

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

June 9, 2015

Waterfront Technology Center, Camden, NJ

MINUTES OF THE MEETING

Members of the Authority present: Al Koepp, Chairman; Steve Petrecca representing State Treasurer Andrew Sidamon-Eristoff; 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, David R. Huber; First Alternate Public Member; William J. Albanese, Sr.; Patrick Delle Cava, Second Alternate Public Member; Harold Imperatore, Third Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Members of the Authority present via conference call: Commissioner Hal Wirths of the Department of Labor and Workforce Development; and Patrick Mullen representing the Commissioner of the Department of Banking and Insurance; and Public Members Charles Sarlo and Massiel Medina Ferrara.

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 May 15, 2015 regular minutes, and the May 29, 2015 special Meeting minutes. A motion was made to approve the minutes by Mr. Albanese, seconded by Mr. McNamara, and was approved by the 16 voting members present.

Chairman Koepp read a proclamation congratulating Margie Piliere on her retirement after 26 years of service to the Economic Development Authority.

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

INCENTIVE PROGRAMS

ITEM: Adoption of Rule Amendments – Economic Opportunity Act of 2014, Part 3
This matter was withheld from consideration.

ITEM: Revisions to Incentive Programs

Proposed Rule Amendments – Grow NJ/Atlantic City

REQUEST: To approve proposed rule amendments revising the Grow New Jersey Assistance (Grow NJ) Program to clarify the administration of certain statutory elements that pertain to Atlantic City, including the concept of a tourism destination project, and the definition of a “retained full-time job.”

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 16

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: Grow New Jersey Program

Revision to Methodology for Due Diligence on Certain Projects in Excess of \$4,000,000/year

REQUEST: To approve a revision to existing policy to use an internal rate of return analysis to determine the amount necessary to complete a tourism destination project, associated with a casino, that applies for tax credits in excess of \$4,000,000/year.

MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. Downes **AYES:** 16

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Economic Redevelopment and Growth Grant Program

ITEM: GS FC Jersey City Pep 1 Urban Renewal, LLC

APPL.#40590

REQUEST: To approve the application of GS FC Jersey City Pep 1 Urban Renewal, LLC for a project located in Jersey City, Hudson County for the issuance of tax credits. The recommendation is to award 19.64% of actual eligible costs, not to exceed \$40,000,000, in tax credits, based on the budget submitted.

MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. Downes **AYES:** 16

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

ITEM: North 25 Urban Renewal Preservation, LP

APPL.#40265

REQUEST: To approve the application of North 25 Urban Renewal Preservation, LP for a project located in Trenton, Mercer County for the issuance of tax credits. The recommendation is to give up to 40% of actual eligible costs, not to exceed \$8,820,974, in tax credits, based on the budget submitted.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 16

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ITEM: Prospect Park Apartments Urban Renewal, LLC APPL.#40552
REQUEST: To approve the application of Prospect Park Apartments Urban Renewal, LLC for a project located in East Orange, Essex County for the issuance of tax credits. The recommendation is to give up to 30% of actual eligible costs, not to exceed \$7,977,055, in tax credits, based on the budget submitted.
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5
Mr. Alagia recused himself because Essex County has invested in the properties.

Grow New Jersey Assistance Program

ITEM: Adare Pharmaceuticals, Inc. APPL.#41048
REQUEST: To approve the application of Adare Pharmaceuticals, Inc. for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Lawrence Township, NJ. Project location of Lawrence Township in Mercer County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Jobs with Salary in Excess of County Average and Targeted Industry (Life Sciences). The estimated annual award is \$190,000 for a 10-year term.
MOTION TO APPROVE: Mr. Petrecca **SECOND:** Mr. Downes **AYES:** 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: American Water Works Company, Inc. APPL.#40756
REQUEST: To approve the application of American Water Works Company and affiliates for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Camden, NJ.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Alagia **AYES:** 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

ITEM: American Water Works Company, Inc. APPL.#40756
REQUEST: To approve the application of American Water Works Company, Inc. and affiliates for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Camden, NJ. The estimated annual award is \$16,418,773 for a 10-year term. 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.
MOTION TO APPROVE: Mr. Alagia **SECOND:** Mr. Imperatore **AYES:** 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

ITEM: Atlantic City Contact Center, LLC APPL.#41071
This matter was withheld from consideration.

ITEM: Cummins Power Systems, LLC APPL.#40463
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Albanese **AYES:** 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

ITEM: Cummins Power Systems, LLC

APPL.#40463

REQUEST: To approve the application of Cummins Power Systems, LLC for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Kearny Township, NJ. Project location of Kearny Township, Hudson County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Jobs with Salary in Excess of County Average and Substantial Environmental Remediation. The estimated annual award is \$319,500 for a 10-year term.

MOTION TO APPROVE: Mr. Delle Cava **SECOND:** Mr. Downes **AYES:** 16

RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

ITEM: Frederick Goldman, Inc.

APPL.#41049

REQUEST: To approve the application of Frederick Goldman, Inc. for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Secaucus Town, NJ. Project location of Secaucus Town, Hudson County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of Minimum (Non Mega) and Targeted Industry (Manufacturing). The estimated annual award is \$1,605,000 for a 10-year term.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Petrecca **AYES:** 16

RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: SSB Manufacturing Company

APPL.#41044

REQUEST: To approve the application of SSB Manufacturing Company for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Carteret, NJ. Project location of Carteret Borough, 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, Targeted Industry (Manufacturing), and Mega Industrial Project with Capital Investment in Excess of Minimum. The estimated annual award is \$2,761,000 for a 10-year term.

MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. Stoller **AYES:** 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

Mr. Imperatore recused himself because a family member is involved in the project.

BOND PROJECTS

ITEM: NJEDA/Motor Vehicle Commission

APPL.#14947

REQUEST: To approve the execution by an Authorized Officer of the Authority of a depository agreement with the Bank of New York Mellon, in its capacity as the Trustee for the 2003 Series Bonds, for the deposit and application of all remaining Project Fund monies on July 1, 2015, into a depository account.

MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. Delle Cava **AYES:** 16

RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

ITEM: NJEDA/School Facilities Construction Refunding Bonds and Termination of Outstanding Interest Rate Swap Agreements

REQUEST: To approve the adoption of the Thirty-Fourth Supplemental School Facilities Construction Bond Resolution authorizing the issuance of one or more series of 2015 Refunding Bonds in an amount not to exceed \$600 million.

MOTION TO APPROVE: Mr. Petrecca **SECOND:** Mr. McNamara **AYES:** 16

RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

ITEM: NJEDA/State Appropriation-Backed Bonds, including, without limitation, School Facilities Construction Bond Portfolio

REQUEST: To approve the appointment of PFM Swap Advisors as Swap Monitor and Swap Consultant for the Authority's existing swaps associated with the School Facilities Construction Bond Portfolio and any additional swaps that the Authority may enter into with respect to State appropriation-backed bonds it issues during the engagement and to authorize Authority staff to enter into agreements with PFM Swap Advisors memorializing the terms of the contracts, subject to the review and approval of the terms of the contract by the Attorney General's Office, and to take all necessary actions incidental to such appointments.

MOTION TO APPROVE: Mr. Alagia **SECOND:** Mr. Delle Cava **AYES:** 16

RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

Amended Bond Resolutions

ITEM: Wyckoff Family YMCA

APPL.#40913

LOCATION: Wyckoff Township/Bergen

PROCEEDS FOR: Refinancing

FINANCING: up to \$3,500,000 Tax-exempt Bond

MOTION TO APPROVE: Mr. Alagia **SECOND:** Ms. Kokas **AYES:** 16

RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

CAMDEN ECONOMIC RECOVERY BOARD

ITEM: Modifications and Extensions Request for Previously Approved Economic Recovery Board Projects

REQUEST: Approve the amended scopes of work, reallocations of funding, extensions, and dissolutions of the subject grants.

MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Delle Cava **AYES:** 16

RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

ITEM: Rutgers, The State University of New Jersey APPL.#16526
Camden, NJ
\$1,235,617 ERB Loan
REQUEST: Approve the release, the note, mortgage and other supporting documents for the subject loan and write the ERB loan off without recourse, to support the transfer of Campbell's Field stadium from Rutgers University to the Camden County Improvement Authority. This transfer is integral to keep the facility open for both the current season and to support its long term operation in Camden.
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Imperatore **AYES:** 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

ITEM: Settlement Music School of Philadelphia, Inc. APPL.#15511
Camden, NJ
REQUEST: Approve the release of EDA's mortgage without repayment of the grant to facilitate the sale of the property and relocation of the School to appropriately-sized facilities at The Creative Arts Morgan Village Academy located at 990 Morgan Blvd, Camden.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

OFFICE OF RECOVERY

Energy Resilience Bank

ITEM: Energy Resilience Bank (ERB)
REQUEST: To approve the First Amendment to the Subrecipient Agreement between the New Jersey Board of Public Utilities and the Authority relating to the operations of the Energy Resilience Bank.
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. McNamara **AYES:** 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

Stronger New Jersey Business Program (Appeals)

ITEM: Stronger NJ Business Grant Program Appeal – Wholesale Products and Entertainment LLC
REQUEST: To approve the Hearing Officer's recommendation to uphold the declination of the Stronger NJ Business Grant for Wholesale Products and Entertainment LLC.
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Downes **AYES:** 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

ITEM: Stronger NJ Business Grant Program Appeal – Office Dimensions Inc.
REQUEST: To approve the Hearing Officer's recommendation to uphold the declination of the Stronger NJ Business Grant for Office Dimensions Inc.
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Downes **AYES:** 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

Stronger New Jersey Business Loan Program

ITEM: The Dutchman's Brau Haus Inc. APPL.#40367
LOCATION: Stafford Township/Ocean
PROCEEDS FOR: Working Capital
LOAN AMOUNT: \$1,382,030
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Downes **AYES:** 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

BOARD MEMORANDUMS

ITEM: Rowan University/Rutgers – Camden Board of Governors
Biomedical Facilities Funding Application for the Joint Health Sciences Center
REQUEST: To preliminarily approve the Joint Health Sciences Center under P.L. 2006 c. 102,
which provides \$50 million for biomedical research facilities in Camden.
MOTION TO APPROVE: Mr. Petrecca **SECOND:** Ms. Kokas **AYES:** 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

ITEM: Respond, Inc. APPL.#24031
\$270,314 Statewide Loan Pool Participation Loan
REQUEST: To approve the extension of EDA's \$270,314 participation in a Sun National Bank
loan for one (1) year to May 1, 2016.
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

FOR INFORMATION ONLY: Projects approved under Delegated Authority

New Jersey Business Growth Fund: Boychuck LLC (P41097)

Premier Lender Program: A & H Holdings LLC (P40798); C & A Marketing
Inc. or Nominee (P40997)

Stronger NJ Business Loan Program: Compounding Engineering Solutions, Inc.
(P39192 & P39682); Susskind & Almailah Eye Associates, P.A. (P40681)

New Jersey Business Growth Fund (Modification): Jersey GM Stevens
Enterprises LLC and Table Top (P40740)

Small Business Fund Direct Loan Program (Modification): BUF Health and
Human Services Corporation, Inc. (P40410)

REAL ESTATE

- ITEM:** Bid Challenge
Offer on the Technology Centre Expansion Site In North Brunswick, NJ
- REQUEST:** To accept the findings in the Hearing Officer Report regarding a Bid Challenge submitted by the Silverman Group, LLC to EDA's decision to enter into exclusive negotiations with KTR Capital Partners, LP Pursuant to a solicitation by the Authority for offers to purchase the Technology Centre Expansion Site in North Brunswick, NJ.
- MOTION TO APPROVE:** Ms. Kokas **SECOND:** Mr. Dumont **AYES:** 16
- RESOLUTION ATTACHED AND MARKED EXHIBIT: 26**

- ITEM:** Property Access Agreement
Technology Centre of New Jersey
Tech Expansion Site - North Brunswick, New Jersey
- REQUEST:** To approve entering into a Property Access Agreement with Avery Dennison for a two (2) year term in order to continue to perform its environmental remedial monitoring of Authority-owned property at the Technology Centre of New Jersey and Tech Expansion sites with the option to extend the Property Access Agreement, if necessary, for two (2) one year extension periods.
- MOTION TO APPROVE:** Mr. Downes **SECOND:** Mr. Delle Cava **AYES:** 16
- RESOLUTION ATTACHED AND MARKED EXHIBIT: 27**

PUBLIC COMMENT

Mr. Colandus "Kelly" Francis, President NAACP of Camden, and member of Camden County Taxpayers stated that he has witnessed many businesses be approved for tax incentives for coming to Camden, but to date, he has never seen any data about the number of entry level jobs being created. He asked how many jobs are entry level. He noted the Camden has been designated the poorest city in the United States, and the reason is lack of jobs. He also stated that some businesses are on State owned properties and therefore no tax dollars will come into the City of Camden. Chairman Koeppel stated that he and those around the table share Mr. Francis' point of view. He pointed out today's approval of American Water Works Company, Inc., and how it will house a training center which would likely be filled with entry level jobs. He also noted the recent approval of Subaru and how it will provide mechanics training, which is entry level as well.

Mr. Eduardo Guzman, President of DCM, stated that his company has benefited from the board's actions. He leases space at the Waterfront Technology Center and that 40% of his staff are Camden residents.

EXECUTIVE SESSION

The next item was to adjourn the public session of the meeting and enter into Executive Session to discuss legal matters and a real estate 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:** 16
- RESOLUTION ATTACHED AND MARKED EXHIBIT: 28**

The Board returned to Public Session.

The next item was to approve consent to the Borrower's request for the Authority to request a closing agreement under the Internal Revenue Service's Tax Exempt Bonds Voluntary Closing Agreement Program to remedy a tax compliance issue.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Alagia **AYES: 16**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 29

The next item was to approve the authorization of (i) the settlement of the Greystone litigation as outlined above; (ii) the payment of all final litigations costs; and (iii) the execution of any and all documents required to effectuate this settlement, on final terms acceptable to the Attorney General's Office, the Chief Executive Officer, and the President/Chief Operating Officer.

MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Alagia **AYES: 15**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 30

Mr. Delle Cava recused himself because he is a former employee of S.M. Electric.

The next item was to approve (1), the execution of an Agreement for Sale of Property with KTR NJ IV LLC; and (2) to execute any and all other documents required to effectuate this transaction, on final terms acceptable to the Attorney General's Office, the Chief Executive Officer and the President/Chief Operating Officer.

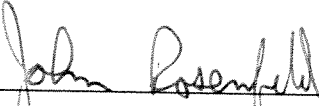
MOTION TO APPROVE: Mr. Alagia **SECOND:** Mr. McNamara **AYES: 16**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 31

There being no further business, on a motion by Mr. Downes, and seconded by Mr. McNamara, the meeting was adjourned at 11:45pm.

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.



John Rosenfeld, Director, Bonds and Incentives
Assistant Secretary