghans

STRONGER NJ BUSINESS GRANT PROGRAM



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Melissa Orsen
Chief Executive Officer

DATE: May 15, 2015

SUBJECT: Stronger NJ Business Grant Program Appeal – Sandaway, LLC.

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 applicant has 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 one appeal: Sandaway, LLC. 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 Sandaway, LLC.

A handwritten signature in black ink, appearing to read 'Melissa Orsen', is written over a horizontal line.

Melissa Orsen

attachments



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

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

FROM: Dina Khmelnsky
Hearing Officer

DATE: May 15, 2015

SUBJECT: Stronger NJ Business Grant Program Appeals
Sandaway, LLC – 53651

Request:

The Members are asked to approve the Hearing Officers' recommendations to uphold the declination of the Stronger NJ Business Grant application for Sandaway, LLC. 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 Khmelnsky has fulfilled the role of Hearing Officer to review the following appeal and has completed the review with legal guidance from the Attorney General's Office.

The appeal has been reviewed and a letter has been sent to the 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.

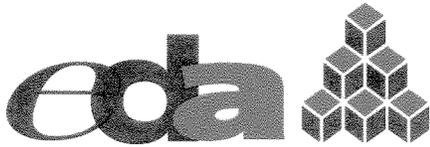
Based on the review of the appeals submitted by the applicants and the analysis prepared by the initial review team from the EDA, the Hearing Officer recommends the following:

Business Name	Reason for Decline	Discussion
Sandaway, LLC	Business does not project a gap in need.	Applicant's tax filing for 2013 failed to demonstrate an unmet need.

Recommendation:

As a result of careful consideration of the above appeal in consultation with the Attorney General's Office, the recommendation of the Hearing Officer is to uphold the declination of the Stronger NJ Grant application for Sandaway, LLC..

Prepared by: Dina Khmelnsky



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: May 15, 2015

SUBJECT: Extension of project completion deadline for the Stronger NJ Business Grant Program
For Information Only

The completion deadline for disbursements under the Stronger NJ Business Grant Program has been extended from May 13, 2015 to July 1, 2016. This extension is consistent with the extension of the completion deadline for eligible applicants under the Stronger NJ Business Loan Program, approved by the Board on April 14, 2015, as well as the Stronger New Jersey Community Revitalization Program Streetscape Revitalization and Development and Public Improvements Programs from December 31, 2015 to July 1, 2016 which was approved by the Board on February 26, 2015.

This extension, as with the Loan and NCR programs, will allow the EDA to best serve our applicants by providing sufficient time to complete disbursements within the deadline set by the U.S. Department of Housing and Urban Development.



Prepared by: Tara Whitham

**STRONGER NJ NEIGHBORHOOD & COMMUNITY
REVITALIZATION PROGRAM**

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: May 15, 2015

RE: Stronger NJ Neighborhood & Community Revitalization Program (NCR) – Development and Public Improvement (D&I) Projects – Irvington Township

Summary

The Members are requested to approve the Irvington Township application to the next phase of review under the Stronger NJ Neighborhood & Community Revitalization Program, Development and Public Improvement (NCR D&I).

Background

At the October 14, 2014 Board Meeting, the Members approved a total of twelve NCR applications to the next phase of review under the NCR Program. At that time, the Board also approved the declination of three applications that did not qualify for the program. The memorandum (attached) also informed the Board that Irvington Township's application was not recommended to proceed to the next phase of review because it was outranked in the scoring process with a final score of 35.

Irvington Township appealed this decision and the application was re-evaluated by an appointed Hearing Officer as per the NCR D&I Guidelines. The appointed Hearing Officer determined that Irvington Township should be scored differently for the criteria of "Applicant Experience" – wherein the Township is scored on its experience in completing projects of similar size and scope within the last five years. The Hearing Officer determined that Irvington should be awarded the maximum score of 5 points, rather than the score of 0 originally allotted, as supported by the applicant's documentation that Irvington undertakes a project of similar size, requiring similar or greater resources, at least once a year. Additionally, the applicant provided a list of nine projects that were either recently completed or currently in progress to support this conclusion.

This additional 5 points would bring the Irvington Township project to a total of 40 points, thereby making it eligible to move to the next phase of review. Staff has also determined that

funding is available for this project without impacting projects that have been approved previously. The project is summarized below:

Irvington Township – Parking Structure Renovation

Project Type: Catalytic

Funding Type: Grant

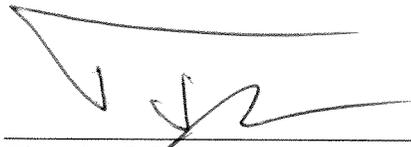
Award Amount: \$371,659

The proposed project would install safety upgrades and other physical improvements such as connections to mass transit and place making efforts that would bolster commerce and quality of life. The project area is near the heart of the business district and contains a considerable residential element. The project is located within .2 miles of three public housing developments and calls for the creation of safe and aesthetically appealing spaces that will facilitate commerce, increase tax revenue, and improve viability of neighborhoods in which affordable housing is located.

If approved by the Members, notification will be sent to Irvington Township. If the applicant continues to meet all the CDBG-DR eligibility requirements, it will be deemed approved and will be required to execute a Subrecipient Agreement, Grant or Loan Agreement (as appropriate for the applicant type), which will outline the continuing obligations of the applicant.

Recommendation

The Board is requested to approve the Irvington Township application to the next phase of review under the Stronger NJ Neighborhood & Community Revitalization Program, Development and Public Improvement.



Timothy J. Lizura
President/Chief Operating Officer

Attachment

Prepared by: Kim Ehrlich



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: October 14, 2014

RE: Stronger NJ Neighborhood & Community Revitalization Program (NCR) – Development and Public Improvement (D&I) Projects - Round Two and Three Recommendations

Summary

The Members are requested to approve five (5) applications from Round Two and seven (7) applications from Round Three for a total of twelve (12) applications to the next phase of review under the Stronger NJ Neighborhood & Community Revitalization Program, Development and Public Improvement (NCR D&I). The members are also requested to reject three (3) applications that did not meet federal Community Block Grant-Disaster Assistance (CDBG-DR) or NCR D&I program requirements.

Background

On August 27, 2013 the Members approved the Stronger NJ Neighborhood and Community Revitalization (NCR) Program, utilizing \$65 Million in CDBG-DR funds. The program is comprised of three funding components; \$2.5 million for Community Development Financial Institution (CDFI) projects, \$10 million for Streetscape Improvement projects and \$52.5 million for Development and Public Improvement (D&I) projects.

The NCR D&I component launched September 1, 2013, funds four (4) types of projects - Catalytic, Transformative Neighborhood, Recreation, Culture and Park Land Amenities, and Innovation.

Approved projects are eligible for awards up to \$10 Million in combined grants, loans and forgivable loans as outlined in the Guide to Program Funds (“NCR Guide”).

On September 18, 2013 the members allocated \$5 Million to Seaside Heights and Seaside Park to aid in the demolition of the fire-damaged boardwalk. This left \$47.5 Million in available funding.

On February 24, 2014 the members approved the EDA's request to clarify the D&I review process and to incorporate scoring in response to the overwhelming unanticipated program interest; as of February 24, 2014 over 80 Intake Forms requesting in excess of \$280 Million had been received. In accordance with the NCR Guide and further detailed in the February 24, 2014 Board Memo, projects with Intake Forms submitted during the initial six-week period and that were located in a Low Moderate Income "LMI" census tract or satisfied a National Objective of LMI Area Benefit or LMI Employment were given priority consideration for the first round of funding.

During the Round One evaluation, staff reviewed the project types, and associated funding mechanisms outlined in the NCR Guide, and determined into which categories - Catalytic, Transformative Neighborhood, Recreation, Culture and Park Land Amenities, and Innovation - each project best fit for the purposes of this program. Because the description of a Catalytic project in the NCR Guide explicitly references health and safety services, and contributing to neighborhood stability, public facilities that provide municipal services have been determined to meet the requirements of the Catalytic project category. Because the description of a Recreation, Cultural and Park Land Amenities project in the NCR Guide explicitly references recreational structures and community facilities used by the public, public projects which provide facilities for a variety of community uses have been determined to meet the requirements of the Neighborhood, Recreation, Culture and Park Land Amenities project category.

In the February 24 board memorandum, there was also a requirement that public applicants in a municipality work together to prioritize all projects that they have submitted under NCR, including Streetscape, with the understanding that EDA will not award more than two projects to all public applicants in any single municipality. Staff has determined, for the purpose of ensuring the fair distribution of limited funds, that public applicants are defined as a municipality or public redevelopment agency, or any other applicant which will transfer the project to a municipal entity upon completion. In these instances, as approved by the Board, the public applicants have been requested to select no more than two (2) projects to move forward for consideration.

Pursuant to the evaluation process outlined in the February 24, 2014 memo, applicants who provided Intake Forms during the initial six weeks and that represented that the project met LMI requirements were asked to submit an application packet and supporting documentation. Of the 44 applicants noticed, 19 responded with application packets by the March 12, 2014 deadline. The other 24 dropped out of the program because they did not respond.

On June 10, 2014, the Board approved staff's recommendation to advance seven (7) projects, totaling \$26,190,629, to the next phase of the review process which is the CDBG-DR required environmental historical reviews, and have been submitted to the NJ Department of Environmental Protection (NJDEP), along with one project from Round One that was automatically a candidate for Round Two as it scored enough points, but was not located in an LMI eligible community. Pending funding availability, seven other Round One applicants were advanced to Round Three, as they did not meet the minimum score of 65 that was required for Round One and Round Two.

As illustrated in the attached matrix, five (5) projects were determined by the evaluation committee to have met all threshold criteria and are potentially eligible for funding under Round Two and given the current funding availability, up to seven (7) projects are potentially eligible under Round Three.

The five (5) projects eligible for Round Two funding, briefly described below, submitted requests totaling \$9,368,245 and satisfied the following criteria: 1) received a minimum required score of 65 under the evaluative criteria; and 2) underwent an underwriting evaluation to confirm financial viability. They were additionally deemed compliant with all requirements outlined in the NCR Guide to Program Funding and also meet the technical requirements of the federal CDBG-DR. This allows these projects to move into the next phase of the approval process, which will include environmental and historical review by the NJDEP.

Point Pleasant Packaging, Inc- Fisherman's Landing, Point Pleasant

Project Type: Catalytic

Funding Type: 25% Forgivable Loan

Award Amount: \$2,874,130

The Fisherman's Landing Project will redevelop and rebrand an entire working neighborhood for the benefit of the local community while providing a year-round tourism destination that will serve the entire region. There are more than 3.5 million residents who live within a 60 minute drive of this project and millions of additional summer visitors from New York, Philadelphia and beyond. Specifically, this project will contribute to the economic growth of Point Pleasant Beach and the entire Ocean County and Monmouth County area by providing a new year-round destination for the public. After this initial phase is completed, it is projected that when completed, this multi-phased project will create a total of more than 325 long term employment opportunities, along with at least 100 construction jobs for skilled trained workers. Given the nature of the work planned, many of the long-term jobs to be created will be available for low and moderate income people.

Brigantine Beach Access, Brigantine

Project Type: Recreation, Cultural and Park Land Amenities

Funding Type: Grant

Award Amount: \$805,000

The project includes dune path restoration to include ten walkways from Vernon Place to 10th Street South inclusive. The scope will include the installation of gravel and split rail fencing to delineate the path and protect the dune system. This work will provide easier ADA accessible paths for the general public as well as fortify the dune system for greater protection from coastal storms. In addition, drainage improvements will be completed at 4th Street South and the beach. The scope includes the installation of perforated pipe and inlets.

Brigantine Boat Ramp, Brigantine

Project Type: Recreation, Cultural and Park Land Amenities

Funding Type: Grant

Award Amount: \$689,115

This project includes the improvement of the Brigantine Boat Ramp, elevating the boat ramp apron and Bayshore Avenue and supportive drainage infrastructure. More specifically, included is water proofing of the boat ramp by installing flood gates to protect this important recreational amenity. The floating dock that was damaged by Superstorm Sandy will also be replaced. A pump station and emergency generator to service the stormwater needs of this low and moderate income qualified neighborhood is also included along with associated drainage improvements. Finally, drainage improvements are also planned at 8th Street South from West Beach Avenue to Georgia Place.

Cape May- Lafayette Park, Cape May

Project Type: Recreation, Cultural and Park Land Amenities

Funding Type: Grant

Award Amount: \$1,500,000

The Lafayette Street Park site is located adjacent to tidal wetlands of Cape Island Creek. The site is subject to flooding during storm events. The conceptual design for this park takes into account the adjacent tidal wetlands and creates an aesthetically pleasing, comprehensive recreation complex that incorporates sustainable practices and highlights the unique ecological areas of the site. Since Cape May Elementary School forms the north boundary of the park, a goal of this project is to infuse environmental education and an idea of stewardship into the design that can be built upon by the children and year-round residents, as well as visitors. Phase 1 includes 13 acres of active recreational space on Block 1061, Lot 54. Phase 1 focuses on the reconstruction and modification of the Dellas Little League Baseball/Softball Field; installation of a picnic grove area; and design and construction of a multi-purpose athletic field and practice baseball field with lighting and irrigation systems. The Dellas Little League Baseball/Softball field will be redesigned to accommodate youth and adult baseball/softball activities with the provision of updated dugouts, refreshment stand, bleacher seating, lighting system, water fountain, and a grassy incline beyond the outfield which will accommodate relaxing fans and disguise the entire

park's storage areas underneath the incline. The picnic grove area will be situated between the rejuvenated and expanded Dellas Field and the new multipurpose athletic field and practice baseball field.

Beach Haven- Town Hall, Beach Haven

Project Type: Catalytic

Funding Type: 25% Forgivable Loan

Award Amount: \$3,500,000

This project did not meet the priority Round One criteria of being located in a Low Moderate Income "LMI" census tract or of satisfying a National Objective of LMI Area Benefit or LMI Employment, but did meet the minimum score of 65 required to move forward into Round Two. The purpose of this project is to demolish and reconstruct the storm damaged Borough Hall and add the Police Department to this more resilient structure located at 300 Engleside Avenue in Beach Haven. The building is approximately 6,780 SF, employs 30 people and is the cornerstone for the downtown area. The total project cost is \$5 million dollars and the Borough is seeking NCR funding in the amount of \$3.5 million dollars. The existing building is a multi-level brick and mortar structure which was built in 1974/1975. The site is fully developed and is also the site of the Borough's Water Treatment Plant, elevated water tank and Police Department. Minimal Public Works parking is available onsite and the majority of employees utilize the abundant number of on-street parking spaces. Since this location is in the core of the downtown area, many residents walk to this location.

As previously stated, there are currently sufficient funds available in the amount of \$11,941,126, to participate in the funding of up to seven (7) projects for Round Three. The seventh project is a project that has the ability to be phased which could utilize the remaining funding up to the full project costs of \$4,503,135. If there are excess funds available after the seventh project is fully funded or if other applicants rescind their funding request, the next ranking project(s) would be offered funding, pending continued eligibility. The seven projects eligible for Round Three funding, briefly described below underwent an underwriting evaluation to confirm financial viability. They were additionally deemed compliant with all requirements outlined in the NCR Guide to Program Funding and also meet the technical requirements of the federal CDBG-DR. This allows these projects to move into the next phase of the approval process, which will include environmental and historical reviews by NJDEP.

Township of Lacey- Beach Bayfront Park, Lacey Township

Project Type: Recreation, Cultural and Park Land Amenities

Funding Type: Grant

Award Amount: \$1,411,101

The Township of Lacey proposes the repair and reconstruction of municipally owned Forked River Beach Bayfront Park, located at Block 200, Lot 1, on Beach Boulevard. Superstorm Sandy caused significant damage to the Park, including totally removing the Park's gazebo, damaging

the Park's playground and benches, displacing rip rap, and spreading debris across the Park's lawns. Since the storm, Lacey has removed most of the debris and the damaged playground. The proposed project would involve redesigning the Park layout and installing a new playground, gazebo, parking lot, and pedestrian paths.

Somers Point- Gateway Playhouse, Somers Point

Project Type: Recreational, Cultural and Park Land Amenities

Funding Type: Grant

Award Amount: \$400,000

In 2006, the City purchased The Gateway Playhouse and Theater Collaborative of South Jersey, a non-profit, was formed to rebuild and eventually managed the theater. Funding was requested to complete essential renovations to this existing theater and to make improvements that will make the building more resilient from future storms. This building was inundated with water during Superstorm Sandy. When completed the theater will be used for performing arts, musicals, concerts, hospital and school assemblies and community events.

Borough of Tuckerton- South Green Street Playground, Tuckerton

Project Type: Recreational, Cultural and Park Land Amenities

Funding Type: Grant

Award Amount: \$1,444,987

The South Green Street Playground was flooded and the equipment was destroyed. The restroom sustained 3 feet of interior flood water, the frame was damaged and high winds damaged the roof. Shingles on the roof of the gazebos were torn off. Moving flood waters destroyed guide rail fencing surrounding the park and all of the park lighting and signage were destroyed by high winds. This Recreation, Cultural and Parkland Amenities project will rebuild, reinforce and revitalize the South Green Street Park following its destruction by Hurricane Sandy. The land is owned by the Borough of Tuckerton. Tuckerton Public Works controls the site and the Tuckerton Police Department will handle security during construction. The new park will incorporate recycled material into the playground equipment and the new garbage system will feature an improved recycling program. The principal resiliency components of this project include new mobile public restrooms, including one male, one female, and one handicap accessible restroom, to replace the former permanent restrooms destroyed in the storm, and a new vinyl non-polluting bulkhead to reinforce and harden the waterfront of the park and protect the new boat ramp. Several other repairs and improved public amenities are planned for the park and surrounding bulkhead area.

Beach Haven- Emergency Operations Center, Beach Haven

Project Type: Catalytic

Funding Type: 25% Forgivable Loan

Award Amount: \$1,500,000

The Emergency Operations Center/Coast Guard Building is located on Long Beach Island and situated on a lagoon front parcel of land. The building suffered flood damage from Sandy on the first level. Due to extensive damage to other critical infrastructure in town, such as the Municipal Building, all Borough Services have been moved to this building until funding is obtained for the restoration of those other structures. At the current time, this building is functioning in the capacity of Emergency Operations Center, Coast Guard Building and Borough Hall. The proposed rehabilitation of this building is critical in reestablishing the community service base and also ensuring the health and safety of residents and employees that use this building each day. The building is located in an area of town that is centrally located and since Beach Haven is a walking and biking friendly town, the center is frequented often by residents for neighborhood events, meetings, etc. The planned improvements include new siding, windows, flood proof entry doors, re-grading of the parking lot, demolition of the existing wooden staircases and construction of new entry stairs and platform on the north and west sides of the building as well as the installation of an elevator so ensure the building is ADA compliant.

Carlstadt Drainage & Infrastructure Improvements, Carlstadt

Project Type: Catalytic

Funding Type: 100% Forgivable Loan

Award Amount: \$4,987,790

The Borough of Carlstadt suffered severe flooding of the industrial area due to the storm and various roadways have been identified that will require reconstruction. The Borough owned drainage system was also substantially damaged due to storm surcharge and flooding. Stormwater runoff surcharged the stormwater conveyance system, which damage is irreparable. The Borough must reconstruct various outfalls and install backflow preventers/check valves in order to mitigate future occurrences.

Keyport Historical Society, Keyport

Project Type: Recreational, Cultural and Park Land Amenities

Funding Type: Grant

Award Amount: \$323,000

The Keyport Historical Society's museum sustained total destruction from the Superstorm and the land that the museum stood on is no longer able to permit the building of a new facility on that site. The acquisition of a property will become the Keyport Historical Society's new Museum. There will be construction required in order to bring the structure in compliance with the Americans with Disabilities Act.

City of Elizabeth- Bridge Street to Broad Street, Elizabeth

Project Type: Recreational, Cultural and Park Land Amenities

Funding Type: Grant

Award Amount: up to \$4,503,135, pending availability- currently estimated to be \$1,874,248

Elizabeth River Trail combines active and passive components into a unique recreational and transportation thoroughway along the Elizabeth River. This space encourages physical activities such as biking, walking and running. The trail will include benches, lighting, signs and garbage receptacles along the proposed paved route. Project components support Elizabeth's Go Green initiatives, preserve open space and incorporate eco-friendly components. Green standards, such as sustainable plants, materials, efficient lighting and rain catchment/harvesting systems are also anticipated to be included in the project. Installation of bike racks will enable residents and visitors to also integrate modes of transportation. (NOTE: Project will be phased as funding is available)

Of the remaining applicants, the following were not recommended to proceed to the next phase of review for the following reasons:

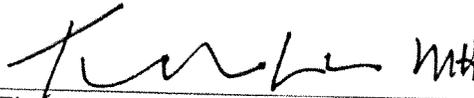
1. City of Irvington was outranked in the scoring process.
2. Borough of Ridgefield was outranked in the scoring process.
3. Belleville was outranked in the scoring process.
4. Borough of Wood-Ridge was outranked in the scoring process.
5. Four J Developers was deemed ineligible because it does not meet credit underwriting requirements.
6. Cape May County Wayfinding was declared ineligible because it does not meet a CDBG-DR National Objective as the project is the placement of new signs which did not exist prior to the storm and there was no damage to existing signs, and the placement of the signs does not provide a significant contribution to the economic revitalization to the area.
7. Camden Hotel Development was deemed non-responsive

If approved by the members, notification will be sent to the twelve (12) applicants whose projects are proceeding to the next phase of review. If these applicants continue to meet all the CDBG-DR requirements they will be deemed approved and will be required to execute a Subrecipient Agreement, Grant or Loan Agreement (as appropriate for applicant type) which outlines the continuing obligations of the applicant.

The one (1) applicant deemed non-responsive, the two (2) applicants that did not meet federal program requirements, and the four (4) projects that were outranked will be notified of the Board's action and have the right to appeal pursuant to the process adopted by the Board on August 27, 2013.

Recommendation

The Board is requested to approve five (5) applications from Round Two and seven (7) applications from Round Three for a total of twelve (12) projects to advance to the next phase of the NCR D&I process, which includes, but is not limited to, compliance with environmental and final NCR D&I and CDBG-DR eligibility determinations. The members are also requested to reject the one (1) non-responsive application and two (2) applications that did not meet NCR D&I and CDBG-DR requirements.



Timothy J. Lizura
President/Chief Operating Officer

Attachment
Prepared by: Paul Ceppi

BOARD MEMORANDUMS



MEMORANDUM

TO: Members of the Authority

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

DATE: May 15, 2015

SUBJECT: Goodmill, LLC
Millville, New Jersey
\$22,500,000 New Market Tax Credit (NMTC) loan - P16938

Request:

Consent to a seven (7) month maturity extension on the NMTC loan from September 1, 2015 to April 1, 2016 to coincide with the maturity of the first mortgage loan.

It is contemplated that EDA will be asked to participate in the restructured transaction. Any request for our participation in a new loan, or any extensions of maturity on this loan beyond the 7 months being requested herein will require a full analysis and board approval.

Background:

Goodmill, LLC operates the 527,000 sq. ft. Union Lake Shopping Center (“Center”) a leading regional shopping center in Millville, NJ. Currently 35 tenants occupy the site including; Target, Kohls, Shop Rite, Buffalo Wild Wings & Pier One. The developer, Goodman Properties, was founded in 1985 by Bruce Goodman, a prominent developer in Pennsylvania who owns over 130 investment properties.

In 2006, the Authority provided a \$22.5 million NMTC loan to the borrower to supplement a \$57 million loan from MidFirst Bank and \$8 million in equity to fund construction and permanent financing for the project.

Due to current real estate market conditions, the Center has not been able to achieve the revenue stream originally expected. While the Center is 96% occupied, several tenants have demanded rent concessions and/or reduced store sizes, resulting in reduced cash flow. As a result, the borrower has advised that they will not be able to repay the entire \$22.5 million NMTC loan when it balloons in September 2015.

As such, the borrower has requested a temporary extension of the NMTC loan to April 1, 2016, to match MidFirst Bank’s maturity date. By aligning the maturity dates, the borrower will be able to refinance and restructure the project debt simultaneously, and avoid paying an approximately \$2 million prepayment penalty that is required under the existing senior loan. As cited above, it is expected that EDA will be asked to retain a portion of its current credit exposure when the borrower refinances the senior loan next year. Any request to remain in a restructured request will require a separate modification, associated fees and a board approval.

Recommendation:

Consent to a temporary maturity extension on the NMTC loan until April 1, 2016 to coincide with the first mortgage balloon maturity to avoid a large prepayment penalty as well as allow time to develop a long term restructure plan.

Prepared by: Mansi Naik



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

DATE: May 15, 2015

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

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

NJ Main Street Program:

- 1) Millville Rescue Squad (P40723), located in Millville City, Cumberland County, was founded in 1958 to provide emergency and non-emergency medical transportation and rescue services to Millville and the surrounding areas. MRS has a reported staff of 189 trained personnel and volunteers, making it one of the largest non-profit rescue squads in South Jersey and is accredited by the Commission on the Accreditation of Ambulance Services. Susquehanna Bank approved a \$1,250,000 working capital line of credit contingent upon a 28% guarantee of principal outstanding, not to exceed \$350,000.

Petroleum Underground Storage Tank Program:

- 1) Estate of Dorothy Y. Trombold (P39927) is located in Haddonfield Borough, Camden County. The Applicant was approved in 2013 for an \$83,565.65 PUST loan for removal of a leaking underground storage tank and related site remediation. A supplemental request was made for further site remediation. NJDEP reviewed this and determined that these additional costs were technically eligible for financing through the PUST program. The Estate was approved for a further \$1,587.89 term loan to be used for remediation costs.

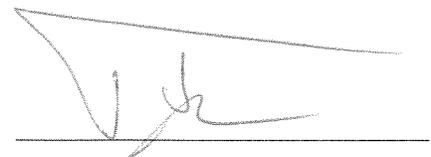
Premier Lender Program:

- 1) 125 Halsey Road LLC and Farmplast, LLC (P40567) are located in Parsippany-Troy Hills Township, Morris County. 125 East Halsey Road LLC is the real estate holding company formed to purchase the project property. The operating company, Farmplast, LLC, was established in 2007 to manufacture plastic milk crates for the dairy industry with distribution throughout the United States. Two River Community Bank approved a \$3,958,500 loan contingent upon a 45.05% (\$1,783,500) Authority participation. Proceeds will be used to purchase a commercial property. Currently, the Company has eight employees and plans to create nineteen additional positions within the next two years.

- 2) Alisha and Aryan Realty, LLC (P40614), located in South Brunswick Township, Middlesex County, is a recently formed real estate holding company for the operating company, SLT Foods, Inc., which is related by common ownership. SLT Foods, Inc. is an importer of basmati rice, tea, lentils, coconut water, dabur herbal products and other ethnic food products which are distributed to wholesale clubs, grocery stores and other food distributors. SLT Foods, Inc. rents warehouse space in Canada, Edison, California and Texas. The space in Edison will be discontinued and their office staff will relocate to the new site in South Brunswick. Santander Bank approved a \$4,694,760 bank loan contingent upon a 32% (\$1,500,000) Authority participation. Proceeds will be used to purchase a commercial property. The Company currently has nine employees and plans to create 21 new jobs within the next two years.

Stronger NJ Business Loan Program:

- 1) Auricle Communications (P40710 & P40234), located in Jersey City, Hudson County, is a non-profit FM radio station that specializes in non-commercial educational broadcasting. Headquartered in Jersey City, the station has been in operation for over 22 years broadcasting throughout Bergen, Essex, Hudson, Middlesex, Morris, Passaic, Sussex and Union Counties. Revenues are generated by listener donations, government grants and contributors, fundraisers and gifts. The financial review for a \$346,154 construction loan, of which the first \$50,000 is forgivable, has been completed. Final approval is subject to a satisfactory DEP review. The purpose of the loan is to finance renovations and expansion of the existing place of business damaged by Superstorm Sandy. Currently, the Company has seven employees.
- 2) Brown's Boat Yard, Inc. (P39316 & P40576), located in Sayreville Borough, Middlesex County, was founded in 1958 as a family owned marina based in South Amboy, NJ. The Company offers year-round storage, service and repairs and their summer season runs from May through November of each year. Winter services include hauling, power washing and blocking. The financial review for a \$79,702 construction loan has been completed. Final approval is subject to a satisfactory DEP review. The Company was also approved for a \$270,215 working capital loan to reimburse working capital expenses incurred after Superstorm Sandy, including rent and utilities, inventory and payroll.
- 3) Gateway Marina, Inc. (P39514 & P39723), located in Highland Borough, Monmouth County, was incorporated in 1975 and has been owned and operated by the same family for three generations. The Company has 35 wet slips and floating docks, piers and racking storage systems and provides services such as shrink wrapping boats for storage and machine and engine shops for its customers. The Company was approved for a \$700,000 working capital loan and a \$50,000 forgivable loan to reimburse working capital expenses incurred after Superstorm Sandy.
- 4) Pastore Music Inc. (P39625), located in Union City, Hudson County, was incorporated in 1963, as a family owned business with three generations of Pastores serving its customer in Union City. The Company sells instruments, custom guitars, and recording and performing equipment and offers service and repairs in addition to music lessons. The Company was approved for a \$556,058 working capital loan to reimburse working capital expenses incurred after Superstorm Sandy.



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AUTHORITY MATTERS



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President & Chief Operating Officer

DATE: May 15, 2015

RE: Marketing Consulting Services

Request

The Members are requested to approve entering into a contract with Princeton Partners, Inc. of Princeton, N.J. to provide marketing consulting services to the New Jersey Economic Development Authority (“Authority”).

The contract award is based on an estimated annual marketing budget of four hundred thousand (\$400,000) dollars to encompass creative development, production, media planning and placement, and management of subcontractor services (if necessary), needed to complete the scope of the Marketing Consulting Services contract.

The contract provides for an initial one (1) year term, and allows for three (3) one (1) year extension options, to be exercised at the sole discretion of the Authority at the same prices, terms and conditions based on the Board-approved contract award for the respective extension year.

Background

In 2011, EDA entered into a Marketing Services contract allowing the Authority to focus on its financing role as part of the New Jersey Partnership for Action by developing a targeted marketing and communications approach designed to reach small businesses, banks, and economic development organizations, while supporting the overall State marketing strategy of the New Jersey Partnership for Action. The current RFP/Q was issued with a similar objective of building upon and enhancing the Authority’s outreach to its key audiences while continuing to support the New Jersey Partnership for Action.

The New Jersey Partnership for Action works cooperatively to market the State’s economic development, business assistance and job creation programs. Each organization in the Partnership focuses on separate and distinct areas of the overall State business assistance strategy, but the Partnership meets regularly to ensure that resources are utilized in the most efficient manner possible while achieving maximum synergies. Choose New Jersey promotes the strategic advantages of New Jersey such as the highly educated workforce and advantageous

geographic location, as well as the State's large-scale job creation and retention incentive programs. The Business Action Center's (BAC) messaging focuses on marketing BAC as a "one-stop" shop for the business community, applying a proactive, customer-service approach to interactions between businesses and State government, while providing businesses support with regulatory assistance and navigating red-tape. EDA's marketing efforts are focused primarily in targeting small to mid-sized businesses that are in need of financing, while highlighting banking partnerships which provide added benefits to the EDA's small business lending programs.

RFP/Q for Sales Support and Communications Tools Consulting Services

The Authority issued a Request for Qualifications/Proposals (RFP/Q) on February 12, 2015 for Marketing Consulting Services.

This RFP/Q was advertised, posted to the Authority's website and the State Business Portal and distributed to potentially interested Bidders, via broadcast email. A mandatory pre-bid conference was held on February 20, 2015 during which the specifications were reviewed with interested Bidders and questions and answers were addressed and documented. In response to this solicitation, five (5) proposals were received by the stated deadline, March 17, 2015. All of the proposals were determined to be responsive.

An evaluation committee ("the Committee") comprised of the Senior Vice President of Strategic Partnerships, Senior Vice President of Finance & Development, Director of Governance & Communications, the Marketing Officer, and a non-voting Subject Matter Expert (the Director of Marketing for the Business Action Center) then reviewed and preliminarily scored the five (5) responsive proposals. Of the five (5) Proposers, only one (1) achieved the requisite preliminary score of "3" representing a rating of "Good", as indicated in the RFQ/P language. Subsequently, the Committee met with -, and, subsequently interviewed one (1) of the Proposers on May 5, 2015. Following the interviews, Committee members undertook final scoring and ranking.

As part of its review and evaluation of the proposals, the Evaluation Committee considered a group of pre-established evaluation criteria, published in the RFQ/P which included multiple factors which were established in the RFP/Q, including creative submissions, documented experience in successfully completing contracts of similar scope, documentation of quality infrastructure and process controls, qualifications, and experience of the management and staff, among other factors.

Based on a thorough review of proposals, the Committee recommends the selection of Princeton Partners, Inc.. Price and other factors considered, Princeton Partners, Inc. demonstrated the necessary experience and understanding of the Authority's message and target audience to undertake the Marketing Consulting Services contract with stringent quality controls to ensure efforts are leveraged effectively. Based on a scoring of "1" through "5" with "1" representing "Poor" and "5" representing "Excellent"; Princeton Partners, Inc. received an overall score of 4.09. The Evaluation Committee Summary matrix form is attached.

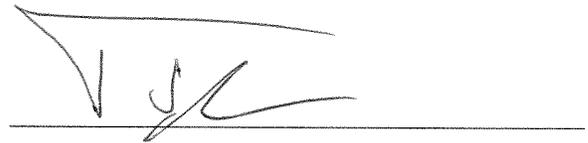
Process, Budget and Payment

The up to \$400,000 contract award will be expended on a project-by-project basis. Based on the proposal submitted by the vendor, the contract year media planning services and media placement costs are estimated to be approximately \$237,805. The remaining estimated \$162,195 will be utilized by the vendor on a project-by-project basis including, but not limited to, media production and purchases such as collateral printing, print and Internet advertising, and social media.

The vendor shall bill the Authority for subcontractors and other third party entities for actual core production/media costs, without additional mark-up fees, as required by the RFP/Q. Actual costs will be based on project-by-project scopes of work to be issued and monitored by the Marketing Officer.

Recommendation

The Members' approval is requested to enter into one (1) year contract with three (3) one (1) year extension options, to be exercised at the sole discretion of the Authority, at the same prices, terms and conditions, with Princeton Partners, Inc., to provide these Marketing Consulting Services. The contract award is based on an estimated annual marketing budget of \$400,000. Pricing, as indicated in Princeton Partners, Inc.'s 'Fee Schedule – Hourly Rates' shall remain firm throughout the term of the contract, and any extensions, thereto. The contract also allows for the scope of work and budget allocation to be reduced at any time at the sole discretion of the Authority. The final contract will be subject to the approval of the Chief Executive Officer and the Attorney General's Office.

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Prepared by: Pat Rose