



MEMORANDUM

TO: Members of the Authority

FROM: Michele Brown
Chief Executive Officer

DATE: January 15, 2013

SUBJECT: Agenda for Board Meeting of the Authority January 15, 2013

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Bond Projects

Loans/Grants/Guarantees

Edison Innovation Fund

Incentive Programs

Board Memorandums

Real Estate

Bond Project

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

December 11, 2012

MINUTES OF THE MEETING

Members of the Authority present: Joseph McNamara, Vice Chairman; Matt McDermott representing the Executive Branch; Jim Leonard representing the State Treasurer; Paul Yuen representing the Commissioner of the Department of Labor and Workforce Development; Nancy Graves representing the Commissioner of the Department of Banking and Insurance, Colleen Kokas representing the Commissioner of the Department of Environment Protection, Public Members: Marjorie Perry, Charles Sarlo, Larry Downes, Harold Imperatore, Brian Nelson, Third Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Present via conference call: Public Members: Richard Tolson, and Elliot M. Kosoffsky, Second Alternate Public Member.

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

Absent: Al Koeppel, Chairman; and Ray Burke, First Alternate Public Member.

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the November 15, 2012 meeting minutes. A motion was made to approve the minutes by Ms. Perry, seconded by Mr. McDermott, and was approved by the 11 voting members present.

Ms. Kokas abstained because she was not present.

The next item of business was the approval of the November 15, 2012 executive session meeting minutes. A motion was made to approve the minutes by Mr. McDermott, seconded by Mr. Tolson, and was approved by the 11 voting members present.

Ms. Kokas abstained because she was not present.

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

Mr. Sarlo entered the meeting at this time.

AUTHORITY MATTERS

ITEM: 2013 Strategic Business Plan

REQUEST: To approve the Authority's proposed 2013 Strategic Business Plan.

MOTION TO APPROVE: Ms. Perry **SECOND:** Ms. Graves **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: 2013 Fiscal Plan

REQUEST: To approve the Authority's proposed 2013 Fiscal Plan.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McDermott **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

BOND PROJECTS

AMENDED BOND RESOLUTIONS

PROJECT: Pivotal Utility Holdings, Inc.

APPL.#37825

LOCATION: Various

PROCEEDS FOR: Bond Refunding

FINANCING: \$40,000,000 Tax-Exempt Bond

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Yuen **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

ITEM: Pivotal Utility Holdings, Inc.

LOCATION: Various

REQUEST: To approve amended and restated loan agreements and trust indentures to include an additional interest rate mode (\$39,000,000 - 1996 Bonds - P08623).

MOTION TO APPROVE: Mr. McDermott **SECOND:** Mr. Yuen **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ITEM: Pivotal Utility Holdings, Inc.

LOCATION: Various

REQUEST: To approve amended and restated loan agreements and trust indentures to include an additional interest rate mode (\$46,500,000 - 2005 Bonds - P16448).

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McDermott **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

ITEM: Pivotal Utility Holdings, Inc.

LOCATION: Various

REQUEST: To approve amended and restated loan agreements and trust indentures to include an additional interest rate mode (\$54,600,000 - 2007 Bonds - P18067).

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Yuen **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: Ironbound Community Corp.

APPL.#37751

LOCATION: Newark/Essex Cty

PROCEEDS FOR: Refinancing

FINANCING: Up to \$4,700,000 Tax-Exempt Bond

MOTION TO APPROVE: Mr. Leonard **SECOND:** Mr. McDermott **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PROJECT: Matrix/SJP Riverfront Plaza I Urban Renewal, LLC

APPL.#37780

LOCATION: Newark/Essex Cty

PROCEEDS FOR: Construction

FINANCING: \$10,541,703 (Taxable) Redevelopment Area Bond

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

Ms. Perry recused herself because she is familiar with the project.

PROJECT: Uncommon Properties, LLC

APPL.#37823

LOCATION: Newark/Essex Cty

PROCEEDS FOR: Renovations

FINANCING: \$14,938,000 (Taxable) Qualified Zone Academy Bond

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Yuen **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

PRELIMINARY RESOLUTIONS

PROJECT: Metaline Products Co, Inc.

APPL.#37820

LOCATION: South Amboy/Middlesex

PROCEEDS FOR: Acquisition and Renovations

MOTION TO APPROVE: Mr. McDermott **SECOND:** Mr. Yuen **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PUBLIC HEARING ONLY

PROJECT: The Freehold Young Men's Christian Assoc.
LOCATION: Multi City/Monmouth Cty
PROCEEDS FOR: Refinancing
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

APPL.#37786

LOANS/GRANTS/GUARANTEES

STATEWIDE LOAN POOL PROGRAM

PROJECT: Everflow supplies, Inc. or Nominee
LOCATION: Carteret/Middlesex Cty
PROCEEDS FOR: Acquisition of existing building
FINANCING: \$4,050,000 with a \$1,250,000 (30.864%) EDA participation
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McDermott **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT:11

APPL.#37755

LOAN TO LENDERS PROGRAM

ITEM: Superstorm Sandy Small Business Assistance
REQUEST: To approve a new, \$2 million lending program aimed at assisting Community Development Financial Institutions that are providing loans to small businesses affected by Superstorm Sandy.
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Yuen **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

PROJECT: Community Loan Fund of New Jersey, Inc.
LOCATION: New Brunswick/ Middlesex
PROCEEDS FOR: Revolving Loan Fund
FINANCING: \$500,000 Loan to Lender Program Loan
MOTION TO APPROVE: Mr. Nelson **SECOND:** Ms. Perry **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

APPL.#37830

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

ITEM: PUST and HDSRF award Program Funding Status and Fiscal Administration

REQUEST: To approve the following recommendations:

- Issue new approvals for both programs up to the cumulative amount of current fiscal years appropriations: FY12 & FY13 for both Funds.
- Notify Treasury each month of approvals so that OMB can encumber that amount of funding to ensure that this cash is set aside and available to fund projects when they are ready to close.
- Amend our grant agreements to make the awards conditional upon EDA's receipt of appropriations and add language noting that funding is not a General Obligation of the Authority
- Report monthly to the Board the funding status of each Fund.

MOTION TO APPROVE: Ms. Perry SECOND: Mr. Yuen AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

The following projects were presented under the Petroleum Underground Storage Tank Program.

MOTION TO APPROVE: Mr. Yuen SECOND: Mr. Downes AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: Annettee Austin **APPL.#36930**
LOCATION: Asbury Park/Monmouth
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$23,338 Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Flammarion Francis **APPL.#37396**
LOCATION: Teaneck/Bergen
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$5,773 Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Phyllis Hundley **APPL.#37639**
LOCATION: Franklin/Somerset
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$158,380 Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Charles Laverty **APPL.#37445**
LOCATION: Barnegat/Ocean
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$124,114 Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Geraldyn Mijares-Eshevarri **APPL.#37160**
LOCATION: Jersey City/Hudson
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$127,933 Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Tisha Perez **APPL.#37333**
LOCATION: Marlborough/Monmouth
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$150,989 Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Pererson-Little VFW **APPL.#37317**
LOCATION: Cape May City/Cape May
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$166,111 Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Josefa Ramaroson **APPL.#37657**
LOCATION: Freehold Twp/Monmouth
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$73,300 Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Augustine Rojas **APPL.#37587**
LOCATION: Perth Amboy/Middlesex
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$132,107 Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Roselle Catholic High **APPL.#37282**
LOCATION: Roselle/Union
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$375,297 Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Helen Tweed **APPL.#37572**
LOCATION: Shrewsbury/Monmouth
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$130,551 Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Norine L. Cohen **APPL.#37559**
LOCATION: Morristown/Morris
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$906,806 Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Hopatcong Auto Service **APPL.37434**
LOCATION: Hopatcong/Sussex
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$534,760 Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Leopold L. Otway **APPL.#37480**
LOCATION: South Brunswick/Middlesex
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$312,058 Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Joseph Tittermary **APPL.374246**
LOCATION: Delran/Burlington
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$179,446 Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Transworld Transmission **APPL.#34108**
LOCATION: New Providence/Union
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$171,951 Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Richard B. Treacy III **APPL.#37711**
LOCATION: Roxbury/Morris
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$172,678 Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Tim Wallace **APPL.#37395**
LOCATION: Somers Point/Atlantic
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$285,888 Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Yeong Gi Yi **APPL.#37556**
LOCATION: North Brunswick/Middlesex
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$101,001 Petroleum UST remediation, Upgrade and Closure Fund Grant

CLEAN ENERGY SOLUTIONS

ITEM: EDA-BPU Clean Energy Program MOU Amendment

REQUEST: To approve and authorize the execution of the MOU amendment between the BPU and the Authority's CEO, subject to the review and approval of the Attorney General's Office, concerning the approval of the EDA program funding, program modifications and new program administrative fee structure.

MOTION TO APPROVE: Mr. Yuen **SECOND:** Mr. Nelson **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

INCENTIVE PROGRAMS

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

BUSINESS RETENTION & RELOCATION ASSISTANCE GRANT PROGRAM

SALES & USE TAX EXEMPTION PROGRAM

PROJECT: Caduceus, Inc. **APPL.#37807**

LOCATION: Jersey City/Hudson **BUSINESS:** Healthcare Information

GRANT AWARD: 80% **Business Employment Incentive grant**, 10 years

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McDermott **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

PROJECT: Delcath Systems, Inc.. **APPL.#37802**

LOCATION: TBD **BUSINESS:** Medical Device Technology

GRANT AWARD: 40% **Business Employment Incentive grant**, 10 years

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Yuen **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

PROJECT: Ferring Production, Inc. **APPL.#37822**

LOCATION: Parsippany-Troy Hills/Morris **BUSINESS:** Pharmaceutical

GRANT AWARD: 70% **Business Employment Incentive grant**, 10 years

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McDermott **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

PROJECT: Rosenwach Group, Inc. **APPL.#37827**

LOCATION: Franklin/Somerset **BUSINESS:** Manufacturing

GRANT AWARD: 50% **Business Employment Incentive grant**, 10 years

MOTION TO APPROVE: Mr. McDermott **SECOND:** Mr. Nelson **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

PROJECT: United Parcel Service, Inc. and/or Subsidiaries **APPL.#37787**
LOCATION: Paramus/Bergen **BUSINESS:** Shipping
GRANT AWARD: \$6,444,000 **Business Retention and Relocation Assistance grant,**
4 years
MOTION TO APPROVE: Mr. McDermott **SECOND:** Mr. Yuen **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

PROJECT: United Parcel Service, Inc. and/or Subsidiaries **APPL.#37801.**
LOCATION: Paramus/Bergen
GRANT AWARD: \$428,906 **Sales Tax Exemption Program**
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Nelson **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

ECONOMIC REDEVELOPMENT AND GROWTH PROGRAM

ITEM: Modification to Hurdle Rate Model

REQUEST: Approve modification of the Hurdle Rate Model used by Authority staff to determine the maximum Internal Rate of Return for projects seeking assistance under the Economic Redevelopment and Growth Grant (“ERG”) program. The modifications will involve (1) adding Cape May as an anchor city and (2) upgrading the functionality of the model such that a project specific rate of return may be calculated for projects in Atlantic City.

MOTION TO APPROVE: Mr. McDermott **SECOND:** Mr. Leonard **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

Mr. Tolson left the meeting.

ITEM: Harrah’s Atlantic City Holding Inc.

REQUEST: To approve the application of Harrah’s Atlantic City Holding Inc. for reimbursement of certain taxes for an Atlantic city project under a “state incentive grant by the EDA pursuant to the Economic Redevelopment and Growth Program set forth in NJSA 52:27D-49c (“Act”) for the amount not to exceed \$24,128,000.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

GROW NEW JERSEY ASSISTANCE PROGRAM

PROJECT: Deep Foods Inc.

LOCATION: Union Twp/Union

REQUEST: To agree with the finding that jobs are at risk as represented in the CEO certification

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Nelson **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

PROJECT: Deep Foods Inc.

LOCATION: Union Twp/Union

REQUEST: To approve the \$26,907,293 Grow New Jersey award

MOTION TO APPROVE: Mr. Leonard **SECOND:** Mr. Yuen **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

ITEM: Grow New Jersey Assistance Program

REQUEST: To approve the request to delegate to staff the authority to amend elements of an approval under the Grow New Jersey Assistance Program provided the action taken by staff would not result in an increase in the amount of the grant.

MOTION TO APPROVE: Mr. Yuen **SECOND:** Mr. McDermott **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

URBAN TRANSIT HUB TAX CREDIT PROGRAM

ITEM: Urban Transit Hub Tax Credit Program/Business Employment Incentive Program (BEIP) - Proposed Rule Amendments

REQUEST: To approve proposed rules amendments to delineate provisions relating to the approval process under the Urban Transit Hub Tax Credit Program and particularly, challenges to EDA determinations made under the program; and to clarify certain eligibility requirements under the Business Employment Incentive Program. Authorize staff to submit the rule amendment for publication in the January 22, 2013 edition of the NJ Register, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

BOARD MEMORANDUMS

ITEM: Medco Health solutions, Inc. P09810
Franklin Lakes, NJ - \$2,556,288 BEIP

Medco Health solutions of Willingboro, Inc. P09810
Franklin Lakes, NJ - \$2,975,312 BEIP

REQUEST: 1. Consent to the acquisition of Medco Health Solutions, Inc. and its subsidiaries by Express Scripts, Inc., and 2. Consent to the addition of Medco Health Services, Inc. a wholly owned subsidiary to the Medco grant.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 26

ITEM: Lonza Group Ltd. and subsidiaries to Lonza America, Inc and subsidiaries
BEIP Application P37418, BRRAG Application P37427

REQUEST: Consent to the change in the applicant and grantee from Lonza Group Ltd. and subsidiaries.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 27

ITEM: Tropical Cheese Industries, Inc.
\$45,000 UEZ Energy Sales Tax Exemption

REQUEST: To approve the application of Tropical cheese Industries, Inc. application to participate in the U-STX program.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McDermott **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 28

ITEM: NextStage Capital II, LP.

REQUEST: To approve the amendment of terms of the \$2 million investment in NextStage Capital II that was approved on March 15, 2012.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Imperatore **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 29

ITEM: PNC Business Growth Fund.

REQUEST: To approve the extension of the PNC Business Growth fund for one year.

MOTION TO APPROVE: Mr. McDermott **SECOND:** Mr. Yuen **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 30

ITEM: Write Off of Loans.

REQUEST: To approve the write off of loans with recourse.

MOTION TO APPROVE: Ms. Perry **SECOND:** Ms. Graves **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 31

FOR INFORMATION ONLY: The next item is a summary of the projects approved under Delegated Authority in November 2012:

NJ Business Growth Fund: Anything II, LLC, Greenlight Auto Specialist Corp., Wisco Promo & Uniform Inc.

Community Economic Development Program: Millville Urban Redevelopment Corp.

FOR INFORMATION ONLY: Technical Assistance for Small Businesses. The next item is an update on the Technical Assistance contract with the UCEDC and informs the members that the contract will be renewed for a second year as permitted by the November 2011 board approval.

REAL ESTATE

ITEM: FMERA Purchase & Sale Agreement with AcuteCare Mgt Services, LLC.

REQUEST: To approve consent to FMERA entering into a redevelopment agreement with AcuteCare Mgt Services, LLC for redevelopment of the former Patterson Army Health Clinic in the Oceanport Section of the former Fort Monmouth property.

ITEM: Right of Entry Agreement Extension Authority Owned Property
South East Avenue and Pamphylia, Bridgeton, NJ

MOTION TO APPROVE: Mr. Downes **SECOND:** Ms. Perry **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 32

Mr. Nelson recused himself because his firm represents one of the host communities.

REQUEST: Approval to execute the Authority's standard right of Entry Agreement with Tri-County Community Action Partnership for two (2) years, on terms acceptable to the CEO, President/COO and the Attorney General's Office with a option to extend, if necessary as authorized under the Real Estate Division Operating Authority.

MOTION TO APPROVE: Mr. McDermott **SECOND:** Mr. Imperatore **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 33

ITEM: Technology Centre of NJ Operating Budget – 2013

REQUEST: To approve the 2013 budget of Technology Centre of NJ, LLC.

MOTION TO APPROVE: Mr. Sarlo **SECOND:** Mr. Yuen **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 34

PUBLIC COMMENT

There were no comments from the public.

EXECUTIVE SESSION

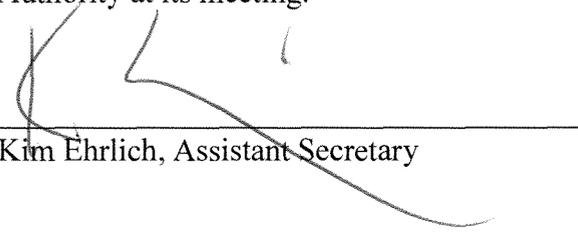
The next item was to adjourn the public session of the meeting and enter into Executive Session to discuss a public investment. The minutes will be made public when the need for confidentiality no longer exists.

MOTION TO APPROVE: Mr. Leonard **SECOND:** Mr. Yuen **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 35

The Board returned to Public Session.

The being no further business, on a motion Mr. Leonard, and seconded by Mr. Yuen, the meeting was adjourned at 12:00pm.

Certification: The foregoing and attachments represent a true and complete summary of the actions taken by the New Jersey Economic Development Authority at its meeting.



Kim Ehrlich, Assistant Secretary

EDA provided Children's Aid and Family Services with over \$3 million in tax-exempt bond financing to refinance existing debt

HOBOKEN-BASED WATERFRONT CORPORATE CENTER III CELEBRATES GROUDBREAKING

Last month, EDA President & Chief Operating Officer Tim Lizura joined Lt. Governor Guadagno and other state and local officials in celebrating the groundbreaking of Waterfront Corporate Center III - a new, state-of-the-art office and retail building in Hoboken. When complete, the 14-story facility will generate significant economic growth and bring Pearson Inc., the world's leading educational technology company, to Hoboken as the facility's anchor tenant.

In September 2011, EDA approved Pearson Inc. for up to \$82.5 million in tax credits under the Urban Transit Hub Tax Credit Program to support this project. Pearson, which is relocating approximately 900 employees from its current offices in Upper Saddle River and Old Tappan, will occupy five floors of Waterfront Corporate Center III starting in 2014, when the building is scheduled for completion. Pearson also recently agreed to a public-private partnership with Rutgers University to increase the number and features of Rutgers' online courses, provide worldwide recruitment and enrollment services, and design training for faculty to move between classroom and online instruction.

EDA WORKS WITH STATE AND FEDERAL PARTNERS TO REACH OUT TO BUSINESSES IMPACTED BY SUPERSTORM SANDY

In the weeks after Superstorm Sandy, EDA staff has been working closely with the U.S. Economic Development Administration (USEDA,) the Small Business Administration (SBA), the Federal Emergency Management Agency (FEMA) and other state partners to reach out to businesses who may have been impacted by Superstorm Sandy. Team conference calls are currently being held twice weekly, and county meetings for stakeholders were held throughout November and December. In addition, Access to Capital forums are being scheduled for this month, with staff helping to do outreach, assemble collateral and coordinate presentations.

EDA RECEIVES PROPOSALS FOR RESIDENTIAL PROJECTS UNDER THE URBAN TRANSIT HUB TAX CREDIT PROGRAM

In October 2012, EDA issued a competitive solicitation for up to \$100 million of tax credits under the residential component of the Urban Transit Hub Tax Credit Program. In response to this solicitation, EDA received eleven proposals on or before the due date of December 20, 2012. Of the eleven submission packages received, four were for projects in Newark, four were for projects in Jersey City, two were for projects in New Brunswick, and one was for a project in Camden.

Staff has begun their completeness review of the submissions and a list of the projects submitted is available on the EDA's website at <http://www.njeda.com/uthtc-res>.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY (FMERA) UPDATE

At its December meeting, the FMERA Board approved making available through the Offer to Purchase Process the Officers Housing (110 units) in the Historic District on the former Post. The Officers Housing Request for Offer to Purchase (RFOTP) is expected to be issued this month. In addition to the issuance of the Officers Housing RFOTP, on December 14, 2012 FMERA issued a RFOTP for the Howard Commons Area (275 units) on the former Post.

Proposals for the Howard Commons Area are due by noon on January 28, 2012. These RFOTPs are being issued in accordance with the Fort Monmouth Reuse and Redevelopment Plan and will provide permanent housing stock to the region.

FMERA continues to support the U.S. Army, the Federal Emergency Management Agency (FEMA) and various state and federal agencies in their efforts to assist those displaced by Hurricane Sandy.

CLOSED PROJECTS IN DECEMBER 2012

The following are among the businesses/projects assisted in December 2012:

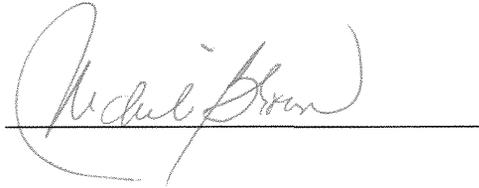
Locus Energy, LLC, which closed on a \$1.4 million loan through the Edison Innovation Green Growth Fund. Locus Energy is a Hoboken-based provider of monitoring and data analytics services for the renewable energy industry. The company offers a platform that provides monitoring and data analytics for distributed generation systems in residential, commercial and utility applications. This financing, which is expected to result in the creation of 20 new jobs, will assist the company with general growth capital needs including research and development, hiring and training personnel, marketing and purchasing inventory.

Ironbound Community Corporation, which closed on a up to \$4.7 million in tax-exempt bond financing. Ironbound Community Corporation is a private, 501(c)(3), not-for-profit community development and social services agency that creates opportunities to transform lives of families and children, specifically through educational initiatives (a preschool, Early Head Start and after-school programs, and adult education programs); affordable housing; and community development (senior and mental health services, neighborhood planning, and environmental advocacy.) The organization's work focuses on the people of the East Ward in Newark, NJ. This assistance will enable the organization to refinance existing debt from a previous capital improvement project in 2007.

BK Specialty Foods Inc., which closed on 44.44% (\$1.08 million) EDA Statewide Loan Pool participation on a \$2.43 million Sovereign Bank loan. BK Specialty Foods, Inc. is a wholesale food distributor of approximately 6,000 high end products, with a focus on frozen baked goods, hors d'oeuvres, non-alcoholic beverages, cheeses, oils, and spices. BK has reached its production capacity at its Philadelphia facility, and this assistance will enable the company to purchase a facility in Gloucester County, and is expected to result in the creation of 56 new jobs.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 17 events in December. These included the NJ State Chamber Breakfast Roundtable in Monroe Twp., the Southern NJ Development Council Annual Holiday Luncheon in Galloway, and the NJBIA Public Policy Forum in Iselin.



A handwritten signature in cursive script, reading "Michael Brown", is positioned above a solid horizontal line.



MEMORANDUM

TO: Members of the Authority

FROM: Michele A. Brown 
Chief Executive Officer

DATE: January 15, 2013

RE: Chief Executive Officer's Report to the Board

EARLY ESTIMATES SHOW EDA PROVIDED \$591 MILLION IN TOTAL ASSISTANCE IN 2012

According to preliminary 2012 totals, EDA provided \$591 million in total financing to 222 projects, supporting over 27,000 existing jobs, the creation of over 4,600 new jobs, and leveraging over \$1.2 billion in public/private assistance.

Of the \$591 million, just over \$319 million was provided by the EDA's traditional financing programs, supporting the creation of over 1,200 jobs, over 1,800 construction jobs and leveraging just over \$500 million in public/private investment. Nearly \$272 million was provided through the EDA's incentive programs, supporting the creation of over 3,400 new jobs, nearly 1,200 construction jobs and leveraging over \$758 million in public/private investment.

LT. GOVERNOR KIM GUADAGNO TOURS NOT-FOR-PROFIT ORGANIZATIONS ASSISTED BY EDA

As part of a statewide tour of New Jersey not-for-profit organizations, Lt. Governor Guadagno recently visited two organizations that are using EDA financing to enhance their services.

In December, Lt. Governor Guadagno and EDA Senior Vice President of Finance and Development Maureen Hassett visited Morristown-based The Seeing Eye, which helps blind and visually impaired individuals gain independence and mobility by using trained dogs. The organization received just over \$19 million in tax-exempt bond financing to support the expansion and modernization its student building, the construction of a parking garage, the expansion of its administrative building, equipment upgrades and other site improvements.

Earlier this month, Lt. Governor Guadagno and EDA Managing Director of Finance and Development Lori Matheus also toured Children's Aid and Family Services in Paramus. This organization provides special needs for adoption, childcare and early childhood education, foster care, counseling, and other social services to those who are disadvantaged, at-risk or in crisis.

BOND RESOLUTIONS



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

SUBJECT: 2012 Carryforward Request

DATE: January 15, 2013

The State Treasurer allocated \$110,000,000 to the New Jersey Economic Development Authority out of the State's 2012 Private Activity Bond Cap.

The Authority may elect to carryforward any unused portion of the above noted 2012 Private Activity Bond allocation with the U.S. Department of Treasury.

Out of the \$110,000,000 allocation to the Authority, \$12,477,826.93 closed against the Cap, resulting in \$97,522,173.07 being unused and available for carryforward subject to the State Treasurer's approval.

The attached resolution approves the filing of the attached IRS Form 8328 by the Chief Executive Officer carrying forward unused 2012 Private Activity Bond Cap to be determined and approved by the State Treasurer for certain eligible exempt facility activities.

I recommend adoption of the attached Carryforward Resolution.

Prepared by: John J. Rosenfeld

**Carryforward Election of Unused
 Private Activity Bond Volume Cap**
 (Under Sections 146(f) and 142(k))

OMB No. 1545-0874

Enter the calendar year for which the election is made ►

2012

Part I Reporting Authority

State name for qualifying public educational facility bond or issuer's name for all other bonds New Jersey Economic Development Authority		Reporting Authority's EIN 2 2 2 0 4 5 8 1 7	
Number, street (or P.O. box if mail is not delivered to street address) 36 West State Street, PO Box 990	Room/suite	Report number 9 01	
City or town, state, and ZIP code Trenton, NJ 08625-0990			

Caution: Part II is *only* for section 146(f) filers. Part III is *only* for qualifying public educational facility bond filers.

Part II Unused Volume Cap and Carryforward under Section 146(f)

Computation of Unused Volume Cap

1	Total volume cap of the issuer for the calendar year	1	110,000,000.
2	Aggregate amount of private activity bonds issued to date that are taken into account under section 146 (see instructions)	2	12,477,826.93
3	Total amount of volume cap exchanged for authority to issue mortgage credit certificates (see instructions)	3	
4	Total amount of volume cap allocated to private activity portion of governmental bonds (see instructions)	4	
5	Add lines 2 through 4	5	12,477,826.93
6	Unused volume cap (subtract line 5 from line 1)	6	97,522,173.07

Purpose and Amount of Each Carryforward

7	Qualified student loan bonds	7	
8	Qualified mortgage bonds or mortgage credit certificates	8	
9	Qualified redevelopment bonds	9	
10	Exempt facility bonds:		
a	Mass commuting facilities (section 142(a)(3))	10a	
b	Water furnishing facilities (section 142(a)(4))	10b	20,000,000.00
c	Sewage facilities (section 142(a)(5))	10c	20,000,000.00
d	Solid waste disposal facilities (section 142(a)(6))	10d	20,000,000.00
e	Qualified residential rental projects (section 142(a)(7))	10e	
f	Facilities for the local furnishing of electric energy or gas (section 142(a)(8))	10f	22,500,000.00
g	Local district heating or cooling facilities (section 142(a)(9))	10g	15,022,173.07
h	Qualified hazardous waste facilities (section 142(a)(10))	10h	
i	25% of bonds for privately owned high-speed intercity rail facilities (section 142(a)(11))	10i	
j	Qualified enterprise zone facility bonds (section 1394(a)-(e))	10j	
11	Total carryforward amount (add lines 7 through 10j) (not to exceed line 6)	11	97,522,173.07

Part III Unused Volume Cap and Carryforward Under Section 142(k) (Qualifying Public Educational Facility Bonds)

12	Total volume cap for the calendar year	12	
13	Total amount of bonds issued under section 142(k) for the calendar year	13	
14	Unused volume cap available for carryforward (subtract line 13 from line 12)	14	
15	Amount elected to carryforward (not to exceed line 14)	15	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of authorized public official _____ Date _____ Timothy J. Lizura
 President & Chief Operating Officer
 Type or print name and title.

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

APPLICANT: AZ Holdings, LLC

P37820

PROJECT USER(S): Metaline Products Co., Inc. *
Kids Kastle Inc. (d/b/a Kastle Kreations)

* - indicates relation to applicant

PROJECT LOCATION 241 Raritan Street South Amboy City (N) Middlesex

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

APPLICANT BACKGROUND:

Established in 1923 and based in South Amboy, New Jersey, Metaline Products Co., Inc. is a display designer and manufacturer. The company creates and manufactures captivating and cost-effective in-store, point-of-purchase displays. In addition to the point-of-purchase displays found next to checkout counters, the company offers comprehensive graphic design services, and also manufactures a creative line of modular storage bins called Mobos®. AZ Holdings, LLC, a recently formed affiliate of Metaline, will hold the title to the project location.

Metaline is currently located in a building it owns on North Feltus Street in South Amboy, which will continue to be utilized as the headquarters, and as a design and showroom facility. The company is growing fast and is in need of additional space. To that end, through its affiliate, Metaline is proposing to purchase a 40,000 sf existing facility on a 3.18 acre parcel of land, less than 2 miles away, to relocate the manufacturing portion of its operations. Less than half of the new facility will be shared with Kids Kastle Inc. (d/b/a Kastle Kreations), an unrelated non-manufacturer. The proceeds of the Bond will only be used to fund that portion of the facility to be occupied by Metaline.

APPROVAL REQUEST:

Authority assistance will enable the acquisition and renovation of an existing building to be primarily used as a manufacturing facility plus paying for the cost of issuance.

Approximately \$450,000 in EDA Direct Loan funds (P37821), and Applicant's equity will complement this project's Sources of Funds.

FINANCING SUMMARY:

BOND PURCHASER: The Provident Bank (Direct Purchase)

AMOUNT OF BOND: \$1,350,000 (Max) Tax-Exempt Bond

TERMS OF BOND: 25 years; rate fixed for the first 10 years at the tax-exempt equivalent of the 10-Year US Treasury Note plus 278 bps; rate reset after year 10 for 10 years at the tax-exempt equivalent of the 10-Year US Treasury plus 300 bps and after year 20 at the tax-exempt equivalent of the 5-Year US Treasury plus 300 bps both with a floor equal to the tax-exempt equivalent of 4.5%. As of November 19, 2012, the indicative tax-exempt fixed rate for the first 10 years is 2.93%

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	\$2,400,000
Renovation of existing building	\$150,000
Cost of Issuance	\$60,000

TOTAL COSTS

\$2,610,000

JOBS: At Application 20 Within 2 years 10 Maintained 0 Construction 1

PUBLIC HEARING: 01/15/13 (Published 12/31/12) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: D. Johnson **APPROVAL OFFICER:** D. Sucsuz

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

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

APPLICANT: Beth Medrash of Asbury Park, Inc.

P37907

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 1500 Vermont Avenue Lakewood Township (T/UA) Ocean

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

APPLICANT BACKGROUND:

Beth Medrash of Asbury Park, Inc. ("BMAP") was formed in 2009 by Rabbi Velvel Mintz. The Yeshiva is a 4 year post high school program for boys to develop into independent learners, capable of understanding and mastering the Talmud and traditional Jewish philosophy. In 2010, the school moved to Lakewood and acquired a property with the ability to expand. The school has a current enrollment of 48 students and anticipates an increase in enrollment for the Fall 2013 semester to 62 students. In December 2012, the school submitted an application for accreditation from the Association of Advanced Rabbinical & Talmudic Schools. 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 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 used to acquire and renovate three buildings, 17,730 s. f., on 3.5 acres in Lakewood.

FINANCING SUMMARY:

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

AMOUNT OF BOND: \$2,275,000 (Max.) Tax-Exempt Bond

TERMS OF BOND: 20 years; 3.52% fixed rate for the first 5 years; subject to call options and rate reset every 5 years; rate resets will be based on the tax-exempt equivalent of 100 basis points over the Wall Street Journal Prime, currently 3.25%, with a floor of 3.52%.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	\$2,275,000
Legal fees	\$32,500
Finance fees	\$22,750
TOTAL COSTS	<hr/> \$2,330,250 <hr/>

JOBS: At Application 9 Within 2 years 2 Maintained 0 Construction 0

PUBLIC HEARING: 01/15/13 (Published 12/31/12) **BOND COUNSEL:** Wolff & Samson

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

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

APPLICANT: The Freehold Young Men's Christian Association P37786
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 470 E Freehold Rd & 380 Single County - Multi City (N) Monmouth
GOVERNOR'S INITIATIVES: () Urban () Edison (X) Core () Clean Energy

APPLICANT BACKGROUND:

Established in 1904, The Freehold Young Men's Christian Association (d/b/a YMCA of Western Monmouth County) is a 501(c)(3) entity that provides for the physical, mental and spiritual health of the community in a safe friendly environment. YMCA of Western Monmouth County offers a variety of social, educational and recreational programs and services to over 16,000 members in western Monmouth, southeastern Middlesex and eastern Mercer counties. These programs and services include fitness and wellness programs, childcare, before and after school care, teen monitoring, and senior activities. Their childcare centers are licensed by the New Jersey Department of Children and Families and are in good standing. Cynthia Joy is the President and CEO.

The Applicant has existing conventional debt, with OceanFirst Bank, and is proposing to refinance this debt with a tax-exempt bond. This debt was used for: (a) renovation and expansion of an approximately 61,500 sf building at 470 East Freehold Road, Freehold, including pool and roof improvements, and (b) renovation of facilities of Camp Topanemus at 380 Monmouth Road, Millstone, including pool and office improvements. Both facilities are used to provide YMCA fitness, educational and social services. The current outstanding principal is approximately \$5.23 million with a 5.875% interest rate.

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 Internal Revenue Code of 1986, 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 its OceanFirst Bank loan totaling \$5,232,222 with a tax-exempt bond plus pay the cost of issuance.

FINANCING SUMMARY:

BOND PURCHASER: OceanFirst Bank (Direct Purchase)

AMOUNT OF BOND: \$5,300,000 (Max.) Tax-Exempt Bond

TERMS OF BOND: 20 years; fixed rate for the first 7 years at the tax-exempt equivalent of the 7-Year US Treasury Note (1.18% weekly average as of December 28, 2012) plus 375 bps with a floor of 3.75%; rate resets every 7 years at the same index; as of January 7, 2013, the indicative tax-exempt fixed rate for the first 7 years is 3.75%

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	\$5,232,222
Cost of Issuance	\$91,500
TOTAL COSTS	<hr/> \$5,323,722 <hr/>

PRELIMINARY RESOLUTIONS

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

APPLICANT: Continental Airlines, Inc.

P37905

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION Brewster Road

Newark City (T/UA)

Essex

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

APPLICANT BACKGROUND:

Continental Airlines, Inc. is a certificated U.S. Carrier. In 2011, Continental and its regional partners operated approximately 2,400 flights a day to more than 270 U.S. domestic and international destinations. Continental operates its domestic route system through three primary locations, Houston (headquarters), Newark and Cleveland. Newark Liberty International Airport is the second-largest hub for Continental Airlines, which is the airport's largest tenant (operating all of Terminal C and part of Terminal A).

In 2010, Continental, along with United Airlines, Inc. became a wholly owned subsidiary of United Continental Holdings, Inc. ("UAL"). In November 2011, the Federal Aviation Administration (the "FAA") issued to Continental and United a single FAA Air Carrier Certificate permitting the carriers to, among other things, utilize the same operating procedures. In March 2012, Continental and United combined their operations and converted to a single passenger service system. Continental expects that Continental and United will be combined by merger into a single legal entity at some subsequent date. Unless and until the legal merger of Continental and United is complete, Continental and United will remain separate legal entities, and the obligation to pay any amounts due to support payment of the Authority Bonds will be solely an obligation of Continental, and not of UAL or United.

In 1999, the Authority closed a \$730,360,000 tax-exempt bond issue (P10050) to finance the Global Gateway expansion project consisting of a new Terminal C concourse, adding 19 gates plus retail space, U.S. Custom facilities, renovations and modifications to the existing concourse and support areas at Terminal C, renovations to the gates at Terminal A-2, a cargo facility and construction and/or renovation of support facilities such as flight information display systems. In August 2012, the Authority closed on a \$101,285,000 tax-exempt bond issue (P37452), proceeds of which were used to refund \$100,275,000 of the outstanding principal amount of the 1999 Bonds, scheduled to mature on September 15, 2012 and pay certain costs of issuance.

Continental Airlines closed a \$176,995,000 tax exempt bond issue (P12805) in 2000 to finance the second round of expenditures in connection with the Global Gateway expansion project. In addition, the Authority closed a tax-exempt bond issue of \$48,000,000 (P14422) in 2003 for cost over-runs/change order components related to the Global Gateway project. These projects are in compliance.

Continental Airlines is also the recipient of a 60% BEIP grant (P11092) which closed in 2000 and 50% BEIP grant (P96530) which closed in 1997.

This project qualifies for Authority assistance as it is an Exempt Public Facility (Airport) under Section 142 (a)(1) of the Internal Revenue Code of 1986 as amended and therefore the \$20,000,000 capital expenditure limitation under Section 144 of the Code is not applicable. In addition, it is also exempted from the Volume Cap limitations under Section 146(g) of the Code.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to construct a 90,000 sq. ft. state of the art wide-body aircraft maintenance hangar that would have a single bay and is anticipated to accommodate the following aircraft types at one time: 1) One Airbus 350-1000; 2) One Boeing 747-300; 3) One Boeing 777-300ER; 4) One Boeing 787-900; 5) Two Boeing 757-300 with winglets. Continental Airlines leases the site from The Port Authority of New York and New Jersey. The lease commenced on 1/1/2012 and expires 12/31/2039.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	\$29,840,000
Soft Costs	\$2,973,120
Interest during construction	\$2,500,000
Purchase of equipment & machinery	\$1,795,000
Engineering & architectural fees	\$1,500,000
Environmental Investigation and Remedit	\$700,000
Legal fees	\$550,000
Finance fees	\$300,000
Accounting fees	\$50,000
TOTAL COSTS	\$40,208,120

JOBS: At Application 11,000 Within 2 years 45 Maintained 0 Construction 251

PUBLIC HEARING:

BOND COUNSEL: McCarter & English, LLP

DEVELOPMENT OFFICER: T. Gill

APPROVAL OFFICER: T. Wells

LOANS GRANTS GUARANTEES



MEMORANDUM

TO: Members of the Board

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: New EDA Partner Lending Program with TD Bank

DATE: January 15, 2013

The Members of the Board are requested to approve a new pilot product offering, a subordinate guarantee, which will be utilized in a new affinity program between the Authority and TD Bank. Under the new program, to be called “TD Bank New Jersey Advantage Program”. TD Bank has agreed to provide up to \$20 million in financing to New Jersey companies, and the Authority will provide partial, subordinate guarantees in support of these financings, up to \$10 million in total exposure.

Additionally, the Board is requested to approve the attached Agreement between TD Bank and the Authority and authorize staff to establish a reserve account, TD Bank New Jersey Affinity Financing Program Account, within The Economic Recovery Fund for this program for which moneys may be used to guarantee loans made by TD in connection with authorized projects undertaken by borrowers and approved by the Authority. Such account will be capitalized at an aggregate amount no less than the total aggregate outstanding closed guarantee exposure less unrecovered guarantee payments disbursed upon demand per terms of the Agreement, but in no event will such Account be capitalized at an amount greater than \$10 million.

Finally, the Board is requested to approve the attached delegation to support this pilot program.

Background:

Since 1992, the Authority has successfully partnered with the banking community to provide creative and affordable financing solutions to support New Jersey businesses.

Through the Premier Lender Program and the Main Street Business Assistance Program, the Authority provides term loan participations and guarantees, and line of credit guarantees to our

partner banks. Under the Business Growth Fund, the Authority provides guarantees to PNC on fixed asset term loans. Historically, the guarantees offered to our banking partners have been structured as pari passu guarantees which allow the Authority to share in the collateral used to secure the loan in the event of a default. Given the challenges in the New Jersey marketplace, in 2010 the Authority began to review its lending policies with our partner banks in the interest of developing products that would add value to the banking community and EDA borrowers. Through a letter campaign and follow up presentations, staff encouraged our banking partners to consider establishing an affinity program with the Authority to bolster their lending activity with us and support the business community with the capital it needs to grow and create and maintain jobs. At that time, EDA encouraged the banks to present ideas about new EDA products. As a result, EDA was approached by TD Bank to develop a pilot program that would allow for a subordinate guarantee, rather than the pari passu model, in order to assist TD in mitigating its collateral risk. Through this new affinity program, “TD Bank New Jersey Advantage Program”, the Authority would for the first time offer subordinate guarantees on term loans and lines of credit on a pilot basis with TD Bank for three years, to be reviewed and renewed annually at the discretion of the EDA CEO or President. As part of the pilot, the subordinated guarantee will be offered exclusively through TD Bank, but either EDA or TD Bank may terminate this Agreement at any time upon 30 days prior written notice.

As further detailed in the proposed program offering in Appendix A, TD Bank would provide term loans and lines of credit of up to \$5 million to credit-worthy companies based in New Jersey, and the Authority would provide subordinate guarantees on individual transactions of up to 50 percent of the TD Bank financing, not to exceed \$2 million for fixed asset loans and \$1.5 million for permanent working capital loans and \$500,000 for lines of credit. Total exposure limits per project are noted below. The term of the Authority’s guarantee would be up to 5 years for term loans and 1 year for lines of credit with a 1-5 year renewal option for a term loan and a 1 year renewal option for a line credit available at the request of TD Bank and subject to the Authority’s re-approval. This program is a hybrid of the Premier Lender Program and the Main Street Business Assistance Program but with lower total exposure limits due to the added risk of the Authority’s guarantee being subordinate in collateral. To further mitigate this risk, TD and the Authority agreed to a more conservative advance rate on collateral that will not exceed 80% loan to value on all collateral. A comparison of programs is attached to show the material differences in the exposure limits, loan to value ratios, credit scores and debt coverage ratios.

Fixed Assets

Term Loan Guarantee: \$2,000,000
Line of Credit Guarantee: \$500,000
Total Exposure: \$2,500,000

Working Capital

Term Loan Guarantee: \$1,500,000
Line of Credit Guarantee: \$500,000
Total Exposure: \$2,000,000

Over the years, the Authority has established a strong working relationship with TD and its staff and partnered on many transactions utilizing several of the Authority’s product which have been handled satisfactorily. Based on our experience with TD relating to both their underwriting and portfolio management, and their commitment to provide capital to the business community, the Authority is comfortable with establishing this affinity program on a pilot basis to be reviewed and renewed annually. In terms of the Authority’s obligation to provide guarantees under this new program, the Authority will reserve funds equal to the amount of guarantee as projects are approved but in no event will the Authority’s guarantee exposure exceed \$10 million.

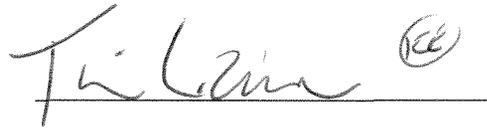
A delegation of authority is appropriate as the exposure limits, loan to value ratios, credit scores and debt coverage ratios are consistent with the criteria in both the Premier Lender and Main Street Business Assistance Programs for which delegated authority has been previously authorized.

It is requested that the Board authorize a regulation for the fee associated with this pilot program as indicated on the attachment.

Recommendation:

The Members of the Board are requested to approve the following:

- 1) A new product, a subordinate guarantee, a new affinity program between TD Bank and the Authority to be called "TD Bank New Jersey Advantage Program", a delegation of authority based on the program criteria and the promulgation of a regulation for the proposed fee.
- 2) The Agreement between TD Bank and the Authority, and to authorize the execution of the Agreement, attached in substantially final form, by the CEO or President, subject to review by the Office of the Attorney General.



A handwritten signature in cursive script, reading "T. L. Linn", is written above a horizontal line. To the right of the signature is a circled monogram "TLL".

Prepared by: L. Wallick

Exposure Limits Under Delegated Authority

Program	Participation Exposure Limits	Guarantee Exposure Limits	Maximum Exposure Limits
TD Bank New Jersey Advantage Program	N/A	Up to 50% not to exceed \$2MM of term loans for new or refinanced fixed assets; Up to 50% not to exceed \$1.5 million for working capital; Up to 50% of Line of Credit, not to exceed \$500,000.	Maximum EDA exposure per borrower/related entities is \$2.5MM.
Premier Lender Program	Up to 50% participation not to exceed \$1.25MM in term loans for fixed assets and \$750,000 for working capital	Up to 50% not to exceed \$1.5MM of term loans for fixed assets and working capital.	Maximum combined exposure of \$2.75MM for fixed assets and \$2.25MM for working capital loans
PNC Business Growth Fund	N/A	25% or 50% guarantee of term loans for fixed assets.	Max exposure \$1.5MM
Main Street	25% participations up to \$1MM for fixed assets and \$750,000 for working capital	Up to 50% not to exceed \$2MM of term loans for fixed assets; Up to 50% not to exceed \$1.5MM for working capital. Up to 50% of Lines of Credit not to exceed \$250,000	Max combined exposure up to 50% of bank financing not to exceed \$2MM.

AGREEMENT

This Agreement, dated as of **XXX, 2013**, is by and between the New Jersey Economic Development Authority (“NJEDA”), an instrumentality of the State of New Jersey, having its principal place of business at 36 West State Street, Trenton, New Jersey 08625 and TD Bank, N.A. (“TD”), a national banking association, having an office at 560 Route 22 East, Bridgewater, New Jersey 08807.

WHEREAS, TD is one of the Premier Lenders of the NJEDA, with the ability to access loan programs provided by the NJEDA designed to reduce the approval to closing turnaround time for loans meeting certain criteria established by the NJEDA; and

WHEREAS, the NJEDA and TD have agreed to an expanded relationship utilizing a loan program to be known as “TD Bank New Jersey Advantage Program” whereby TD agrees to process loan applications and to make available, subject to credit approval in the case of each application, reduced interest rate loans in the aggregate principal amount of \$20 million to New Jersey businesses that will create or retain jobs in the State, and the NJEDA agrees to provide partial subordinate guarantees of such loans exclusively to TD provided that the aggregate liability of the NJEDA under this program shall in no event exceed \$10 million; and

The NJEDA and TD agree that they shall participate in the “TD Bank New Jersey Advantage Program” in accordance with the operating procedures substantially set forth in the attached Appendix A, the terms of which are incorporated herein by this reference, with such changes, insertions or deletions as both parties shall mutually agree in writing from time to time.

NOW THEREFORE, in consideration of the promises set forth herein and for other good and valuable consideration, the parties hereto agree as follows:

The term of this loan program agreement will be for a period of three (3) years, reviewed and renewed annually at the discretion of the CEO or President of the NJEDA, commencing **XXX, 2013** and expiring **XXX, 2016** in accordance with the operating procedures substantially as set forth in the attached Appendix A, with such changes, insertions or deletions as both parties shall mutually agree in writing from time to time.

Either NJEDA or TD shall have the right to terminate this Agreement at any time in their sole discretion upon not less than 30 days prior written notice to the other party. Any termination shall not affect or impair any Commitment or Guarantee Agreement in effect on the effective date of termination.

NJEDA and TD shall have the right to agree to extend the period of this Agreement upon mutually satisfactory terms and conditions and subject to the NJEDA Board approval.

This Agreement may not be amended or modified without the prior written consent of the NJEDA and TD and subject to the NJEDA Board approval.

No delay or omission on the part of the NJEDA or TD in exercising any right hereunder shall operate as a waiver of such right or of any other right under this Agreement.

No waiver of any right under this Agreement shall be effective unless in writing and signed by the party waiving such right, and no waiver on one occasion shall be construed as a bar to or waiver of any such right on any other occasion.

Any notice required or permitted to be given under this Agreement shall be given in writing, and shall be effective when actually received by the other party from (i) a nationally recognized overnight courier which provides proof of delivery or (ii) the United States mail, by certified or registered mail postage prepaid, directed to the addresses of the party shown in the preamble of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address.

This Agreement and any waiver or amendment hereto may be executed in counterparts and by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. This Agreement may be executed and delivered by pdf format via email transmission or by facsimile transmission, all with the same force and effect as if the same were a fully executed and delivered original manual counterpart.

This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey (without giving effect to the conflicts of law principles thereof) and shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

This Agreement, together with any appendices and exhibits hereto, constitutes the entire agreement, and supersedes any prior agreements, of the parties concerning its subject matter. In the event a provision of this Agreement is unenforceable, this Agreement shall be construed by the parties to the extent reasonably possible as if the unenforceable provision were omitted.

Witness **TD BANK, N.A.**

By: _____ By: _____
D.Nicholas Miceli, Market President

Witness **NEW JERSEY ECONOMIC DEVELOPMENT
AUTHORITY**

By: _____ By: _____
Michele Brown, CEO

**TD Bank New Jersey Advantage Program
Program Specifications and Operating Procedures
Appendix A
January XX, 2013**

ELIGIBILITY	<ul style="list-style-type: none"> ● Businesses doing business in New Jersey committed to job creation/retention in the State. ● One job created or retained for every \$50,000 of Authority exposure ● Applicant must be in business at least two years ● Projects which include construction or renovations are subject to NJ Affirmative Action and Prevailing Wage requirements ● All Applicants must submit to the Authority an Application for Financial Assistance and required documentation and Fee(s) and an Application for Tax Clearance and receive a Tax Clearance certificate from the New Jersey Division of Taxation prior to closing.
ELIGIBLE USES	<ul style="list-style-type: none"> ● Acquisition or Refinancing of Owner Occupied Commercial Real Estate (defined as at least 51% occupancy of rentable square footage). ● Acquisition or Refinancing of Machinery and Equipment. ● Working Capital term loans and lines of credit
DURATION OF PROGRAM	<ul style="list-style-type: none"> ● 3 Years (Reviewed and Renewed Annually at the discretion of the EDA CEO or President). Either EDA or TD may terminate at any time upon 30 days written notice to the other.
AMOUNTS	<ul style="list-style-type: none"> ● Term loan amounts up to \$5 million per borrower. ● Lines of Credit amounts of up to \$5 million ● Loan volume will not exceed at any one time outstanding the aggregate principal amount of \$20 Million.
TERM	<ul style="list-style-type: none"> ● Up to 10 year term for commercial real estate term loans. ● Up to 10 year term for machinery & equipment term loans ● 1 year term for lines of credit.
PRICING	<ul style="list-style-type: none"> ● Program pricing will be .25-.50 discount off of TD prevailing rates. ● TD will demonstrate to EDA the interest rate comparison in approval document.
AMORTIZATION	<ul style="list-style-type: none"> ● Commercial Real Estate Term Loans: Up to 25 Years ● Machinery & Equipment Term Loans: Up to 10 Years based on useful life of the asset.
DEBT SERVICE COVERAGE	<ul style="list-style-type: none"> ● Must be at least 1.1x on a historical or global basis.
GUARANTEES	<ul style="list-style-type: none"> ● Will be required of all persons or entities owning 10% or more of the borrowing entity and operating business.
COLLATERAL	<ul style="list-style-type: none"> ● Collateral required based upon the type of transaction. ● Loan-to-value ratio up to 80% on Owner-Occupied Real Estate. ● Loan-to-value ratio up to 80% of invoice on new/used machinery and equipment. ● Lines of Credit require collateral sufficient to secure line amount (for borrowing base LOCs, outstandings will be capped at applicable advance rates: up to 80% of eligible accounts receivable and up to 50% of eligible inventory). ● EDA will be subordinate in collateral proceeds to the extent of the EDA's interest in the loan.
NJEDA GUARANTEES	<ul style="list-style-type: none"> ● EDA will guarantee (subject to EDA approval) up to 50% of any approved term loan for new or refinanced fixed assets , not to exceed \$2 million ● EDA will guarantee (subject to EDA approval) up to 50% of any long term working capital loan, not to exceed \$1.5 million. ● EDA will guarantee (subject to EDA approval) up to 50% of any approved

	<p>line of credit, not to exceed \$500,000.</p> <ul style="list-style-type: none"> ● Maximum EDA exposure per borrower/related entities for fixed assets is \$2.5 million and \$2 million for working capital Both TD and EDA will use reasonable efforts to identify related entities. Related entity will include any real estate holding company and/or operating company related by common ownership and principals having 10% or more ownership in those entities. ● The aggregate loss on the term of this program cannot exceed \$10 Million, and at no time will the EDA pay more than \$10 Million net of guarantee recoveries. ● EDA guarantees will be subordinate in collateral and provided for guarantee terms up to 5 years for term loans and 1 year for lines of credit with a 1-5 year renewal for term loans and a 1 year for LOC at the request of TD, and subject to EDA re-approval. An additional modification and guaranty fees would apply as set forth below. ● All guarantees will take effect immediately upon loan closing.
FEES	<p>EDA Fees: (all non-refundable)</p> <ul style="list-style-type: none"> ● \$1,000 Application fee (payable at application on-line). ● \$750 Commitment fee. ● Guarantee fee will be 25 bps above standard EDA guarantee fee which is set at 1 bps for each percentage of guarantee times the amount of guarantee times number of years of the guarantee. (i.e. 30% guarantee would use a calculation of 30 bps + 25 bps for a total of 55 bps times the guarantee amount times # years.) ● \$750 Commitment Extension Fee if closing does not occur within 120 days of EDA approval. ● \$1,000 Modification fee for guarantee renewals ● Standard fees for other modifications ● An additional guarantee fee for guarantee renewals, using formula above. ● \$75 Tax Clearance Application fee(10 business day processing) or ● \$200 Tax Clearance Application fee (Expedited 3 business day processing) ● Commitment, Guarantee and Tax Clearance Fees are payable by the Borrower at the time of closing and are to be remitted to the NJEDA by TD or Applicant within two weeks of closing. <p>TD Fees:</p> <ul style="list-style-type: none"> ● Not to exceed 1% of loan amount exclusive of out of pocket fees such as appraisal fees and filing fees.
QUALIFICATIONS	<ul style="list-style-type: none"> ● Applicant business must be operating in New Jersey. ● Create jobs or ● Maintain jobs ● Historical/Global debt service coverage of at least 1.1x. ● Minimum guarantor credit score – 680 FICO ● Loan-to-value up to 80% - owner occupied real estate ● Loan-to-value up to 80% - new machinery & equipment based on invoice ● Lines of credit require assets sufficient to cover line amount ● Borrowing base lines of credit subject to advance rates up to 80% of eligible accounts receivable and up to 50% of eligible inventory. ● No current or prior bankruptcies ● Must be authorized to do business in New Jersey. A Corporate Status report will be obtained by the EDA to confirm this. ● All funds must be used to support New Jersey operations. ● Personal guarantees required from any individual or entity owning 10% or more of the borrower and operating company.

<p>APPLICATION PROCESS</p>	<ul style="list-style-type: none"> ● TD Relationship Teams will originate applications. EDA Business Development Officers may also refer applicants by directing them to the appropriate TD designated person. ● TD Relationship Teams will review projects for eligibility. ● TD Relationship Teams will review application packages for completeness. ● Applicants will complete EDA on-line application (available at www.njeda.com) and will be required to pay \$1,000 application fee (non-refundable).
<p>TD APPROVAL PROCESS</p>	<ul style="list-style-type: none"> ● Upon TD loan approval, TD will remit, via email to EDA’s designated Business Development Officer (BDO), its full credit underwriting analysis and approval documents , business financial statements and spreads, personal financial statements and tax returns, D&B reports and Experian business and personal credit reports. ● EDA BDO will review package and remit to EDA Credit Underwriting. ● The underwriting document produced by TD will include the required loan pricing comparison and the value of EDA’s guaranty (expressed as a percentage of the loan amount subject to the EDA guaranty, and subject to program maximum dollar amounts) and term of EDA guarantee being requested.
<p>NJEDA APPROVAL PROCESS</p>	<ul style="list-style-type: none"> ● EDA Credit Underwriting staff member will review and analyze the loan package and prepare a project summary. ● EDA checklist will be prepared and reviewed by Credit Underwriting staff who will submit to Director of Credit Underwriting for review and determination to proceed. If the decision to proceed is made, the project is circulated for approval by EDA staff pursuant to its delegated authority policy. ● EDA credit decision will be communicated within three business days from receipt of a complete application package, via email to the designated TD Relationship Team member. ● For approved transactions, EDA will email its commitment letter to the bank and the applicant with 2 business days following approval. ● EDA approval is communicated to Closing Services for preparation of the guaranty.
<p>GUARANTEE RENEWAL PROCESS</p>	<ul style="list-style-type: none"> ● For term loans, one five (5) year guarantee renewal may be requested. ● For lines of credit, one, one (1) year guarantee renewal may be requested. ● Not less than 30 days prior to guarantee expiration, TD will submit to EDA its approval for a TD loan extension with the request for a guarantee renewal in accordance with the above TD Approval Process. ● Request shall include a certification that to TD’s best knowledge Borrower is not in default under the terms of the loan documents. ● Borrower shall have demonstrated maintenance of debt service coverage of 1.1x. ● A new Tax Clearance Application must be submitted with the TD approval package.
<p>PRE-CLOSING</p>	<ul style="list-style-type: none"> ● Upon guarantee approval by EDA, TD will order all due diligence searches. ● Upon receipt and satisfactory review of all due diligence searches, real estate valuations and all other pre-closing conditions, TD will schedule closing. ● Once closing date is confirmed and advised to EDA, loan documents will be prepared by TD, with the exception of the EDA Guaranty Agreement which will be prepared by the EDA and emailed within 2 days to TD. ● TD will provide EDA Closing Services with loan closing date not later than 2 business days prior to closing.

LOAN SERVICING	<ul style="list-style-type: none"> • TD will service these loans according to existing TD procedures and protocols for existing EDA participations (e.g. Site visits; sharing financial information, etc.). • TD will report loan balances and payment status on a monthly basis. • TD will notify EDA within 7 business days all payment delinquencies that are 30 days past due and any loan transfers to TD Loan Workout Group. These shall also be included in the periodic loan verification reports.
GUARANTEE PAYMENT AND COLLATERAL LIQUIDATION	<p>Work out plans will be provided by TD Workout Group to EDA for review on all projects requiring collection. EDA will accept or reject the workout plan within 10 business days from receipt.</p> <ul style="list-style-type: none"> • Any request for payment on the EDA guarantee will be made in accordance with the Guarantee Agreement. • Upon payment by EDA under its Guarantee Agreement , EDA will create a participation note in the TD loan which will be subordinate to TD in liquidation of collateral; other payments received against the loan will be shared pro rata. (the order of priority will be TD P&I, EDA participation note for payment of guarantee, Bank Fees and Legal Fees, and last to borrower as long as lenders have been repaid.)
MARKETING	<ul style="list-style-type: none"> • TD and EDA must jointly approve all marketing materials and use of logos and other trademarks prior to release. • Program marketing and sales promotion across TD’s New Jersey channels. • Program marketing through NJEDA.com and other EDA communication programs including collateral material. • EDA will market the program through business membership organizations and various trade groups. • TD and EDA will meet annually to discuss overall relationship and program results.



MEMORANDUM

TO: Members of the Authority

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

DATE: January 15, 2013

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

In December, 2012, the members approved a change in the administration of the subject programs as a result of new Treasury guidance for fund transfers. Included in that approval was the requirement to report monthly to the members the status on the funding of these projects. Treasury has also been notified of the December approvals so as to encumber the funds for those approvals. Below is the summary of actions taken for approvals in December (board and delegations) and the net funding available at 12/31/12 for January, 2013 approvals.

HDSRF:

In December, there were no board or delegated approvals. As of December 31st, the HD fund held by EDA had approximately \$67.6 million cash and \$20.9 million unfunded appropriations, which combined totaled \$88.5 million against which are \$49.1 million of commitments, leaving \$39.4 million as available cash in bank and unfunded appropriations for new future commitments.

UST:

In December, the members approved 19/\$4.1 million of UST projects and staff approved 108 projects for \$2.3 million under delegation for a combined total of 172 projects for \$6.4 million. Net of these approvals, at December 31st, the UST fund held by EDA had approximately \$5.6 million cash in bank and \$29.5 million unfunded appropriation, which combined totaled \$25.1 million of commitments, leaving \$10 million as available cash in bank and unfunded appropriations for new future commitments.

Prepared by: Lisa Petrizzi

**HAZARDOUS DISCHARGE SITE REMEDIATION FUND
PROGRAM**

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: January 15, 2013

SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

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

Commercial Grants:

Flexco Microwave, Inc.	\$ 508,583
Flexco Microwave, Inc.	<u>\$ 250,000</u>
Total HAZ Commercial Grants	\$ 758,583

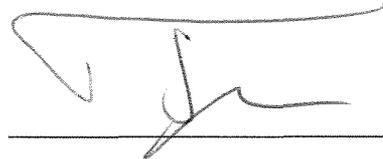
Commercial Loan:

Steel Brite Polishing Corporation	\$ 76,014
Total HAZ Commercial Loan	\$ 76,014

Municipal Grant:

City of Millville (Stewart's Amoco)	<u>\$ 172,451</u>
Total HAZ Municipal Grants	\$ 172,451

Total HAZ funding for January 2013 **\$ 1,007,048**



Prepared by: Lisa Petrizzi

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

APPLICANT: Flexco Microwave, Inc.

P37788

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 17 Karrville Road

Mansfield Township (N)

Warren

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

APPLICANT BACKGROUND:

In September 2005, Flexco Microwave, Inc. received a 50% Innocent Party Grant in the amount of \$491,417 under P16746 to perform Preliminary Assessment (PA), Site Investigation (SI), Remedial Investigation (RI) and Remedial Action (RA) at the project site. The NJDEP Bureau of Case Management has found the applicant's supplemental proposal for financial assistance to be administratively and technically complete and has approved funding to be provided in the form of a Hazardous Discharge Site Remediation Grant under N.J.S.A. 58:10B-Subsection 4, Series A. The supplemental Innocent Party Grant has been calculated off 50% of the approved remedial action project costs (\$508,583).

The scope of work involves remedial activities approved by the NJDEP.

APPROVAL REQUEST:

The applicant is requesting supplemental grant funding in the amount of \$508,583 to perform the approved scope of work at the project site for a total funding to date of \$1,000,000. In addition, the applicant is concurrently being considered for a 25% Matching Grant under P37789 in the amount of \$250,000.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$508,583 (50% Innocent Party Grant)

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	\$1,017,166
EDA administrative cost	\$500
TOTAL COSTS	\$1,017,666

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Flexco Microwave, Inc.

P37789

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 17 Karrville Road

Mansfield Township (N)

Warren

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

APPLICANT BACKGROUND:

Flexco Microwave, Inc. owns the project site which is a candle making factory and machine shop. The NJDEP Office of Brownfield Reuse has found the applicant's proposal for financial assistance to be administratively and technically complete and has approved funding to be provided in the form of a Hazardous Discharge Site Remediation 25% Limited Restricted/Unrestricted Use Matching Grant under N.J.S.A. 58:10B-Subsection 2, Series A. The grant has been calculated off 25% of the Remedial Action costs (\$250,000).

The scope of work includes remedial action activities to achieve an unrestricted or limited restricted re-use classification. In addition, pursuant to the evaluation it has been determined that the applicant meets the Authority's standard guidelines under the program.

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$250,000 to perform the approved scope of work at the project site. In addition, the applicant is concurrently being considered for a 50% IPG under P37788 in the amount of \$508,583.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$250,000 (25% Matching Grant)

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	\$1,000,000
EDA administrative cost	\$500
TOTAL COSTS	<u><u>\$1,000,500</u></u>

APPROVAL OFFICER: K. Junghans

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS DISCHARGE SITE REMEDIAT'N PROG PROGRAM**

APPLICANT: Steel Brite Polishing Corporation

P37757

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 127 Franklin Street

Elizabeth City (T/UA)

Union

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

APPLICANT BACKGROUND:

Steel Brite Polishing Corp. ("Steel Brite" or "Company") owns a commercial property located at 127 Franklin Street, Elizabeth, NJ. The property is currently in the remediation process. Steel Brite Polishing Corporation is owned by Joseph Anfuso and Elaine Scala. NJDEP has reviewed the project and determined that the costs are technically eligible.

Steel Brite was previously approved for a \$165,084 HDSRF loan (P17052) for remedial investigation and action, which closed in July 2006.

The applicants have a contract to sell the project property for \$500,000 which is contingent upon the remediation.

APPROVAL REQUEST:

Approve a \$76,013.38 loan under the HDSRF program.

FINANCING SUMMARY:

LENDER: Hazardous Discharge Site Remediation Fund

AMOUNT OF LOAN: \$76,013.38

TERMS OF LOAN: The loan will be structured as a 5-year term with a fixed rate of 5.00%. No payments will be required and interest will be accrued. The loan will have a full balloon payment (principal plus interest) due at the end of the 5 year term or upon sale of the property, whichever occurs first.

PROJECT COSTS:

Remedial investigation	\$76,014
Finance fees	\$1,500
TOTAL COSTS	\$77,514

APPROVAL OFFICER: J. Wentzel

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

APPLICANT: City of Millville (Stewart's Amoco)

P37750

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION 507 West Main Street

Millville City (T/UA)

Cumberland

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

APPLICANT BACKGROUND:

In September 2004, the City of Millville received grant funding to perform a Preliminary Assessment (PA) and Site Investigation (SI) in the amount \$57,042 under P15695 at the Stewart's Amoco project site. The project site, identified as Block 103, Lot 1 is an abandoned gasoline service station which has potential environmental areas of concern (AOC). The City of Millville currently owns the project site and has satisfied Proof of Site Control. It is the City's intent, upon completion of the environmental investigation activities, to redevelop the project site for commercial use.

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

APPROVAL REQUEST:

The City of Millville is now requesting supplemental grant funding to perform additional (RI) activities required by NJDEP in the amount of \$172,451 at the Stewarts Amoco project site for total funding to date of \$229,493.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT \$172,451

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$172,451
EDA administrative cost	\$500
TOTAL COSTS	<u><u>\$172,951</u></u>

APPROVAL OFFICER: K. Junghans

**PETROLEUM UNDERGROUND STORAGE TANK
PROGRAM**

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

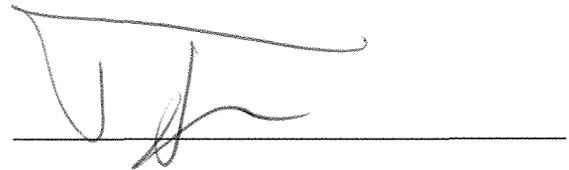
DATE: January 15, 2013

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

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

<u>Commercial Grant:</u>	
Eastland Recovery Group, LLC	\$ 290,635
Total UST Commercial Grant	\$ 290,635

Total UST funding for January 2013	\$ 290,635
---	-------------------



Prepared by: Lisa Petrizzi

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

APPLICANT: Eastland Recovery Group, LLC

P37564

PROJECT USER(S): Ferrari Oil Inc. *

* - indicates relation to applicant

PROJECT LOCATION: 1020 Rte 30 W

Buena Vista Township (T) Atlantic

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

APPLICANT BACKGROUND:

Between March 2000 and July 2006, Eastland Recovery Group LLC, owner of the Ferrari Oil, Inc., which is a gasoline service station located in the Pinelands Planning Area, received grants totaling \$437,383 under P12068 and P12068s to excavate and decommission (9) underground storage tanks (USTs) at the project site. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional soil and groundwater remediation.

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

APPROVAL REQUEST:

The applicant is requesting supplemental grant funding in the amount of \$290,635 to perform the approved scope of work at the project site for a total funding to date of \$728,018. The project site is located in a Pineland Center and eligible to receive up to \$1,000,000 of grant funding.

The NJDEP oversight fee of \$29,063 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: \$290,635

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

PROJECT COSTS:

Site Remediation	\$290,635
NJDEP oversight cost	\$29,064
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$320,199 <hr/>

APPROVAL OFFICER: K. Junghans



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: January 15, 2013

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

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

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

Below is a summary of the Delegated Authority approvals processed by Finance & Development for the period December 01, 2012 to December 31, 2012

Summary:		# of Grants	\$ Amount
	Leaking tank grants awarded	101	\$2,309,088
	Non-leaking tank grants awarded	7	\$21,600

Applicant	Description	Grant Amount	Awarded to Date
Abiding Peace Lutheran Church (P36978)	Supplemental grant for upgrade, closure and remediation	\$17,588	\$43,093
Adair, Gary (P37334)	Initial grant for upgrade, closure and remediation	\$6,437	\$6,437
Attardi, Terry (P37652)	Supplemental grant for upgrade, closure and remediation	\$28,638	\$35,142
Bauer, Albert (P37234)	Supplemental grant for upgrade, closure and remediation	\$45,067	\$53,735
Bellavita, John (P37264)	Supplemental grant for upgrade, closure and remediation	\$6,078	\$50,028
Boonham, Tom (P37500)	Supplemental grant for upgrade, closure and remediation	\$57,689	\$66,839
Boydston, Rick (P37058)	Supplemental grant for upgrade, closure and remediation	\$62,878	\$103,677*
Buteau, Richard (P37766)	Supplemental grant for upgrade, closure and remediation	\$4,391	\$11,891
Caligiuri, Paula (P37033)	Supplemental grant for upgrade, closure and remediation	\$50,441	\$82,910
Calogero, Diane (P37588)	Supplemental grant for upgrade,	\$61,023	\$79,255

Applicant	Description	Grant Amount	Awarded to Date
	closure and remediation		
Canilao, Nilda (P37501)	Supplemental grant for upgrade, closure and remediation	\$20,311	\$218,286*
Cao, William (P37320)	Supplemental grant for upgrade, closure and remediation	\$31,450	\$36,592
Chappine, James (P37704)	Supplemental grant for upgrade, closure and remediation	\$47,834	\$104,328*
Collier, Paul (P37505)	Supplemental grant for upgrade, closure and remediation	\$19,771	\$24,165
Conlin, John and Lorna (P37706)	Supplemental grant for upgrade, closure and remediation	\$13,391	\$69,234
Cooper, Cecelia (P37705)	Supplemental grant for upgrade, closure and remediation	\$3,117	\$6,866
Croitor Feed (P37379)	Supplemental grant for upgrade, closure and remediation	\$32,634	\$82,139
Czapka, Adam (P37592)	Supplemental grant for upgrade, closure and remediation	\$3,906	\$10,912
Davies, Michele C. (P37241)	Supplemental grant for upgrade, closure and remediation	\$64,220	\$92,437
DeSessa, Michael (P37713)	Supplemental grant for upgrade, closure and remediation	\$1,743	\$26,687
Deckmejian, Birj and Lisa (P37433)	Supplemental grant for upgrade, closure and remediation	\$2,802	\$12,912
DiSalvo, Alfred (P37540)	Supplemental grant for upgrade, closure and remediation	\$26,127	\$34,053
Diaz, Jessica (P37563)	Supplemental grant for upgrade, closure and remediation	\$81,681	\$96,262
Dineen, Philip (P37481)	Supplemental grant for upgrade, closure and remediation	\$17,067	\$26,358
Dole, Anne (P37503)	Supplemental grant for upgrade, closure and remediation	\$1,218	\$13,847
Donahue, Michele and Robert Atkyns (P37267)	Supplemental grant for upgrade, closure and remediation	\$14,880	\$25,328
English, Don (P37412)	Supplemental grant for upgrade, closure and remediation	\$64,655	\$103,428*
Estate of Beatrice Tanski (P37654)	Supplemental grant for upgrade, closure and remediation	\$44,573	\$54,783
Estate of Eleanor Bauza (P37245)	Supplemental grant for site remediation	\$12,188	\$127,087*
Estate of Victor Lincoln (P37591)	Supplemental grant for upgrade, closure and remediation	\$80,866	\$263,016*
Finn, Rose (P37322)	Supplemental grant for upgrade, closure and remediation	\$58,111	\$78,834
Friedenberg, Donald	Initial grant for upgrade,	\$12,119	\$12,119

Applicant	Description	Grant Amount	Awarded to Date
(P33639)	closure and remediation		
G&S Citgo Service Inc. (P37710)	Supplemental grant for upgrade, closure and remediation	\$34,675	\$268,713*
Glickman, Frances (P35216)	Initial grant for upgrade, closure and remediation	\$78,335	\$78,335
Grossfeld, Paul (P37304)	Supplemental grant for upgrade, closure and remediation	\$2,383	\$17,701
Haase, Arthur (P37638)	Supplemental grant for upgrade, closure and remediation	\$39,159	\$49,363
Hamer, Jeffrey (P37589)	Partial supplemental grant for upgrade, closure and remediation	\$7,397	\$39,814
Hardt, Kenneth (P37474)	Supplemental grant for upgrade, closure and remediation	\$70,189	\$87,901
Heard, Charles (P37244)	Supplemental grant for site remediation	\$13,791	\$31,147
Jenkins, Marvin (P35558)	Initial grant for upgrade, closure and remediation	\$30,586	\$30,586
Johnson, Irene (P37714)	Supplemental grant for upgrade, closure and remediation	\$2,100	\$12,565
Kerstetter, Christine (P37744)	Supplemental grant for upgrade, closure and remediation	\$13,215	\$55,893
Kratz, Allen and Paul Somerville (P37046)	Supplemental grant for upgrade, closure and remediation	\$1,081	\$6,601
Lee, Perry (P37417)	Supplemental grant for upgrade, closure and remediation	\$31,385	\$73,921
Letki, Alan G. (P37443)	Supplemental grant for upgrade, closure and remediation	\$3,262	\$17,892
Liu, Ying and Donghuo Zhou (P37571)	Supplemental grant for upgrade, closure and remediation	\$6,532	\$20,082
Lopez, Pedro (P37586)	Supplemental grant for upgrade, closure and remediation	\$5,687	\$37,690
Louro, Sergio and Monica (P37656)	Supplemental grant for upgrade, closure and remediation	\$27,225	\$95,494
Lussa, Jenny (P37233)	Supplemental grant for upgrade, closure and remediation	\$2,872	\$28,362
Martino, Elizabeth (P37349)	Supplemental grant for upgrade, closure and remediation	\$13,842	\$39,103
Masker, Edwin (P37323)	Supplemental grant for upgrade, closure and remediation	\$21,865	\$56,370
McGee, James and JoAnn (P36912)	Supplemental grant for upgrade, closure and remediation	\$4,300	\$17,346
McGuinness, Michael (P37023)	Initial grant for upgrade, closure and remediation	\$3,795	\$3,795
Mendonca, Manuel and Maria	Supplemental grant for upgrade,	\$7,894	\$32,192

Applicant	Description	Grant Amount	Awarded to Date
(P37483)	closure and remediation		
Meyers, Donna (P32980)	Initial grant for upgrade, closure and remediation	\$13,925	\$13,925
Milano, Peter and Helen (P37768)	Supplemental grant for upgrade, closure and remediation	\$86,073	\$103,618*
Mimna, Timothy and Shawne (P37332)	Partial initial grant for upgrade, closure and remediation	\$10,273	\$10,273
Moore, Kenneth L. and Jody L. (P37618)	Supplemental grant for upgrade, closure and remediation	\$3,714	\$59,500
Morales, Winny (P37472)	Supplemental grant for upgrade, closure and remediation	\$4,106	\$14,992
Mount Calvary Missionary Church (P37057)	Supplemental grant for upgrade, closure and remediation	\$67,130	\$73,142
Mulcahey, Victoria (P37479)	Supplemental grant for upgrade, closure and remediation	\$3,427	\$33,080
Mulkeen, Jeanne (P37272)	Supplemental grant for upgrade, closure and remediation	\$7,265	\$46,843
Murida'allah, Qaadir (P36125)	Supplemental grant for upgrade, closure and remediation	\$30,367	\$37,418
Murphy, Norma (P34119)	Initial grant for upgrade, closure and remediation	\$17,813	\$17,813
Nichols, Gary (P37378)	Supplemental grant for upgrade, closure and remediation	\$79,360	\$85,502
Nichols, Irene (P37354)	Initial grant for upgrade, closure and remediation	\$1,321	\$1,321
O'Connor, Eileen (P37637)	Supplemental grant for upgrade, closure and remediation	\$9,499	\$23,268
Pace, Anna E. (P30854)	Initial grant for upgrade, closure and remediation	\$13,117	\$13,117
Perry, William (P37242)	Supplemental grant for upgrade, closure and remediation	\$2,697	\$6,875
Pillion, Edward A. Jr. and Katrin (P36979)	Supplemental grant for upgrade, closure and remediation	\$3,948	\$21,567
Ranj, Ljubica (P34579)	Initial grant for upgrade, closure and remediation	\$36,425	\$36,425
Raquet, Sherri L. (P37499)	Supplemental grant for upgrade, closure and remediation	\$4,377	\$16,597
Reed, William and Elaine (P37021)	Supplemental grant for upgrade, closure and remediation	\$4,626	\$26,393
Richards, Carolyn (P37383)	Supplemental grant for upgrade, closure and remediation	\$7,071	\$20,373
Robinson, Huey and Brandon (P37415)	Supplemental grant for upgrade, closure and remediation	\$20,000	\$32,308
Rupp, George (P36382)	Initial grant for upgrade,	\$14,182	\$14,182

Applicant	Description	Grant Amount	Awarded to Date
	closure and remediation		
Saia, Joseph (P37709)	Supplemental grant for upgrade, closure and remediation	\$27,760	\$32,755
Shahrokh, Reza (P37562)	Supplemental grant for upgrade, closure and remediation	\$18,285	\$22,698
Shannon, Christian (P37430)	Supplemental grant for upgrade, closure and remediation	\$6,512	\$40,556
Silverstein, Robert and Linda (P37471)	Supplemental grant for upgrade, closure and remediation	\$19,948	\$28,191
Slaughter, Lovenia (P33509)	Initial grant for upgrade, closure and remediation	\$19,127	\$19,127
Smutz, John and Anna (P37270)	Supplemental grant for upgrade, closure and remediation	\$27,199	\$64,620
Sole, Steve (P36977)	Supplemental grant for upgrade, closure and remediation	\$7,802	\$15,444
Spencer, Robert and Doreeen (P37772)	Supplemental grant for upgrade, closure and remediation	\$14,834	\$23,185
St. Mary's Star of the Sea Church (P35609)	Initial grant for upgrade, closure and remediation	\$42,311	\$42,311
St. Nicholas Catholic Church (P36276)	Initial grant for upgrade, closure and remediation	\$12,862	\$12,862
Stark, Hilda (P37350)	Initial grant for upgrade, closure and remediation	\$9,688	\$9,688
Stewart, Pamela (P32069)	Supplemental grant for upgrade, closure and remediation	\$8,123	\$20,683
Strahm, Charles (P36996)	Supplemental grant for upgrade, closure and remediation	\$2,000	\$44,055
Stymeist, John (P37444)	Supplemental grant for upgrade, closure and remediation	\$9,739	\$24,232
Tabernilla, Roy (P37707)	Supplemental grant for upgrade, closure and remediation	\$7,020	\$32,904
Toman, John (P37318)	Initial grant for upgrade, closure and remediation	\$52,031	\$52,031
Tomorrow's Hope, Inc. (P37247)	Supplemental grant for site remediation	\$37,445	\$152,372*
Trojanowski, Jennie (P34534)	Initial grant for upgrade, closure and remediation	\$4,826	\$4,826
Tsagaratos, Gerasimos (P37426)	Supplemental grant for upgrade, closure and remediation	\$3,291	\$15,846
Ubry, Eleanor (P37279)	Supplemental grant for upgrade, closure and remediation	\$42,875	\$249,375*
Van Horn, Marion (P34716)	Initial grant for upgrade, closure and remediation	\$16,102	\$16,102
Wang, Lina (P37414)	Supplemental grant for upgrade,	\$10,307	\$36,241

Applicant	Description	Grant Amount	Awarded to Date
	closure and remediation		
Washington, Mack and Lorraine (P37502)	Supplemental grant for upgrade, closure and remediation	\$3,425	\$8,226
Wisner, Blair (P37649)	Supplemental grant for upgrade, closure and remediation	\$40,874	\$73,441
Zane, Jane M. (P37305)	Initial grant for upgrade, closure and remediation	\$7,522	\$7,522

101 Grants

**Total Delegated Authority
funding for Leaking
applications.**

\$2,309,088

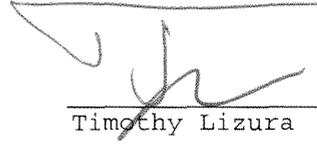
Arnold, Jeff (P36690)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Fritsch, Guenther K. (P35914)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,100	\$4,100
McGettigan, Edward and Cathy Montella (P37055)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Nicolas, Esterne and Fortune Jordonne (P34577)	Grant to remove an underground storage tank	\$1,500	\$1,500
Rada, Richard R (P36661)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Regan, Suzanne (P37276)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Williams, Elizabeth M and Robert K Markell (P36665)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$2,000	\$2,000

7 Grants

**Total Delegated Authority
funding for Non-Leaking
applications.**

\$21,600

*This amount includes grants approved previously by the Board and this award does not exceed the supplemental aggregate limit.



Timothy Lizura

Prepared by: Lisa Petrizzi, Assistant Director

EDISON INNOVATION FUND



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President & Chief Operating Officer

DATE: January 15, 2013

RE: Edison Innovation Venture Capital Growth Fund – Product Enhancement

Request

The Board is requested to allow the investments from strategic investors to be considered eligible to meet the 1:1 matching fund requirement under the Edison Innovation Venture Capital Growth Fund.

Background

As the members are aware, the Edison Innovation Venture Capital Growth Fund (EIVCGF) product is structured as a subordinate convertible note of up to \$1 million to support the growth of venture capital-supported technology companies, with a 1:1 venture capital matching fund requirement. Applicants are also required to demonstrate \$500,000 of commercial revenues, for the preceding 12 months derived from the sale of technology product/core business activity. This program was intended to leverage institutional venture backed investments in support of early stage, emerging technology, and life science businesses through a matching fund program. These funds provide growth capital for key hires, product iteration/roll out, product enhancement or marketing/sales.

As indicated above, to be eligible, the project must meet a 1:1 venture capital matching fund requirement that must be received 90 days prior to application. In the program's current form, only investments from venture capital funds are considered eligible to meet the 1:1 matching fund requirement. As part of determining that the investment is coming from a reputable venture capital fund, staff currently conducts a due diligence interview with the investor which includes the collection of important information including, but not limited to: the size of the fund, percentage of the total fund committed to date, potential for follow-on funding, and background review of the company's management.

In taking this program to the marketplace, staff has observed an increase in investment from strategic investors in emerging technology and life sciences companies. Strategic investments can be made by a variety of sources, including but not limited to commercial or institutional entities, nonprofit organizations with a similar focus or universities, all of whom are interested in

providing funding to advance the business in which they invest. Many of these strategic investors are not venture capital funds in the traditional sense, but offer several unique advantages as investors that traditional venture capital funds do not. Some of these advantages include more diverse investment strategy beyond solely financial return and a greater potential for follow-on funding. Strategic investors are often less concerned about Return on Investment from a pure financial perspective, as the business returns(i.e. new customers, products, markets, etc.) often exceed returns from a liquidity event. The strategic investor is often an acquirer of the investment target company, if successful.

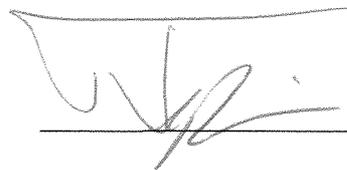
Examples of strategic investors could include the Multiple Sclerosis Society investing in a biotech company which is researching a cure for MS, a silicon carbide manufacturer investing in a solar panel company, or Amazon investing in a video web company. Over the last several months, with the lack of institutional venture capital, staff has observed that investments from strategic investors has become more attractive to emerging companies because strategic investors can sometimes bring industry expertise in addition to liquidity, access to a more robust customer base, validation to the technology or product and opportunities for operating partnerships.

Under the proposed policy change, staff will still conduct due diligence interviews with the strategic investors to determine whether there is a dedicated fund from which the investment is being made, the potential for follow-on funding, the business synergies that may exist, and the relationship between the investor and the applicant. The strategic investor will be required to be an unrelated, arms length investor, without any common ownership. As has been done historically, this due diligence will be summarized in the underwriting memorandum and shared with the approving board.

Recommendation

The Members of the Board approve the proposed policy change to allow the investments from strategic investors to be considered eligible to meet the 1:1 matching fund requirement under the Edison Innovation Venture Capital Growth Fund in order to broaden the availability of the program and recognize the increasing number of investments being made in emerging technology and life-sciences companies by strategic investors.

The Members are also requested to authorize staff to submit the attached rule amendments implementing the proposed policy change for publication in the New Jersey Register, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law (OAL).



Prepared by: Kathleen Coviello

Attachment: Rules

DRAFT

OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

**Administrative Rules; Fees
Authority Assistance Programs; Direct Loan Program**

Proposed Amendments: N.J.A.C. 19:30-6.3; 19:31-3.1

Authorized By: New Jersey Economic Development Authority, Michele Brown, Chief Executive Officer.

Authority: N.J.S.A. 34:1B-1 et seq.

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

Proposal Number: PRN 2013- .

Submit written comments by May 3, 2013 to:

Maureen Hassett, Senior Vice President
New Jersey Economic Development Authority
PO Box 990
Trenton, NJ 08625-0990

The agency proposal follows:

Summary

The New Jersey Economic Development Authority (“EDA” or “Authority”) is proposing an amendment to its rules, at N.J.A.C. 19:30-6.3(b), to establish a fee for certain guaranteed financing where the Authority’s interest is subordinated. In such instances, the fee to be paid at closing shall be the current fee established under N.J.A.C. 19:30-6.3(b) – which corresponds to the percentage guarantee required (e.g., a 25 percent guarantee would incur a guarantee fee of 25 basis points) multiplied by the number of years the guarantee is to be in effect – plus 25 basis points, as proposed herein.

The proposed amendment also clarifies that the existing guaranteed financing fee at N.J.A.C. 19:30-6.3(b) pertains to pari passu guaranteed financing, where the Authority takes an equal position with other lenders, as distinguished by the proposed new fee for subordinated guarantees, which is intended to assist private lenders through mitigated collateral risk; and, that the calculation of the fee shall be derived by multiplying the dollar amount of the guarantee, as well as the number of years the guarantee is to be in effect, as is current EDA practice.

The new fee structure for guaranteed financing derives from a new EDA pilot program, established in partnership with TD Bank, which will make capital available to New Jersey businesses at reduced rates. Under the program, TD Bank has committed to provide up to \$20 million in financing to businesses in year one, which will be backed by up to \$10 million in partial, subordinate EDA guarantees. Historically, EDA guarantees have been structured as pari passu and this will be the first time that EDA offers subordinate guarantees on term loans and lines of credit.

In addition, EDA is proposing an amendment, at N.J.A.C. 19:31-3.1(b)6, which would allow investments other than from institutional venture backed investments for meeting certain matching fund requirements under the Edison Innovation VC Growth Fund.

Currently, the Edison Innovation VC Growth Fund offers a subordinated convertible note of up to \$500,000 to support the growth of venture capital supported technology businesses. The program leverages institutional venture backed investments, under a one to one matching fund requirement, in support of early stage, emerging technology and life science businesses that have generated a minimum of \$500,000 in prior 12-month commercial revenues for key hires, product iteration/roll out, product enhancement, or marketing/sales.

The proposed amendment would provide that investments from “strategic investors,” including but not limited to commercial or institutional entities, not-for-profit organizations or universities, may be used to meet the one to one matching fund requirement under the fund. In recent years, the EDA has observed an increase in investments in emerging technology and life sciences businesses from “strategic investors,” i.e., investors that take an active involvement in a business’s operations and/or provide assistance in raising additional capital, marketing and sales, etc.

Accordingly, investments from strategic investors have become more attractive to emerging technology and life sciences businesses and the proposed amendment is intended to recognize the option as part of the matching fund requirement under the Edison Innovation VC Growth Fund.

As the Authority has provided a 60-day comment period in this notice proposal, this notice is excepted from the rulemaking calendar requirement, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The proposed amendment, at N.J.A.C. 19:30-6.3, will have a positive social impact by enabling the EDA to advance a new partnership with one of the State’s premier banks to leverage the EDA’s resources and increase its support to New Jersey businesses. The proposed amendment, at N.J.A.C. 19:31-3.1, will have a positive social impact by enabling emerging technology and life sciences businesses utilizing qualifying investments from strategic investors, to be eligible for EDA assistance provided under the Edison Innovation VC Growth Fund.

Economic Impact

Since 1992, the EDA has successfully partnered with the State’s banking community to provide creative and affordable financing solutions to support New Jersey businesses. The proposed amendment, at N.J.A.C. 19:30-6.3, will have a positive economic impact through support of EDA’s new financing program, through which TD Bank will provide term loans and lines of credit of up to \$5 million to credit-worthy businesses based in New Jersey, and the Authority would provide subordinate guarantees on individual transactions of up to 50 percent of the TD Bank financing, not to exceed \$2 million for fixed asset loans and \$1.5 million for permanent working capital loans and \$500,000 for lines of credit.

The Edison Innovation VC Growth Fund leverages institutional venture backed investments in support of early stage technology and life sciences businesses through a matching fund requirement, to provide growth capital for key hires, product iteration/rollout, product enhancement or marketing/sales. The proposed amendment, at N.J.A.C. 19:31-3.1, will have a positive economic impact as more businesses, eligible to participate in the Edison Innovation VC Growth Fund through qualifying investments from strategic investors, commence and/or expand operations in New Jersey.

Federal Standards Statement

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

Jobs Impact

The EDA anticipates the proposed amendments will produce greater job creation and retention through increased access to capital by New Jersey businesses under the new financing program; and as a result of expanded opportunities to meet eligibility requirements under the Edison Innovation VC Growth Fund.

Agriculture Industry Impact

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

Regulatory Flexibility Analysis

The proposed amendments do not impose any additional reporting, recordkeeping, or other compliance requirements on small business, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The proposed amendment, at N.J.A.C. 19:30-6.3, which establishes a new fee for subordinated guaranteed financing, is required to enable the EDA to ensure that its guarantee fees are reflective of the increased costs and risks associated with such financings. The EDA’s existing guarantee fees are structured based on the percentage of the amount of the approved guarantee requested multiplied by the number of years of the guarantee capped at 50 basis points to provide a lower fee for reduced transactions benefiting small businesses requesting less financing, therefore, no differentiation of the new fee for subordinated guaranteed financing has been provided.

Housing Affordability Impact Analysis

The proposed amendments will not impact the amount or cost of housing units, including multi-family rental housing and for sale housing in the State. The proposed amendments establish a fee for EDA subordinated guaranteed financing; and allow investments other than from institutional venture backed investments for meeting certain matching fund requirements under the Edison Innovation VC Growth Fund.

Smart Growth Development Impact Analysis

The proposed amendments will not impact the number of housing units or result in any increase or decrease in the average cost of housing in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan. The proposed amendments establish a fee for EDA subordinated guaranteed financing; and allow investments other than from institutional venture backed investments for meeting certain matching fund requirements under the Edison Innovation VC Growth Fund.

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

ADMINISTRATIVE RULES

SUBCHAPTER 6. FEES

19:30-6.3 Closing fees

(a) (No change.)

(b) For guaranteed Authority-issued bonds or **pari passu** guaranteed financing under the Premier Lenders Program, the guarantee fee, to be paid at closing, shall not exceed 50 basis points as determined by the initial amount of the guaranteed portion of the financing in order that the fee percentage will correspond to the percentage guarantee required (for example, a 25 percent guarantee would incur a guarantee fee of 25 basis points, a 50 percent guarantee would incur a guarantee fee of 50 basis points) multiplied by the **dollar amount of the guarantee and by the number of years the guarantee is to be in effect. For a guarantee where the Authority's interest is subordinated, the fee to be paid at closing shall be as above plus 25 basis points.** This fee is in addition to the fee described in (a) above if the Authority's guarantee relates to repayment of a bond issued by the Authority.

(c) – (i) No change.

AUTHORITY ASSISTANCE PROGRAMS

SUBCHAPTER 3. DIRECT LOAN PROGRAM

19:31-3.1 Program description

(a) (No change.)

(b) Except as otherwise provided in this subsection, direct loans are available in a maximum amount of \$1,250,000 for fixed asset financing and \$750,000 for working capital.

1. – 5. (No change.)

6. For the Edison Innovation Angel Growth Fund, the Authority may award up to \$250,000 in convertible debt financing to leverage private angel investments, on a two to one angel matching fund requirement, to a business that has generated a minimum of \$500,000 in prior 12-month commercial revenues; for the Edison Innovation VC Growth Fund, the Authority may award up to \$500,000 in convertible debt financing to leverage institutional venture backed investments **or strategic investments which may be made by a variety of sources, including but not limited to commercial or institutional entities, nonprofit organizations with a similar focus or universities, all of whom are interested in providing funding to advance the business in which they invest**, on a one to one matching fund requirement, to a business that has generated a minimum of \$500,000 in prior 12-month commercial revenues; and, for the Edison Innovation Growth Stars Fund, the Authority may award up to \$500,000 in convertible debt financing, on a one to one matching fund requirement, to a business that has generated a minimum of \$2 million in prior 12-month commercial revenues.

7. (No change.)

(c) – (m) (No change.)

INCENTIVE PROGRAMS

BUSINESS EMPLOYMENT INCENTIVE PROGRAM
BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT
SALES AND USE TAX EXEMPTION

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - BUSINESS EMPLOYMENT INCENTIVE PROGRAM**

APPLICANT: Otsuka America Pharmaceutical, Inc. & Otsuka Pharmaceutical P37839

PROJECT LOCATION: 508 Carnegie Center West Windsor Township Mercer County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Otsuka America Pharmaceutical, Inc. (OAPI) was established in 1989 and is responsible for all pharmaceutical and medical device commercial activities in North America. OAPI primarily commercializes products in coordination with Otsuka Pharmaceutical Co., Ltd. (the "Parent"), a Japanese corporation and the parent company of the U.S. companies. OAPI also coordinates product development activities with Otsuka Pharmaceutical Development & Commercialization, Inc. (OPDC). OPDC, established in 2007, provides the research and clinical development of healthcare products.

OAPI has entered into various commercialization arrangements with the Parent and other related and unrelated companies, to market products in the therapeutic areas of neuroscience, oncology and gastrointestinal disease. OAPI's marketed products include Abilify, for treatment of schizophrenia and bipolar disorder, IV Busulfex, used in the treatment of leukemia and BreathTek Urea Breath Tests for diagnosing patients with bacterial infections. The applicants are economically viable.

OAPI & OPDC currently lease space in Princeton, NJ and in Rockville, Maryland. In 2010, OAPI closed on a 75% BEIP grant in connection with the relocation of headquarters jobs from Maryland.

MATERIAL FACTOR:

Otsuka America Pharmaceutical, Inc. and Otsuka Pharmaceutical Development & Commercialization, Inc. are evaluating locations for the expansion of its operations and are contemplating relocating certain divisions from Maryland to NJ. Under consideration is leasing additional space in another facility in the Princeton area or in Rockville, MD. The company expects to create 100 new jobs. Management has indicated that the grant will be a material factor in the company's decision to go forward with the project. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate.

APPROVAL REQUEST:

PERCENTAGE: 65%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Otsuka America Pharmaceutical, Inc. & Otsuka to increase employment in New Jersey. The recommended award percentage is based on the company meeting the criteria as set forth on the attached Formula Evaluation and is contingent upon receipt by the Authority of evidence that the company has met said criteria to substantiate the recommended award percentage. If the criteria met by the company differs from that shown on the Formula Evaluation, the award percentage will be raised or lowered to reflect the award percentage that corresponds to the actual criteria that have been met.

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: \$ 2,512,250

(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 313

ELIGIBLE BEIP JOBS: Year 1 50 Year 2 50 Base Years Total = 100

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$25,122

ANTICIPATED AVERAGE WAGES: \$100,000

ESTIMATED PROJECT COSTS: \$4,021,087

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$3,865,000

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$3,285,250

PROJECT IS: (X) Expansion (X) Relocation Rockville, MD

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: Maryland

APPLICANT OWNERSHIP: () Domestic (X) Foreign Japan

DEVELOPMENT OFFICER: J. Kenyon

APPROVAL OFFICER: T. Wells

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	West Windsor Township	N/A
2. Job Creation	100	2
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	0	0
4. Industry:	Pharmaceuticals	2
	Designated : <u> X </u> Non-Designated : _____	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$4,021,087	2
7. Average Wage:	\$ 100,000	4

TOTAL: **12**

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan or, existing building(s) that have been 100% vacant for 12 months.	20%	<u>20%</u>
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs, or, existing building(s) that have been 100% vacant for 12 months.	30%	_____
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	_____
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	_____
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	_____
10% or more of the employees of the business receive a qualified transportation fringe of \$ 30.00 or greater.	15%	_____
Located in an area designated by the locality as an "area in need of redevelopment"	10%	_____
Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site	10%	_____
Company is working cooperatively with a public or non-profit university on research and development	10%	_____
Project is located within Federally-owned land approved from closure under a Federal Base Realignment And Closing Commission or military installations allowing private business activity.	15%	_____

Total Bonus Points: 20 %

Total Score :

Total Score per formula:	12 = 40 %
Construction/Renovation :	5 %
Bonus Increases :	20 %
Total Score (not to exceed 80 %):	65 %

FILM TAX CREDIT TRANSFER PROGRAM



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: January 15, 2013

SUBJECT: New Jersey Film Tax Credit Program
Annual Approval

The New Jersey Film Tax Credit Transfer Program was established in 2006. The Statute that created this Program provides a credit under the New Jersey Corporate Business Tax and Gross Income Tax for film production expenses incurred in New Jersey. The tax credit serves as an incentive to encourage production companies to film in New Jersey. The legislation directs the New Jersey Division of Taxation (“Taxation”) and the Authority to implement the program, with the assistance of the New Jersey Motion Picture and Television Commission (“Film Commission”).

The Film Tax Credit Transfer Program enables taxpaying entities to receive a tax credit in an amount equal to 20% of Qualified Film Production expenses incurred in New Jersey after January 10, 2006. Ten million dollars in tax credits are available each State Fiscal Year until the program expires in 2015.

The taxpayer must demonstrate to the Authority and the Division of Taxation that at least 60% of the film’s total production expenses, exclusive of post production costs, were incurred for services performed and goods consumed in New Jersey. In accordance with the Statute, tax credits are reserved on a first come, first served basis (multiple applications received on the same date have equal priority to receive an allocation). In order to be eligible for the tax credit, principal photography must commence at least within 150 days of the Board approval. The tax credit may be utilized by the applicant or sold to another tax-payer via the issuance of a tax transfer certificate. If a given applicant seeks an allocation in excess of the amount available from the current State Fiscal Year’s limit, the applicant will receive the balance of the current State Fiscal Year’s limit and will be first in line to receive an allocation in the next available State Fiscal Year.

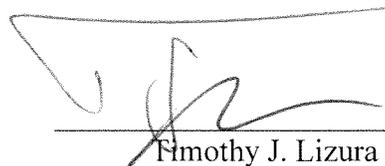
Projects are presented to the Board after being recommended by the Film Commission. The tax credit amount is based on the estimated/actual costs presented by the applicant (subject to a cumulative total of \$10,000,000 in any State Fiscal Year). The tax credits are limited to the amount approved by the Board even if actual costs are in excess of the estimates. Any applicant with actual costs lower than the approved amount will receive a smaller tax credit based on

actual costs. The applicant must submit to Taxation a CPA certification of eligible expenses. Taxation will then verify the actual eligible costs prior to approving the credit or providing a tax certificate.

The following project has been reviewed and recommended by the Film Commission.

<u>Applicant/ Producer</u>	<u>Production/Film Title</u>	<u>State Fiscal Year 2013</u>	<u>State Fiscal Year 2014</u>	<u>Total Project Allocations</u>
Northern Entertainment Inc.	<i>Law & Order: SVU – Season 11</i>	<u>\$216,640*</u>	<u>\$10,000,000**</u>	<u>\$10,216,640</u>
	<u>Totals</u>	<u>\$216,640</u>	<u>\$10,000,000</u>	<u>\$10,216,640</u>

Staff recommends the approval of the project, which is described more fully in the attached Film Tax Credit Project Memo, subject to satisfactory review of the actual production costs by the staff and Taxation and, as always, subject to any potential legislative amendment to the program. The approval of tax credits allocated to Fiscal Year 2014 will not become final nor will the tax credits be issued until after July 1, 2013.



Timothy J. Lizura

* \$594,250 was approved on February 14, 2012 for SFY2013. The \$216,640 being allocated from SFY2013 represents previous allocations for films that were not ultimately produced in New Jersey.

** Due to the \$10 million annual limit, there will be a remainder (\$1,355,896), which is expected to be presented and concluded next year.

Prepared by: John Rosenfeld/David Sucsuz

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

APPLICANT: Northern Entertainment Inc.

APPLICANT BACKGROUND:

Northern Entertainment, Inc. is the production company responsible for "Law & Order: Special Victims Unit ('SVU') - Season 11, Episodes 1-24". SVU is currently one of the highest rated series of the Law & Order television series franchise, and is one of NBC's top rated shows. The detectives of the Special Victims Unit handle sexually based offenses. It has been in production since September 1999. The series executive producer is writer/director Ted Kotcheff. The SVU series stars Christopher Meloni and Mariska Hargitay.

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 network television production titled "Law & Order: Special Victims Unit ('SVU') - Season 11, Episodes 1-24." The principal photography began in July 2009.

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

PRINCIPAL PHOTOGRAPHY BEGAN: July 2009

DATE OF PROJECT COMPLETION: April 2010

PRINCIPAL MARKET(S) FOR WHICH PRODUCTION IS INTENDED:

Network Television

PROJECT COSTS (Initial Application Estimate):

Total Production Expenses (Less Post-Production Costs)	\$78,848,328
Total New Jersey Production Expenses	\$60,833,928
Total New Jersey Post Production Expenses	\$0
Percentage of Required Costs in New Jersey	77.15%
Maximum Tax Benefit Amount	\$12,166,786
Applicant's Fiscal Year End	12/31

FINANCE OFFICER: David Sucsuz **COUNSEL:** DAG

APPLICATION RECEIVED DATE: 01/26/2010 (Application #58)

APPLICATION APPROVED DATE(S): February 14, 2012 (actual partial-SFY2013-1: \$594,250*) and January 15, 2013 (proposed partial SFY2013-2: \$216,640)

CURRENT OR INITIAL ALLOCATION YEAR(S): SFY2013 - \$216,640
SFY2014 - \$10,000,000

* \$594,250 of \$12,166,786 (maximum estimate) was approved on February 14, 2012 for SFY2013

Please see the attached chart for a table-based explanation.

Prepared by: John Rosenfeld/David Sucsuz

BOARD MEMORANDUM



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura,
President and Chief Operating Officer

DATE: January 15, 2013

SUBJECT: BTA Pharmaceuticals, Inc. (“BTA”) – P14984
Bridgewater, New Jersey
\$4,325,100 Business Employment Incentive Program Grant (“BEIP”)

Modification Request:

1. Consent to the merger of Biovail Corp. (“Biovail”), the parent company of BTA, and Valeant, forming Valeant Pharmaceuticals International, Inc. (“VPII”) and the subsequent name change of BTA to Valeant Pharmaceuticals North America LLC (“VPNA”)
2. Consent to the addition of Biovail Americas Corp. (“BAC”) as a tax-paying entity to the grant.

As a result of this merger, the cap will be imposed on the now uncapped grant.

Background

BTA, a wholly owned subsidiary of Biovail, is a distributor of branded and off-patent pharmaceutical products. Biovail is a specialty pharmaceutical company engaged in the formulation, clinical testing, registration, manufacturing, and commercialization of pharmaceutical products, with a focus in the niche specialty markets of the central nervous system.

In April, 2003, the members approved a 60%/10 year grant to BTA to support the Company with its relocation and expansion efforts to Bridgewater and the creation of 200 new jobs. Current employment as of November 2012 is 184, and to date \$1.1 million has been disbursed under the grant.

In September 2010, Biovail and Valeant merged to form a “new” company, VPII. As a result of this merger, BTA, a subsidiary of Biovail merged into VPNA, and its name changed to VPNA as of December 31, 2010.

There were approximately 35 people who were terminated due to the merger as of December 2010. These included higher level employees due to redundancy and others who left the company voluntarily when the merger was announced. In 2011, once the logistics of the

business were finalized, the company began hiring and hired 95 new employees along with 13 others who relocated from California to New Jersey. The merger did not have an overall material impact on the BEIP grant.

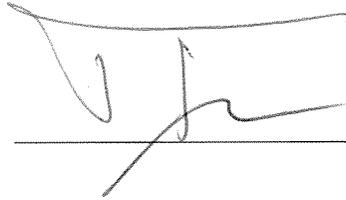
Staff has reviewed the merger along with the legal matters presented and found no disqualifying issues. Staff has also reviewed the consolidated financial statements of VPPII and has determined that the companies are economically viable.

Recommendation:

Consent to the following actions:

1. Merger of Biovail and Valeant forming VPPII and resulting in our grantee BTA, a subsidiary of Biovail, to be merged into VPNA and its subsequent name change to VPNA; and
2. The addition of BAC to the grant as a tax-paying entity.

These changes are not expected to materially impact the BEIP grant, as we will require the grant to be capped.



Prepared by: Tyshon Lee and Heather O'Connell



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: January 15, 2013

SUBJECT: Nipro Glass Americas Corporation (“NGA”)
\$333,000 UEZ Energy Sales Tax Exemption (“U-STX”)

Approval Request:

Consent to the approval of NGA’s application to participate in the U-STX program.

Background

NGA, established in 2011, after acquiring the Glass Tubing division of Amcor (previous participant) is a global, fully integrated glass tubing manufacturer, supplying a large range of tubes, vials, ampoules, cartridges and other glass products to the pharmaceutical, scientific and cosmetic international markets. The company operates out of two facilities in Millville, previously owned by Amcor. NGA is currently an Urban Enterprise Zone (“UEZ”) program participant and was most recently recertified in September 2012.

To participate in the U-STX program, a company must be a UEZ-certified manufacturer with at least 250 full-time employees, at least 50% of whom are involved in the manufacturing process. NGA has 300 full-time employees in a UEZ certified facility in Millville, of which 80% are involved in the manufacturing process. In addition, the company has certified that it is not in default with any other State program.

The Department of Labor and Workforce Development has confirmed that the company is in good standing. They have also received a valid Tax Clearance Certificate from the Division of Taxation.

The estimated annualized U-STX benefit to NGA is \$333,000, which is based on the prior twelve months electric and gas usage multiplied by 7% sales tax.

Recommendation

Consent to the approval of NGA’s application to participate in the U-STX program. NGA has met all of the program requirements, and the approval would be valid through January 15, 2014.



MEMORANDUM

TO: Members of the Authority

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

DATE: January 15, 2013

RE: Administrative Changes to the following BEIP Grants:
Organon USA, Inc. – P10531
Schering Corporation – P11412

Modification Request:

Consent to the following actions:

1. The acquisition of Organon BioSciences N.V. (“OBS”), parent company of Organon USA, Inc. (“OUSA”) by Schering-Plough Corporation (“SP”), parent of Schering Corporation (“SC”);
2. The merger of SP with Merck & Co., Inc. (“Merck”) and subsequent name change of BEIP grantee, SC, to Merck & Co., Inc.

While the ultimate merger with Merck is not anticipated to materially increase the number of jobs and therefore substantively increase the amount of the award, a 20% cap will be imposed on the remaining payments.

Background:

In January 1999, OUSA was approved for a 10yr/80% BEIP grant for the creation of 115 jobs in Roseland. OUSA received approximately \$2.7 million in disbursements over the term of its grant.

In February 2000, SC was approved for a 10yr/70% BEIP grant for the creation of 323 jobs in Kenilworth. Employment as of 2011 was 534 and the company is currently working on their 2012 report which will include employment numbers for last year Schering has received \$12.5 million in disbursements and is owed approximately \$4.7 million.

In January 2012, Merck’s animal health company, Intervet, was approved for a 10yr/45% BEIP for the creation of 80 jobs in Summit.

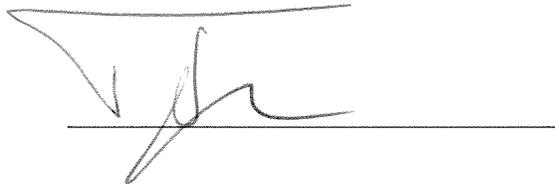
As part of its corporate strategy, SP acquired OBS, a Dutch corporation and parent of BEIP grantee, OUSA. Prior to the acquisition, OUSA had fallen below their Minimum Eligibility Threshold (“MET”) and as a result, was subject to recapture. Schering, through its corporate parent, Merck, has agreed to settle the OBS grant with EDA as a sliding scale recapture which allows the company to receive a credit for the percentage of time the company maintained the minimum number of new positions at the project location.

As staff worked through the review of the merger and with the attorney general’s office and SC on legal matters, SP merged with Merck, so the decision was made to address both mergers at the same time.

Recommendation:

Consent to the following actions:

1. Acquisition of OBS by SP; and
2. Merger of SP with Merck and subsequent name change of BEIP grantee, SC, to Merck & Co., Inc.

A handwritten signature in black ink, appearing to be 'WJ', is written over a horizontal line.

Prepared by: Karen Gallagher and Natalia Nagovsky

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura, President and Chief Operating Officer

DATE: January 15, 2013

SUBJECT: Delegated Authority Approvals for 4th Quarter 2012.
For Informational Purposes Only

The following post-closing actions were approved under delegated authority during the fourth quarter of 2012:

Name	EDA Exposure	Action
Beau Label, LLC	\$ 298,975	Extend EDA's loan maturity 6 months; loan was paid in full in November 2012.
201 Luiz Martin Realty, LLC (Doggy Care of Jersey City)	\$ 271,899	Consent to an initial 6 month principal moratorium on this guaranteed loan with PNC Bank.
30 Abeel Road, LLC (Insurance Restoration Specialists, Inc.)	\$ 266,449	Consent to release of the deceased owner's guarantee of this participation loan with TD Bank and to increase in the company's line of credit with from \$750,000 to \$1,000,000.
VPI Systems, Inc.	\$ 237,405	Consent to additional indebtedness of \$300,000, limited subordination of EDA's second lien and restructure payment terms for this technology loan. Loan was paid in full in December 2012.
Nobioc, LLC (McNormity Resturant)	\$ 200,055	Consent to an initial 3 month principal moratorium on this guaranteed loan with PNC Bank.
WLG Hospitality, LLC (Goodfellow's Restaurant and Pub)	\$ 145,618	Consent to 6 month forbearance agreement on this participation loan with Sun National Bank.
Enright Chiropractic, LLC	\$ 30,910	Consent an initial 3 month principal moratorium on this guaranteed loan with PNC Bank.

Loans Written-Off under Delegated Authority

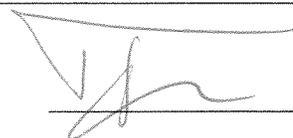
Pursuant to the delegation policies, Board has delegated to staff (Level 2) the ability to write off loans under \$300,000. For accounts written off with recourse, EDA and/or its participation banks retain their legal rights against the borrower and/or guarantors and pursue collections of these loans through litigation.

The attached loans have been reviewed by Special Loan Management. In its review, staff considers the payment history, company operations, collateral value in liquidation and the strength of personal guarantors in order to assess which loans offer limited likelihood of future recovery and should be written off. SLM officers perform site visits to confirm business operations and to inspect the condition of real estate collateral if in question.

The first four projects below are PNC Bank loans with Authority guarantees that were paid by EDA pursuant to the agreement with the Bank due to Borrowers' payment defaults. Each is being litigated and/or collateral liquidated by PNC. All the loans are risk rated Loss (100%) and fully reserved. They are being written off with recourse due to lack of collateral in liquidation and/or the protracted length of time before any recovery is expected.

Name	EDA Exposure	Description
Ruby Real Estate & Management, Inc.	\$ 248,781	Aamco Transmission repair facility in New Brunswick in foreclosure by PNC Bank.
American Biker Image, Inc. and Keystone Enterprises Holdings, LLC	\$ 225,783	American Biker Image, Inc. operated a motorcycle accessories shop in Berlin NJ.
1100 State Street, LLC and Arline Construction Services, LLC	\$ 171,973	Arline Constructions, LLC was a commercial construction company in Camden.
Jezek Tool & Machine, Co., LLC	\$ 131,581	Jezek Tool & Machine Co., LLC operated a machine shop in Elizabeth.
Comet Laces, Inc.	\$ 114,025	Accept a \$72,000 as settlement in full of EDA's participation in this Provident Bank loan and reclassify the remaining balance as written off without recourse subject to DAG concurrence.
InMat, Inc.	\$ 74,739	Accepted \$25,000 as settlement in full of this recoverable grant as the company is closing operation, with remaining \$49,739 balance being written off without recourse subject to DAG concurrence.

Prepared by: Daniel Weick





MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: January 15, 2013

SUBJECT: Incentives Modifications
(For Informational Purposes Only)

On September 11, 2001, and as amended on September 16, 2003, the Members of the Authority approved a delegation of authority to the President/Chief Operating Officer and staff to approve certain BEIP modifications. The changes reported herein are ministerial in nature and will not materially change the original approvals of these grants or create unanticipated growth in employment as these grants are capped.

Attached is a list of the BEIP modifications that were approved in the 4th quarter ending December 31, 2012.

Prepared by: C. Craddock

ACTIONS APPROVED UNDER DELEGATED AUTHORITY
 QUARTER ENDING DECEMBER 2012

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

Name	Action	Modification
American Home Assurance Company and Affiliates (P12490, P14375, P15826, P13380)	1) Add Grantees (P12490, P14375, P15826) 2) Add Project Location (Effective 2011) (P12490) 3) Add Project Locations (Effective 2012) (P12490) 4) Name Change (P13380)	1) Addition of Chartis Global Claims Services, Inc. and Chartis Global Services, Inc. to the grants 2) Addition of 5 Woodhollow Road, Parsippany 3) Addition of 100 Connell Drive, Berkeley Heights and 101 Hudson Street, Jersey City 4) Name change from SunAmerica Life Insurance Company to SunAmerica Annuity and Life Assurance Company
Imclone Systems Corporation	Reduction of Award Percentage	Reduction of Award Percentage from 75% to 70% due to a company wide reduction in head count.
ITT Industries	Name Change	Name change from ITT Industries to Exelis Inc.
Shionogi USA, Inc.	Name Change	Name change from Shionogi USA, Inc. to Shionogi Inc.

UEZ Energy Sales Tax Exemption for Manufacturers

Gerresheimer Glass, Inc	Salem/UEZ Annual Extension	Extension to September 30, 2013
Omni Baking Company	Salem/UEZ Annual Extension	Extension to November 3, 2013



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

DATE: January 15, 2013

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

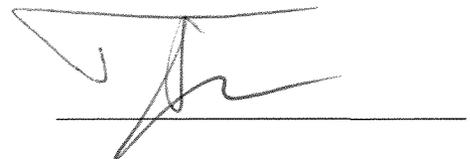
The following project was approved under Delegated Authority in December 2012:

New Jersey Business Growth Fund:

- 1) 71 East Main Street LLC (P37900), located in Holmdel Township, Monmouth County, is a real estate holding company that owns real estate occupied by Micro Data Systems, Inc., an operating company related by common ownership. Micro Data Systems, Inc. was formed in 1992 to provide customized staff support and project-based staffing to a variety of industries including telecommunications, health services, hospital services, financial, distribution, manufacturing, market data management and legal. Micro Data Systems, Inc. will provide a corporate guarantee. PNC Bank approved a \$530,000 bank loan with a five-year, 25% guarantee of principal outstanding, not to exceed \$132,500. Proceeds will be used to refinance an existing mortgage. The company currently has 63 employees and plans to create fifteen new positions within the next two years.
- 2) Heritage Real Estate, LLC (P37841), located in Deptford Township, Gloucester County, is a real estate holding company that owns real estate occupied by Heritage Services Solutions, LLC, an operating company related by common ownership. Heritage Service Solutions, LLC, dba Hawks & Company is a commercial HVAC contractor that was formed in 2006 and will provide a corporate guarantee. PNC Bank approved a \$164,000 loan with a five-year, 25% guarantee initially, not to exceed \$41,000. Proceeds will be used to purchase an adjoining unit of the existing property to facilitate expansion. Currently, the company has fifteen employees and plans to create two new jobs over the next two years.

Premier Lender Program:

- 1) AZ Holdings, LLC (P37821), located in South Amboy City, Middlesex County, is a real estate holding company formed to purchase a commercial property. Metaline Products Inc., an operating company related by common ownership, was founded in 1923 by the Zilincar family to create and manufacture point of purchase displays, and provide graphic design services and manufactures modular storage bins called Mobods®. The company was approved for a five-year, \$450,000 direct term loan under the Premier Lender Program to supplement a \$1,350,000 Bond that will be directly purchased by Provident Bank. Proceeds of this financing package will be used to purchase a commercial property. The company will maintain twenty existing jobs and create ten new jobs within 24 months.
- 2) CMC Group LLC (P37791), located in Bellmawr Borough, Camden County, is a real estate holding company recently formed to purchase two adjacent commercial properties. The first property to be purchased is currently occupied under a lease by related operating company, American Autowire Inc. American Autowire Inc. is a manufacturer of automotive electrical parts and accessories used in OEM/restorations, modified restoration, and street rod/custom vehicles. American Autowire Inc. will also occupy the second property as additional office and manufacturing space is needed to accommodate growth. Wells Fargo Bank approved a \$1.6 million term loan with an \$800,000 (50%) Authority participation. Proceeds will be used to purchase both commercial properties. Currently, the company has 60 employees and plans to create five new jobs over the next two years.
- 3) BK Specialty Foods, Inc. (P37761), located in Philadelphia, PA, was formed in 1986 as a wholesale food distributor of approximately 6,000 high end products, with a focus on frozen baked goods, hors d'oeuvres, non-alcoholic beverages, cheeses, oils and spices. They service 3,500 active customers in the Mid-Atlantic region including Marriott, Sodexo, Caesars' four hotels in Atlantic City, The Borgata, Shop Rite and the Ritz-Carlton. Sovereign Bank approved a \$2,430,000 bank loan with a \$1,080,000 (44.44%) Authority participation. Proceeds will be used to purchase and renovate existing real estate in Logan Township, NJ. This facility will serve as the company's new headquarters, as it will be relocating out of Philadelphia. The company plans to create 56 new positions within 24 months.

A handwritten signature in black ink, appearing to be 'DL', is written over a horizontal line.

Prepared by: D. Lawyer
DL/gvr

REAL ESTATE



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: Construction of Shell Expansion – Merial, Limited
The Technology Centre of New Jersey

DATE: January 15, 2013

Summary

I am requesting the Members' approval to (1) amend existing contracts with HDR, Inc. and Torcon, Inc. for design and construction of a 15,500 square foot addition for Merial, Limited (Merial), a tenant in the Tech One building at the Technology Centre of New Jersey, (2) enter into an Amendment to the Lease Agreement between Merial and the Technology Centre of New Jersey, LLC, (LLC), and (3) make an equity contribution to the LLC of 36.56% of the project cost, estimated at approximately \$1,373,000.

Background

At the November, 1997 meeting, the Members approved a lease for a 60,000 square foot building known as Tech One, between the Authority and Merial, currently the animal health division of Sanofi-Aventis, a leading global pharmaceutical company. Merial is an innovation-driven animal health company, providing a comprehensive range of products to enhance the health, well-being and performance of a wide range of animals. Merial currently employs approximately 5,600 people worldwide and operates in more than 150 countries.

The Authority's interest in Merial's lease was assigned to the LLC in 1999 when the project converted to joint venture ownership with AFL-CIO Building Investment Trust (BIT). The ten year lease provided for three five year renewal options, the first of which was exercised by Merial in April of 2008, and the second of which was exercised by Merial in December of 2012 for the five year renewal period beginning April of 2013.

Merial has requested that the LLC construct a 15,500 square foot core and shell expansion to its building on land already leased by Merial. Merial will construct its own tenant improvements, as it did for the existing building. The transaction would include an extension of Merial's existing lease making it coterminous with the term of the ten (10) year expansion lease.

The cost of the core and shell is estimated at \$3,186,000, including a 5% oversight fee to the Authority. This amount will be allocated to Merial as an allowance for shell construction. If the actual cost is more, Merial will either fund the excess itself, or the LLC will provide additional funds at 7.6% amortized over 20 years. If the actual cost is less, Merial's base rent will be decreased proportionately. This transaction will leverage a total investment, including Merial's investment for tenant improvements, of approximately \$6 million.

In addition to the cost of construction, leasing commissions will total \$569,000. The total project cost of \$3,755,000 will be funded via a capital call in proportion to the LLC Members' equity participation percentages. If the actual cost is equal to the budget, the BIT will contribute

approximately \$2,382,000 or 63.44%, and the Authority will contribute approximately \$1,373,000 or 36.56%. Entering into the lease amendment and undertaking the project is subject to BIT approval.

The Authority will utilize the integrated architectural and engineering (A/E) services of HDR, Inc. of Princeton and construction management services of Torcon, Inc. of Red Bank for the design and construction of the shell addition. HDR and Torcon were initially selected to provide design and construction services for the Centre after a publicly advertised, competitive selection process. In addition, the Authority's selection anticipated future additional services being performed by these firms through contract amendments.

The A/E services will be pursuant to the terms and conditions of the board approved contract and will not exceed \$71,000, which includes a contingency. The fees to HDR are consistent with current market rates, the Board approved contract, and design fees previously incurred for other construction projects at the Technology Centre.

Torcon's pre-construction and construction management services include cost estimating, scheduling and value engineering, at a cost of approximately \$10,000. Its management fee of 1.0% of the construction costs, plus an incentive clause for timely completion, is consistent with market rates and with the Board approved contract.

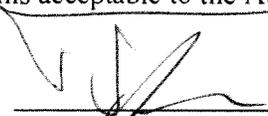
To facilitate the earliest completion of the project, the Authority will enter into a separate reimbursement agreement not linked with the existing lease, allowing for design and construction services to begin prior to the execution of a lease amendment. Merial will reimburse the Authority for funds expended at the end of each thirty day period until the lease amendment is executed.

The Internal Rate of Return (IRR) for the LLC would be 5.78%, and 1.42% to the Authority, if the Tech Centre is sold in 2015 and the expansion is not constructed. If the Tech Centre is sold in 2024, the IRR for the entire site would be 6.61%, with 2.14% return to the Authority. If the expansion is constructed, the IRR for the LLC is 5.81%, with 2.11% to the Authority in the event of a sale in 2014, and 6.61%, with 2.33% to the Authority, if a sale occurs in 2024. Therefore, the Merial expansion project contributes .69% to the Authority's IRR with a 2014 sale, and .19% to the Authority's IRR with a 2024 sale.

The total project costs for the shell addition amortize at a 9% annual interest rate, with commissions amortized over 10 years and construction costs amortized over 20 years.

Recommendation

In summary, I am requesting the Members' approval for (1) making an equity contribution to the Technology Centre of New Jersey, LLC of 36.56% of the project cost, estimated at approximately \$1,373,000, (2) the construction of a 15,500 sf addition for Merial, (4) an increase of \$10,000 to Torcon's contract for pre-construction services and general construction management services for tenant improvements based upon the previously established fee of 1.0% with an incentive clause, and an increase in HDR's contract of a maximum of \$71,000, (5) entering into an Amendment to Lease Agreement with Merial on terms generally consistent with the attached, and (6) to execute any and all other documents to complete these transactions on final terms acceptable to the Authority's Chief Executive Officer and the Attorney General's Office.



Timothy J. Lizura
President/ Chief Operating Officer

Attachment

Prepared by: Christine Roberts

LANDLORD: Technology Centre of New Jersey, LLC

TENANT: Merial, Ltd. ("Tenant")

BUILDING: 631 US Route One South
Tech One Building

LEASED PREMISES: Existing: approximately 60,116 sf
Expansion: approximately 15,500 sf

COMMENCEMENT: Upon execution and delivery of a mutually satisfactory lease agreement.

TERM: Existing: to be extended to run coterminous with Expansion Premises Term.
Expansion: Ten (10) years from delivery of a C/O for tenant improvements.

RENT COMMENCEMENT: Rent for the Expansion Premises shall commence to accrue on the sooner of issuance of a Temporary Certificate of Occupancy from the proper authorities for the Expansion Premises, or tenant commencement of business within the Expansion Premises, but not later than six months after substantial completion of the core and shell.

SECURITY DEPOSIT: None.

BASE RENTAL RATES: Existing:
Rental rates for the Existing Premises shall remain as stated in the Existing Lease for the respective calendar years. Increases coinciding with additional years will be increased 15% every five years.
Expansion:
\$21.40 per square foot, NNN, increased 2.5% per year

TAXES AND OPERATING EXPENSES (CAM): Per existing triple net lease.

TENANT IMPROVEMENT ALLOWANCE: None.

RENEWAL OPTIONS:

Two (2) five (5) year options at 95% of the then current fair market rent with six months notice with the following limitations, all with 2.5% annual increases:

Existing:

Years 1-5: No less than \$18/sf NNN, and no greater than \$21/sf NNN.

Years 6-10: No less than \$20/sf NNN and no greater than \$24/sf NNN.

Expansion:

Years 1-5: No less than \$19/sf NNN, and no greater than \$23/sf NNN.

Years 6-10: No less than \$21/sf NNN and no greater than \$25.50/sf NNN.

TERMINATION OPTION:

Tenant shall have the right to terminate the lease beginning seven (7) years after Lease Commencement of the Expansion Premises with six (6) months' notice. Termination Fee shall equal the present value at 8% of the remaining Base Rent, CAM, and utilities. Property taxes will be included in the calculation of the Termination Fee if a private entity becomes the Landlord.

BROKER:

Existing:

A leasing commission of 5% of NNN rents, for the extended term in excess of the existing lease term, will be paid to the LLC's Real Estate Broker, Jones Lang LaSalle. This commission is estimated at \$290,000. For any renewal options, a commission will be due to the LLC's Real Estate Broker of record at the time the renewal option is exercised.

Expansion:

A leasing commission of 7.5% of NNN rents for the ten year expansion term will be paid to the LLC's Real Estate Broker, Jones Lang LaSalle. This commission is estimated at \$279,000. For any renewal options, a commission will be due to the LLC's Real Estate Broker of record at the time the renewal option is exercised.

Tenant's Broker:

Tenant has retained Zell Partnership as its real estate broker for this transaction. By separate agreement, the LLC's Real Estate Broker will agree to pay real estate commissions owing to Zell Partnership in connection with this transaction.

Resolution of the New Jersey Economic
Development Authority Regarding **Construction of
Shell Expansion – Merial, Limited at the Technology
Centre of New Jersey**

WHEREAS, the Members of the New Jersey Economic Development Authority have been presented with and considered a Memorandum and attachment, in the forms attached hereto; and

WHEREAS, the Memorandum and attachment requested the Members to adopt a resolution authorizing certain actions by the New Jersey Economic Development Authority, as outlined and explained in said Memorandum and attachment.

NOW, THEREFORE, BE IT RESOLVED by the Members of the New Jersey Economic Development Authority as follows:

1. The actions set forth in the Memorandum and attachment, attached hereto, are hereby approved, subject to any conditions set forth as such in said Memorandum and attachment.
2. The Memorandum and attachment, attached hereto, are hereby incorporated and made a part of this resolution as though set forth at length herein.
3. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10-day period the Governor shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

DATED: January 15, 2013



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: Property and Facilities Management Services

DATE: January 15, 2013

Summary

I am requesting the Members' approval to enter into the Authority's standard form of contract for property and facilities management services with ISS Facility Services, Inc. of Livingston, New Jersey for property and facilities management services for the following sites: (i) Technology Centre of New Jersey, North Brunswick; (ii) NJEDA Headquarters, Trenton; (iii) Waterfront Technology Center, Camden; and (iv) additional properties throughout the State which are owned, leased, managed and/or operated by the Authority.

Background

The Real Estate Division publicly advertised a Request for Qualifications and Proposals (RFQ/P) for the referenced services on behalf of the Authority and the Technology Centre of New Jersey, LLC (the "LLC"). The current contract for these services expires in March 2013.

Site tours of the three properties were held in December and were attended by seven firms. There were three respondents to the RFQ/P solicitation. Proposals were submitted by: US Facilities, Inc. (USF) of Philadelphia, PA, Meridian (Meridian) Property Services of Hamilton, New Jersey and ISS Facility Services, Inc. (ISS) of Livingston, New Jersey. ISS is the current provider of the referenced services. Through a comprehensive evaluation and scoring analysis (scoring matrix attached), Authority staff concluded that ISS is the highest ranked firm based on firm's qualifications, experience, price and other factors as outlined in the RFQ/P.

The fee pricing portion of the evaluation for these services was limited to:

(i) the fully loaded monthly rates for the following:

- (a) Property/Facilities Management Fees;
- (b) Site Superintendent Fees;
- (c) Facility/Property Manager Fees; and
- (d) Janitorial services; and

(ii) annual escalation.

The fee proposal submitted by ISS was \$314,339.08 less than USF's fee proposal and \$344,893.78 less than Meridian's fee proposal for the potential four year contract term. The fees requested as part of the RFQ/P did not include the anticipated costs of subcontractors, which will be paid as a direct expense.

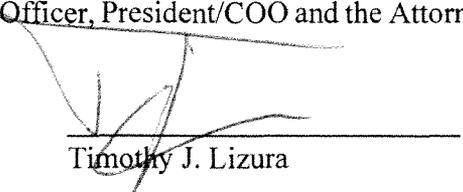
Based on a complete analysis of the proposals, ISS is recommended to provide property and facilities management services for a term of two (2) years with an additional two (2) year renewal term option at the Authority's and/or the LLC's sole discretion.

The Authority's standard form of contracts or purchase orders will be entered into by the Authority or the LLC for each site. Final terms of each contract will be subject to the approval of the Chief Executive Officer, President/COO and the Attorney General's Office.

The contracts will also allow ISS to provide additional property and facilities management services should the Authority or the LLC acquire, lease, operate or manage additional sites throughout New Jersey during the term of the contracts, or any extension periods.

Recommendation

In summary, I am requesting the Members' approval to execute contracts for property and facilities management services with ISS Facility Services, Inc., subject to receipt of compliance documentation, for a term of two (2) years with an additional two (2) year renewal term option, on terms acceptable to the Chief Executive Officer, President/COO and the Attorney General's Office.



Timothy J. Lizura

Attachment

Prepared by: Cathleen A. Schweppenheiser



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: Susquehanna Bank Center (f/k/a Tweeter Center)
Lease Agreement with the Institute for the Development of Education in the Arts

DATE: January 15, 2013

Summary

I am requesting the Members' approval to: (1) enter into a lease extension agreement with the Institute for the Development of Education in the Arts ("IDEA") for exclusive use of office space and non-exclusive use of the Black Box Theater (the "Leased Premises") at the Susquehanna Bank Center ("SBC") in Camden; 2) waive rent arrearage charges and holdover rental premiums; and (3) grant Delegated Authority to staff for transactions related to this lease.

Background

In November of 2008, the Members approved a three year lease with IDEA to lease the office space and share the Black Box Theater with Pavilion Partners for a rental rate of \$500 per month. IDEA is a 501(c)(3) tax-exempt organization, founded in 1995 by citizens from Camden and various parts of the Delaware Valley. Their mission is to provide a safe and supportive artistic environment that enhances and respects the diversity of culture and inspires excellence by offering opportunities for adolescents to claim their voice as they explore and participate in the performing and multimedia arts in the Delaware Valley. Pavilion agrees with IDEA's shared use of the Black Box Theater, which use is subject to Pavilion's reasonable requirements. IDEA is a graduate of the Rutgers Camden Technology Center, located at the Authority's Waterfront Technology Center.

IDEA's three year lease expired on December 31, 2011. Since then, because IDEA has been delinquent in its rent, it has been a holdover tenant while staff has worked with the organization to identify a solid financial basis for renewing the lease. During the holdover year of 2012, IDEA has paid \$500 per month in rent, plus \$500 per month towards rental arrearages; however, payment was often not made in a timely manner.

IDEA has provided a cash flow projection for 2013, as well as copies of contracts for services and space rentals which will provide sufficient income to pay the rent and arrearages of \$1,000 per month.

The existing lease requires a holdover rent of 200% of base rent, or \$1,000 per month, as well as a late fee of 5% per month for payments received after the 15th of the month. Approval is requested to waive the rent arrearage charges and holdover amounts, which total \$7,950 through January of 2013. The balance remaining in rent arrearages is \$8,500, the majority of which is expected to be repaid during 2013. Extending IDEA's lease will be subject to Pavilion Partners' approval.

For any future transactions with the tenant at this location, staff is requesting approval for Delegated Authority to authorize lease renewals, extensions, terminations, and waivers of rent arrearage charges.

Recommendation

In summary, I am requesting the Members' approval to execute the following: 1) a lease amendment with the Institute for the Development of Education in the Arts at the Susquehanna Bank Center on terms generally consistent with the attached sheet, 2) waive rent arrearage charges and holdover rental premiums as discussed above, 3) grant Delegated Authority to staff for any future transactions related to this lease, and 4) any and all other documents required to effectuate this transaction, on final terms acceptable to the Attorney General's Office and the Chief Executive Officer and President/Chief Operating Officer.



Timothy J. Lizura
President/Chief Operating Officer

Attachment

Prepared By: Christine A. Roberts

ATTACHMENT

LANDLORD: New Jersey Economic Development Authority

BUILDING: Susquehanna Bank Center, Camden, NJ

TENANT: Institute for the Development of Education in the Arts

LEASED PREMISES: The office space and limited use of Black Box Theater, which is the same as Tenant's previous lease with Landlord.

USE OF LEASED PREMISES: Tenant will be permitted to use and occupy the Leased Premises for the practice and performance of multimedia arts.

ACCESS TO THE LEASED PREMISES: Tenant will have exclusive access to the office space of the Leased Premises. Tenant will have non-exclusive use of the Black Box Theater. The Black Box Theater may not be used by Tenant at such times or in such a manner which would interfere with the production or set-up of SBC's scheduled events at the Building. This includes the day before and the day after all scheduled events. SBC and Tenant will mutually agree upon the dates and times for Tenant's use of the Black Box Theater. The General Manager of SBC maintains a master scheduling calendar and will provide a copy to Tenant for use in scheduling its events in the Black Box Theater.

LEASE TERM: January 1, 2013 to December 31, 2013.

BASE RENTAL RATE: \$500.00/month.

ARREARAGE PAYMENT: \$500.00/month minimum.

SECURITY DEPOSIT: None.

TAXES AND OPERATING EXPENSES (CAM):

The lease is a triple net lease. SBC currently pays all CAM charges for the Building, including the Leased Premises. Tenant shall pay for its share of all utilities used within the Leased Premises including water, sewer, utilities, PILOT, maintenance, snow/landscape service, tenant electric and property management. The monthly CAM payment will be subject to base year CAM escalations for its proportionate amount of costs associated with maintenance, repair, and replacement of same, which amount will be agreed upon between Tenant and SBC. All CAM payments are to be made by Tenant directly to SBC.

JANITORIAL:

Tenant is responsible to provide and pay for all janitorial services for the Leased Premises.

TENANT IMPROVEMENTS:

None. The Leased Premises is being leased in "as is" condition.

RENEWAL OPTIONS:

Two (2) options to renew for one (1) year each.

TRANSFERABILITY:

Tenant may not assign the Leased Premises.

BROKER:

Tenant and Landlord acknowledge that they have not been represented by a real estate broker.

SECURITY:

Tenant is responsible for its own security for the Building, the Leased Premises, and the parking area.

TERMINATION:

Landlord will have the right to terminate the lease in its sole discretion upon thirty (30) days notice to Tenant.



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy L. Lizura
President/Chief Operating Officer

DATE: January 15, 2013

SUBJECT: Real Estate Division Delegated Authority for Leases and Right of Entry (ROE)/
Licenses for Fourth Quarter 2012
For Informational Purposes Only

The following approvals were made pursuant to Delegated Authority for Leases and ROE/
Licenses in October, November and December 2012.

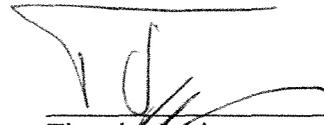
LEASES

<u>TENANT</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>TERM</u>
Ascendia Pharmaceuticals, LLC	CCIT	New Lease	One year
Brighter Ideas, Inc.	CCIT	Lease Extension	One year
FluidDa	CCIT	New Lease	One year
Ikaria	CCIT	Lease Amendment to add one additional lab	Not changed
Montgomery Investment Technology	WTCC	Lease Amendment to swap equivalent space on another floor and remove reference to Second Extended Lease Term.	Five years
Nanion Technologies, Inc.	CCIT	Lease Extension	One year
Nexomics	CCIT	Lease Extension	One year
Nutrasorb	CCIT	Lease Extension	One year
Orthobond, Inc.	CCIT	Lease Extension	One year
Pcasso Diagnostics, LLC	CCIT	Lease Extension	One year

TAXIS Pharmaceuticals, Inc.	CCIT	Lease Extension	One year
Vasade Bio Science	CCIT	Lease Extension	One year
Viya Pharma, LLC	CCIT	Lease Extension	One year

RIGHT OF ENTRY/LICENSES

<u>ENTITY</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>CONSIDERATION</u>
New Brunswick Cultural Center (NBCC)	58 Bayard St. Parking Lot, New Brunswick	ROE Extension	20% of NBCC Net Revenue
NJ HMFA	CCIT Space for Disaster Recovery Services – Tech Ctr.	Intergovernmental Agreement	\$3600.00
Thomas Edison State College	Barnes Street Lot	ROE Extension	\$384.00
Thomas Edison State College	Barnes Street Lot	ROE Extension	\$2448.00



 Timothy S. Lizura
 President/ Chief Operating Officer

Prepared by: Christine Roberts

BOND PROJECTS



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

SUBJECT: NJEDA/School Facilities Construction Bonds and Notes

DATE: January 15, 2013

SUMMARY OF PROPOSED FINANCING

The Authority is currently being asked to approve the issuance of one or more series of 2013 School Facilities Construction Refunding Bonds (the “2013 Refunding Bonds”) and 2013 School Facilities Construction Refunding Notes (the “2013 Refunding Notes”) (collectively, the “2013 Refunding Obligations”) and various related actions described below. The 2013 Refunding Obligations (not to exceed \$3.739 billion) will be used to (i) refund a portion of outstanding School Facilities Construction Bonds and Notes (“Prior Obligations”); (ii) pay the costs of issuance of the 2013 Refunding Obligations; and (iii) pay costs associated with the termination of, in whole or in part, certain Swap Agreements (as hereinafter defined) associated with the School Facilities Construction Bond Program (as hereinafter defined).

BACKGROUND

The Educational Facilities Construction and Financing Act, L. 2000, c. 72, as amended and supplemented by L. 2007, c. 137 and L. 2008, c. 39 (the “Act”), establishes a comprehensive program (the “School Facilities Construction Bond Program”) for the design, renovation, repair and new construction of primary and secondary schools throughout the State (the “School Facilities Projects”) and the refinancing of the costs of the various School Facilities Projects. Initially, the Act authorized the Authority to issue up to \$8.6 billion of State contract bonds to finance the acquisition, construction and/or renovations of School Facilities Projects throughout the State. Thereafter, the Act was amended and supplemented in 2008 by L. 2008, c. 39 (the “2008 Amendment to the Act”) to authorize the Authority to issue up to an additional \$3.9 billion bonds for the funding of School Facilities Projects.

Since April 2001, the Authority has issued prior series of tax-exempt and taxable School Facilities Construction Bonds and Notes in the aggregate principal amount of \$9,023,954,000 for new money projects under the Act. Additionally, the Authority has issued prior series of refunding bonds in the aggregate principal amount of \$6,757,350,000 that restructured and refunded a portion of several Series of tax-exempt and taxable bonds and a series of tax-exempt notes, previously issued under the Act.

PLAN OF FINANCE

In conjunction with the State's overall management of the School Facilities Construction Bond Program, the Authority is issuing the 2013 Refunding Obligations to refund all or a portion of one or more Series of the Prior Obligations to provide debt service savings on an aggregate basis. Additionally, the 2013 Series Obligations are being issued to refinance short term obligations coming due and to reduce the aggregate principal amount of floating rate debt outstanding, thereby reducing refinancing risk and/or to reduce the notional amount of swaps agreements in effect, thereby reducing counterparty and basis risks.

The proposed plan of finance contemplates:

- advance refunding up to \$2 billion of 2004 Series G, 2004 Series I, 2004 Series J-4, 2004 Series J-5, 2005 Series K, 2005 Series L, 2005 Series N, 2005 Series O, 2005 Series P, 2005 Series Q-1, 2005 Series Q-2, 2006 Series S, 2007 Series U, 2008 Series W, 2008 Series Y, 2009 Series Z, 2009 Series BB, 2010 Series CC, 2011 Series FF, 2011 Series GG, 2011 Series HH and/or 2012 Series JJ fixed rate bonds.
- advance refunding up to \$742 million of 2004 Series J and 2007 Series T Bonds and 2011 Series E and 2012 Series G Floating Rate Notes ("FRNs) to fixed rate bonds or FRNs.
- refinancing the maturing \$750 million 2010 Series B Notes (Federally Taxable-Issuer Subsidy Build America Bonds), issued as FRNs, due on June 15, 2013.

The transaction is expected to price on January 23, 2013 and close on February 6, 2013.

The savings generated by the fixed rate advance refunding offers the Authority an opportunity to re-evaluate the existing derivative portfolio. The Authority is currently a party to 14 separate variable to fixed interest rate exchange agreements and one fixed to variable interest rate exchange agreement in combined aggregate outstanding notional amount of \$2,287,406,963 (as of December 31, 2012) (the "Swap Agreements"). It is recommended that the Authority use a portion of the fixed rate advance refunding savings to terminate up to \$1.9 billion of its existing derivative portfolio thereby reducing the risks inherent in such derivative exposure, including counterparty and basis risks. The cost to terminate all or a portion of the swaps is expected to be funded with the proceeds of taxable 2013 Refunding Obligations.

APPROVAL REQUEST

The Members are requested to approve the adoption of the Thirtieth Supplemental School Facilities Construction Bond Resolution (the "Thirtieth Supplemental Resolution") authorizing the issuance of one or more series of the Series 2013 Refunding Obligations in the amount not to exceed \$3.739 billion. The 2013 Refunding Obligations will be issued for the purposes set forth above in the proposed Plan of Finance, as determined by an Authorized Officer of the Authority in consultation with the State Treasurer, Office of Public Finance, Attorney General's Office and Bond Counsel.

The 2013 Refunding Obligations will be secured by the State Contract with the State Treasurer (as amended by Amendment No.1 to the State Contract dated April 22, 2010, to implement the funding provisions of the 2008 Amendment to the Act). Payments will be directly remitted by the State Treasurer to pay the debt service on the bonds and the notes subject to appropriation by the State Legislature for this purpose.

The 2013 Refunding Obligations may be issued as fixed rate and/or variable interest rate, tax-exempt or taxable bonds or notes, and subject to the following parameters all as determined by an Authorized Officer of the Authority in consultation with the State Treasurer, Office of Public Finance, Attorney General's Office and Bond Counsel:

- (i) The final maturity of any 2013 Refunding Bonds issued will not exceed the final maturity of the bonds being refunded but will exceed the final maturity of the notes being refunded and the final maturity of any 2013 Refunding Bonds issued as taxable bonds to fund swap termination payments will not exceed 25 years;
- (ii) The final maturity of any 2013 Refunding Notes will not exceed 25 years;
- (iii) The true interest cost for fixed rate bonds or notes issued as tax-exempt will not exceed 10%, and 15% if taxable; and
- (iv) The maximum interest rate on any variable interest rate bonds or notes (other than bank bonds) will not exceed 12%.

The Board is being asked to approve certain actions and delegation of actions to, an Authorized Officer with information provided by the State Treasurer, Bond Counsel, the State Attorney General and PFM Asset Management, LLC, the swap advisor (the "Swap Advisor") and in consultation with, the Office of Public Finance, the Swap Advisor, Bond Counsel and the Attorney General's Office, as applicable, and as approved by the State Treasurer, which actions are more fully set forth in the Thirtieth Supplemental Resolution, which is incorporated herein by reference, and will be memorialized in one or more Series Certificates, and may include, without limitation:

- To determine the date of issuance, sale and delivery, the maturity date, the principal amount, the variable rate interest provisions and the redemption and tender provisions of each Series of 2013 Refunding Obligations in accordance with the parameters set forth above;
- To determine whether each Series of the 2013 Refunding Obligations shall bear interest at fixed or variable interest rates in accordance with the parameters set forth above;
- To determine whether each Series of the 2013 Refunding Obligations shall be issued as tax-exempt or taxable obligations;
- To select and appoint any additional co-managers and/or underwriters for the 2013 Refunding Obligations upon recommendation of the State Treasurer, utilizing Treasury's

RFQ/RFP process in accordance with Executive Order No. 26 and Executive Order No. 37;

- To enter into one or more standby purchase agreements, including a letter of credit and related reimbursement agreement, line of credit or similar agreement constituting a standby agreement (a “Standby Agreement”) in connection with the outstanding variable interest rate bonds issued under the resolution for which a Standby Agreement is required or may be provided at the option of the Authority, via a competitive process utilizing Treasury’s RFQ/RFP process in accordance with Executive Order No. 26 and Executive Order No. 37; provided however that (i) any Standby Agreement shall have a long-term rating by any two of the Rating Agencies equal to or higher than “A2” from Moody’s and “A” from S&P and Fitch or short term rating by any two of the rating agencies of “VMIG-1” or “P-1” from Moody’s, “A-1” from S&P and “F-1” from Fitch; and (ii) (A) the interest rate on the Bonds or notes purchased by the replacement credit enhancement shall not exceed 12% (maximum rate), (B) the term shall not exceed 7 years; and (C) the term-out period to repay amounts payable under the Standby Agreement shall not be less than 3 years;
- To purchase one or more municipal bond insurance policies with respect to any or all of the maturities of the 2013 Refunding Bonds or 2013 Refunding Notes if determined that municipal bond insurance is necessary, available or desired in order to achieve the economic objectives of the financing;
- To select and appoint a firm upon recommendation of the State Treasurer through a competitive process utilizing Treasury’s RFQ/RFP process in accordance with Executive Order No. 26, to serve as bidding agent to solicit bids, to enter into or to purchase investment securities with proceeds of the 2013 Refunding Bonds or 2013 Refunding Notes in the event it is determined that it is advantageous to invest any proceeds of the 2013 Refunding Bonds or 2013 Refunding Notes in such investment securities;
- To negotiate and approve amendments, assignments and/or terminations of all or portion of the existing swap agreements related to School Facilities Construction Bonds and Notes, in consultation with the State Treasurer and the Swap Advisor, provided that (i) any such amendment shall not increase the original notional amount of such swaps, (ii) any such amendment shall not extend the final maturity date of the series of Bonds or Notes to which swap relates or if such swap agreement does not relate to any Series of the Authority’s Bonds, March 1, 2035 (the last maturity of any of the School Facilities Construction Swaps), and (iii) any renegotiated fixed rate payable by the Authority shall not exceed 6.00%.

Such amendments may include, without limitation, (i) amendments which result in both paying and receiving a fixed rate; (ii) to convert a swap to a basis swap, provided the floating rate is most advantageous; (iii) to relinquish or modify the right to optionally terminate such swap agreement or to provide the swap provider with an option to cancel such swap agreement on a future date(s) in exchange for payment by the swap provider; and (iv) to

restructure the floating rate payments received from a swap provider, whether or not in exchange for the payment by the swap provider.

- To solicit and receive proposals based on competitive process for one or more additional swap agreements, including without limitation for the purpose of restructuring the cash flow of an existing swap agreement, which offers most favorable terms provided that (i) the fixed rate, if any, payable to the Authority shall not exceed 5.50% per annum, (ii) the ratings of the long term unsecured and unenhanced senior debt of the swap provider shall either be (I) equal to or higher than at least one of the following ratings: (A) with respect to Moody's: "Aa3"; (B) with respect to S&P: "AA-"; and (C) with respect to Fitch: "AA-," but, in no event, shall such Swap Provider have a rating lower than "A2" from Moody's, "A" from S&P or "A" from Fitch, or (II) if such 2013 Swap Agreement reduces counterparty risk, equal to or higher than at least two of the following ratings: (A) with respect to Moody's: "A2"; (B) with respect to S&P: "A"; and (C) with respect to Fitch: "A".

In exercising the Authority's discretion to approve specific transactions authorized under the Thirtieth Supplemental Resolution, it is anticipated that the Authorized Officers of the Authority will make decisions on behalf of the Authority in consultation with the Treasurer and the Swap Advisor and will select the option(s) that are in the best interests of the State that will provide debt service savings and reduce the notional amount of Swap Agreements in effect under the Resolution, thereby reducing counterparty and basis risks. The Board will be updated upon completion of the transaction.

Professionals for the 2013 Refunding Obligations were selected in compliance with Executive Order No. 26. McCarter & English, LLP was selected as Bond Counsel through a competitive RFP/RFQ process performed by the Attorney General's Office on behalf of Treasury for State appropriation backed transactions. Through Treasury's competitive RFP/RFQ process the following professionals were chosen: Merrill Lynch, Pierce, Fenner & Smith Incorporated as senior manager; PFM Asset Management, LLC, as swap advisor; and U.S. Bank National Association as Trustee, Paying Agent, Registrar, Dissemination Agent, Calculation Agent, Escrow Agent and Tender Agent. The Thirtieth Supplemental Resolution will also authorize Authority staff to take all necessary actions incidental to the issuance of the 2013 Refunding Bonds and the 2013 Refunding Notes subject to the State Treasurer's approval, including without limitation, the selection of additional underwriters and bond insurers, if any, pursuant to a competitive process utilizing Treasury's RFP/RFQ process in accordance with Executive Order No. 26 and Executive Order No. 37.

RECOMMENDATION

Based upon the above description, and subject to the criteria set forth above, the Members are requested to: (i) approve the adoption of the Thirtieth Supplemental Resolution authorizing the issuance of the 2013 Refunding Bonds and the 2013 Refunding Notes in the total aggregate principal amount not to exceed \$3.739 billion as well as other matters in connection with the issuance and sale thereof and otherwise described above as well as the amendment, assignment and/or termination, in

whole or in part, of the existing swap agreements and the entry into new swap agreements and standby purchase agreements; (ii) approve several actions and delegation of actions to an Authorized Officer as may be necessary or advisable in order to issue the 2013 Refunding Obligations and to undertake the other transactions described in (i) above on terms which are in the best interest of the State; (iii) authorize the use of the aforementioned professionals; and (iv) authorize Authority staff to take all necessary actions incidental to the issuance of the 2013 Refunding Obligations; subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General's Office.

A handwritten signature in black ink, appearing to be "V. J. [unclear]", is written over a horizontal line.

Prepared by: Teresa Wells