



MEMORANDUM

TO: Members of the Authority

FROM: Michele Brown
Chief Executive Officer

DATE: February 12, 2013

SUBJECT: Agenda for Board Meeting of the Authority February 12, 2013

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Authority Matters

Loans/Grants/Guarantees

Incentive Programs

Board Memorandums

Real Estate

Executive Session

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

January 15, 2013

MINUTES OF THE MEETING

Members of the Authority present: Al Koepp, Chairman; Jim Leonard representing the State Treasurer; Hal Wirths, 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: Joseph McNamara, Vice Chairman; Marjorie Perry, Larry Downes, Harold Imperatore, Elliot M. Kosoffsky, Second Alternate Public Member; and Brian Nelson, Third Alternate Public Member.

Present via conference call: Public Members: Richard Tolson, Charles Sarlo, and Ray Burke, First 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: Matt McDermott representing the Executive Branch; and Rodney Sadler, Non-Voting Member.

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

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the December 11, 2012 meeting minutes. A motion was made to approve the minutes by Mr. Kosoffsky, seconded by Ms. Perry, and was approved by the 12 voting members present.

Commissioner Hal Wirths abstained because he was not present.

The next item of business was the approval of the December 11, 2012 executive session meeting minutes. A motion was made to approve the minutes by Mr. Kosoffsky, seconded by Ms. Perry, and was approved by the 12 voting members present.

Commissioner Hal Wirths abstained because he was not present.

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

BOND RESOLUTIONS

The next item was to approve the resolution approving the 2012 carryforward request for unused private activity bond volume cap and authorizing the Chief Executive Officer to file Form 8328 with the IRS.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

STAND ALONE BOND RESOLUTIONS

PROJECT: AZ Holdings, LLC **APPL.#37820**
LOCATION: South Amboy/Middlesex
PROCEEDS FOR: Building and Land Acquisition, Renovation
FINANCING: \$1,350,000 (Max) Tax-Exempt Bond
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: Beth Medrash of Asbury Park, Inc. **APPL.#37907**
LOCATION: Lakewood Twp/Ocean
PROCEEDS FOR: Refinance existing debt
FINANCING: \$2,275,000 Tax-Exempt Bond
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Kosoffsky **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 3
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: The Freehold Young Men's Christian Association **APPL.#37786**
LOCATION: Multi City/Monmouth
PROCEEDS FOR: Refinance existing debt
FINANCING: \$5,300,000 Tax-Exempt Bond
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Imperatore **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

PRELIMINARY RESOLUTIONS

PROJECT: Continental Airlines, Inc. **APPL.#37905**
LOCATION: Newark City/Essex
PROCEEDS FOR: Building construction
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

LOANS/GRANTS/GUARANTEES

ITEM: New EDA Partner Lending Program with TD Bank
REQUEST: To approve (i) a new affinity program between TD Bank and the Authority to be called "TD Bank New Jersey Advantage Program", and; (ii) 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.
MOTION TO APPROVE: Mr. Nelson **SECOND:** Ms. Perry **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT:6

CEO Brown recognized Director Laura Wallick for her 29 years of service to the EDA in light of her leaving for a new position at CBAC.

Chairman Koeppe thanked her for her years of diligence and stated that noted that she has left a mark on the Authority.

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

Mr. Sarlo joined the meeting via conference call at this time.

INFORMATION ONLY: The next item was a summary of Funding Status for the Petroleum Underground Storage Tank Program and Hazardous Discharge Site Remediation Fund Programs.

PROJECT: Eastland Recovery Group, LLC **APPL.#37564**
LOCATION: Buena Vista Twp/Atlantic
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$290,635 Petroleum UST remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Comm. Wirths SECOND: Ms. Graves AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

INFORMATION ONLY: The next item was is a summary of the Petroleum Underground Storage Tank Program projects approved by the Delegated Authority.

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

The following municipal projects were presented under the Hazardous Discharge Site Remediation Fund Program

PROJECT: Flexco Microwave, Inc. **APPL.#37788**
LOCATION: Mansfield Twp/Warren
PROCEEDS FOR: Remedial Action
FINANCING: \$508,583 Hazardous Discharge Site Remediation Fund Grant

PROJECT: Flexco Microwave, Inc. **APPL.#37789**
LOCATION: Mansfield Twp/Warren
PROCEEDS FOR: Remedial Action
FINANCING: \$250,000 Hazardous Discharge Site Remediation Fund Grant
MOTION TO APPROVE: Comm. Wirths SECOND: Ms. Graves AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PROJECT: Steel Brite Polishing Corporation **APPL.#37757**
LOCATION: Elizabeth/Union
PROCEEDS FOR: Remedial Action
FINANCING: \$76,014 Hazardous Discharge Site Remediation Fund Grant
MOTION TO APPROVE: Ms. Perry SECOND: Ms. Graves AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PROJECT: City of Millville (Stewart's Amoco) **APPL.#37750**
LOCATION: Millville/Cumberland
PROCEEDS FOR: Remedial Investigations
FINANCING: \$172,451 Hazardous Discharge Site Remediation Fund Grant
MOTION TO APPROVE: Ms. Perry SECOND: Mr. Downes AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

EDISON INNOVATION

ITEM: Edison Innovation Venture Capital Growth Fund – Product Enhancement

REQUEST: To approve consent to allow investments from strategic investors to be considered eligible to meet the 1:1 matching fund requirement under the Edison Innovation Venture Capital Growth Fund.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Tolson **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

INCENTIVE PROGRAMS

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

PROJECT: Otsuka America Pharmaceutical, Inc. &
Otsuka Pharmaceutical.

APPL.#37839

LOCATION: West Windsor/Mercer

BUSINESS: Pharmaceutical

GRANT AWARD: 65% **Business Employment Incentive grant**, 10 years

MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Ms. Perry **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

FILM TAX CREDIT TRANSFER PROGRAM

ITEM: New Jersey Film Tax Credit Program – Project for Approval

REQUEST: Approve the following Film Tax Credit Project, subject to the Act, Regulations and further satisfactory review by the staff, Film Commission and Taxation.

PROJECT: Northern Entertainment Inc.

MAX AMOUNT OF TAX CREDITS: \$216,640 subject to availability of FY2013 allocation

MAX AMOUNT OF TAX CREDITS: \$10,000,000 subject to availability of F Y2013 allocation

MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Mr. Imperatore **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

BOARD MEMORANDUMS

ITEM: BTA Pharmaceutical, Inc. - P14984

Bridgewater, New Jersey

\$4,325,100 Business Employment Incentive Program Grant

REQUEST: REQUEST: To approve (i) consent to the merger of Biovail Corp. the parent company of BTA, and Valeant, forming Valeant Pharmaceuticals International, Inc. and the subsequent name change of BTA to Valeant Pharmaceuticals North America LLC and (ii), approve consent to the addition of Biovail Americas Corp. as a tax-paying entity to the grant.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Nelson **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

ITEM: Nipro Glass Americas Corporation

\$333,000 UEZ Energy Sales Tax Exemption (U-STX)

REQUEST: To approve NGA's application to participate in the U-STX program.

MOTION TO APPROVE: Mr. Imperatore **SECOND:** Mr. Tolson **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

ITEM: Administrative Changes to the following BEIP Grants:

Organon USA, Inc – P10531

Schering Corporation – P11412

REQUEST: To approve (i) acquisition of Organon Biosciences parent company of Organon USA inc. by Schering –Plough Corporation parent of Schering Corporation and (ii) the merger of SP with Merck & Co., Inc. and subsequent name change of BEIP grantee, SC to Merck & Co., Inc.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

FOR INFORMATION ONLY: Summary of the post closing actions approved under Delegated Authority for 4th Quarter 2012.

FOR INFORMATION ONLY: Summary of Incentive Modifications approved for 4th Quarter 2012.

FOR INFORMATION ONLY: Summary of the projects approved under Delegated Authority in December 2012:

New Jersey Business Growth Fund: 71 East Main Street, LLC, Heritage Real Estate, LLC

Premier Lender Program: AZ Holdings, LLC, CMC Group, LLC, BK Specialty Foods, Inc.

REAL ESTATE

ITEM: Construction of Shell Expansion – Merial, Limited

The Technology Centre of New Jersey

REQUEST: To approve (i) the amendment of existing contracts with HDR, Inc. and Torcon, Inc. for design and construction of a 15,500 square foot addition for Merial, Limited a tenant in the Tech One building at the Technology Centre of New Jersey, (ii) enter into a amendment to the Lease Agreement between Merial and the Technology Centre of New Jersey, LLC, and (iii) make an equity contribution to the LLC of 36.56% of the project cost, estimated at approximately \$1,373,000.

MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Mr. Tolson **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

ITEM: Property and Facilities Management Services

REQUEST: REQUEST: To approve the contract for property and facilities management services for property and facilities management services with ISS Facility Services, Inc. of Livingston, New Jersey for the following sites; (i) Technology Centre of New Jersey, North Brunswick, (ii) NJJEDA 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.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

Mr. Sarlo recused himself because he is familiar with personnel at ISS Facility Services, Inc.

ITEM: Susquehanna Bank Center (f/k/a Tweeter Center)

Lease Agreement with the institute for the Development of Education in the Arts

REQUEST: To approve the lease extension agreement with the Institute for the Development of Education in the Arts for exclusive use of office space and non-exclusive use of the Black Box Theater at the Susquehanna Bank Center in Camden.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

FOR INFORMATION ONLY: The next item is a summary of the Real Estate Division Delegated Authority for Leases and Right of Entry for 4th Quarter 2012.

BOND PROJECTS

ITEM: NJEDA/School Facilities Construction Bonds and Notes

REQUEST: To approve (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.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

PUBLIC COMMENT

There was no comment 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: Ms. Perry **SECOND:** Mr. Kosoffsky **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

The Board returned to Public Session.

There being no further business, on a motion Ms. Perry, and seconded by Mr. Kosoffsky, the meeting was adjourned at 11:40 am.

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



Kim Ehrlich, Assistant Secretary



MEMORANDUM

TO: Members of the Authority

FROM: Michele A. Brown
Chief Executive Officer

DATE: February 12, 2013

RE: Chief Executive Officer's Report to the Board

UPDATE ON PROGRESS OF SIGNIFICANT INCENTIVE PROJECTS

In an effort to keep the Members updated on the progress of several of our larger-scale incentive projects, please see the below chart which details these projects' progress in the construction process.

Project/Type	Project Location	Groundbreaking/ Announcement	Completion Date (est.)	Capital Investment	New & Retained Jobs
Gateway Transit Village/HUB	New Brunswick/Middlesex	January 2010	December 2012 (actual)	\$326,000,000	250
Church & Dwight BEIP/BRRAG	Statewide	October 2011	January 2013 (actual)	\$79,500,000	1,137
Newport Office "DTTC"/ERG	Jersey City/Hudson	January 2012	February 2013	\$81,326,054	1,600
Realogy Corporation BRRAG/STX	Madison/Morris	February 2012	June 2013	\$25,060,000	953
Bayer Pharmaceuticals BEIP/BRRAG/STX	East Hanover/Morris	October 2011	Fall 2013	\$99,000,000	1,544
Panasonic/HUB	Newark/Essex	May 2012	December 2013	\$125,828,566	1,056
Teachers Village/ERG & HUB	Newark/Essex	February 2012	December 2013	\$124,260,313	329
Goya/HUB	Jersey City/Hudson	September 2012	June 2014	\$127,003,692	544
Pearson/HUB	Hoboken/Hudson	December 2012	July 2014	\$90,025,766	646
Burlington Coat Factory/GROW	Florence/Burlington	March 2013 <i>Estimated</i>	July 2014	\$41,591,757	746
Prudential/HUB	Newark/Essex	April 2013 <i>Estimated</i>	December 2014	\$444,000,000	400

EDA HOSTS ACCESS TO CAPITAL FORUMS IN AREAS AFFECTED BY HURRICANE SANDY

Last month, in collaboration with several of our partners at the state and federal level, EDA participated in three "Access to Capital Forums" to discuss how businesses impacted by Superstorm Sandy could take advantage of available resources through these various organizations to help rebuild their communities.

The forums, which were held in Manahawkin, Tinton Falls, and Toms River, included an estimated 70 economic development leaders from Sandy-impacted areas in Monmouth and Ocean counties and offered a networking opportunity for banks, economic development leaders, lenders, funders, and state and federal agencies regarding access to capital.

EDA SELLS \$2.2 BILLION IN BONDS, EXCEEDS SAVINGS ESTIMATES

According to data from the New Jersey Department of Treasury, last month EDA sold \$2.2 billion in bonds, which enabled the state to hit all of its targets of terminating \$750 million in interest-rate swaps, refunding variable-rate debt and refinancing state obligations. The deal was priced to yield from 0.53 percentage point to 0.8 percentage point more than a benchmark index.

The offer was oversubscribed, and the present-value savings of \$65 million that it generated exceeded estimates by \$20 million. The refunding won't extend maturities of any debt, and it was sold at a true interest cost of 2.9 percent.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY (FMERA) UPDATE

FMERA reached a significant milestone in the redevelopment of the former military installation when the first sale of property was finalized on Tuesday, January 29, 2013 with CommVault. The global technology leader plans to undertake a three-phase project on the 55-acre "Parcel E" site in Tinton Falls. CommVault will make a substantial investment to complete Phase I, which involves the construction of an approximately 275,000-square-foot facility to serve as its worldwide corporate headquarters. The project will result in the retention of several hundred existing jobs for New Jersey and the creation of new jobs. At full build-out, the company anticipates up to 650,000 square feet of new high-tech office/research space in one or more buildings on the site.

The sale of Parcel E sets the momentum for future sales and leases on the former Army post. FMERA received six proposals for the Howard Commons Area in response to a Request for Offer to Purchase (RFOTP) for the site that was issued on December 14, 2012. The Howard Commons Area is envisioned in the Reuse and Redevelopment Plan to be developed into 275 residential units. In addition, FMERA issued an RFOTP for the Officers Housing in the Historic District of the former Post on January 16, 2013, and plans to issue RFOTPs for Parcels B, C and C1 in the coming months.

CLOSED PROJECTS IN JANUARY 2012

In January, the EDA has closed financing and incentives totaling nearly \$78 million for projects that are expected to support the creation of over 670 new jobs, the support of over 1,700 existing jobs, including 780 jobs at risk of leaving New Jersey, and involve total public/private investment of over \$184 million in New Jersey's economy. Among the businesses assisted in January:

Intervet Inc., which executed a Business Employment Incentive Program (BEIP) grant for nearly \$4 million. Intervet Inc. is a wholly owned subsidiary of Merck, which develops, manufactures and markets a broad range of veterinary medicines and services. This assistance will enable the company to relocate 70 senior management level jobs from its global headquarters in the Netherlands and establish a new US headquarters in Summit as opposed to a competing location in Kansas. Along with relocating 70 jobs, the company will create 10 new jobs for a total of 80 new, high-income jobs. EDA's assistance to Intervet is expected to leverage nearly \$11 million in capital investment.

Prudent Publishing Co., Inc., which executed a Business Retention and Relocation Assistance Grant (BRRAG) for \$346,500 to support the retention of 154 jobs in Ridgefield. Prudent Publishing is a family-owned, business-to-business mail order publisher of premium-quality personalized business Christmas, holiday, birthday, and all occasion greeting cards. EDA's assistance to this company is expected to leverage over \$960,000 in capital investment.

Girl Scouts of the Jersey Shore, Inc. received just over \$1 million in tax-exempt bond financing. Girl Scouts of the Jersey Shore's (GSJS) mission is to allow girls to explore their potential without competition from boys and to develop values to guide their actions for sound decision-making and leadership skills. GSJS' region includes Monmouth and Ocean Counties and has over 14,000 girls and 5,600 adult members. This assistance will enable the organization to construct a Program Activity Center and Equestrian Center, as well as make repairs at its camps in Farmingdale.

Gateway – Transit Village - Additionally in January, Treasury and EDA issued the first residential tax credit through the Urban Transit Hub Tax Credit Program for the year-end completion of the Gateway project in New Brunswick.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 14 events in January. These included the New Jersey Economic Leadership Forum in Somerset, the NJTC Capital Conference in Princeton, and the Sustainable Jersey Recognition Ceremony in Monroe Twp.



AUTHORITY MATTERS



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: February 12, 2013

RE: Bond Fee – Rule Amendments

Summary:

The Board is requested to approve the request to restructure its bond closing fee policy, which have not been addressed in over 15 years. In order to be more aligned with similar agencies in other jurisdictions, staff proposes to remove the current cap on certain bond closing fees to ensure the EDA is appropriately compensated for the increased level of work required by staff on certain public-private partnership projects (P-3), as well as performing post-issuance bond compliance tasks.

Background:

Under the Authority’s current fee structure for bond transactions, closing fees are currently capped at \$300,000. However, given that the Authority may be tasked in the future with undertaking large, multijurisdictional bond transactions involving P3, it is proposed that we remove the cap on these transactions in order to allow the Authority to be appropriately compensated for additional work that is necessary. This model of P3 is gaining increased acceptance in the public finance markets for infrastructure projects with several in our region.

A bond transaction of this nature that involves multiple agencies is more complex than EDA traditional bond deals, such as those that we undertake for manufacturers or not-for-profits. This transaction would also constitute the first time that EDA would be undertaking a P3 for infrastructure financing where the Authority is issuing bonds on behalf of a private entity for a public purpose. P-3 transactions involve activities not usually undertaken in traditional EDA bonding, such as asset valuation, contract negotiation, risk assessment, revenue stream development, and feasibility analysis.

In addition, with a deal of this magnitude, there is an increased responsibility upon the Authority to coordinate with professional consultants and other agencies and departments, such as the Attorney General’s office and other private or public entities, to advance the project.

Bond counsel would likely require a custom post-closing tax compliance agreement among the issuer(s), project owner/users, etc. Monitoring the use of bond proceeds, on which IRS is focused, for a large bond/project such as the Goethals bridge will be a significant effort. The level of work for Authority staff depends on the allocation of responsibilities among the parties. Also, given the high profile nature and high dollar value of transactions of this nature there is an increased likelihood of an audit, which involves significant staff time.

As part of the Authority's review to determine the appropriateness of removing the bond fee cap, staff undertook a comparative analysis with other governmental bond issuers in regards to fee caps, such as the NYCIDA. This analysis concluded that other governmental bond issuers utilize a variety of fee structures. Most do not have caps on the fee amount, and/or charge a higher percentage than currently charged by the Authority.

Recommendation:

The Members of the Board are recommended to approve the proposed removal of the closing fee cap on bonds that support multi-jurisdictional projects given their size, complexity and inter-state interaction. In addition, the Members are further requested to authorize staff to submit the attached revised program rules implementing this change, pending review by the Governor's Policy Office, 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.

A handwritten signature in black ink, appearing to read "T. Lauer" with the initials "(KE)" written to the right of the signature.

Prepared by Nikki Ouellette/John Rosenfeld

Attachment: Rules

DRAFT

RULE PROPOSALS

OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Proposed Amendments: N.J.A.C. 19:30-6.3 and 6.7

Administrative Rules; Fees

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 31, 2013 to:

Maureen Hassett, SVP Finance & Development
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 amendments to its rules to increase certain bond closing fees and revise existing fee waiver provisions that pertain to multi jurisdictional, interstate projects.

Specifically, the proposed amendment, at N.J.A.C. 19:31-6.3(a)3, eliminates the existing closing fee limit for conduit bond transactions that support multi-jurisdictional interstate projects established pursuant to N.J.A.C. 19:30-6.3(a). The proposed amendment is intended to ensure the EDA is appropriately compensated for the increased level of post-issuance bond compliance under new provisions instituted by the Internal Revenue Service, particularly regarding major conduit bond transactions supporting multi-jurisdictional, interstate projects.

In addition, the proposed amendment, at N.J.A.C. 19:31-6.7, would revise existing fee waiver provisions to provide authorization to waive, postpone or decrease bond application and closing fees for conduit bond transactions that support multi jurisdictional, interstate projects.

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 amendments would enable the EDA to ensure that its bond fees cover its cost of operations to continue providing economic opportunities that help sustain New Jersey's economy, prosperity, safety and health and general welfare.

Economic Impact

The EDA has not revised its bond fees in over 15 years and the existing rates do not adequately address the increased work involved in processing and monitoring bonds, particularly large conduit transactions. Accordingly, the proposed amendment will help the EDA to better promote economic investment in the State by charging bond fees that more accurately reflect the actual cost of bond review, monitoring and compliance.

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 that the proposed amendments will not impact the number of businesses, not-for-profits and government bodies that take advantage of its Authority-issued and conduit bonds thereby resulting in continued job creation through its financings.

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 EDA's fee structure for Authority-issued bonds is set on a percentage based on the amount of the bond issue. Accordingly, differentiation of the fee structure is provided based on the type of business and amount of the bond issue.

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 increase certain bond closing fees and revise existing fee waiver provisions to pertain to multi jurisdictional, interstate projects.

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 or housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan. The proposed amendments increase certain bond closing fees and revise existing fee waiver provisions to pertain to multi jurisdictional, interstate projects.

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

SUBCHAPTER 6. FEES

19:30-6.3 Closing fees

(a) Except as set forth in (a)1 below, for Authority-issued bonds, the fee to be paid at closing is one-half of one percent of the amount of the bond issue up to and including \$15,000,000; three-eighths of one percent of the amount in excess of the next \$10,000,000; and one-half of one percent of the bond amount in excess of \$25,000,000.

1. – 2. (No change.)

3. In all **instances, except for conduit bond transactions that support multi jurisdictional, interstate projects**, the fees due and payable for conduit bond transactions shall not exceed \$300,000.

(b) – (i) (No change.)

19:30-6.7 Fee waiver

The Chief Executive Officer may, with the approval of the members, waive certain fees upon demonstration by the applicant that the imposition of the fee would impose an undue financial hardship. The members may delegate to a Director, with the concurrence of the Chief Executive Officer, Chief Operating Officer or Senior Vice President, authority to waive a loan commitment extension fee; and may delegate to a Director, authority to waive late fees when the cause for the late fee is beyond the control of the borrower. The Chief Executive Officer, with the approval of the members, may waive, postpone or decrease bond application and closing fees for municipal governmental agency(s) or State agency projects **or for conduit bond transactions that support multi jurisdictional, interstate projects**. In the case of State agency projects, such

waiver, postponement or decrease shall be in accordance with the directives of the State Treasurer regarding the specific State agency projects.

LOANS GRANTS GUARANTEES

**FUND FOR COMMUNITY ECONOMIC DEVELOPMENT
AND LOAN TO LENDERS PROGRAMS**

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - COMMUNITY ECONOMIC DEVELOPMENT PROGRAM**

APPLICANT: Cooperative Business Assistance Corporation

P37960

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION 328 Market Street

Camden City (T/UA)

Camden

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

APPLICANT BACKGROUND:

Cooperative Business Assistance Corporation ("CBAC" or "Company") is a not for profit that was formed in 1987 to assist the small business community in Camden and the six surrounding counties in New Jersey by providing loans and technical assistance. The Authority has an existing relationship with CBAC that includes referring applicants for technical assistance and partnering on various small business loans. The EDA has also provided several loans to CBAC since 1997 and currently has two outstanding facilities (P19423 and P24533) with a combined balance of \$780,000. CBAC is seeking to refinance the two existing debts with a new \$780,000 (P37960) loan to improve its cash flow so it can better serve the business community. In addition, the Company has requested a \$500,000 (P38040) loan to partially fund a new program that will provide loans to businesses that were impacted by Superstorm Sandy.

APPROVAL REQUEST:

Approval is requested for a \$780,000 loan as proposed.

FINANCING SUMMARY:

LENDER: Fund for Community Economic Development

AMOUNT OF LOAN: \$780,000

TERMS OF LOAN: Rate fixed at 2%. Interest-only for the first five years, then ten years principal and interest payments in an amount sufficient to fully repay the loan. 15-year term.

PROJECT COSTS:

Refinancing	\$780,000
Finance fees	\$1,000
TOTAL COSTS	<u><u>\$781,000</u></u>

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

DEVELOPMENT OFFICER: H. Friedberg

APPROVAL OFFICER: S. Brady

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - LOAN TO LENDERS PROGRAM**

APPLICANT: Cooperative Business Assistance Corporation

P38040

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 328 Market Street

Camden City (T/UA)

Camden

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

APPLICANT BACKGROUND:

Cooperative Business Assistance Corporation ("CBAC" or "Company") is a not for profit that was formed in 1987 to assist the small business community in Camden and the six surrounding counties in New Jersey by providing loans and technical assistance. The Authority has an existing relationship with CBAC that includes referring applicants for technical assistance and partnering on various small business loans. The EDA has also provided several loans to CBAC since 1997 and currently has two outstanding facilities (P19423 and P24533) with a combined balance of \$780,000. CBAC is seeking to refinance the two existing debts with a new \$780,000 (P37960) loan to improve its cash flow so it can better serve the business community. In addition, the Company has requested a \$500,000 (P38040) loan to partially fund a new program that will provide loans to businesses that were impacted by Superstorm Sandy.

APPROVAL REQUEST:

Approval is requested for a \$500,000 loan as proposed.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: \$500,000

TERMS OF LOAN: Rate fixed at 1%. This loan will have a total term of five years and nine months. This is comprised of an initial nine month period to draw funds (interest will accrue), followed by two years of quarterly interest only payments and then 12 quarterly payments (three years) of principal and interest in an amount sufficient to fully repay the loan. The first tranche of \$250,000 will be disbursed at closing. The remaining \$250,000 tranche will be disbursed once 75% of the initial tranche is committed. Both tranches must be fully disbursed within nine months after loan closing.

PROJECT COSTS:

Revolving Loan Fund	\$1,000,000
Finance fees	\$1,000
TOTAL COSTS	<u><u>\$1,001,000</u></u>

JOBS: At Application	<u>0</u>	Within 2 years	<u>0</u>	Maintained	<u>0</u>	Construction	<u>0</u>
Jobs on Related P037960	<u>10</u>		<u>0</u>		<u>0</u>		<u>0</u>

DEVELOPMENT OFFICER: H. Friedberg

APPROVAL OFFICER: S. Brady

**PETROLEUM UNDERGROUND STORAGE
TANK PROGRAM**



MEMORANDUM

TO: Members of the Authority

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

DATE: February 12, 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. Below is the summary of actions taken for approvals in January (board and delegations) and the net funding available at 1/31/13 for February, 2013 approvals. Treasury has also been notified of the January approvals so as to encumber the funds for those approvals

PUST:

In January, the members approved 1 project for \$281,000. 23 projects for \$395,000 were approved by staff under delegation for a combined total of 24 projects for \$676,000

As of 1/31/13, the UST fund held by EDA had approximately \$5.5 million cash and \$29.5 million unfunded appropriations, which combined totaled \$35 million against \$25.8 million of commitments, leaving \$9.2 million as available cash and unfunded appropriations for new future commitments.

HDSRF:

In January, the members approved 4 projects for \$1.1 million. There were no delegated authority approvals.

As of 1/31/13, the HD fund held by EDA had approximately \$67.4 million cash and \$20.9 million unfunded appropriations, which combined totaled \$88.3 million against \$49.7 million of commitments, leaving \$38.6 million as available cash and unfunded appropriations for new future commitments.

Prepared by: Lisa Petrizzi



MEMORANDUM

TO: Members of the Authority
FROM: Timothy Lizura
President/Chief Operating Officer
DATE: February 12, 2013
SUBJECT: NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

The following commercial 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 Grants:</u>	
Patrick Meyer	\$ 95,875
Henry Sibona	\$ 379,677
Total UST Commercial Grants	\$ 475,552

Total UST funding for February 2013 **\$ 475,552**

Prepared by: Lisa Petrizzi

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

APPLICANT: Patrick Meyer

P37769

PROJECT USER(S): Meyer Gas Station *

* - indicates relation to applicant

PROJECT LOCATION 84 Kingsland Street

Nutley Township (N)

Essex

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

APPLICANT BACKGROUND:

Between May 1999 and April 2009, Patrick Meyer received grants totaling \$296,679 under P10763, P12645 and P25316 to remove four underground storage tanks (USTs). Two of these requests in the amount of \$208,310 and \$41,690 were approved by the EDA's Board in May 1999 and October 2000 respectively. In addition, \$46,479 was approved under Delegated Authority as our delegation, approved by the EDA's Board in May 2006, allows a maximum approval of aggregate supplemental funds of \$100,000. The tanks were decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities. The applicant is requesting an additional supplemental grant in the amount of \$95,875 to fund these costs for a total funding to date of \$392,554. This funding request exceeds the maximum approval of aggregate supplemental funds of \$100,000 and therefore requires EDA's board approval.

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

APPROVAL REQUEST:

The NJDEP oversight fee of \$9,588 is the customary 10% of the grant amount. This estimate assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT \$95,875

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

PROJECT COSTS:

Upgrade, Closure, Remediation	\$95,875
NJDEP oversight cost	\$9,588
EDA administrative cost	\$500

TOTAL COSTS

\$105,963 *

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

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Henry Sibona

P34443

PROJECT USER(S): Precision Automotive *

* - indicates relation to applicant

PROJECT LOCATION: 164 W. Clinton St. Route 15 Dover Town (T)

Morris

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

APPLICANT BACKGROUND:

Henry Sibona, owner of Precision Automotive, which is an automotive repair shop is seeking to perform groundwater remediation for the closure of the former underground storage tank (UST's) at the project site. The tank will be decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible to perform soil remediation and groundwater investigation.

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$379,677 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$37,968 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: \$379,677

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

PROJECT COSTS:

Upgrade, Closure, Remediation	\$379,677
NJDEP oversight cost	\$37,968
EDA administrative cost	\$500
TOTAL COSTS	\$418,145

APPROVAL OFFICER: K. Junghans



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: February 12, 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 January 01, 2013 to January 31, 2013

Summary:	# of Grants	\$ Amount
Leaking tank grants awarded	23	\$395,394
Non-leaking tank grants awarded	0	\$0

Applicant	Description	Grant Amount	Awarded to Date
Bargar, David (P37817)	Supplemental grant for upgrade, closure and remediation	\$4,865	\$42,806
Brennan, Daniel (P37891)	Initial grant for upgrade, closure and remediation	\$7,375	\$7,375
Callahan, Matthew (P37866)	Initial grant for upgrade, closure and remediation	\$4,641	\$4,641
Chernes, Terence (P37879)	Initial grant for upgrade, closure and remediation	\$4,373	\$4,373
Cholewa, Janet (P37898)	Initial grant for upgrade, closure and remediation	\$29,200	\$29,200
Church of the Messiah, The (P37651)	Supplemental grant for upgrade, closure and remediation	\$34,723	\$63,053
Curry, Emery (P37869)	Initial grant for upgrade, closure and remediation	\$21,491	\$21,491
Franco, Joseph J. (P37816)	Supplemental grant for upgrade, closure and remediation	\$69,991	\$99,502
Hall, Daniel (P37743)	Supplemental grant for upgrade, closure and remediation	\$7,322	\$12,832
Juergensen, Ralph and	Initial grant for upgrade,	\$10,775	\$10,775

Applicant	Description	Grant Amount	Awarded to Date
Alicia (P34410)	closure and remediation		
Kaufmann, Kenneth and Josette (P37742)	Supplemental grant for upgrade, closure and remediation	\$1,184	\$24,364
Kleinschmidt, Robert and Patricia (P37873)	Initial grant for upgrade, closure and remediation	\$18,268	\$18,268
Kogan, Sandra (P37863)	Initial grant for upgrade, closure and remediation	\$16,171	\$16,171
Law, Robert (P37771)	Supplemental grant for upgrade, closure and remediation	\$13,902	\$35,606
LeVan, Kathryn (P37845)	Initial grant for upgrade, closure and remediation	\$14,256	\$14,256
Marshall, Lillian (P33918)	Supplemental grant for upgrade, closure and remediation	\$1,604	\$8,317
Myslinski, Jenna (P37868)	Initial grant for upgrade, closure and remediation	\$17,203	\$17,203
Ohl, Karen and Henry (P37859)	Initial grant for upgrade, closure and remediation	\$24,376	\$24,376
Paul's Car Care Center of Fort Lee, Inc. (P37539)	Supplemental grant for upgrade, closure and remediation	\$47,222	\$297,222*
Perkins, Joanne (P37897)	Initial grant for upgrade, closure and remediation	\$18,474	\$18,474
Shahwan, Josef K. and Janet J. (P37810)	Supplemental grant for upgrade, closure and remediation	\$10,233	\$34,837
Updike, James and Denise (P37809)	Supplemental grant for upgrade, closure and remediation	\$12,225	\$21,585
Voznek, Edith (P37818)	Supplemental grant for upgrade, closure and remediation	\$5,520	\$13,570

23 Grants

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

\$395,394

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



Timothy Lizura

**HAZARDOUS DISCHARGE SITE REMEDIATION
FUND PROGRAM**



MEMORANDUM

TO: Members of the Authority
FROM: Timothy Lizura
President/Chief Operating Officer
DATE: February 12, 2013
SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

The following commercial loan 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 Loans:

Frank Graafsma	\$ 44,658
R.C.J., Inc.	\$ 195,312
Total HAZ Commercial Loans	\$ 239,970

Total HAZ funding for February 2013 \$ 239,970

Prepared by: Lisa Petrizzi

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

APPLICANT: Frank Graafsma

P37832

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION 90 5th Avenue

Hawthorne Borough (N)

Passaic

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

APPLICANT BACKGROUND:

Frank Graafsma previously owned and operated Franks 5th Avenue Auto Repair, a gas service station located at 90 5th Avenue, Hawthorne, NJ. The business has since been dissolved and the property is currently vacant. The property is in the process of being remediated for soil and groundwater contamination. The project property is under a contract of sale for a purchase price of \$435,000. Upon receipt of a Response Action Outcome letter from a Licensed Site Remediation Professional, the sale of this property will be finalized.

Mr. Graafsma was previously approved for an \$88,555 HDSRF loan (P26726) for remedial investigation and action, which closed in September 2010. This loan has not been fully disbursed to date and there is \$7,161.30 available to be disbursed.

APPROVAL REQUEST:

Approve a \$44,658 HDSRF term loan with the proposed terms.

FINANCING SUMMARY:

LENDER: Hazardous Discharge Site Remediation Fund

AMOUNT OF LOAN: \$44,658

TERMS OF LOAN: 3-Year term. No payments will be required and interest will be accrued at a fixed rate of 5%. The loan will have a full balloon payment (principal plus interest) due at the end of the 3-Year term or upon sale of the property, whichever occurs first.

PROJECT COSTS:

Remedial investigation	\$44,658
Finance fees	\$1,075
TOTAL COSTS	\$45,733

APPROVAL OFFICER: J. Wentzel

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

APPLICANT: R.C.J., Inc.

P37956

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 2313-2325 Plainfield Ave South Plainfield Borough (N) Middlesex

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

APPLICANT BACKGROUND:

RCJ, Inc. is a real estate holding company that owns the property located at 2313-2325 Plainfield Avenue, South Plainfield, NJ. This property is the only asset of the company. Current ownership is Roseann Lozinski (30%), Joseph La Costa (30%) and five owners who each have an 8% stake. The property is 2.5 acres and has two buildings that are comprised of retail storefront and office space, which are leased to various unrelated retail tenants. The Company tried to sell the property in 2007, when Phase II revealed groundwater contamination and an indoor air quality issue, believed to be caused by a dry cleaner that was on the site for over 50 years. Both Ms. Lozinski and Mr. La Costa will be required to provide personal guarantees. This loan will supplement the existing loan (P36848, initially \$220,000) and two \$110,000 (each) matching grants used to remediate the property for contaminated groundwater and an indoor air issue. To date, all payments on the existing loan have been made as agreed. There are also two additional matching grants of \$97,657 (each) currently in process.

APPROVAL REQUEST:

Approval of a \$195,312 HDSRF term loan is recommended.

FINANCING SUMMARY:

LENDER: Hazardous Discharge Site Remediation Fund

AMOUNT OF LOAN: \$195,312

TERMS OF LOAN: 5-Year Term/10-Year Amortization
Fixed rate of 5%

PROJECT COSTS:

Other: Remediation of Leaking Tank	\$390,625
Finance fees	\$2,453
TOTAL COSTS	\$393,078

APPROVAL OFFICER: K. Tolly

INCENTIVES

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: Dade Paper & Bag Co.

P37977

PROJECT LOCATION: Block 0, Lot 0

Locations Unknown (N) Unknown County

GOVERNOR'S INITIATIVES:

() Urban () Edison (X) Core () Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Dade Paper & Bag Co. ("Dade"), founded in 1939, with corporate headquarters in Ft. Lauderdale, Florida, is the largest independent distributor of food service disposables, janitorial supplies and equipment to customers located in the Eastern U.S., Puerto Rico and the Caribbean. The applicant has over 1,000 employees working from 9 distribution facilities and 12 sales offices. Dade has had a presence in New Jersey since 2008 with a 10,000 s. f. distribution facility in Bellmawr. In September 2012, Dade acquired McShane Enterprises, Inc. which occupies a 77,000 s. f. office/warehouse in East Brunswick. Today, the company is managed by the third generation, Leonard Genet, President and majority stockholder. The applicant is economically viable.

MATERIAL FACTOR:

Dade is seeking a BEIP grant to create 25 jobs for an expansion of its New Jersey distribution capability to meet customer demand in the Northeast U.S. The options under consideration are finding a 150,000 s. f. facility in the South Brunswick - Cranbury area to replace the current 77,000 s. f. East Brunswick facility, with its lease expiring in December 2013, or moving the East Brunswick operation to Dade's Jessup, Maryland regional distribution center. The Maryland facility is 125,000 s. f. and has a 10 year lease expiring in 2022. If the applicant moves the East Brunswick jobs to Maryland they would exercise their right of first refusal for an additional 80,000 s. f. facility next door to its current site, increasing its facility to 205,000 s. f. At risk are the 23 jobs in the East Brunswick facility. The Bellmawr facility, which employs 10 people that are primarily drivers, has a lease that expires in 2016, and would not be impacted by moving East Brunswick to Maryland. Management has indicated that a favorable decision by the Authority to award the BEIP grant is a material factor in the company's decision to expand in New Jersey. When the applicant finalizes its location, the BEIP award could increase to as much as 80% with an estimated value of \$230,500 based on certain smart growth criteria. The Authority is in receipt of an executed CEO certification that states the application has been reviewed and the information submitted and representations contained therein are accurate.

APPROVAL REQUEST:

PERCENTAGE: 30%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Dade Paper & Bag Co. 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: \$ 86,437
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 32

ELIGIBLE BEIP JOBS: Year 1 25 Year 2 0 Base Years Total = 25

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$3,457

ANTICIPATED AVERAGE WAGES: \$50,000

ESTIMATED PROJECT COSTS: \$1,640,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$288,125

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$345,750

PROJECT IS: (X) Expansion (X) Relocation East Brunswick

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: Florida

APPLICANT OWNERSHIP:(X) Domestic () Foreign

DEVELOPMENT OFFICER: J. Kenyon

APPROVAL OFFICER: M. Krug

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Locations Unknown	N/A
2. Job Creation	25	1
	Targeted : _____ Non-Targeted : X	
3. Job at Risk:	23	0
4. Industry:	wholesale	0
	Designated : _____ Non-Designated : X	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$1,640,000	1
7. Average Wage:	\$ 50,000	2
TOTAL:		6

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%	_____
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: **0 %**

Total Score :

Total Score per formula: **6 = 25 %**
Construction/Renovation : **5 %**
Bonus Increases : **0 %**
Total Score (not to exceed 80 %): **30 %**

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

APPLICANT: Nosco, Inc.

P37991

PROJECT LOCATION: 19 Culnen Drive

Branchburg Township (N) Somerset County

GOVERNOR'S INITIATIVES:

() Urban () Edison (X) Core () Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Nosco, Inc., established in 1906, is a full-service packaging solutions provider serving more than 350 customers in regulated industries and a leading supplier of high quality pharmaceutical printing and packaging. Its core packing product lines include folding cartons, enclosure and roll labels as well as compliance packaging and variable barcodes for tracking and tracing drugs. Nosco, headquartered in Illinois with approx. 475 employees, is a subsidiary of Holden Industries, Inc., an employee-owned company. Holden Industries manages a portfolio of manufacturing businesses providing non-consumer products to customers worldwide. The applicant is economically viable.

MATERIAL FACTOR:

Nosco, Inc. is evaluating locations to expand its physical presence on the East coast and areas under consideration are central New Jersey, south-east Pennsylvania and northern Virginia. The company expects to create 51 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: 50%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Nosco, Inc. 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: \$ 307,026

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

NJ EMPLOYMENT AT APPLICATION: 0

ELIGIBLE BEIP JOBS: Year 1 38 Year 2 13 Base Years Total = 51

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$6,020

ANTICIPATED AVERAGE WAGES: \$51,171

ESTIMATED PROJECT COSTS: \$7,632,444

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$614,052

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$614,052

PROJECT IS: (X) Expansion () Relocation _____

CONSTRUCTION: () Yes (X) No

PROJECT OWNERSHIP HEADQUARTERED IN: Illinois

APPLICANT OWNERSHIP: (X) Domestic () Foreign

DEVELOPMENT OFFICER: P. Ceppi

APPROVAL OFFICER: T. Wells

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Branchburg Township	N/A
2. Job Creation	51	1
	Targeted : _____ Non-Targeted : <u>X</u>	
3. Job at Risk:	0	0
4. Industry:	printing and publishing	0
	Designated : _____ Non-Designated : <u>X</u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$7,632,444	2
7. Average Wage:	\$ 51,171	3

TOTAL: **8**

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:	8 = 30 %
Construction/Renovation :	0 %
Bonus Increases :	20 %
Total Score (not to exceed 80 %):	50 %

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

APPLICANT: Veolia Water Solutions & Technologies North America, Inc. & P37842

PROJECT LOCATION: 6981 N Park Dr.-West Building Pennsauken Township Camden County

GOVERNOR'S INITIATIVES:

(X) Urban (X) Edison () Core () Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Veolia Water Solutions & Technologies North America, Inc. and Affiliates, part of Veolia Environnement S.A., have applied for a BEIP grant for their Biothane unit, which primarily provides solutions and technologies for the proprietary anaerobic treatment of industrial wastewater. Veolia Environnement S.A. (Euronext Paris: VIE and NYSE: VE) is a world leader in providing water and wastewater services and technologies to industrial companies and municipal authorities. Since 1853, Veolia Environnement S.A. has been operating in the water management business, and now it also operates in the waste and energy management, and in the passenger transportation industries. The applicant is economically viable when Veolia Water Solutions & Technologies North America, Inc. is evaluated on the basis of the strength of the financials of Veolia Environnement S.A., of which it is a wholly-owned subsidiary. Veolia Environnement S.A. has agreed to be financially liable for any default of its subsidiary under the BEIP grant agreement.

Currently based in Camden, New Jersey, the Veolia biological treatment systems unit (a/k/a Biothane) has been a leader in designing, developing and deploying proprietary anaerobic industrial wastewater technologies since 1983. Their anaerobic technologies not only clean the wastewater but also generate usable energy in the form of renewable biogases rich in methane, which can be burned in boilers to produce steam and hot water, or be converted to electricity. A typical example of this application is the design, development and deployment of an anaerobic reactor (using granular sludge bacteria that can digest industrial organic effluents in an oxygen-free environment) at a food or beverage plant, such as at a dairy, brewery or distillery. The Biothane unit of Veolia is growing fast and is in need of a larger space to accommodate its growth. The company expects to employ 20 more people in the next 2 years in New Jersey.

MATERIAL FACTOR:

The Applicant is seeking a BEIP grant to support creating 20 permanent, full-time positions in New Jersey within two years. The applicant has submitted a cost benefit analysis comparing the cost of similar facilities in New Jersey and Pennsylvania. The company has represented that a favorable decision by the Authority to award the BEIP grant is a material factor in the Applicant'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. The Authority staff recommends the award of the proposed BEIP grant.

APPROVAL REQUEST:

PERCENTAGE: 80%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Veolia Water Solutions & Technologies North 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: \$ 561,630
 (not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 198

ELIGIBLE BEIP JOBS: Year 1 10 Year 2 10 Base Years Total = 20

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$28,081

ANTICIPATED AVERAGE WAGES: \$94,583

ESTIMATED PROJECT COSTS: \$590,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$702,037

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$491,426

PROJECT IS: (X) Expansion (X) Relocation Camden, NJ

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: _____

APPLICANT OWNERSHIP: () Domestic (X) Foreign France

DEVELOPMENT OFFICER: J. Kenyon

APPROVAL OFFICER: D. Sucsuz

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Pennsauken Township	N/A
2. Job Creation	20	1
	Targeted : <u> X </u> Non-Targeted : _____	
3. Job at Risk:	36	1
4. Industry:	Environmental technology	2
	Designated : <u> X </u> Non-Designated : _____	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$590,000	1
7. Average Wage:	\$ 94,583	4

TOTAL: 11

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%	<u>20%</u>
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%	<u>10%</u>
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: **50 %**

Total Score :

Total Score per formula:	11 = 35 %
Construction/Renovation :	5 %
Bonus Increases :	50 %
Total Score (not to exceed 80 %):	80 %

GROW NEW JERSEY ASSISTANCE PROGRAM



MEMORANDUM

To: Members of the Authority
From: Timothy Lizura, President and Chief Operating Officer
Date: February 12, 2013
Subject: Siemens Healthcare Diagnostics, Inc., Grow New Jersey

Purpose:

This memorandum addresses the legal matters of the applicant, Siemens Healthcare Diagnostics and affiliated entities related to the company's Grow New Jersey application

Background:

Siemens Healthcare Diagnostics Inc. is a global leader in in-vitro diagnostics, providing healthcare professionals in hospital, reference, and physician office laboratories and point-of-care settings with the vital information required to accurately diagnose, treat, and monitor patients. The company's portfolio of performance-driven solutions and personalized customer care streamlines workflow, enhances operational efficiency, and supports improved patient outcomes. Siemens Healthcare Diagnostics is headquartered in Tarrytown, New York and has more than 14,000 employees that serve its customers in 120 countries.

Analysis of Litigation as Grounds for Possible Disqualification:

Pursuant to the Authority's regulations, N.J.A.C. 19:30-2-1 et seq, criminal convictions, violations of certain laws and guilty pleas can serve as the basis for disqualification or debarment.

Listed below are the relevant actions relating to the applicant and the fines assessed and paid as reviewed by staff with guidance from the Attorney General's Office:

December 2008 Foreign Corrupt Practices Act Violations

In December 2008 Siemens AG (Siemens) pleaded guilty to a two-count information brought by the Department of Justice (DOJ) charging criminal violations of the internal controls and books and records provisions of the Foreign Corrupt Practices Act (FCPA). Siemens S.A.- Argentina (Siemens Argentina) pleaded guilty to a one-count information charging conspiracy to violate the books and records provisions of the FCPA. Siemens Bangladesh Limited (Siemens Bangladesh) and Siemens S.A. - Venezuela (Siemens Venezuela), each pleaded guilty to separate one-count information charging conspiracy to violate the anti-bribery and books and records provisions of the FCPA. As part of the plea agreements, Siemens AG agreed to pay a \$448.5 million fine; and Siemens Argentina, Bangladesh, and Venezuela each agreed to pay a \$500,000 fine, for a combined total criminal fine of \$450 million.

Beginning in the mid-1990s, Siemens AG engaged in systematic efforts to falsify its corporate books and records and knowingly failed to implement and circumvent existing internal controls. As a result of Siemens AG's knowing failures in and circumvention of internal controls, from the time of its listing on the New York Stock Exchange on March 12, 2001, through approximately 2007, Siemens AG made payments totaling approximately \$1.36 billion, part of which as corrupt payment to foreign officials, through various mechanisms, which included cash desks and slush funds.

From 2000 to 2002, four Siemens AG subsidiaries – Siemens S.A.S. of France (Siemens France), Siemens Sanayi ve Ticaret A.S. of Turkey (Siemens Turkey), Osram Middle East FZE (Osram Middle East) and Gas Turbine Technologies S.p.A. (GTT) – each wholly owned by Siemens AG or one of its subsidiaries, were awarded 42 contracts with a combined value of more than \$80 million with the Ministries of Electricity and Oil of the government of the Republic of Iraq under the United Nations Oil for Food Program. To obtain these contracts, Siemens France, Siemens Turkey, Osram Middle East and GTT paid a total of at least \$1,736,076 in kickbacks to the Iraqi government by inflating the price of the contracts by approximately 10 percent before submitting them to the United Nations for approval.

Beginning around September 1998 and continuing until 2007, Siemens Argentina made payments to various Argentine officials in exchange for favorable business treatment in connection with a \$1 billion national identity card project. From the date that Siemens AG became listed on the New York Stock Exchange on March 12, 2001, through approximately January 2007, Siemens Argentina made approximately \$31,263,000 in corrupt payments to various Argentine officials.

Beginning around November 2001 and continuing until approximately May 2007, Siemens Venezuela made corrupt payments of at least \$18,782,965 to various Venezuelan officials, indirectly through purported business consultants, in exchange for favorable business treatment in connection with two major metropolitan mass transit projects called Metro Valencia and Metro Maracaibo.

Siemens Bangladesh admitted that from May 2001 to August 2006, it caused corrupt payments of at least \$5,319,839 to be made through purported business consultants to various Bangladeshi officials in exchange for favorable treatment during the bidding process on a mobile telephone project.

In relation to the above described plea, Siemens AG also reached a settlement of a civil complaint filed by the Securities and Exchange Commission (SEC), charging Siemens AG with violating the FCPA's anti-bribery, books and records, and internal controls provisions in connection with many of its international operations including those discussed in the criminal charges. Siemens AG agreed to pay \$350 million in disgorgement of profits relating to those violations.

Siemens AG also agreed to resolve an investigation by the Munich Public Prosecutor's Office (MPPO) for charges of corporate failure to supervise its officers and employees by paying approximately \$569 million. In October 2007, in connection with charges by the MPPO related to corrupt payments to foreign officials, Siemens AG agreed to pay approximately \$287 million. Both of these payments were primarily disgorgement of profits.

Furthermore, in connection with the above described DOJ guilty plea, in March 2009 Siemens AG was suspended from the vendor database by the United Nations Secretariat Procurement Division, which suspension was lifted effective January 1, 2011.

Overall, in connection with the cases brought by the DOJ, the SEC and the MPPO, Siemens AG paid a combined total of over \$1.6 billion in fines, penalties and disgorgement of profits.

Also of note with regard to the bribery pattern described above, but unrelated to the plea agreement, is Siemens AG's negotiated settlement with the World Bank in connection with allegations of corrupt practices from 2004-2006 related to the World Bank's financing of a transportation project in Moscow.

On July 2, 2009 the company entered into a global settlement with the World Bank in which Siemens AG agreed to refrain from bidding in connection with any World Bank involved project for a period of two years, ending December 31, 2010 and to pay approximately \$100 million over 15 years to anti-corruption organizations.

In a separate proceeding before the World Bank, Siemens Russia also agreed to refrain from bidding for four years in connection with any World Bank financed projects, ending December 31, 2012.

Mitigating Factors:

Following its December 2008 settlement with the Securities and Exchange Commission and the Department of Justice, Siemens built and implemented a state-of-the-art internal controls system and anti-corruption compliance program that have been implemented at Siemens and all related entities.

According to the applicant, as part of its effort to reinvent its compliance culture, Siemens engaged former German Minister of Finance Dr. Theo Waigel as its independent compliance monitor for four years. The Monitor's mandate was to evaluate the effectiveness of Siemens' internal controls and policies relating to compliance with relevant anti-corruption laws.

The Monitor conducted an initial review and three follow-up reviews of the company's anti-corruption compliance program, each with assessments of the program and recommendations designed to improve its effectiveness. Over the course of the Monitorship, the Monitor made more than 150 recommendations, all of which Siemens accepted and implemented.

Since 2006, the company has replaced its entire Managing Board and the majority of its Supervisory Board, which created a new Compliance Committee to oversee the Company's enhanced compliance function. In addition, according to the applicant, Siemens became one of the first companies in the world to tie a portion of senior management compensation to compliance-related criteria.

From 2008 through 2010, approximately 20% of senior management's annual performance bonus hinged on the achievement of defined compliance targets. Siemens has also expanded its compliance function from approximately sixty employees in early 2007 to more than 600 employees worldwide today. The company also requires its new compliance officers to attend a mandatory one-week training course.

In addition, Siemens has implemented an extensive anti-corruption training program. In total, nearly 150,000 employees have attended in-person basic compliance training and more than 30,000 managers have attended in-person refresher compliance training. Siemens also offers a web-based anti-corruption training in sixteen languages.

According to the applicant, Siemens also developed function-specific tools and controls to detect and mitigate corruption issues and prevent improper payments. Among these tools and controls are the following:

- The company requires employees to complete Compliance Scorecards for certain gifts and hospitality expenditures to determine whether Compliance pre-approval is necessary. These scorecards, which quantify a score based on a number of risk factors, are mandatory for gifts and hospitality provided to government officials.
- Siemens also instituted a risk-based business partner due diligence system. This tool classifies prospective business partners by risk in order to permit a tiered due diligence review of the entity. Business partner due diligence is ongoing, as each business partner must be subjected to renewed due diligence after three years or upon changes to the nature of its relationship or engagement with Siemens.
- Siemens also includes binding compliance provisions in its contracts with business partners, which vary based on the risk level of the entity. For higher-risk business partners, Siemens requires audit rights.

- Siemens implemented the Limits of Authority tool, an internal review and approval system to evaluate the business, legal, and compliance risks associated with particular projects.
- Siemens also improved its financial controls. The company reduced the number of bank accounts and exerted increased control over how those accounts are managed. Siemens restricted the use of cash, centralized payment mechanisms, and implemented mechanisms to monitor payments with higher-risk characteristics.

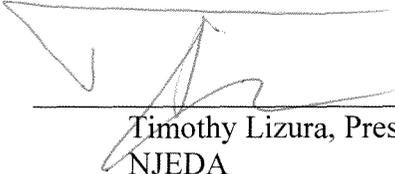
Since its December 2008 settlements, the company has instituted a variety of reporting mechanisms as well. Among them are the following:

- Siemens revised its Business Conduct Guidelines in January 2009 to require all employees to obey the applicable governing law and to make clear that “no employee may directly or indirectly offer, promise, grant or authorize the giving of money or anything else of value to a government official to influence official action or obtain an improper advantage.”
- Siemens encourages its employees to report suspected wrongdoing, including through anonymous reports, and assures employees that any sort of retaliation will not be tolerated. Specifically, the company implemented the Tell Us tool, which provides confidential reporting either online or through a 24-hour toll-free telephone number available in 150 languages.
- The Company encourages employees and outside parties to submit reports anonymously to its independent Ombudsman.

In sum, Siemens submits that it is not the same company it was six years ago. It feels that the enhancements it has made to its personnel, compliance program and culture have transformed the company to a world leader on compliance issues. In addition, the U.S. Attorney for the District of Columbia, Jeffrey A. Taylor, noted the extraordinary steps taken by Siemens to reveal its criminal conduct and that it has fundamentally restructured its operations to make them transparent and honest going forward.

Conclusion:

Staff has performed a review of this action with guidance from the Attorney General’s Office. Staff has weighed the seriousness of the offenses in conjunction with the mitigating factors presented by Siemens and staff does not believe disqualification is warranted.



Timothy Lizura, President and COO
NJEDA

Prepared by: Marcus Saldutti

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

APPLICANT: Siemens Healthcare Diagnostics Inc.

PROJECT LOCATION: 62 Flanders-Bartley Road Mount Olive Township Morris County

GOVERNOR'S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Siemens Healthcare Diagnostics Inc. is a global leader in in vitro diagnostics, providing healthcare professionals in hospital, reference, and physician office laboratories and point-of-care settings with the vital information required to accurately diagnose, treat, and monitor patients. The company's portfolio of performance-driven solutions and personalized customer care streamlines workflow, enhances operational efficiency, and supports improved patient outcomes. Siemens Healthcare Diagnostics is headquartered in Tarrytown, New York and has more than 14,000 employees that serve its customers in 120 countries. The applicant has demonstrated the financial ability to undertake the project.

In June 1999, Siemens Healthcare Diagnostics was approved for a BEIP at the project site in Mount Olive and has a commitment to maintain those jobs until December 2016. Those employees are not included as a part of this application.

MATERIAL FACTOR/NET BENEFIT:

Siemens is seeking to establish a global center of excellence for the development, design and assembly of healthcare diagnostic devices. Under consideration are options in Mount Olive, New Jersey and Mishawaka, Indiana. If the company chooses New Jersey, it would renovate its current 160,000 sq ft facility in Mount Olive as well as construct a new, adjoining 140,000 sq ft facility on the property. The project would result in 525 new jobs in New Jersey. If the Mishawaka option is chosen, the company would renovate a facility at which it currently operates to accommodate the increased headcount. If Siemens goes forward with the project in Indiana, the company could also potentially cease its current operations at the site in Mount Olive.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and as a result the management of Siemens Healthcare Diagnostics Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate. It is estimated that the project would have a net benefit to the State of \$130.1 million over the 15 years that the company would be committed to keep the jobs here.

APPROVAL REQUEST:

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

After the approval of this project and other projects for consideration by the Authority today, the total amount of tax credits allocated under the Grow New Jersey Assistance Program will increase to \$428,231,293 and the total combined allocations under HUB and Grow New Jersey to \$1,455,661,531.

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than \$20 million after board approval, but no later than July 28, 2017.
3. No employees that are subject to a BEIP, BRRAG, or Urban Transit Hub are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, or Urban Transit Hub is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

<u>Grant Calculation</u>	
BASE GRANT PER EMPLOYEE:	\$5,000
BONUS INCREASES:	
(\$1,000 per item with a max of \$3,000)	
INDUSTRY:	1,000
PUBLIC TRANSIT:	0
HIGH SALARIES:	1,000
AFFECTED SITE:	0
BONUS PER EMPLOYEE:	<u>\$2,000</u>
TOTAL GRANT PER EMPLOYEE:	\$7,000
ELIGIBLE JOBS:	
New Jobs:	525
Retained Jobs:	0
Total:	525
ANNUAL CREDIT AMOUNT (\$4,000,000 max):	\$3,665,400*

TOTAL AMOUNT OF AWARD:	\$ 36,654,000*
TERM:	10 years
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 36,654,000
QUALIFIED INCENTIVE AREA:	PA-1
MEDIAN WAGES:	\$ 73,580
STATEWIDE BASE EMPLOYMENT:	2,964
PROJECT IS: (X) Expansion () Relocation	
CONSTRUCTION: (X) Yes () No	
DEVELOPMENT OFFICER: P. Ceppi	APPROVAL OFFICER: K. McCullough

* The grant amount is limited to the eligible capital investment for the project.

BOARD MEMORANDUMS



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Tim Lizura
President and Chief Operating Officer

RE: Life Sciences/Healthcare IT Accelerator

DATE: February 12, 2013

Request:

The Members are requested to approve the funding and issuance of a competitive solicitation to select a private sector party to operate a Life Sciences/Healthcare IT Accelerator, hosted at the Authority's Commercialization Center for Innovative Technologies ('CCIT') in North Brunswick. The total budget being requested is \$1,755,000. This includes a \$1.5M proposed equity investment (\$500,000 per year for three years), \$105,000 forgone rental income in exchange for equity (approx \$35,000 annually) which will be an in-kind equity contribution to the Accelerator Partnership and a one time commitment of approximately \$150,000 for required furniture, fixtures & equipment for the space. The \$1,500,000 equity contribution and the \$150,000 furniture fixtures & equipment expense will be funded through the Authority's Economic Recovery Fund. The Authority in turn, will receive a subordinate equity position in the selected Limited Partnership of \$535,000 annually for the equity contribution and the forgone rent. This initiative will allow the Authority to support the early stage New Jersey life Sciences/Healthcare Technology community with mentoring, funding, and real estate support.

Background:

The life sciences industry landscape has changed over the last several years in New Jersey through consolidation, mergers and reorganizations. Through its interactions with investors and awareness of new business models, staff believes the proposed Life Sciences Accelerator offers tremendous opportunity for the talent resident in New Jersey to take on new entrepreneurial business endeavors. New Jersey is ranked as the top state for biotechnology specialization leaders by Business Facilities Magazine in 2012. As such, the Authority's leadership in posturing a mentoring environment and providing seed capital for the life science entrepreneur is critical to expand opportunities for New Jersey's economy.

There is also an emerging trend in the life science industry towards a focus on data and the merger between life sciences data and IT. As New Jersey is also recognized in a leader in the data industry, as evidenced in a first place state ranking by the Kauffman Institute for broadband communication, we are the perfect location for this initiative. The database mining and pattern searching in the life science industry is causing a boom in the bioinformatics and healthcare IT industry. This trend is being nurtured in many of NJ's competing states with the formation and support of Healthcare IT Accelerators.

According to 2012 data published by Rock Health, a California based Accelerator, there was a 45% increase in investments for digital health start-ups and 56% more deals compared to 2011. Investments in ‘Digital Health’ and ‘Software’ have increased with over 130 digital health companies raising in excess of \$2 million each in funding in 2012. Among these companies, four common themes have emerged including Personal Health Tools and Tracking, Hospital Administration, Consumer Health Engagement, and EHR/EMR.

Hence all of these driving forces align with New Jersey’s industry strengths, including Biotech, Health Sciences, and Data and thereby present a tremendous investment opportunity for the New Jersey Life Sciences market and through the proposed Accelerator that allows the state to capitalize on the talent which calls New Jersey home.

Accelerator Model:

The Authority launched a partnership in 2012, for a Technology Accelerator, called TechLaunch. Given the market success of the technology accelerator, and given New Jersey’s strong Life Science concentration and industry demand, the staff believes New Jersey is also ripe for a Life Sciences Accelerator. The Accelerator concept and model is based on a competitive selection of companies interested in advancing the commercialization of technology to the next stage through seed funding and access to industry expertise. For a period averaging three to five months, an estimated 10 companies will be selected for an intense boot camp. The selected companies will receive hands-on mentorship (e.g. product strategy, intellectual property); seed funding ranging from \$20K-\$100K, and connections to potential partners and customers. The model is one which engages the community to support the budding entrepreneurs. For example, we anticipate Life Science Mentors to include industry leaders representing three main categories:

Strategic Partners: Hospitals, Pharmaceuticals, Health Insurance companies & Research Institutions

Investors: Angel Investors, Venture Capitalists and Serial Entrepreneurs

Service Partners: Accountants and Lawyers

At the end of the boot camp, the selected companies demonstrate their technologies and business models to a wide variety of investors during a formal event. Industry studies indicate that a majority of such companies are generally successful in securing private sector follow-on funding.

Even among the various Life Sciences Accelerators, there are several models, including those that focus on Healthcare IT, medical devices, health care services or a broader portfolio approach. The Authority will ask the RFP respondents to detail their specific model and approach along with the justification of why the proposed model will be successful in New Jersey.

As depicted in the chart below, many of New Jersey’s neighboring states have been successful in serving as home to various Life Science Accelerators, and even in attracting talent from New Jersey to participate in competing states’ programs. Some of the key statistics for other Life Sciences/Healthcare IT Accelerators are included for reference below.

Accelerator	Funding per Company	Locations	Portfolio	Classes	Duration
BluePrint Health	\$20,000	NY	29	3	3 months
TigerLabs Health	\$20,000	NJ	TBD	0	3 months
HealthBox	\$50,000	IL, MA, UK	27	3	4 months
DreamIT Health	\$50,000	PA	TBD	0	4 months
RockHealth	\$100,000	CA, MA	50	4	5 months
New York Digital Health	\$300,000	NY	9	First class in session	9 months

Request for Proposal Process: Criteria for Selection

The Authority will issue a RFP via a competitive solicitation that will score and rank the respondents who would like to manage the NJ Life Sciences Accelerator. The ranking criteria, will include, but not be limited

to: demonstration of matching funds and readiness to proceed, strength of historical investment track record, strength of historical role in mentoring entrepreneurial companies, reference checks, domain expertise, and experience in the New Jersey Life Sciences Market along with a sound business model demonstrating an executable plan. As was the case with the TechLaunch model, the proposed Life Sciences Accelerator model would have the Authority's contribution of equity as "matching dollars," with a ratio of 2:1, thus leveraging private capital and commitment. Under this initiative, EDA would contribute \$500,000 of capital, plus an estimated \$35,000 of in-kind real estate contribution per year over three years. The cash contribution will require the formal 2:1 private sector match, for an annual "all in" public private investment of \$1.5M. At the time of RFP response, the Accelerator manager will need to have documentation for a minimum 1:1 soft match, and the final 2:1 match will be required prior to final document execution. The Authority's funding will be in exchange for a \$535,000 annual prorata Limited Partnership investment, with a subordinate equity return position. Once a successful Accelerator manager is selected, the Authority's role will include being an investor, a referral source and an incubator through our current real estate facility at CCIT in North Brunswick. The Authority will also work with NJ industry Groups and other key state organizations to engage the end users and partners, such as hospitals, and Pharma and help create linkages in the state.

Real Estate:

The Authority proposes hosting this accelerator at CCIT in North Brunswick. There are approximately 1500 square feet of underutilized space, on the facility's mezzanine floor. This space, although built in 2005 has only ever been leased to one company from mid 2007 to mid 2011. Hosting the accelerator in this space will increase utilization and will be a good opportunity to attract investors and companies to the site. As the State's leading Life Science incubator, we believe serving as host to the Accelerator will provide synergies beyond just co-working space. It is believed that the proposed Accelerator can build on some of the successes seen from CCIT graduating lab tenants such as Amicus Therapeutics, Chromocell and Genewiz, all of which started at the facility and individually grew to over 100 employees. The proposed \$150K budget for the fit out of the CCIT space as well as the forgone rental income has been reviewed by the Authority's Real Estate committee.

Costs & Source of Funding:

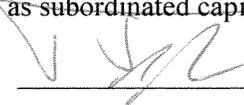
The cost of the proposed investment is \$500,000 annually with two one-year extensions, which are at the sole discretion of the Authority for a total investment of \$1,500,000. Forgone rental costs for the space at CCIT of approximately \$35,000 per year or \$105,000 for the proposed three year period will be termed as "in-kind" support and will be factored into the investment shares in the Limited Partnership for this initiative. Additionally, one time furniture fixtures and equipment costs to make the space ready for the accelerator will approximately amount to \$150,000. The funds for this proposed commitment will come from the Economic Recovery Fund. Of note, the \$1.5M equity contribution correlates to the gross distributions from the Garden State Life Science Fund in 2012, and hence will enable the Authority to reinvest back to NJ's Life Science/Healthcare Technology community.

Estimated Timeline:

The Authority intends to publish the solicitation at the end of the ten day veto period following board approval in February 2013. It is anticipated that the submission deadlines and scoring will be performed in April 2013 and the Authority staff will seek board approval in the May/June 2013 timeframe to effectuate a contract with the successful applicant.

Recommendation:

The Members' approval is requested for the Authority to move forward with a competitive solicitation to select a private sector manager to operate a Life Sciences/Healthcare IT Accelerator, hosted at the Authority's CCIT located in North Brunswick. The Authority is asked to authorize a total of \$1,755,000 over a three year period including in kind and onetime costs. In exchange for the Authority's cash contribution and in-kind forgone rent an equity investment will be structured as subordinated capital return position.



Prepared by: Kamran Hashmi



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: February 12, 2013

SUBJECT: Young Men's Christian Association of Paterson, New Jersey
Paterson, Passaic County
\$1,450,000 Tax Exempt Bond (P14163)

Request:

Consent to modifying the existing Bond to (i) change the interest rate from the current floating rate to a fixed rate; (ii) provide a new principal and interest payment schedule; and (iii) add a prepayment fee calculation.

Background:

The Young Men's Christian Association of Paterson, New Jersey is a 501(c) (3) organization founded in 1887, to provide a variety of social, educational and recreational services.

In 2002, the Members approved a \$1,450,000 tax exempt Bond to renovate an existing facility and refinance a conventional loan. The Bond was purchased by Fleet National Bank, now known as Bank of America, with a variable interest rate, based on 30 day LIBOR + 2%, and a term of 20 years with a call option on the 10th anniversary. The Bank and Borrower also entered into a 10 year fixed interest rate swap at 5.27%. The current balance of the Bond is \$928,142. This is a conduit financing; the Authority has no credit exposure.

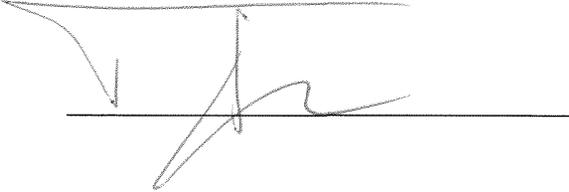
Upon review of the Bond on the tenth anniversary, the Bank and Borrower have agreed to modify the Bond to a fixed rate of 3.25% for the remainder of the term of the Bond with a customary prepayment fee. The outstanding balance of the Bond will be amortized based on the remaining 10 year term; the October 1, 2022 maturity date remains the same. As a result of these changes, the YMCA will reduce debt service approximately \$7,200/year.

Wolff & Samson, Bond Counsel to the Authority, has reviewed this request and has opined that the tax-exempt status of the Bond will not be adversely affected as a result of this modification.

Recommendation:

Consent to the change in interest rate and accompanying provisions as described above. Approval will reduce debt service and fixed the interest rate for the remainder of the term of the Bond.

Prepared By: T. Wells





NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

DATE: February 12, 2013

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

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

New Jersey Business Growth Fund:

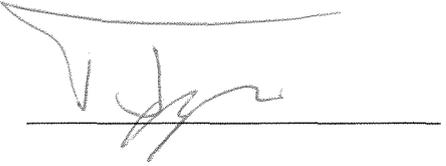
- 1) 22A-B Hill Road LLC (P37890), located in Parsippany-Troy Hills Township, Morris County, is a real estate holding company formed to purchase and own real estate occupied by the operating companies, Immediate Care Psychiatric Center LLC, and Immediate Care Children Psychiatric Center LLC, related by common ownership. In general, the operating companies are providers of child and adult outpatient psychiatric services. PNC Bank approved a \$400,000 bank loan with a five-year, 25% guarantee of principal outstanding, not to exceed \$100,000. Proceeds will be used to refinance existing real estate. Currently, the company has 30 employees and plans to create two new positions within the next two years.

Premier Lender Program:

- 1) Bestwork Industries for the Blind, Inc. (P37835), located in Cherry Hill Township, Camden County, was founded in 1981 by a veteran who lost his sight during World War 11, as a 501(c)(3) not-for-profit organization that provides rehabilitation services in a work setting for adults who are legally blind or visually impaired. Bestwork engages in the manufacturing of examination gloves, traffic safety clothing, industrial paper wipes, vinyl coated nylon cloth tool bags, reinforced construction worker aprons and military clothing. TD Bank approved a \$3,000,000 term loan with a 33.3% (\$1,000,000) Authority participation. Proceeds will be used to purchase a certain commercial property, replacing the existing location, as additional space is needed for operations to meet increased product demands. Currently, the company has 113 employees and plans to create five new positions over the next two year. SSBCI funds will be utilized for this project.

PNC Business Growth Fund – Modification:

- 1) Wisco Promo & Uniform Inc. or Nominee (P37779), located in Saddle Brook Township, Bergen County, was formed in 2002 to specialize in uniform wholesale, custom screen printing and embroidery services. On November 14, 2012, under the BGF program, the Authority approved a \$1,100,000 bank loan with a five-year, 25% guarantee of principal outstanding, not to exceed \$275,000. PNC Bank has approved a loan revision to decrease the loan amount from \$1,100,000 to \$930,000, with an EDA guarantee amount decrease from \$275,000 to \$232,500. All other terms and conditions of the original approval remain unchanged.

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

Prepared by: D. Lawyer
DL/gvr

REAL ESTATE

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: February 12, 2013

RE: DPRA Grant Agreement
Former Riverfront State Prison Site Rehabilitation Project
Camden, NJ

Summary

I am asking the Members to approve: (i) the execution of a Grant Agreement between the Delaware River Port Authority (DRPA) and the Authority authorizing DRPA to grant and the Authority to accept \$4,335,519.47 to fund additional work related to the former Riverfront State Prison Site (Project Site) and the surrounding area; (ii) spending grant funds to advance the project; and (iii) amending the Memorandum of Understanding with Treasury to facilitate the redevelopment of the Project Site.

Background

On October 9, 2009, DRPA and the Authority entered into a Funding and Reimbursement Agreement which provided funds to the Authority in an amount not to exceed \$6,000,000 to close and demolish the Riverfront Prison, perform environmental remediation and site improvements to the site and the surrounding area. The Authority completed the initial scope of work for the Project and DRPA funded \$1,664,480.53 of the original \$6,000,000 allocation.

At its December 14, 2011 meeting, DRPA authorized ongoing funding for this Project in the amount of \$4,335,519.47 and the Authority intends to procure consultants and contractors to commence work on the project, acquire title to the Project Site from the State of New Jersey (pending legislation will authorize Treasury to transfer the property to the Authority for nominal consideration), and undertake due diligence regarding possible acquisition of adjacent parcels.

The DRPA Grant Agreement allows grant funds to be used to fund the following: title reports, appraisals, surveys, engineering, environmental, demolition, acquisition, relocation, infrastructure improvements, the Authority's administrative expenses (6% of projects costs), and Project related costs and expenses. The Grant Agreement also removes the Authority's previous agreement to use sales proceeds to repay grant funds.

In May 2009, the Authority entered into a Memorandum of Understanding (MOU) with the New Jersey Department of Treasury, Division of Property Management and Construction to assist in the planning and facilitation of the demolition of the Prison. An Amendment to the MOU will be required for the Authority to access the Project Site and perform the above-referenced services.

After the additional improvements are complete and the site is assembled, the Authority will solicit proposals to sell the property for redevelopment by the private sector through a public process, with the goal of creating jobs and tax ratables for the City of Camden. In accordance with DRPA's resolution and legislative requirements, the net sale proceeds from the Project Site, after payment to the State of an amount equal to the appraised value of the property prior to the demolition and site improvements of the prison, will be utilized for economic development project(s) within the City of Camden.

The final terms of the Grant Agreement will be subject to the approval of the Chief Executive Officer, the President/Chief Operating Officer and the Attorney General's Office, as well as DRPA.

Recommendation

In summary, I request that the Members' consent to: (i) execution of a Grant Agreement with the Delaware River Port Authority to accept grant funds in the amount of \$4,335,519.47 as outlined above to fund additional work related to the former Riverfront State Prison Site Rehabilitation Project and the surrounding area; (ii) spending grant funds to advance the project, and (iii) amend the MOU with Treasury for the redevelopment phase of the Project Site, subject to the approval of the Chief Executive Officer, the President/Chief Operating Officer and the Attorney General's Office.



Timothy J. Lizura
President/Chief Operating Officer

Prepared by: Donna T. Sullivan



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: February 12, 2013

RE: Sale of Property
58 Bayard Street, New Brunswick, NJ

Summary

The Members are requested to approve the negotiation and execution of the Authority's standard Agreement for Sale of Property with New Brunswick Cultural Center, Inc., a New Jersey not for profit corporation (the "Purchaser"), for the sale of 58 Bayard Street, New Brunswick, NJ, Middlesex County, New Jersey (the "Property/Site") for the sales price of \$1,100,000 on terms generally outlined on the attached Term Sheet.

Background

The Authority holds title ownership to 58 Bayard Street in New Brunswick, New Jersey, a 0.3788± acre site which is currently operated as a parking lot by the Purchaser. The Authority obtained title to the site as developer of the Civic Square Project, which included construction of Rutgers University's Center for Arts & Planning building and underground parking, a 200 car garage for the County of Middlesex, parking and open space improvements to the rear of City Hall, etc. In accordance with the project structure, the Authority retained ownership to the parking lot and in 1995, entered into a Use and Occupancy Agreement (the "U&O") with NBCC to operate the lot for nominal consideration.

As part of its asset monetization initiative, the Authority identified this site as non-essential and started the process of determining the value of the property. The Authority informed NBCC of its intention to sell the property and terminated the U&O. The Authority and NBCC entered into a short term Right of Entry Agreement for continued operation of the parking lot that was in accordance with the Authority's guidelines.

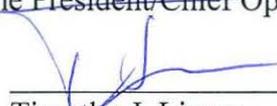
An appraisal was prepared for the Authority by Lasser Sussman Associates and the property was appraised at \$1,100,000.

On January 11, 2013, NBCC sent the Authority a formal offer to purchase the property for its full appraised value, which is in accordance with the Authority's disposition guidelines. NBCC has obtained a financing commitment for the purchase, subject to an acceptable appraisal and environmental report.

Closing on the Property will be scheduled upon completion of the Purchaser's due diligence and satisfaction of any contingencies and compliance requirements. The Property has no known environmental or title issues.

Recommendation

In summary, I am requesting the Members' approval to: 1) negotiate and execute the Authority's standard form of Agreement for Sale of Property with New Brunswick Cultural Center, Inc. for the sales price of \$1,100,000 generally consistent with the attached Term Sheet; and 2) execute any and all other documents required to effectuate this transaction, on final terms acceptable to the Attorney General's Office, the Chief Executive Officer and the President/Chief Operating Officer.



Timothy J. Lizura
President/Chief Operating Officer

Att.

Prepared by: Donna T. Sullivan

NJEDA TO NBCC TERM SHEET

SELLER:	New Jersey Economic Development Authority
PURCHASER:	New Brunswick Cultural Center, Inc., a not for profit corporation
PROPERTY:	58 Bayard Street, New Brunswick, NJ Block 12, Lot 15.01 [0.3788± acres – parking lot]
PURCHASE PRICE:	\$1,100,000
DEPOSIT:	None
PURCHASER'S DUE DILIGENCE PERIOD:	60 days from execution of Agreement
PURCHASER'S FINANCING PERIOD:	90 days from the end of the Due Diligence Period
TITLE INSURANCE AND SURVEY:	Purchaser pays for its title insurance and survey
ENVIRONMENTAL:	Purchaser performs and pays for its investigation and due diligence.
REPLACEMENTS AND REPAIRS BY SELLER:	None – Property is being sold 'as is'.
ADJUSTMENTS AT CLOSING:	Parking fees and other items subject to adjustment
ASSIGNMENT:	Purchaser may assign the Agreement to a wholly owned subsidiary of Purchaser
BROKERAGE COMMISSIONS:	None
CLOSING:	Upon expiration of the Purchaser's Financing Period