



MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini
Chief Executive Officer
DATE: March 15, 2012
SUBJECT: Agenda for Board Meeting of the Authority March 15, 2012

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Bond Projects

Loans/Grants/Guarantees

Edison Innovation

Incentive Programs

Board Memorandums

Authority Matters

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

February 14, 2012

MINUTES OF THE MEETING

Members of the Authority present: Al Koepp, Chairman; Matt McDermott representing the Executive Branch; Chris Jeter representing the State Treasurer; Wayne Staub representing the Commissioner of the Department of Environment Protection; Dr. Aaron Fichtner representing the Department of Labor and Workforce Development; Public Members: Larry Downes, Marjorie Perry, Charles Sarlo, Elliot M. Kosoffsky, Second Alternate Public Member; and Brian Nelson, Third Alternate Public Member.

Members of the Authority present via conference call: Public Members: Harold Imperatore, Kate Whitman, and Ray Burke, First Alternate Public Member.

Absent from the meeting: Nancy Graves representing the Commissioner of the Department of Banking and Insurance; Public Members: Joseph McNamara, Vice Chairman; Richard Tolson, and Rodney Sadler, Non-Voting Member.

Also present: Caren Franzini, Chief Executive Officer of the Authority; Sudi Solomon, Deputy Attorney General; Nicole Crifo, Governor's Authorities' Unit and staff.

Also present via conference call: Bette Renaud, Deputy Attorney General.

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

Pursuant to the Internal Revenue Code of 1986, Ms. Franzini 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. Franzini 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 January 17, 2012 meeting minutes. A motion was made to approve the minutes by Ms. Perry, seconded by Mr. Kosoffsky, and was approved by the 12 voting members present.

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

AMENDED BOND RESOLUTIONS

PROJECT: Railway Avenue Properties, LLC **APPL.#36938**
LOCATION: Paterson City/Passaic
PROCEEDS FOR: Building and Land Acquisition, Renovation, Debt Service
FINANCING: \$11,645,000 (est.) Tax-Exempt Series A Bond & \$330,000 (est.) Taxable Series B Bond, \$16,525,000 (est.) Tax-Exempt Series C Bond
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McDermott **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1
PUBLIC HEARING: YES

Mr. Sarlo entered the meeting at this time.

PRELIMINARY BOND RESOLUTIONS

PROJECT: TDAF I Springfield Avenue Holding **APPL.#37151**
Urban Renewal Company
LOCATION: Newark City/Essex
PROCEEDS FOR: Development Financing
MOTION TO APPROVE: Mr. Staub **SECOND:** Mr. Nelson **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Ms. Perry abstained because she may pursue a business relationship with the project.

LOANS/GRANTS/GUARANTEES

LOCAL DEVELOPMENT FINANCING FUND

PROJECT: 2820 Mt Ephraim Avenue, LLC **APPL.#37149**
LOCATION: Camden City/Camden
PROCEEDS FOR: Building and Land Acquisition, Renovation
FINANCING: \$3,500,000 term loan with a 35.7%, \$1,250,000, Authority Participation
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Nelson **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

CAMDEN ECONOMIC RECOVERY BOARD

ITEM: The Salvation Army, a New York Corporation **APPL.#17483**
REQUEST: To approve the extension of the funding commitment for the non-recoverable infrastructure grant and public purpose grant under the Demolition and Redevelopment Financing Fund.
MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Mr. McDermott **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

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

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Kosoffsky **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PROJECT: Margaret Horsch **APPL.#37031**
LOCATION: Freehold Township/Monmouth
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$125,225, Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Irina Skvortsov **APPL.#36943**
LOCATION: Lincoln Park/Morris
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: \$93,711, Petroleum UST remediation, Upgrade and Closure Fund Grant

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

EDISON INNOVATION FUND

ITEM: EDA-BPU Clean Energy Program MOU Amendment
New Product – Large Scale CHP-Fuel Cells Program
Product Update – Edison Innovation Green Growth Fund (EIGGF 2.0) and the Energy Efficiency Revolving Loan Fund (EE RLF 1.1)
REQUEST: Approve the Memorandum of Understanding (MOU) amendment between the Board of Public Utilities and the Authority concerning the transfer of \$55 million in new Clean Energy Program funds for the development of the new Large Scale Combined Heat and Power (CHP)-Fuel Cell program anticipated to launch in the spring of 2012. In addition, to approve modifications to the existing Edison Innovation Green Growth Fund and Energy Efficiency Revolving Loan Fund Programs.

MOTION TO APPROVE: Mr. Staub **SECOND:** Ms. Perry **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: Technology Accelerator
REQUEST: Approve entering into a subscription agreement for an investment in TechLaunch, LLC as a “Limited Partner”.
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Staub **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

INCENTIVE PROGRAMS

ITEM: Incentive Program Modifications

REQUEST: Approve proposed modifications to the Business Employment Incentive Program, the Grow New Jersey Program and the Urban Transit Hub Tax Credit Program in order to align with the new State Strategic Plan and to provide clarification in rules.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

BUSINESS EMPLOYMENT INCENTIVE PROGRAM, BUSINESS RETENTION & RELOCATION ASSISTANCE GRANT PROGRAM

PROJECT: A.P. Deauville, LLC

APPL.#37052

LOCATION: TBD

BUSINESS: Manufacturing

GRANT AWARD: 30% **Business Employment Incentive grant**, 10 years

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

PROJECT: GAD Bakeries LLC

APPL.#37051

LOCATION: Carteret/Middlesex

BUSINESS: Food Products

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

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

PROJECT: Global Equipment Company Inc. and Systemax Inc. **APPL.#37240**

LOCATION: Robbinsville Township/Mercer

BUSINESS: Distribution

GRANT AWARD: 60% **Business Employment Incentive grant**, 10 years

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

PROJECT: IPAK, Inc.

APPL.#37237

LOCATION: West Deptford Township/Gloucester **BUSINESS:** Printing and Publishing

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

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

PROJECT: IPAK, Inc.

APPL.#37526

LOCATION: West Deptford Township/Gloucester **BUSINESS:** Printing and Publishing

GRANT AWARD: \$191,250 (est.), **Business Retention and Relocation Assistance grant**, 1 year

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PROJECT: Mycone Dental Supply Co., Inc. **APPL.#37238**
LOCATION: Greenwich Township/Gloucester **BUSINESS:** Wholesale
GRANT AWARD: 55% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Mr. Staub **SECOND:** Mr. McDermott **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

Mr. Burk left the call at this time.

PROJECT: Mycone Dental Supply Co., Inc. **APPL.#37257**
LOCATION: Greenwich Township/Gloucester **BUSINESS:** Wholesale
GRANT AWARD: \$168,750 (est.), **Business Retention and Relocation Assistance grant**, 1 year
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Kosoffsky **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PROJECT: Tropical Cheese Industries, Inc. and affiliates **APPL.#37236**
LOCATION: Perth Amboy City/Middlesex **BUSINESS:** Food Products
GRANT AWARD: 55% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McDermott **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

PROJECT: Tropical Cheese Industries, Inc. and affiliates **APPL.#37243**
LOCATION: Perth Amboy City/Middlesex **BUSINESS:** Food Products
GRANT AWARD: \$1,161,000 (est.), **Business Retention and Relocation Assistance grant**, 2 year
MOTION TO APPROVE: Mr. Staub **SECOND:** Mr. McDermott **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

ITEM: Tyco international Ltd, Inc., collectively "TYCO" Modification
REQUEST: To approve the reduction of the New Employee Commitment from 300 to 150 and rescore the grant as a result of the change in the corporate structure and amend the existing agreement to: remove TV&CG Holding and Tyco Flow Control Company from the grant, remove entities that are no longer affiliated with Tyco and/or those entities that have dissolved as legal entities and to add Keystone (US) Management, Inc. and SimplexGrinnell LP to the Tyco International Ltd. grant.
MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Mr. Nelson **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: Tyco Flow Control US Holding Corporation **APPL.#37261**
LOCATION: West Windsor/Mercer **BUSINESS:** Industrial/Electrical Equipment
GRANT AWARD: 55% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Mr. Nelson **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

ECONOMIC REDEVELOPMENT AND GROWTH PROGRAM

PROJECT: MSST Fidelco Properties, LLC

LOCATION: Newark/Essex County

REIMBURSEMENT GRANT: Up to \$5,640,161

MOTION TO APPROVE: Mr. Staub **SECOND:** Mr. Nelson **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

Ms. Perry abstained because she may pursue a business relationship with the project.

URBAN TRANSIT HUB TAX CREDIT PROGRAM

ITEM: Urban Transit Hub Tax Credit Program – Report on Activity and Program Recommendations

REQUEST: To review and approve the analysis and recommendations for the future administration of the program based upon the most recent legislative enhancements, including the Grow NJ program, Urban Transit Hub Tax Credit project pipeline review, and staff analysis.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

ITEM: Pennrose Properties LLC (Carl Miller Homes)

REQUEST: To approve the application for Pennrose Properties LLC for the Urban Transit Hub Tax Credit program application for 35% of the eligible costs, not to exceed \$17,716,713 or \$1,771,671 annually for 10 years.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

FILM TAX CREDIT TRANSFER PROGRAM

The following projects were presented under the New Jersey Film Tax Credit Program.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

PROJECT: Northern Entertainment Inc. (*Law & Order: SVU – Season 10*)

MAX AMOUNT OF TAX CREDITS: \$1,281,086

PROJECT: Open 4 Business, LLC (*Mercy, Pilot*)

MAX AMOUNT OF TAX CREDITS: \$1,247,603

PROJECT: Open 4 Business, LLC (*Mercy, Series*)

MAX AMOUNT OF TAX CREDITS: \$7,297,061

PROJECT: Northern Entertainment Inc. (*Law & Order: SVU – Season 11*)
MAX AMOUNT OF TAX CREDITS: \$594,250

TECHNOLOGY BUSINESS TAX CERTIFICATE TRANSFER PROGRAM

ITEM: Technology Business Tax Certificate Transfer Program

REQUEST: To approve the revision of the definition for “new or expanding” job minimum requirement to be counted from incorporation or formation and that to be counted as a full-time employee working in New Jersey, each employee must spend at least 80% of their time working in New Jersey.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

BOARD MEMORANDUMS

ITEM: Changes in Technology Loan Documents

REQUEST: To amend Edison Innovation Fund Loan program documents to require notice vs. consent for equity raises and subordinate bridge loans to facilitate private funding needed by technology borrowers and to streamline portfolio servicing requirements.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

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

New Jersey Business Growth Fund: Blue Sky Classic Cars, LLC & Blue Sky Land & Building; DW Holdings LLC; GHDB LLC; R. Fanelle & Sons, Inc.

New Jersey Business Growth Fund - Modification: 413 Partners, LLC; Raymond & Ken LLC

REAL ESTATE

ITEM: Camden Waterfront Landscaping Project

REQUEST: To approve a Memorandum of Understanding (“MOU”) between the Authority and Cooper’s Ferry Development Association to provide for the Authority’s funding of a portion of the 2012 Waterfront Landscaping Project for Camden’s Delaware River waterfront and a delegation of authority of the CEO to enter to similar MOUs in 2013, 2014, 2015 and 2016.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

ITEM: Technology Centre of New Jersey – Amendment to Payment in Lieu of Tax Agreement with North Brunswick Township

REQUEST: To amend the existing Payment in Lieu of Tax Agreement with the Township of North Brunswick.

MOTION TO APPROVE: Mr. Staub **SECOND:** Mr. Nelson **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

AUTHORITY MATTERS

ITEM: Appointment of Records Custodian

REQUEST: To designate Nicole Royle as the Authority’s “Records Custodian”.

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

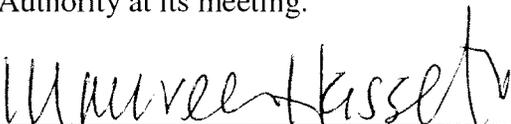
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion Ms. Perry, and seconded by Mr. Staub, the meeting was adjourned at 12 pm.

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



Maureen Hassett, Assistant Secretary



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: March 15, 2012

RE: Chief Executive Officer's Report to the Board

BUSINESS DEVELOPMENT REALIGNS TO EFFECTIVELY SERVE SMALL BUSINESS CUSTOMERS AND COMMUNITY DEVELOPMENT PROJECTS

To most effectively serve EDA's small business and banking customers as well as large commercial redevelopment projects with financially complex incentives, our Business Development team, led by Managing Director Lori Matheus, recently announced an organizational change from regional teams to statewide management of both business banking and community development.

Under the new structure, Laura Wallick will lead the Business Banking team which will be responsible for strengthening EDA's bank relationships and assisting businesses with financing and technical assistance, focusing on our core loan and bond products. Margie Piliere will lead the Community Development team, which will be responsible for transformative and catalytic redevelopment projects, handling the urban incentive programs as well as the incentives targeted to business attraction, retention and capital investment.

This strategic approach to managing our targeted areas will allow EDA to better execute our 2012 Strategic Plan which include several key outcomes - deployment of loan dollars to assist small businesses; stronger bank partnerships; attraction and retention of businesses in New Jersey and advancement of significant redevelopment projects. This structure will enhance efficiency and provide an improved customer experience through closer work relationships between the business development teams and the teams in credit underwriting, bonds, incentives and post closing, as well as at the Business Action Center.

BEIP POST-CLOSING COMPLIANCE MOVES TO PAPERLESS PROCESS TO SUPPORT SUSTAINABILITY

In February 2012, EDA's Incentives Portfolio Management Department, in coordination with our IT Division, launched the first phase of the Incentives Data Management System ("iDMS") portal, which allows BEIP grant recipients to securely file and validate annual post-closing

compliance documents online prior to the yearly March 1st deadline. This web-based enhancement reduces the need for the portfolio of nearly 400 BEIP customers to send hard copy documents to the EDA, and also increases process efficiencies by ensuring that customers submit complete and accurate information prior to review by the department's staff. Future phases of the portal, which are currently under development will include similar functionality for all incentive customers (BRRAG, HUB, ERG, GROW), the automated review of compliance documentation and increased reporting and cross-referenced data collection and validation.

LEGISLATIVE TESTIMONY TO ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT COMMITTEE ON STATE INCENTIVE PROGRAMS

At the beginning of March, EDA presented testimony before the Assembly Commerce and Economic Development Committee on the status of the State's business incentive programs. In my remarks, I addressed the recent accomplishments of the Partnership for Action in advancing the Christie Administration's economic development agenda, as well as program updates on the Urban Transit Hub Tax Credit program, Economic Redevelopment and Growth (ERG) program, Business Employment Incentive Program (BEIP), Business Retention and Relocation Assistance Grant (BRRAG) program and EDA small business lending.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY (FMERA) UPDATE

FMERA staff has made progress towards selling the first parcel of the former Fort Monmouth property to a private company. At the February 15, 2012 FMERA Board meeting, the Board, in accordance with the Authority's Sales Rules, approved allowing FMERA staff to enter into exclusive negotiations for a purchase/sale agreement with CommVault. CommVault is a software manufacturer currently headquartered in Oceanport, New Jersey. The company has outgrown its current space and would like to develop new world headquarters on the former Fort Monmouth property. The project is expected to create 2,500 jobs over the course of its 20 year, three phase build out. The 55 acre parcel, known as Parcel E, was put up for sale with a Request for Offers to Purchase on October 13, 2011. CommVault's proposal was one of four proposals received and was evaluated as the highest scored proposal. Their submission was contingent on obtaining a BEIP & BRRAG incentive which is being considered in today's agenda.

In addition, at the February 15, 2012 Meeting of the Authority, the Board also approved continuing negotiations with AcuteCare for the lease, with obligation to purchase, of the Clinic Parcel which includes the former Patterson Army Health Clinic. The 16-acre parcel is the Oceanport section of the former Fort Monmouth property. AcuteCare is a healthcare company that would provide medical services to the community. The project is anticipated to create 200 new jobs and AcuteCare plans to invest \$15 million to renovate the facility. The Clinic Parcel was put up for lease with a Request for Bids on August 23, 2011 and AcuteCare was the sole respondent.

Both the CommVault and AcuteCare transactions are contingent on final board approval and a change to the Fort Monmouth Reuse and Redevelopment Plan.

FINANCING ACTIVITY

In the first two months of 2012, the EDA has closed financing and incentives totaling just over \$30 million for projects that are expected to support the creation of over 500 new jobs, the retention of over 1,800 existing jobs, and involve total public/private investment of over \$41 million in New Jersey's economy. Among the businesses assisted in February:

All Things Media, LLC, which executed a BEIP grant for just over \$747,000. All things media is a multimedia development firm that specializes in mobile development, graphic design, print, 3D modeling, animation video production/editing, games, web site development, and programming. This assistance will enable the company to relocate to Mahwah, creating 50 estimated new jobs and retaining 33 jobs in New Jersey. The company was considering leaving New Jersey and relocating its operations to New York.

R. Fanelle & Sons, Inc., which closed on a \$150,300 PNC Bank loan with a 25% (\$37,575) EDA guarantee through the New Jersey Business Growth Program. R. Fanelle & Sons is a Camden-based, third-generation owned scrap metal dealer. The company has received assistance several times through the New Jersey Business Growth Fund, and all previous loans have either been repaid in full or are currently in good standing. This assistance will support the company's 32 existing jobs, and allow the company to create one estimated new job.

New Jersey Community Development Corporation, which closed on \$1.5 million in tax-exempt bond financing. Founded in 1994, New Jersey Community Development Corporation, a private, not-for-profit community development and social services agency, creates opportunities to transform lives of families, teens, children and people with disabilities. Their work focuses on the people of the City of Paterson. This assistance will enable the organization to refinance existing debt, as well as make site improvements to their headquarters facility in Paterson. As a result of this assistance, the organization expects to create 5 new jobs.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 17 events in February. These events included the Teachers Village Groundbreaking in Newark, the Rutgers Entrepreneurial Winter Workshop in Bordentown, and the 30th Annual Sound Off for South Jersey in Galloway.



BOND RESOLUTIONS



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren Franzini
Chief Executive Officer

DATE: March 15, 2012

SUBJECT: Cigarette Tax Revenue Refunding Bonds, Series 2012

BACKGROUND

The Cigarette Tax Securitization Act of 2004 was approved on June 30, 2004 and authorized the New Jersey Economic Development Authority (“NJEDA” or the “Authority”) to issue bonds secured by Dedicated Cigarette Tax Revenues. Per the Act, Dedicated Cigarette Tax Revenues were defined as \$0.0325 per cigarette (\$0.65 per pack of 20). On October 14, 2004, the NJEDA issued its \$1,461,030,000 Cigarette Tax Revenue Bonds, Series 2004 (“2004 Bonds”), the net proceeds of which were transferred to the State General Fund for the purposes of providing moneys to meet State appropriations in State Fiscal Year 2005. Pursuant to the 2004 Act, the NJEDA and Treasurer entered into a contract which allocated and pledged 78.598% of Dedicated Cigarette Tax Revenues to the payment of the 2004 Bonds, with the remaining 21.402% of the Dedicated Cigarette Tax Revenues to be used for any purpose permitted under State law. The Indenture of Trust dated as of September 1, 2004, between the NJEDA and U.S. Bank National Association (as successor to Wachovia Bank, National Association) (the “2004 Indenture”) established a flow of funds which traps excess Revenues (as defined in the 2004 Indenture) and requires them to be used for the purchase, redemption, defeasance or prepayment of 2004 Bonds issued under the 2004 Indenture.

In 2004, in order to assist prospective investors in assessing the risk associated with the 2004 Bonds, Global Insight, now known as IHS Global, Inc. (“Global Insight”), an international econometric and consulting firm was retained to prepare a report that contained a detailed analysis of historic cigarette sales in the State of New Jersey (the “State”), as well as a forecast of future cigarette sales in the State. Like in 2004, Global Insight has been retained by the State to provide an updated report, which will assist in obtaining a rating on, and the marketing of, the proposed issuance by the NJEDA of Cigarette Tax Revenue Refunding Bonds, Series 2012 (the “2012 Refunding Bonds”) and will be appended to the Official Statement for the 2012 Refunding Bonds.

The Authority is now requested to undertake the proposed transaction which is comprised of a refunding of 51% or more of the outstanding 2004 Bonds. Under the proposed structure, the amount of Dedicated Cigarette Tax Revenues deposited in the Dedicated Cigarette Tax Revenue Fund to secure the bonds will be increased from 78.598% to 100% of the Dedicated Cigarette Tax Revenues. Revenues pledged which are collected in excess of required debt service will be released to the State’s General Fund. This is a change from the existing structure which requires any surplus Revenues to be used to purchase,

redeem, defease or prepay outstanding bonds. These changes will increase the debt service coverage on the Bonds while also permitting excess Revenues not needed to pay debt service on the Bonds to be transferred to the State's General Fund, free and clear of the lien of the 2004 Indenture, as amended by the First Supplemental Indenture (as such term is defined below), to be used for any lawful purpose of the State for which moneys on deposit in the State's General Fund may be used. The proposed transaction is expected to generate a net present value savings to the State.

APPROVAL REQUEST

The Members are requested to approve the adoption of the Resolution authorizing, among other things, the sale and issuance of Cigarette Tax Revenue Refunding Bonds, 2012 Series (the "Resolution") and the form of the First Supplemental Indenture by and between the Authority and U.S. Bank National Association (the "Supplemental Indenture," and together with the 2004 Indenture, the "Indenture") authorizing the issuance of the 2012 Refunding Bonds. The Members are also asked, in the Resolution, to approve a negotiated sale of the 2012 Refunding Bonds pursuant to Executive Order No. 26 and to delegate to an Authorized Officer to determine the date of issuance, sale and delivery, the maturity date, the number of series of 2012 Refunding Bonds, the principal amount, and the redemption and tender provisions of each series of 2012 Refunding Bonds. These parameters will be set pursuant to the Resolution such that the maximum principal amount of 2012 Refunding Bonds issued shall not exceed \$1,165,000,000; the final maturity date of the 2012 Refunding Bonds will not exceed the stated maturity of the 2004 Series Bonds of June 15, 2034; and that the true interest cost of the 2012 Refunding Bonds will not exceed 8% per annum.

In addition, the Resolution authorizes a tender offer for the 2004 Bonds, the appointment of U.S. Bank National Association as the tender agent, Merrill Lynch, Pierce, Fenner & Smith, Incorporated as dealer-manager and approval of the Authority to enter into a dealer-manager agreement and tender agent agreement. Also, the Resolution authorizes an Authorized Officer to take any actions necessary in regards to the Investment Agreements dated as of October 14, 2004 relating to amounts on deposit in the Debt Service Reserve Fund under the Indenture by and between the Authority and Natixis Funding Corp and the Authority and Societe Generale. The Members are also requested to approve the form of the Escrow Deposit Agreement to be entered into by and between the Authority and the U.S. Bank National Association, as escrow agent, as well as the Continuing Disclosure Agreement.

The Members are also requested to approve the First Amendment to Contract Providing Funding to the New Jersey Economic Development Authority for Cigarette Tax Revenue Bonds, Series 2004 by and between the Treasurer of the State and the Authority (the "First Amendment to State Contract"), in order to effectuate the pledge of 100% of the Dedicated Cigarette Tax Revenues as security for the 2012 Refunding Bonds and any 2004 Bonds which remain outstanding after the issuance of the 2012 Refunding Bonds and to permit any amounts on deposit in the Surplus Fund established under the Indenture which are not needed to pay debt service and other costs to be transferred to the State General Fund, free and clear of the lien of the Indenture. Approval of the form of Supplemental Indenture will also eliminate the requirement that the Authority either optionally purchase, redeem, defease or prepay Bonds with Revenues in the Surplus Fund and will allow for Revenues in excess of the debt service requirements on the Bonds to be transferred to the State's General Fund.

The Authority anticipates issuing the 2012 Refunding Bonds in May 2012. The 2012 Refunding Bonds shall carry an investment grade rating and may carry bond insurance. The Bonds do not now and shall never constitute a charge against the general credit of the Authority or the State.

The 2012 Refunding Bonds will not be issued unless the Authority has received the final report of Global Insight which indicates that the forecasted cigarette sales set forth within the report, shall be sufficient in order that the projected Dedicated Cigarette Tax Revenues in each fiscal year will equal or exceed the debt service coming due in such year on all Outstanding Bonds and will provide such additional coverage, if any, as may be necessary in order to achieve an investment grade rating on the 2012 Refunding Bonds from any Rating Agency.

Professionals for the 2012 Refunding Bonds were selected in compliance with Executive Order No. 26. Wolff & Samson, PC was selected as Bond Counsel through a competitive RFP/RFQ process performed by the Attorney General's Office on behalf of Treasury for State appropriation-backed transactions. Through Treasury's competitive RFP/RFQ process the following professionals were chosen: Merrill Lynch, Pierce, Fenner & Smith, Incorporated as senior manager and dealer-manager; U.S. Bank National Association as Trustee, Tender Agent, Paying Agent, Bond Registrar, Escrow Agent and Dissemination Agent. Global Insight is acting as econometric consultant on the proposed transaction. The Members are asked to approve the use of the aforementioned professionals and authorize Authority staff to take all necessary actions incidental to the issuance of the bonds subject to the Treasurer's approval, including without limitation, selection of additional underwriters, bidding agents, bond insurers, if any, and debt service reserve fund surety bond providers, if any.

RECOMMENDATION

Based upon the above description, the Authority is requested to approve (i) the adoption of the Resolution and the form of the Supplemental Indenture authorizing the issuance of Bonds in a principal amount not to exceed \$1,165,000,000 and other matters in connection with the issuance and sale thereof; (ii) the form of the First Amendment to State Contract; (iii) the authorization of the use of the aforementioned professionals; (iv) the authorization of Authority staff to take all necessary actions incidental to the issuance of the Bonds, subject to the Authority's receipt and review of Global Insight's econometric report and final review and approval of all terms and documentation by Bond Counsel and the Attorney General's Office.

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

Prepared by Kevin McCullough



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

SUBJECT: NJEDA/School Facilities Construction Bonds

DATE: March 15, 2012

SUMMARY OF PROPOSED FINANCING

The Authority is currently being asked to approve the issuance of one or more series of the 2012 School Facilities Construction Refunding Bonds (the “2012 Refunding Bonds”) and various related actions described below. The 2012 Refunding Bonds (not to exceed \$650,000,000) will be used to (i) refund a portion of the prior School Facilities Construction Bonds (“Prior Bonds”) and (ii) pay the costs of issuance of the 2012 Refunding Bonds.

BACKGROUND

The Educational Facilities Construction and Financing Act, L. 2000, c. 72, as amended and supplemented by L. 2007, c. 137 and L. 2008, c. 39 (the “Act”), establishes a comprehensive program for the design, renovation, repair and new construction of primary and secondary schools throughout the State. Initially, the Act authorized the Authority to issue up to \$8.6 billion of State contract bonds to finance the acquisition, construction and/or renovations of K-12 School Facilities Projects throughout the State. Thereafter, the Act was amended and supplemented in 2008 by L. 2008, c. 39 (the “2008 Amendment to the Educational Facilities Act”) to authorize the Authority to issue up to an additional \$3.9 billion bonds for the funding of School Facilities Projects.

Since April 2001, the Authority has issued twenty seven (27) series of tax-exempt and taxable School Facilities Construction Bonds and Notes totaling \$8,648,954,000 under the Act. Additionally, the Authority has issued fifteen (15) series of refunding bonds in the par amount of \$6,242,420,000 that restructured and refunded a portion of several Series of tax-exempt bonds and a series of tax-exempt notes, previously issued under the Act.

In conjunction with the State’s overall management of the School Facilities Construction Bond Program and the current low interest rate environment, there is an opportunity to refund one or more Series of the School Construction Bonds to achieve debt service savings. The proposed plan of finance contemplates the current and advance refunding of certain fixed rate maturities of the School Facilities Construction Bonds, Series 2002 C, 2003 F, 2004 G, 2005 O, 2011 FF (taxable) and 2011 HH (taxable) ranging in interest rates from 4.25% to 5.25% tax-exempt and taxable rates of 2.143% and 2.382% (the “Refunding Candidates”).

APPROVAL REQUEST

The Board is requested to approve the adoption of the Twenty-Eighth Supplemental School Facilities Construction Bond Resolution (the "Twenty-Eighth Supplemental Resolution") authorizing the issuance of one or more series of the 2012 Refunding Bonds in the amount not to exceed \$650 million. The 2012 Refunding Bonds will be secured by the State Contract with the State Treasurer (as amended by Amendment No.1 to the State Contract dated April 22, 2010, to implement the funding provisions of the 2008 Amendment to the Educational Facilities Act). Payments will be directly remitted by the State Treasurer to pay the debt service on the 2012 Refunding Bonds subject to appropriation by the State Legislature for this purpose.

The 2012 Refunding Bonds will be sold pursuant to a competitive sale. The 2012 Refunding Bonds may be issued as one or more series of fixed rate, tax-exempt or taxable bonds. The competitive sale of the 2012 Refunding Bonds will be subject to the following parameters: (i) the final maturity of any 2012 Refunding Bonds issued will not exceed eighteen (18) years; and (ii) the true interest cost for fixed rate bonds issued as tax-exempt will not exceed 6%, and 8%, if taxable. Pursuant to the competitive sale, an Authorized Officer of the Authority, in consultation with the State Treasurer, will award the Bonds in accordance with the notice(s) of sale to the bidder(s) offering such interest rate or rates which will produce the lowest true interest cost to the Authority over the life of the 2012 Refunding Bonds.

Due to the competitive sale of the 2012 Refunding Bonds, the Board is requested to approve the forms of the summary of notices of sale and the notices of sale. The Board is also requested to approve the forms of an escrow deposit agreement and a continuing disclosure agreement.

In addition, the Board is being asked to approve certain actions and delegation of actions to, an Authorized Officer, with information provided by the State Treasurer, Hawkins Delafield & Wood LLP (the "Bond Counsel"), the State Attorney General and Public Financial Management, Inc., (the "Financial Advisor"), and in consultation with, the Office of Public Finance, Bond Counsel and the Attorney General's Office, as applicable and as approved by the State Treasurer, which actions are more fully set forth in the Twenty-Eighth Supplemental Resolution, which is incorporated herein by reference. These actions will be memorialized in one or more Series Certificates, and may include, without limitation:

- To distribute notices of sale, summary notices of sale and a preliminary official statement in substantially the forms, available for review upon request to the Authority, with such necessary, desirable or appropriate changes upon the advice of Bond Counsel and the Attorney General's Office, in order to conduct a competitive sale of the 2012 Refunding Bonds;
- To receive bid(s) and to award the Series 2012 Refunding Bonds to the successful bidder or bidders in accordance with the notices of sale;
- To determine the dates of issuance, sale and delivery, the maturity dates, the principal amounts, the fixed rate or rates of interest and provisions for the redemption of each series of 2012 Refunding Bonds in accordance with the parameters set forth above;
- To determine whether each Series of the 2012 Refunding Bonds shall be issued as tax-exempt or taxable obligations;

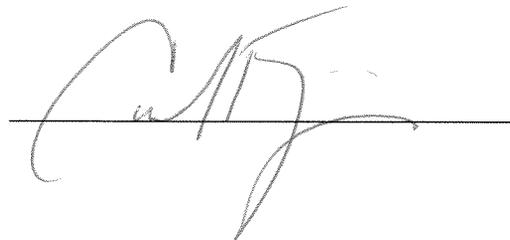
- To select and appoint a firm upon recommendation of the State Treasurer through a competitive process utilizing Treasury's RFQ/RFP process in accordance with Executive Order No. 26, to serve as bidding agent to solicit bids, to enter into or to purchase investment securities with proceeds of the 2012 Refunding Bonds in the event it is determined that it is advantageous to invest any proceeds of the 2012 Refunding Bonds in such investment securities.

In exercising the Authority's discretion to approve specific transactions authorized under the Twenty-Eighth Supplemental Resolution, it is anticipated that the Authorized Officers of the Authority will make decisions on behalf of the Authority in consultation with the Treasurer and the Financial Advisor and will select the option(s) that are in the best interests of the State and meet the objectives of the plan of finance to achieve debt service savings, the majority of which will occur in Fiscal Year 2012 and Fiscal Year 2013, and positive net present value debt service savings.

Professionals for the 2012 Refunding Bonds were selected in compliance with Executive Order No. 26. Hawkins Delafield & Wood LLP was selected as Bond Counsel through a competitive RFP/RFQ process performed by the Attorney General's Office on behalf of Treasury for State appropriation backed transactions. Through Treasury's competitive RFP/RFQ process the following professionals were chosen: Public Financial Management, Inc., as Financial Advisor and U.S. Bank National Association as Trustee, Paying Agent, Registrar, Dissemination Agent and Escrow Agent. The Twenty-Eighth Supplemental Resolution will also authorize Authority staff to take all necessary actions incidental to the issuance of the 2012 Refunding Bonds subject to the State Treasurer's approval.

RECOMMENDATION

Based upon the above description, and subject to the criteria set forth above, the Board is requested to: (i) approve the adoption of the Twenty-Eighth Supplemental Resolution authorizing the issuance of the 2012 Refunding Bonds in the total aggregate principal amount not to exceed \$650 million as well as other matters in connection with the issuance and sale thereof and otherwise described above; (ii) approve several actions and delegation of actions to an Authorized Officer as may be necessary or advisable in order to issue the 2012 Refunding Bonds 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 2012 Refunding Bonds; subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General's Office.

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

Prepared by: Teresa Wells

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

APPLICANT: Robertet, Inc.

P37148

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 400 International Drive

Mount Olive Township (N)

Morris

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

APPLICANT BACKGROUND:

Robertet, Inc. is part of the Robertet Group which is a family owned fragrance and flavor company that specializes in natural ingredients. The Robertet Group's operations are conducted through three divisions: raw materials, perfumery, and flavorings. Robertet, Inc., which focuses on perfumery and raw materials, manufactures scents for household products and the fine fragrance industry. The company has been operating in New Jersey since 1979.

In 2011, Robertet was seeking to improve its operations by combining its two New Jersey sites into one facility. The EDA provided the company with a BRRAG incentive to locate its combined operations in New Jersey instead of moving out of state. Robertet opted to relocate to Mount Olive, New Jersey, and is now seeking tax-exempt bond financing through the Authority to finance the facility.

APPROVAL REQUEST:

Authority assistance will enable the applicant to finance the acquisition, renovation, and equipping of a 115,000 sq ft building in Mount Olive, New Jersey to be used as a manufacturing facility as well as serve as the company's corporate headquarters.

FINANCING SUMMARY:

BOND PURCHASER: PNC Bank (Direct Purchase)

AMOUNT OF BOND: Up to \$10,000,000 (Tax-Exempt)

TERMS OF BOND: 20 years; variable interest rate at either the tax-exempt equivalent of (i) one-month LIBOR plus 1.57% with a 5 year call option, (ii) one-month LIBOR plus 1.725% with a 7 year call option, or (iii) one-month LIBOR plus 1.89% with a 10 year call option. On the closing date, the borrower may enter into a fixed interest rate swap agreement for 5, 7, or 10 years. The indicative rates as of 12/13/2011 were 2.17%, 2.47%, and 2.85% respectively.

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	\$8,000,000
Renovation of existing building	\$3,000,000
Purchase of equipment & machinery	\$500,000
Closing Costs	\$150,000
TOTAL COSTS	<hr/> <hr/> \$11,650,000

JOBS: At Application 110 Within 2 years 10 Maintained 0 Construction 25

PUBLIC HEARING: 03/15/12 (Published 03/01/12) **BOND COUNSEL:** Wolff & Samson
DEVELOPMENT OFFICER: K. Durand **APPROVAL OFFICER:** K. McCullough

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

APPLICANT: Schott NYC Corp. and RBM Realty Inc.

P37025

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 735 Rahway Avenue

Union Township (T)

Union County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Schott NYC Corp is a clothing manufacturing company famous for its leather jackets. The company, which was founded in New York in 1913 by brothers Irving and Jack Schott, claims to be the first manufacturer to put a zipper on a jacket. Over the years, Schott NYC began manufacturing the first leather "biker jackets" as well as the leather "bomber jackets" worn by the US Military during World War II. The company is still family owned and strives to capture the American spirit in its apparel offerings.

Schott relocated from Staten Island to Jersey City in 1939. The company leased that space for 50 years before moving to its current location that it leases in Elizabeth. For the past year, Schott has been searching for a facility to purchase and has identified a building in Union Township. RBM Realty Inc. was formed as a real estate holding company in order to facilitate the transaction.

APPROVAL REQUEST:

Authority assistance will enable RBM Realty Inc. to acquire and renovate a 58,000 sq ft facility in Union Township through the Series A Bonds while the Series B Bonds will fund the acquisition of new equipment by Schott NYC Corp.

FINANCING SUMMARY:

BOND PURCHASER: Sovereign Bank (Direct Purchase)

AMOUNT OF BOND: Series A

Up to \$3,150,000 (Tax-Exempt)

TERMS OF BOND:

25 years; variable interest rate at the tax-exempt equivalent of 30 day LIBOR plus 2.10%. On the closing date the borrower will enter into a fixed interest rate swap agreement for either 5, 7, or 10 years. The indicative rates as of 3/2/2012 were 2.35%, 2.61%, and 2.95% respectively.

Series B

Up to \$500,000 (Tax-Exempt)

8 years; variable interest rate at the tax-exempt equivalent of 30 day LIBOR plus 2.10%. The loan is interest only for 12 months followed by 7 year amortization of principal and interest. On the closing date the borrower will enter into a fixed interest rate swap agreement for 7 years. The indicative rate as of 3/2/2012 was 2.35%.

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	\$3,450,000
Purchase of equipment & machinery	\$500,000
Renovation of existing building	\$400,000
Legal fees	\$20,000
Finance fees	\$20,000
Accounting fees	\$20,000

TOTAL COSTS

\$4,410,000

JOBS: At Application 65 Within 2 years 20 Maintained 0 Construction 6

PUBLIC HEARING: 03/15/12 (Published 03/01/12) **BOND COUNSEL** Wolff & Samson

DEVELOPMENT OFFICER: D. Johnson

APPROVAL OFFICER: K. McCullough

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

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

APPLICANT: Tiferes Bais Yaakov

P37254

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 613 Oak Street

Lakewood Township (T/UA)

Ocean

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

APPLICANT BACKGROUND:

Tiferes Bais Yaakov is a non-profit corporation established to conduct an elementary school for the education of girls in the Orthodox Jewish tradition, as well as in all secular subjects. The school, which opened in 1996 and is led by Rabbi Yitzchock Rozansky, is located in Lakewood, New Jersey and currently educates 590 students in grades kindergarten through eight. The project has been reviewed and approved by the Attorney General's office for issues related to the First Amendment's Establishment Clause.

The applicant is a not-for-profit 501(c)(3) entity for which the Authority may issue tax-exempt bonds as permitted under Section 103 and Section 145 of the Internal Revenue Code of 1986, as amended, and is not subject to the State Volume Cap limitation, pursuant to Section 146(g) of the Code.

APPROVAL REQUEST:

Authority assistance will enable the applicant to refinance a \$3,900,000 existing loan on its 75,000 sq. ft. facility located on 5 acres in Lakewood, New Jersey, as well as to refinance other outstanding debt used for improvements to the property plus pay the costs of issuance.

FINANCING SUMMARY:

BOND PURCHASER: Fulton Bank (Direct Purchase)

AMOUNT OF BOND: \$4,500,000 (Tax-Exempt)

TERMS OF BOND: 20 years; Fixed at a tax-exempt rate of 3.85%. Rate will be reset on every 5th anniversary at the greater of (i) the tax-exempt equivalent of the Wall Street Journal Prime rate plus 1.00% or (ii) 3.85%.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	\$4,430,000
Finance fees	\$40,000
Legal fees	\$20,000
Accounting fees	\$10,000
TOTAL COSTS	\$4,500,000

JOBS: At Application 40 Within 2 years 25 Maintained 0 Construction 0

PUBLIC HEARING: 03/15/12 (Published 03/01/12) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: R. Fischer

APPROVAL OFFICER: K. McCullough

PRELIMINARY RESOLUTIONS

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - BOND WITH AUTHORITY EXPOSURE**

APPLICANT: The Arc Mercer, Inc.

P37299

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 801 New York Avenue

Trenton City (T/UA)

Mercer

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

APPLICANT BACKGROUND:

The Arc Mercer, Inc. ("Company") is a not-for-profit 501(c)(3), which was founded in 1950. The Company provides services needed by individuals with developmental disabilities in Mercer County, which include developmental daycare, infant and toddler services, residential services, recreational services, adult day services, vocational and rehabilitation services and advocacy. The Company provides services to over 1,000 children and adults in four permanent locations and 14 residential group homes located throughout Mercer County. Steven Cook is the Executive Director.

The Arc Mercer currently leases a facility at 801 New York Ave in Trenton that is used for program services and as a health care center. The company is seeking tax-exempt bond financing to purchase the facility as well as to refinance debt issued through the Mercer County Improvement Authority on the agency's headquarters in Ewing. The applicant will be seeking a guarantee of the bond by the Authority that will be presented at the time of final bond approval.

The applicant is a not-for-profit 501(c)(3) entity for which the Authority may issue tax-exempt bonds as permitted under Section 103 and Section 145 of the Internal Revenue Code of 1986, as amended, and is not subject to the State Volume Cap limitation, pursuant to Section 146(g) of the code.

APPROVAL REQUEST:

Authority assistance will enable the applicant to refinance debt on its property at 180 Ewingville Road in Ewing in the amount of \$2,000,000 as well as finance the purchase of a commercial property at 801 New York Avenue in Trenton for \$1,250,000 plus pay costs of issuance.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	\$2,000,000
Acquisition of existing building	\$1,250,000
Other Costs	\$220,000
Finance fees	\$30,000
TOTAL COSTS	\$3,500,000

JOBS: At Application 317 Within 2 years 1 Maintained 0 Construction 0

PUBLIC HEARING:

DEVELOPMENT OFFICER: K. Durand

BOND COUNSEL: Gluck Walrath, LLP

APPROVAL OFFICER: K. McCullough / J.

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

APPLICANT: Nandan Company, L.L.C.

P37291

PROJECT USER(S): Deep Foods Inc. *

* - indicates relation to applicant

PROJECT LOCATION: 1075 and 1079 Garden State Union Township (T)

Union

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

APPLICANT BACKGROUND:

Nandan Company, L.L.C. is a real estate investment company formed to acquire, equip and lease a food manufacturing facility to benefit its operating company, Deep Foods Inc., a family-owned food manufacturer and marketer. Established in 1977 and based in Union, New Jersey, Deep Foods Inc. specializes in the manufacture and marketing of Indian, Thai and Chinese ethnic snack foods, ice cream, frozen entrees and desserts, sauces, and chutneys.

Deep Foods has grown significantly in the last 10 years, and they have experienced capacity limitations. In order to accommodate the anticipated additional growth, last December, they purchased two adjacent buildings, totaling 41,400 sf, behind their current three-building, 72,000 sf complex. To double their capacity, they need to equip and furnish the new space with food manufacturing machinery.

The Applicant has closed four prior bond issues through the EDA from 1983 to 2001, all of which, with the exception of the 2000 issue of \$4,300,000, have been paid in full (or refunded). There is approximately \$1.4 million balance on that outstanding bond (P12735; 2000), which is in compliance.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to acquire food manufacturing machinery and equipment plus pay the costs of issuance.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	\$8,170,000
Other/Contingency	\$258,000
Legal fees	\$86,000
Finance fees	\$86,000
TOTAL COSTS	\$8,600,000

JOBS: At Application 175 Within 2 years 50 Maintained 0 Construction 0

PUBLIC HEARING:

BOND COUNSEL: McManimon & Scotland

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: D. Sucsuz

DIRECT LOANS

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

APPLICANT: Greater Newark Enterprises Corporation

P37251

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 744 Broad St

Newark City (T/UA)

Essex

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

APPLICANT BACKGROUND:

Greater Newark Enterprises Corporation ("GNEC") is a micro lender servicing the small business community in the Northern New Jersey market. The companies they assist create jobs and stimulate local economies. GNEC has requested a \$500,000 loan under the loan to lenders program. The proceeds of this loan will be lent to small businesses in Northern New Jersey.

APPROVAL REQUEST:

Approve a \$500,000 loan under the loan to lender program with proposed terms.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: \$500,000

TERMS OF LOAN: Fixed interest rate of 2%
Interest only for the initial 5-Years and fully amortizing principal and interest payments over the next 10 years

PROJECT COSTS:

Working capital	\$1,000,000
Finance fees	\$9,825
TOTAL COSTS	<u>\$1,009,825</u>

JOBS: At Application 7 Within 2 years 40 Maintained 0 Construction 0

DEVELOPMENT OFFICER: M. Abraham

APPROVAL OFFICER: J. Wentzel

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: Accupac, Inc.

P37269

PROJECT LOCATION: 1700 and 1710 Oak Street Lakewood Township Ocean County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Founded as a family business in 1974, and based in Mainland, Pennsylvania, Accupac, Inc. is a manufacturer that specializes in contract liquid packaging and bottling operations. In 2003, the company was bought by an investor group led by H.I.G. Capital, Inc., a Miami-based global private investment firm. The Applicant is economically viable.

Accupac manufactures, fills and packages a wide range of consumer commodity (consumer packaged goods), over-the-counter (OTC), and prescription (Rx) products for the world's largest pharmaceutical and consumer products companies. Working within the FDA and cGMP (current good manufacturing practices) environment, it has unique manufacturing and packaging capabilities such as innovative containers (bottles, tubes, pouches, and syringes) and specialized printing, packaging and shipping technologies.

This company's operations and sales are growing fast, and it has experienced capacity limitations. Accupac is planning to double its capacity by duplicating its existing 270,000 sf facility (manufacturing with warehousing and laboratories), either in Mainland, Pennsylvania, or at a vacant, 218,000 sf facility with a similar past use in Lakewood, New Jersey. This expansion will create 250 jobs within 2 years.

MATERIAL FACTOR:

The Applicant is seeking a BEIP grant to support creating 250 permanent, full-time positions in New Jersey within the first two years. The company has submitted a cost benefit analysis comparing the cost of similar facilities in New Jersey and Pennsylvania. The Authority is in receipt of the certification by the applicant's Chief Executive Officer that the CEO has reviewed the application information submitted and that the representations contained therein are accurate. The Authority staff recommends the award of the proposed BEIP grant.

APPROVAL REQUEST:

PERCENTAGE: 75%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Accupac, 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: \$ 1,401,563
(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 50 Year 2 200 Base Years Total = 250

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$5,606

ANTICIPATED AVERAGE WAGES: \$40,000

ESTIMATED PROJECT COSTS: \$2,000,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$1,868,750

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$1,401,563

PROJECT IS: (X) Expansion () Relocation _____

CONSTRUCTION: () Yes (X) No

PROJECT OWNERSHIP HEADQUARTERED IN: Pennsylvania

APPLICANT OWNERSHIP:(X) Domestic () Foreign

DEVELOPMENT OFFICER: R. Fischer

APPROVAL OFFICER: D. Sucsuz

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Lakewood Township	N/A
2. Job Creation	250	4
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	0	0
4. Industry:	Pharmaceuticals	2
	Designated : <u> X </u> Non-Designated : _____	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$2,000,000	1
7. Average Wage:	\$ 40,000	2

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%	_____
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: 40 %

Total Score :

Total Score per formula: 11 = 35 %
Construction/Renovation : 0 %
Bonus Increases : 40 %
Total Score (not to exceed 80 %): 75 %

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

APPLICANT: CommVault Systems, Inc.

P37286

PROJECT LOCATION: 55 Acre Parcel

Tinton Falls Borough (N) Monmouth County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

CommVault Systems, Inc. is a leading provider of data and information management software applications and related services. The company does business in North America, Europe, Australia, and Asia and has over 1,400 employees worldwide. CommVault's unified suite of applications, which is sold under the Simpna brand, aims to minimize the cost and complexity of managing data on globally distributed and networked infrastructures. The company was formed in 1996 and is currently headquartered in Oceanport, New Jersey. CommVault's stock is traded publicly on the NASDAQ under the ticker CVLT. The applicant is economically viable.

CommVault is currently receiving a BEIP, covering 210 employees, that was approved by the Authority in 2007. These employees are not counted as eligible employees in the calculation of any new grant requests.

MATERIAL FACTOR:

CommVault is currently in the process of identifying a location to build its new world headquarters. Under consideration is a 55 acre parcel located at Fort Monmouth in Tinton Falls, New Jersey, as well as a location in Philadelphia, Pennsylvania. CommVault has represented that the cost of building the facility in New Jersey is more expensive, so the company is seeking both a BEIP & BRRAG to provide incentive to retain 300 eligible employees as well as create 250 new full-time positions in New Jersey. Management has indicated that the grants will be a material factor in the company's decision to go forward with the project. The Authority is in receipt of the certification by the applicant's Chief Executive Officer that the CEO has reviewed the application information submitted and that the representations contained therein are accurate.

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 CommVault Systems, 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: \$ 7,206,000
 (not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 510

ELIGIBLE BEIP JOBS: Year 1 125 Year 2 125 Base Years Total = 250

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$28,824

ANTICIPATED AVERAGE WAGES: \$96,000

ESTIMATED PROJECT COSTS: \$87,250,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$9,007,500

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$6,305,250

PROJECT IS: (X) Expansion (X) Relocation Oceanport

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: (X) Domestic () Foreign

DEVELOPMENT OFFICER: R. Fischer

APPROVAL OFFICER: K. McCullough

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Tinton Falls Borough	N/A
2. Job Creation	250	4
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	300	2
4. Industry:	printing and publishing	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$87,250,000	4
7. Average Wage:	\$ 96,000	4

TOTAL: **16**

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%	<u>15%</u>

Total Bonus Points: 35 %

Total Score :

Total Score per formula:	16 = 45 %
Construction/Renovation :	5 %
Bonus Increases :	35 %
Total Score (not to exceed 80 %):	80 %

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT**

APPLICANT: CommVault Systems, Inc. P37294

COMPANY ADDRESS: 2 Crescent Place Oceanport Borough Monmouth County

PROJECT LOCATION: 55 Acre Parcel Tinton Falls Borough Monmouth County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core

APPLICANT BACKGROUND:

CommVault Systems, Inc. is a leading provider of data and information management software applications and related services. The company does business in North America, Europe, Australia, and Asia and has over 1,200 employees worldwide. CommVault's unified suite of applications, which is sold under the Simpana brand, aims to minimize the cost and complexity of managing data on globally distributed and networked infrastructures. The company was formed in 1996 and is currently headquartered in Oceanport, New Jersey. CommVault's stock is traded publicly on the NASDAQ under the ticker CVLT.

CommVault is currently receiving a BEIP, covering 210 employees, that was approved by the Authority in 2007. These employees are not counted as eligible employees in the calculation of any new grant requests.

MATERIAL FACTOR/NET BENEFIT:

CommVault is currently in the process of identifying a location to build its new world headquarters. Under consideration is a 55 acre parcel located at Fort Monmouth in Tinton Falls, New Jersey, as well as a location in Philadelphia, Pennsylvania. Management has represented that the cost of building the facility in New Jersey is more expensive, so the company is seeking both a BEIP & BRRAG to provide incentive to retain 300 eligible employees as well as create 250 new full-time positions in New Jersey. Management has indicated that the grants are a material factor in the company's decision to locate the project in the Garden State. The Authority is in receipt of the certification by the applicant's Chief Executive Officer that the CEO has reviewed the application information submitted and that the representations contained therein are accurate. The applicant has demonstrated that the grant of these credits will result in a net benefit to the State of \$72.5 million over the 7 years that the company would be committed to remain in New Jersey as part of the BRRAG agreement.

APPROVAL REQUEST:

TAX CREDIT TERM: 2 year(s)
COMMITMENT DURATION: 7 years

The Members of the Authority are asked to approve the proposed BRRAG benefit to CommVault Systems, Inc. to encourage the company to remain 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 amount and the term. 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 and the term that corresponds to the actual criteria that have been met.

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in NJ unless the applicant had a pre-application meeting with the Authority during the grandfathering period.
2. If the applicant enters into a lease for the project site, the term of the lease will be no less than 8 years exclusive of any renewal options.
3. Expenditures totaling at least twice as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before 09/30/2014 in order to remain eligible for the bonus award.

4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.
5. If the applicant remains in a location at which it currently operates, expenditures totaling at least as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before 09/30/2014.

END OF APPLICANT'S FISCAL YEAR:		MARCH 31
CAPITAL INVESTMENT MUST BE MADE BY:		SEPTEMBER 30, 2014
SUBMISSION DATE OF CPA CERTIFICATION:		FEBRUARY 28, 2015
TOTAL ESTIMATED GRANT AWARD OVER TERM:	\$	1,350,000
APPLICANT TAX PERIOD 1 APPROVAL (2015):	\$	675,000
APPLICANT TAX PERIOD 2 APPROVAL (2016):	\$	675,000
ELIGIBLE BRRAG JOBS:		300
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	\$	1,500
BONUS AWARD PER EMPLOYEE:	\$	750
TOTAL YEARLY TAX CREDITS INCLUDING BONUS:	\$	2,250
ANTICIPATED AVERAGE WAGES:	\$	96,000
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	\$	28,800,000
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 7 YRS:	\$	7,566,300
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$	69,550,000
OPERATED IN NEW JERSEY SINCE:		1996
PROJECT IS: (X) Expansion	(X) Relocation	
CONSTRUCTION/RENOVATION: (X) Yes	() No	
DEVELOPMENT OFFICER: R. Fischer	APPROVAL OFFICER: K. McCullough	

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT

APPLICANT: HDR, Inc. and subsidiaries

P37295

COMPANY ADDRESS: 1000 Lenox Drive, Lawrenceville, Mercer County

PROJECT LOCATION: To be determined

GOVERNOR'S INITIATIVES:

NJ Urban Fund

Edison Innovation Fund

Core

APPLICANT BACKGROUND:

HDR, Inc. is a global employee-owned firm providing architecture, engineering, consulting, construction and related services through its various operating companies. Founded in 1917 and headquartered in Nebraska, HDR, Inc., assists clients in the management of projects in energy, federal, private land development, resource management, transportation and water markets. HDR currently has approximately 185 locations nation-wide with more than 7,800 employees, including approximately 200 employees in Lawrenceville, Mercer County, NJ.

MATERIAL FACTOR/NET BENEFIT:

HDR's lease in Lawrenceville, NJ expires in December 2013 and it is reviewing options to either renegotiate the current lease or relocate to Yardley, PA. Management has indicated that the BRRAG grant is a material factor to remain in New Jersey. The Authority is in receipt of the certification by the applicant's Chief Executive Officer that the CEO has reviewed the application information submitted and that the representations contained therein are accurate. In addition, the applicant has demonstrated that the grant of these tax credits will result in a net benefit to the State of approximately \$30 million.

APPROVAL REQUEST:

TAX CREDIT TERM: 1 year
COMMITMENT DURATION: 6 years

The Members of the Authority are asked to approve the proposed BRRAG benefit to HDR, Inc. to encourage the company to remain 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 amount and the term. 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 and the term that corresponds to the actual criteria that have been met.

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in NJ unless the applicant had a pre-application meeting with the Authority during the grandfathering period.
2. If the applicant enters into a lease for the project site, the term of the lease will be no less than 8 years exclusive of any renewal options.
3. Expenditures totaling at least twice as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before 1/30/2014 in order to remain eligible for the bonus award.
4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.
5. If the applicant remains in a location at which it currently operates, expenditures totaling at least as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before 1/30/2014.

END OF APPLICANT'S FISCAL YEAR:		December 31
CAPITAL INVESTMENT MUST BE MADE BY:		January 30, 2014
SUBMISSION DATE OF CPA CERTIFICATION:		February 28, 2014
TOTAL ESTIMATED GRANT AWARD OVER TERM:	\$	450,000
APPLICANT TAX PERIOD 1 APPROVAL (2014):	\$	450,000
ELIGIBLE BRRAG JOBS:		200
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	\$	1,500
BONUS AWARD PER EMPLOYEE:	\$	750
TOTAL YEARLY TAX CREDITS INCLUDING BONUS:	\$	2,250
ANTICIPATED AVERAGE WAGES:	\$	98,000
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	\$	19,600,000
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 6 YRS:	\$	4,480,000
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$	2,000,000
OPERATED IN NEW JERSEY SINCE:		1982
PROJECT IS:	<input type="checkbox"/> Expansion	<input checked="" type="checkbox"/> Relocation
CONSTRUCTION/RENOVATION:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
DEVELOPMENT OFFICER:	K. Durand	
APPROVAL OFFICER:	T. Wells	

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

APPLICANT: Moore Capital Management, LP & entity to be formed

P37239

PROJECT LOCATION: 412 Mt. Kemble Avenue

Morristown Town (N)

Morris County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Moore Capital Management, LP (MCM) is an investment management partnership formed in 1989, by Louis Bacon. The applicant is a global hedge fund manager with 429 employees located in the New York City corporate headquarters, and satellite offices in London, Zurich, Hong Kong and Washington, D.C. MCM provides its services to institutions and high net worth individuals. It invests in the public equity and fixed income markets across the globe. The applicant is registered with the US Commodity Futures Trading Commission as a Commodity Trading Advisor. It is reported that MCM manages more than \$15 billion in assets with its largest fund, Moore Global Investment Fund, managing \$7.4 billion in assets. The applicant is economically viable and the project is economically sound.

MATERIAL FACTOR:

MCM is seeking a BEIP grant to support creating 40 new jobs in a new company (New Co). New Co would support existing MCM back office operations and also seek outside clients to offer automated support services and fund administration. Under consideration is adding 5,000 s.f. to the applicant's 10,556 s.f. Disaster Recovery Center in Morristown, which does not house any employees, or a 10,740 s.f. facility in the Metro Tech Center in downtown Brooklyn. If Brooklyn is chosen the economic decision is complicated by the fact that the Morristown Disaster Recovery facility has a minimum lease obligation for 42 months, through August 2015, in addition to a \$162,179 lease termination fee. MCM management has indicated with the evolution of technology it is unknown if the Morristown Disaster Recovery Center will be needed beyond the August 2015 date, or if they will be able to adapt cloud computing or other technology and not need the Disaster Recovery Center in Morristown. 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. The Authority is awaiting receipt of the certification by the applicant's Chief Executive Officer that the CEO has reviewed the application information submitted and the representations contained therein are accurate.

APPROVAL REQUEST:

PERCENTAGE: 60%

TERM: 10 years

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

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: \$ 2,000,000
 (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 25 Year 2 15 Base Years Total = 40

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$50,000

ANTICIPATED AVERAGE WAGES: \$180,000

ESTIMATED PROJECT COSTS: \$1,345,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$3,696,000

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$3,544,000

PROJECT IS: (X) Expansion (X) Relocation NYC

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New York

APPLICANT OWNERSHIP:(X) Domestic () Foreign

DEVELOPMENT OFFICER: D. Johnson

APPROVAL OFFICER: M. Krug

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Morristown Town	N/A
2. Job Creation	40	1
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	0	0
4. Industry:	finance, insurance & real estate	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$1,345,000	1
7. Average Wage:	\$ 180,000	4
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: **25 %**

Total Score :

Total Score per formula:	8 = 30 %
Construction/Renovation :	5 %
Bonus Increases :	25 %
Total Score (not to exceed 80 %):	60 %

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

APPLICANT: Seafrigo NA Coldstorage Inc. and Affiliates

P37250

PROJECT LOCATION:TBD

Locations Unknown (N)

Unknown County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Seafrigo NA Coldstorage Inc. is a United States subsidiary of a private French company called Entreports Et Transports Barbe SA (doing business as "Groupe Seafrigo" or "ETB-Seafrigo"). Seafrigo Group (Seafrigo NA Coldstorage Inc., Seafrigo USA Inc., and Entreports Et Transports Barbe SA), specializing in international freight forwarding, harbor terminal operations, and the warehousing and packaging of fresh and frozen foods, was founded by Monsieur Eric Barbe in 1979 in Le Havre, Normandy, France. The Applicants are economically viable.

The Seafrigo Group entered into the US market in 1984. The current US business activity focuses on refrigerated food storage, mainly cheese and chocolate, and the related freight forwarding. In addition to plans to expand the existing US freight forwarding and cold storage with a new, larger facility, it is also planning an entry into the US fresh and frozen food packaging market.

Currently, the Seafrigo Group is leasing a 110,000 sf refrigerated warehouse in Elizabeth, New Jersey. Its lease will expire in October 2013. The group is planning to build (or have it built-to-suit) a brand new, 170,000 sf, state of the art facility with three conditioned zones (a cooler zone, a freezer zone, and a temperature controlled zone). The site selection and obtaining of funding is underway. The group could partner with a lease purchase financier in Pennsylvania or enter into a joint venture with a developer in New Jersey. The expanded cold storage operation is expected to create 40 new warehouse jobs, and the entry into the frozen food packaging industry is expected to create 30 jobs.

In the event that this Applicant chooses a location that is eligible for bonus scoring, the BEIP score may increase up to 80%, at which percentage an estimated amount of the grant would be \$280,000 over the term of the grant.

MATERIAL FACTOR:

The Applicants are seeking a BEIP grant to support creating 70 permanent, full-time positions in New Jersey within the first two years. The group has submitted a cost benefit analysis comparing the cost of establishing similar facilities in New Jersey and Pennsylvania. The Applicants have analyzed and compared the costs at both locations. The Authority is in receipt of the certification by the applicant's Chief Executive Officer that the CEO has reviewed the application information submitted and that the representations contained therein are accurate. The Authority staff recommends the award of the proposed BEIP grant.

APPROVAL REQUEST:

PERCENTAGE: 35%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Seafrigo NA Coldstorage Inc. and Affiliates 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: \$ 122,500

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

NJ EMPLOYMENT AT APPLICATION: 47

ELIGIBLE BEIP JOBS: Year 1 10 Year 2 60 Base Years Total = 70

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$1,750

ANTICIPATED AVERAGE WAGES: \$30,000

ESTIMATED PROJECT COSTS: \$10,806,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$350,000

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$402,500

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

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: _____

APPLICANT OWNERSHIP: () Domestic (X) Foreign France

DEVELOPMENT OFFICER: R. Fischer

APPROVAL OFFICER: D. Sucsuz

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Locations Unknown	N/A
2. Job Creation	70	1
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	47	1
4. Industry:	Transportation & logistics	2
	Designated : <u> X </u> Non-Designated : _____	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$10,806,000	2
7. Average Wage:	\$ 30,000	1

TOTAL: **9**

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:	9 = 30 %
Construction/Renovation :	5 %
Bonus Increases :	0 %
Total Score (not to exceed 80 %):	35 %

**ECONOMIC REDEVELOPMENT AND GROWTH (ERG)
PROGRAM**



MEMORANDUM

To: Members of the Authority

From: Caren S. Franzini
Chief Executive Officer

Date: March 15, 2012

RE: **Buffalo Pike Associates or Affiliate**
Economic Redevelopment and Growth Grant Program

Request

The Members are asked to approve the application of Buffalo Pike Associates (“Buffalo Pike” the “Applicant”, or the “Company”), which is a holding company of the larger Benderson Development Company, L.L.C. (“Benderson”) for reimbursement of certain taxes for a Hamilton, Atlantic County project under a "state incentive grant" by the EDA pursuant to the Economic Redevelopment and Growth Grant (“ERG”) program set forth in N.J.S.A. 52:27D-489c (“Act”).

The total project costs are estimated to be \$57,911,414. The total qualified costs under the ERG Act are **\$57,161,414**. The recommended reimbursement is **20%** of the eligible costs, not to exceed **\$11,432,283**.

Project Description

Benderson is undertaking the development of Gravelly Run Square, a new, 270,000-square-foot shopping center in Hamilton Township, Atlantic County, New Jersey. The proposed open-air plaza will accommodate four anchor tenants and several outparcels for mixed use, and the project includes off-site road improvements to address existing transportation challenges on the Black Horse Pike and State Route 575. With an estimated total project cost of \$57.9 million, the Gravelly Run Square Development Project will leverage significant job creation economic development in Hamilton Township and the greater Atlantic City region. Benderson is aggressively recruiting targeted national retail stores to reach the projected 95% occupancy at stabilization. The development of Gravelly Run Square has been in the planning stage for approximately 15 years when the initial parcel was acquire and is being advanced by Benderson as an extension to the firm’s other commercial development projects along the Black Horse Pike, including Wrangleboro Consumer Square and Hamilton Commons. As an open air shopping center, Gravelly Run Square is designed to complement and boost the Township’s expanding commercial sector, supporting increased sales and the economic vitality of the entire corridor. Upon completion, Gravelly Run Square is expected to generate 310 new, full time, direct jobs and will infuse more than \$9.4 million

annually into the local economy through employee wage compensation. The project is also anticipated to generate more than \$2.9 million annually in local and state taxes. In addition to job creation and economic benefits, the project is also leveraging a public-private partnership to complete a master planned, public off-site road improvement in the vicinity of the Black Horse Pike, which is one of the busiest and most congested roads in the County. The off-site public roadwork will extend Volunteer Way to link the signalized intersection of Wrangleboro Road at the Black Consumer Square, Hamilton Commons, Hamilton Mall, and the new Gravelly Run Square. The roadwork will alleviate a significant amount of congestion on the Black House Pike. This public improvement, estimated to cost \$1.8 million, will significantly reduce existing safety hazards and will improve traffic configuration to reduce congestion.

The Applicant has not secured permanent financing at this time. The Applicant's goal is to obtain the required permanent funding at the stabilization of the project in 2014.

Project Ownership

The project Applicant is Buffalo Pike Associates, which is a holding company of Benderson Development, one of the largest privately owned development companies in North America. It has established itself as a leader in retail and power center development by doubling its size in the last ten years, Benderson currently ranks as one of the largest strip center developers nationwide. The Company's expertise in shopping center development has led to substantial growth throughout the country. Operating in over 35 states, Benderson owns and manages over 250 properties encompassing over 25 million square feet of retail space. In addition, another 4.5 million square feet of leasable space is currently under development. In addition to these retail center holdings, Benderson's development portfolio includes office buildings, industrial parks, residential communities and hotels. Benderson's holdings encompass over 135 shopping centers throughout the northeast. With its largest regional office located in Buffalo, New York, Benderson has successfully increased its northeast portfolio to approximately 15 million square feet. Almost half of the northeast portfolio includes major national supermarket anchored centers providing a consistent traffic flow to each center. In addition to the supermarket anchors, Benderson centers are anchored by major national retailers including Wal-Mart, Target, Home Depot, Lowe's, Kohl's and BJ's Wholesale Club, which have been combined to create some of the finest power strip centers in the northeast today.

The Company is headquartered in University Park, FL and has regional offices in Buffalo, NY; Rochester, NY; Charlotte, NC and Springfield, NJ.

Project Uses

<i>Uses</i>	<i>Total Project Costs</i>	<i>ERG Eligible Project Costs</i>
Land	\$ 4,413,575	\$ 4,413,575
Base Building	\$ 21,060,000	\$ 21,060,000
Site Work (on & off)	\$ 9,720,000	\$ 9,720,000
Tenant Improvements	\$ 9,450,000	\$ 9,450,000
Hard Cost Contingency	\$ 4,023,000	\$ 4,023,000
Architectural	\$ 675,000	\$ 675,000
Engineering, Legal & other	\$ 1,775,000	\$ 1,775,000
Leasing Commissions	\$ 1,080,000	\$ 1,080,000

Operating Expenses	\$ 750,000	\$ 0
Soft Cost Contingency	\$ 428,000	\$ 428,000
Project Interest Expenses	\$ 3,202,475	\$ 3,202,475
Financing Fees	\$ 1,334,364	\$ 1,334,364
TOTAL USES¹	\$ 57,911,414	\$57,161,414

¹Costs reflect figures in application from Buffalo Pike Associates.

ERG eligible amount above excludes \$750,000 in operating costs.

Project Sources

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

<i>Sources</i>	<i>Amount</i>
Developer Equity	\$ 57,911,414
Debt	\$ 0
TOTAL SOURCES	\$ 57,911,414

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

Gap Analysis

EDA staff has reviewed the application of Benderson to determine if there is a project financing gap. This financing gap was determined by analyzing the applicant's pro-forma and comparing the returns with and without the ERG. Based on guidance from the applicant, it was assumed that the project would initially be completely equity financed until the point of stabilization in 2014. At this point, Benderson plans to secure permanent financing with a 5.5% interest rate for 25 years at 70% loan to value. For modeling purposes, staff assumed an internal borrowing rate of 6.0% over the construction period to compensate the parent organization for its cost of capital. Staff analyzed the pro forma and projections of the project and compared the returns with and without the ERG over 10 years.

With ERG	Without ERG
Equity IRR 9.58% (Market Range = 15-20%)	Equity IRR 4.75% (Market Range = 15-20%)
Cash on Cash Yield 8.61% (Market Range = 8-10%)	Cash on Cash Yield 6.64% (Market Range = 8-10%)

As indicated in the chart above, the project would not otherwise be completed without the benefit of the ERG. **With the benefit of the ERG, the Equity IRR is 9.58% and the Cash on Cash Yield is 8.61%, making the returns less than the market ranges provided by the EDA's contracted consultant Jones Lang Lasalle ("JLL").**

Utilizing the new ARGUS based software (simultaneously presented to the Incentive Committee) the Equity IRR without the ERG incentive is 4.31%. With the ERG incentive

the Equity IRR is 10.46% and this return is moderately below the market range provided by JLL. The additional revenue from the prospective ERG would enable Benderson to move forward with the project.

Net Positive Benefit Analysis

The Authority has conducted the required Net Benefit Analysis and has found that the present value of the Net Positive Benefits to the State at a 6% discount rate over a 20 year period is \$22.9 million. The Net Positive Benefit calculation included:

- 1] 66% of the incremental annual corporate business tax;
- 2] 66% of the incremental gross income tax;
- 3] 100% of the incremental one-time tax generated from the Project's construction;
- 4] 100% of the incremental indirect tax revenues from spending and earnings;
- 5] 0% of the sales tax generated by the retail portion of the Project

66% of all the incremental annual corporate business tax and incremental gross income tax was considered in calculating the Net Benefits for the Benderson project because the majority of jobs are in the retail trade sector. Following the policies of the EDA, sales taxes were excluded from the calculation as the project is not deemed a destination. Therefore, it is assumed that there will be no additional new sales tax benefits to the State.

Other Statutory Criteria

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

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

Due to the high costs of construction today and the lower retail costs in Southern New Jersey, it is not economically feasible to develop new projects without an incentive like the ERG. This is illustrated by the project returns amounting to dramatically below the market when the ERG is excluded. The benefit of the ERG payment would be to increase the returns to a level still below market but acceptable for the developer to move the project forward.

With a sound track record of success and national presence spanning 35 states, Benderson employs a sound business format that is founded on the standard of developing contemporary and upscale commercial properties. Benderson aims not only to meet local community needs for commercial development but tailors its projects to each community to bolster tourism, private investment, and the local quality of life. Today, Benderson is a nationally recognized real estate developer that has completed a diverse portfolio of project nationwide. Benderson's past experience in New Jersey includes the development of Wrangleboro Consumer Square and Hamilton Commons in Hamilton Township. Recognizing the opportunity to build upon and strengthen the commercial success in the Township, Benderson is undertaking the development of Gravelly Run Square to complement the existing retail on the Black Horse Pike. Amid a challenging economic climate and real estate market in New Jersey, the ERG program provides an attractive incentive to make private

investment in the state economically feasible at this time. But for the prospect of securing an ERG grant to incentivize the development of Gravelly Run Square, Benderson would target projects in other states where more favorable market conditions exist.

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

The Gravelly Run Square Development Project is needed to support the Township's growing residential population and tax base. The Authority has received a market feasibility study performed by an independent third party that indicates both the demand for the proposed retail tenant mix as well as the positive impact of the Project on the region. The Township is situated in the central portion of Atlantic County, approximately 12 miles from Atlantic City, and encompasses nearly 133 square miles. Much of the eastern portion of the Township is designated as a Regional Growth Area by the New Jersey Pinelands Commission. Hamilton Township's current population of 24,201 grew by more than 29.3% between 2000 and 2010, growing approximately 9.5 percent alone since 2005. This exponential growth has placed significant strain on the local tax base and has created the direct need and demand for commercial and retail development in the community. In addition to the local economic benefits to Hamilton Township, this project is expected to benefit Atlantic City, an area characterized by ongoing economic and social distress with an unemployment rate of 11.8% in September 2011. In comparison, Atlantic County's unemployment rate was 11.6% in August 2011 with Hamilton Township unemployment rate being 13.5% both of which are modestly worse than the state of New Jersey's 9.1% unemployment rate reported in October 2011. The jobs created as a result of this project will provide important employment opportunities for City residents. The project will generate approximately 310 new, full time, direct jobs upon completion, as well as 148 part time and 263 temporary construction jobs.

Recommendation

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

Closing of the Incentive Grant Agreement and the reimbursement of any taxes is contingent upon Buffalo Pike Associates meeting the following conditions regarding the Project:

1. The State Treasurer's approval of the ERG Grant; and
2. Evidence of site control and site plan approval for all properties within the Project;

Reimbursement shall commence upon:

1. Completion of construction and issuance of a permanent certificate of occupancy;
2. Submission of a detailed list of all eligible costs, which costs shall be satisfactory to the NJEDA; and
3. Sufficient new taxes have been paid to the NJ Treasury and appropriated.

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

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

Total Eligible Project Costs: \$ 57,161,414.

Eligible Taxes for Reimbursement: Sales and other eligible taxes not to exceed \$11,432,283 over 20 years.

Recommended Grant: 20% of actual costs, not to exceed **\$11,432,283 to be paid over a maximum period of 20 years.**



Prepared by: Michael A. Conte

URBAN TRANSIT HUB TAX CREDIT PROGRAM



TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: March 15, 2012

SUBJECT: Boraie Development LLC or Nominee
Urban Transit Hub Tax Credit Program (“UTHTC”)

Request

Modify the existing approval of the UTHTC to increase the award amount over ten years from \$19,886,090 to \$23,810,360. This modification is requested by the Applicant to increase the UTHTC award amount from 20% to 35% of eligible costs for a residential project as allowed by the 2011 amendment to the UTHTC program due to: (1) the applicant’s re-allocation of the scope, use mix and costs of the project relative to the previously approved application, (2) reduced aggregate rental income projections combined with the monetization of the UTHTC which more than offset the improved terms in debt financing that is anticipated to be available resulting in below market returns to the Applicant.

Background

In July 2010, the Members approved the issuance of \$19.9 million of UTHTC’s to Boraie Development LLC or Nominee (“Boraie”, “Applicant” or “Developer”) for a mixed use project that included 120 Albany Street and 133 Somerset Street buildings aggregating 287 apartments, 45,000 square feet of office, 7,200 square feet of retail and 600 parking units located within on block of the NJ Transit New Brunswick rail station. More specifically, the Somerset portion contained 197 rental apartments, 45,000 square feet of office, 5,200 square feet of retail and 400 parking spaces.

Due to timing delays associated with other projects in the municipality (impacting planning board approval), re-evaluation of the Developer resources and capacity, the Albany Street portion of the project is being postponed at this time. Additionally, the Developer is eliminating the 45,000 square feet of office space as well as 130 parking spaces while modestly boosting the amount of retail (all in comparison to the original design solely attributed to the Somerset portion of the project) to reflect the current market demands. Lastly, the number of residential units has increased by 41 units as compared to the prior Somerset portion of the project which reflects smaller square foot per unit which now corresponds to those contained in the third party market feasibility study. The lack of planning board approval as acknowledged by the City due to another significant project in the immediate area which would create significant traffic concerns, the Applicant has not been able to meet the milestones (namely site plan approval and financing commitments) under the time line as required by the EDA approval.

Boraie has requested the additional tax credits for the Somerset Street project which will now consist of 238 rental apartments (24 studio, 131 one bedroom and 83 two bedroom), 7,500 square feet of retail and 270 parking units.

Since the previous application was approved on July 15, 2010, the Applicant has modified the scope of the project to reflect changes in market and financing conditions. The current application reflects a total of \$77.2 million of investments compared to the \$108 million in the prior approved budget which

included the Albany Street portion of the Project (which represented \$35 million in costs). Consistent with the prior application, the predominate use in this application is residential thereby making the Project eligible, under the residential portion of the UTHTC program, for credits to be issued for up to 35% of eligible costs.

Boraie Development LLC is the owner of 36-54 Rector Street LLC which was approved by the Members of the Authority in February of 2010 for a \$13 million UTHTC for a residential project in Newark. This project is currently being modified and it is anticipated will seek an amended approval from EDA in the following month. A third project called 360-394 Springfield Avenue owned by Boraie was approved in January of 2011 for a \$1.2 million ERG, however this project has decided to discontinue assistance from our Agency.

Project Uses and Sources

The Applicant proposes the following uses for the Project:

<i>Uses</i>	<i>Total Project Costs</i>	<i>HUB Eligible Amount*</i>
Acquisition of Land and Building	\$ 4,000,000	\$ 0
Construction of Building & Site Improvements	\$ 59,425,600	\$ 59,425,600
Professional Services	\$ 2,750,000	\$ 2,750,000
Construction Interest	\$ 3,250,000	\$ 3,250,000
Financing Costs	\$ 4,004,000	\$ 2,604,000
Development Fee	\$ 3,800,000	\$ 0
TOTAL USES	\$ 77,229,600	\$ 68,029,600

* HUB eligible costs exclude \$9.2 million associated with land cost, developer fees and project expenses which do not fit within the guidelines definition of eligible hard or soft costs.

<i>Sources (Permanent)</i>	<i>Total Project Costs</i>
Debt	\$ 50,000,000
Loan proceeds from sale of UTHTC	\$ 14,286,216
Equity	\$ 12,943,384
Total	\$ 77,229,600

The sources and uses above reflect the HUB tax credits received prior to completion of the Project. The provider of the financing has not yet been identified at this time. The Applicant has provided a letter of interest from M & T Bank and is in discussion with Prudential Financial for up to \$50 million in financing for the project. Prudential is exploring a significant guarantee of their financing from HUD (which would afford them the ability to offer more favorable terms of 40 year amortization at 5% fixed). Additionally, the Applicant anticipates an approval for approximately \$14.3 million in proceeds via the sale of UTHTC to an investor in this Project (which are to be received upon issuance of the certificate of occupancy). The \$14.3 million figure is calculated by taking the \$23.8 million tax credit award purchased by the investor at .75 cents on the dollar. The investor then discounts the \$17.86 million result by 20% which equates to a \$14.3 million loan (which is then repaid as the credits are earned over the ten year period). As such, staff is recommending the UTHTC award up to \$23.8 million, which represents the additional funding gap in the Project. The Project gap is calculated based on the Equity Internal Rate of Return identified in the gap analysis, which will be discussed below. These returns are calculated with and without the HUB cash flow to compare the returns relative to market conditions.

The following chart displays the changes in the project costs and the amount of the UTHTC award (note that in the prior board action the maximum award was 20% of eligible costs and this has since been increased to 35% of eligible costs):

	July 2010 Board Action	Revised Award
Total Project Costs	\$108,012,452	\$77,229,600
Eligible Project Costs	\$99,430,452	\$68,029,600
Maximum HUB Award	\$19,886,090	\$23,810,360

The difference in the project costs above is \$30.8 million and considering the \$35 million attributable to the Albany Street portion, which has been eliminated in the revised award, the result is a \$4.2 million increase in project costs. This increase consists of \$2.2 million in hard cost contingency, \$300,000 larger developer fee and additional soft and financing costs associated with having a HUD guaranty in the debt structure. Based on the total eligible costs of the Project, the maximum award is \$23.8 million (as the percentage of credits to eligible costs rises from 20 to 35%) based on the project changes discussed previously.

Gap Analysis

EDA staff has reviewed the application to determine if there is a project financing gap. Staff analyzed the pro forma and projections of the Project and compared the returns with and without the HUB. Projected rents provided by the Applicant appear consistent with information provided by an independent market analysis. The Developer has completed several similar projects in New Brunswick and represented that financial modeling assumptions used in the proposed Project are based on their actual experiences coupled with current economic conditions as supported by an independent market study. The projected income and expenses combined with the anticipated appraised asset value relative to cost are such that a maximum of \$50 million in debt will be able to be borrowed by this Project. This debt combined with the \$12.9 million in equity results in a \$14.3 million gap in sources that is anticipated to be met via the net sale proceeds obtained from monetizing the \$23.8 million UTHTC (this ratio is consistent with those received by other applicants in this program). The returns below are based upon the Project achieving \$50 million in debt and \$14.3 million in UTHTC net proceeds (also for reference is the return as reported in the original approval).

With UTHTC	Without UTHTC	Original Approval with UTHTC
Equity IRR = 9.75% (Market Range = 15-20%) Cash on Cash Yield = 6.48% (Market Range = 8-10%)	Equity IRR = 0.84% (Market Range = 15-20%) Cash on Cash Yield = 5.34% (Market Range = 8-10%)	Equity IRR = 15.65% (Market Range = 15-20%) Cash on Cash Yield = 6.58% (Market Range = 8-10%)

As indicated in the chart above, the project would not otherwise be completed without the benefit of the HUB incentive. **With the benefit of the HUB, the Equity IRR is 9.75% and the Cash on Cash Yield is 6.48%, making the returns moderately less than the market ranges provided by the EDA’s contracted consultant Jones Lang Lasalle (“JLL”).**

Utilizing the new ARGUS based software (which has been presented to the Incentive Committee for approval) the Equity IRR without the HUB incentive is a negative 0.66%. With the HUB incentive the Equity IRR is 9.53% and this return is well below the market range provided by JLL.

To date, \$237,370,278 in tax credits has been approved under the UTHTC program for qualified residential projects and \$696,484,642 for commercial projects for a total of \$933,854,942. After approval

of this Project for consideration by the Board today, the total tax credits approved under the UTHTC program will be \$241,294,548 for qualified residential projects and \$937,779,212 for all projects.

Recommendation:

Staff has reviewed the application for the Project and related documentation and recommends approval of the award of UTHTC of 35% of the eligible costs, not to exceed \$23,810,360 or \$2,381,036 annually for ten years. Prior to disbursement of any tax credits, EDA staff will ensure the Applicant provides all documentation as required under the UTHTC Act and Rules. Conditions of this approval include site plan approval (this has been scheduled for 3/20/2012 as confirmed by the City) and satisfactory evidence of financing for the Project by July 31, 2012.



Prepared by: Michael A. Conte

EDISON INNOVATION FUND

VENTURE CAPITAL FUNDS



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: March 15, 2012

SUBJECT: Osage Venture Partners III, L.P.
NextStage Capital II, L.P.

Request:

Approval is requested to make a \$3 million limited partnership investment in Osage Venture Partners III, L.P. ("OVIII") and a \$2 million limited partnership investment in NextStage Capital II, L.P. ("NCII"). Funding for the investments will be made from the SSBCI.

Background:

On November 16, 2011, the Authority published a competitive solicitation for a \$5 million investment in a venture fund or funds that would in turn invest in early stage technology companies. The program was designed to utilize SSBCI funding due to the 1:10 public-to-private ratio requirement and the fact that the EDA's prior venture investments produced an average ratio in excess of 1:25. In addition, the program was created to fill a void in the State as numerous early stage venture firms have decided not to establish new funds.

The solicitation stated that the EDA may invest in one or two funds for a combined total of \$5 million. In addition, the solicitation required that the candidates have a focus on New Jersey and provide Series A investments in companies with less than \$3 million in revenues and fewer than 500 employees. Interested parties were required to submit a complete application by December 23, 2011.

In total, the EDA received four responses to the solicitation which were reviewed by a "Selection Committee" comprised of three EDA employees. The Selection Committee scored and ranked the candidates based on several factors including the ability to raise match funding, investing experience and the commitment to New Jersey. As a result, the Selection Committee recommended proceeding with two investments: a \$3 million investment in OVIII and a \$2 million investment in NCII.

OVIII was formed in May of 2011 and will be at least a \$60 million fund with a \$90 million maximum. OVIII is part of the Osage Ventures family of funds, which originated in 1990. The fund will seek to make at least 15 investments in early stage technology companies that are located within the mid-Atlantic region. OVIII will focus on New Jersey and has committed to investing a minimum of \$9 million in technology companies in the State, which it stated should generate between 75 and 250 new jobs. Furthermore, OVIII intends to establish an office in Branchburg that will create at least three new jobs in New Jersey. The fund will target enterprise technology companies including providers of general business software, cloud computing, healthcare information and infrastructure management software. OVIII is managed by a group of business executives including Robert "Bob" Adelson (formerly Chairman of the Board at Thomas Jefferson University Hospital) and Nathanael "Nate" Lentz (formerly President and CEO of Verticalnet). Together, the team has over 30 years of significant operating and investment experience.

NCII is a \$40 million fund that is currently being formed by NextStage Capital II GP, LLC. NCII will be part of the NextStage Capital family of funds, which originated in 2006. The fund will seek to make approximately 15 investments in early stage technology companies that are located within the mid-Atlantic region. NCII will focus on New Jersey and has committed to investing at least \$6 million in technology companies located in the State. Based upon their prior experience, it is expected that the investment will create approximately 120 new jobs in the State. In addition, NCII intends to lease space in the Rutgers incubator at the Waterfront Technology Center in Camden and its management team stated that they will actively pursue investments in Southern New Jersey. The fund will seek to invest in early stage, business-to-business, information-technology companies including providers of general business software, internet media, communication software, cloud computing, security software and IT infrastructure technology. NCII is managed by a group of business executives including Terry Williams (Founder of TWC Group which was sold to Manpower/COMSYS), Rob Adams (formerly a Vice President at Safeguard Scientifics and a CPA at Ernst & Young) and Dan McKinney (formerly a Vice President at Safeguard Scientifics and a CPA at KPMG). Together, the team has over 75 years of operating and investment experience. Of note, the EDA has an existing relationship with NextStage via a \$400,000 investment in NextStage Capital I, which has produced satisfactory results to date.

In support of the State's focus on growing technology jobs, the EDA's strategic plan includes goals to assist in the expansion of technology companies in the State through funding direct loans and investing in venture capital funds. To date, the EDA has approved investments in nine venture capital funds totaling \$33.5 million. The proposed investments are consistent with the EDA's strategic plan as they will assist in developing employment in the State by supporting the growth of technology companies located in New Jersey.

Recommendation:

Approval is requested for a \$3 million investment in OVIII and a \$2 million investment in NCII as proposed. Both applications satisfied the requirements of the solicitation and were recommended by the Selection Committee since they were the highest scoring respondents. In addition, OVIII and NCII have seasoned management teams with proven track records for investing in early stage technology companies. This approval will authorize the CEO to execute all documents required, subject to the review of the New Jersey Attorney General's office. The Limited Partner Agreement for OVIII in final form and the Limited Partner Agreement for NCI (which will be substantially consistent with NCII) are attached.

A handwritten signature in black ink, appearing to be 'C. V. M. Brady', is written over a solid horizontal line.

Prepared by: Sean V.M. Brady, Senior Credit Underwriter

BOARD MEMORANDUMS



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: March 15, 2012

SUBJECT: Kontos Foods, Inc. and related entities
Paterson City, Passaic County, NJ
\$8,960,000 Tax Exempt Stand-alone Bond (P34499) (the “Bond”)

Request:

Consent to extending the interest only period on the Bonds (Series A, B & C) from April 1, 2012 to April 1, 2013. To extend the maturity date of the Series A & B Bonds by one year from April 1, 2032 to April 1, 2033. The extension of the maturity of Series C Bonds by one year also; from April 1, 2022 to April 1, 2023.

Background:

Kontos Foods, Inc. is a manufacturer of authentic hand stretched flatbread founded in 1987.

Since 2000, EDA has provided other tax-exempt bond assistance (current aggregate outstanding of approximately \$211,000) and a LDF loan with a current outstanding of \$71,000. All have been handled as agreed.

In January, 2011 the Members approved a \$8,960,000 TD Bank direct purchase tax-exempt Bond for the acquisition and renovation of its leased 60,000 sf building, the acquisition and renovation of a nearby 25,000 sf building, and the financing of equipment and machinery. This Bond is a conduit financing with TD Bank for which the Authority has no credit exposure.

In April, 2011, Members approved a \$1,100,000 direct loan for purchase of new equipment. This loan has not yet closed and is expected to close next month. Credit Underwriting will review the applicant’s financial condition as of the December 31, 2011 year end prior to closing.

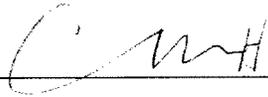
The Borrower is requesting an extension of the interest only period on the bonds and an extension of the overall term due to unexpected delays in obtaining permits for the site and delays in the construction start date and equipment installation, all of which were exacerbated by flooding from Hurricane Irene.

The Bank and Borrower have agreed to modify the Bonds to extend the interest only payment period for one year on the Bonds (Series A, B & C) from April 1, 2012 to April 1, 2013 and to extend the maturity date of the Series A & B Bonds by one year from April 1, 2032 to April 1, 2033. The extension of the maturity of Series C Bonds by one year also; from April 1, 2022 to April 1, 2023. All other terms of the Bonds remain unchanged.

Wolff & Samson, Bond Counsel, has reviewed this request and has opined that the tax-exempt status of the Bonds will not be adversely affected as a result of this modification. The project is also being presented at the March Board Meeting for a public hearing.

Recommendation:

Consent to the modification of the interest only period as well as an extension of the term/maturity date of the loan as described above.



Prepared By: Nancy C. Meyers

MEMORANDUM

To: Members of the Authority

From: Caren S. Franzini, Chief Executive Officer

Date: March 15, 2012

Subject: Baldwin Asset Associates Urban Renewal Company, LLC (“Baldwin”)
\$3,825,000 (75%) Brownfields Reimbursement Grant

Request:

Consent to adding BR Baldwin Asset Associates Urban Renewal Company, LLC (“BR, LLC”) to the Brownfields Site Remediation grant. The addition of this entity will facilitate funding required to complete the remediation and will authorize BR, LLC to receive up to 75% of the eligible reimbursement costs under the Brownfields Site Remediation Agreement.

Background:

Baldwin is a special purpose entity formed in 2005 by Metrovest Equities (“Metrovest”) to acquire title to the property and perform site remediation at the former Jersey City Medical Center property. The project cost to remediate this portion of the site is \$5.1 million and is underway. Upon completion, the site will be re-developed into a mixed-use community consisting of rental residential apartments, retail, commercial parking, recreational and cultural venues.

In October 2006, Baldwin entered into a Memorandum of Agreement with the New Jersey Department of Environmental Protection (“NJDEP”) to remediate the former Jersey City Medical Center site. In October 2007, Baldwin entered into a Brownfields Reimbursement Agreement with the New Jersey Commerce Commission, the NJDEP and the Division of Taxation for the reimbursement of 75% of the eligible remediation costs associated with that cleanup.

In July, 2011, Baldwin advised EDA that it required additional capital to complete the project. To facilitate funding, Baldwin’s parent, Metrovest joined with Building and Land Technology (“BLT”), a Connecticut real estate development company to form Beacon Redevelopment LLC (“Beacon”). Beacon acquired the site and will provide capital for the project. Subsequent to its acquisition, Beacon formed BR, LLC to acquire the site from Beacon and join with Baldwin to complete the remediation. Beacon has received preliminary and final site plan approval from Jersey City and Hudson County.

Baldwin is requesting EDA consent to adding BR, LLC to the remediation agreement. Once added, BR, LLC will be eligible to receive up to 75% of the eligible reimbursement costs under the Brownfields Site Remediation Agreement.

Recommendation:

Consent to adding BR, LLC to the Brownfields Reimbursement grant to facilitate funding to complete the remediation at the former Jersey City Medical Center/Beacon site and authorize reimbursement costs under the Brownfields Site Remediation Agreement.





NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini, Chief Executive Officer
DATE: March 15, 2012
SUBJECT: Projects Approved Under Delegated Authority - **For Informational Purposes Only**

The following projects were approved under Delegated Authority in February 2012:

New Jersey Business Growth Fund:

- 1) CDM Enterprises LLC (P37284), located in Somers Point, Atlantic County, is the real estate holding company that owns the real estate housing the Anchorage Tavern Restaurant. It is owned and operated by the operating company, RJM Enterprises Inc. Anchorage Tavern Restaurant was built in 1888 as a duck hunters lodge and has been operating as a restaurant at this location for the past 50 years. It is a NJ historical landmark and was rebuilt in 1996 after a fire. PNC Bank approved a \$1,796,000 bank loan with a five-year, 25% guarantee of principal outstanding, not to exceed \$449,000. Proceeds will be used to refinance an existing mortgage. The company currently has 50 employees and plans to create nine new jobs over the next two years.
- 2) Holmdel Pediatrics LLC or Nominee (P37281), located in Holmdel Township, Monmouth County, was founded in 2009 by two pediatricians that provide general pediatric medical services in the Holmdel area. PNC Bank approved a \$550,000 loan with a five-year, 25% guarantee of principal outstanding, not to exceed \$137,500. Proceeds will be used to purchase commercial real estate. Currently, the company has eight employees and plans to create three new positions within the next two years.

New Jersey Business Growth Fund - Modification:

- 1) Eccleston Associates (P37262), Vineland City, Cumberland County, is a real estate holding partnership jointly owned by Frederick and Mary Eccleston, that also own the project property. The operating company, Pineland Learning Center, is owned and operated by the Ecclestons and has been in operation since 1980 as a privately owned school for emotionally, socially or behaviorally challenged students. PNC Bank approved a five-year renewal of a \$1,663,753 loan with a five-year, 25% guarantee of principal outstanding, not to exceed \$415,938. Original loan proceeds were used to refinance existing debt. All other terms and conditions of the original approval remain unchanged.

2) Musicland LLC (P37041) was approved on December 15, 2011 for a \$114,250 (25%) Authority guarantee of a \$457,000 loan from PNC Bank to refinance an existing mortgage. PNC Bank approved an increase in their loan amount to \$468,000 and requested an increase in the Authority's 25% guarantee to \$117,000. All other terms and conditions of the original approval remain unchanged.

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

Prepared by: D. Lawyer
DL/gvr

AUTHORITY MATTERS



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Memorandum of Understanding (MOU) with Monmouth County to Conduct Comprehensive Economic Development Strategy (CEDS)

DATE: March 15, 2012

Summary

The Members are requested to approve the attached Memorandum of Understanding (MOU), in substantially final form, between the Authority and Monmouth County. The MOU establishes the parties' roles and responsibilities in connection with completing a Comprehensive Economic Development Strategy (CEDS), and the parties' funding and in-kind contributions toward completion of the study. The CEDS is being undertaken in an effort to advance a strategy to pursue federal funding to support Fort Monmouth's redevelopment. The Authority's match contribution is to provide \$25,000 of in-kind support and \$25,000 of funding.

Background

Over the past several years, working with Fort Monmouth stakeholders, Monmouth County has sought federal resources to alleviate the loss of employment due to the closure of the Fort. As part of their efforts, the County joined with the Authority in an application submitted in May of 2010 to the United States Economic Development Administration (USEDA) to conduct a CEDS. Because of the Authority's involvement in the Fort's redevelopment and to assist the County in meeting USEDAs match requirements, the Authority provided a letter of support for the application which incorporated the commitment of funding and in-kind support, approved through delegated authority. In early 2011, Monmouth County received from USEDAs a notice of the federal agency's commitment of \$150,000 to conduct a CEDS.

A CEDS is an extensive planning process that involves detailed analysis of economic conditions, extensive stakeholder participation, and identification of challenges and opportunities in the subject region. Monmouth County will engage a consultant through an open, fair, publically-advertised, competitive procurement process to conduct this analysis. The CEDS culminates in an action plan to address challenges and to capitalize on opportunities. Completion of a CEDS is a prerequisite for receiving USEDAs funding through many of its programs and federal appropriations for military installation closures which often are directed through USEDAs.

USEDA typically provides substantive funding to conduct an initial CEDS and requires that funding to be matched by the applicant and another stakeholder. Monmouth County committed \$50,000 in in-kind contribution of staff time toward the match requirement. The attached MOU establishes the roles and responsibilities of Monmouth County and the Authority in connection with completing the CEDS, and parties' funding and in-kind contributions toward the effort. The Authority's match contribution is to provide \$25,000 of in-kind support and \$25,000 of funding, payable on a pro rata basis when the County presents invoices from the consultant working on the CEDS. The Authority's responsibilities under the MOU include:

1. Working cooperatively and in a timely fashion with the County to assist the County to conduct the CEDS process.

2. Performing work in a timely and professional manner according to the mutually-agreed-upon plan for the division of work between Monmouth County and NJEDA for conducting the CEDS process.

3. Reviewing and commenting on the draft RFP for consulting services provided by Monmouth County in a timely fashion and seeking the NJEDA Fort Office staff's review and comment on the draft RFP for consulting services.

4. Both the Authority Trenton and Fort staff serving on the steering committee, stakeholder's group or other such substantive body making decisions about the completion of the CEDS, and on the RFP for consulting services selection committee.

5. Keeping accurate records of time, hours, hourly rate and tasks performed by NJEDA staff to substantiate in-kind staff contribution of up to \$25,000 toward the completion of the CEDS.

6. Paying 14.286%, up to a maximum of \$25,000 of total available funding of \$175,000, of any valid and accurate invoice presented by Monmouth County requesting payment for consulting services. Such invoice must be for services performed by the consultant under contract with Monmouth County to conduct the CEDS. Such invoice will be payable within thirty (30) days of receipt.

Recommendation

Based upon the above, the Members are requested to approve the attached MOU, in substantially final form, between the Authority and Monmouth County. The MOU establishes the parties' roles and responsibilities in connection with completing a CEDS, and the parties' funding and in-kind contributions toward the effort. The CEDS is being undertaken in an effort to pursue federal funding to support Fort Monmouth's redevelopment. The Authority's match contribution is to provide \$25,000 of in-kind support and \$25,000 of funding.



Caren S. Franzini

Attachment

Prepared by: Gina Behnfeldt

**MEMORANDUM OF UNDERSTANDING BETWEEN
MONMOUTH COUNTY AND
THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**

This Memorandum of Understanding (“MOU”) made by and between Monmouth County (“County”) and the New Jersey Economic Development Authority (“NJEDA”) (collectively, the County and NJEDA are the “Parties”) will confirm the mutual understanding and intention of the Parties as to the following:

RECITALS

WHEREAS, the County has applied to and received a funding commitment from the United States Economic Development Administration (“USEDA”) in the amount of \$150,000 for the purpose of conducting a Comprehensive Economic Development Strategy (“CEDS”) process in the region of Monmouth County; and

WHEREAS, Monmouth County and the surrounding region have undergone a severe economic downturn as a result of the closure of Fort Monmouth through the Base Realignment and Closure Commission decision; and

WHEREAS, the County seeks to create a comprehensive and detailed economic development strategy for the Monmouth County region through the CEDS process, to address this economic downturn and create a roadmap for Monmouth County economic development and the creation and retention of higher-skill, higher-wage jobs; and

WHEREAS, the Fort Monmouth Economic Revitalization Authority Act, P.L. 2010, c.51, (the “Act”) created the Fort Monmouth Economic Revitalization Authority (“FMERA”) to oversee, administer, and implement the redevelopment plan for Fort Monmouth; and

WHEREAS, pursuant to Section 6 of the Act, an office was created in NJEDA to provide office staff and support services required to carry out the policies set forth by FMERA; and

WHEREAS, NJEDA supports the efforts of the County to undertake economic development analysis and create a comprehensive strategy for the Monmouth County region through the CEDS process; and

WHEREAS, NJEDA has committed to support the County to undertake the CEDS process by providing up to \$25,000 of cash funding and \$25,000 of in-kind contribution of staff time; and

WHEREAS, the County has committed to provide up to \$50,000 in staff time and materials for the CEDS process; and

WHEREAS, the completion of a CEDS and its periodic update is a required preliminary step to seeking USED A project and business funding; and

WHEREAS, the Parties recognize it would be beneficial to the County, NJEDA and Fort Monmouth's redevelopment to obtain USED A funding to support the redevelopment of Fort Monmouth; and

WHEREAS, the Parties wish to set forth in this MOU their respective duties and responsibilities for the completion and funding of the CEDS process.

NOW THEREFORE, in consideration of the promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

SECTION 1. MONMOUTH COUNTY'S RESPONSIBILITIES

The County shall:

1. Work cooperatively with NJEDA to conduct the CEDS process and keep NJEDA staff informed on a frequent basis of progress with the CEDS process and key decisions being made pertaining to the CEDS process.
2. Propose to NJEDA and gain NJEDA's concurrence, prior to issuance of a Request for Proposal ("RFP") for consulting services, on a plan for the division of work between the County and NJEDA for conducting the CEDS process.
3. Provide at least one draft of the RFP for consulting services for NJEDA's review and comment before the RFP is publicly advertised.
4. Select and engage consultant(s) for the CEDS process through Monmouth County's open and fair, competitive procurement process.
5. Provide a voting seat for NJEDA on the steering committee, stakeholder's group or other such substantive body making decisions about the conduct of the CEDS process, including one seat for NJEDA on the RFP consulting services selection committee.
6. Seek NJEDA's Fort Office staff's input and offer to provide one seat for NJEDA's Fort Office staff on the RFP for consulting services selection committee.
7. Keep accurate records of time, hours, hourly rate and tasks performed by County staff to substantiate in-kind staff contribution of up to \$50,000 toward the completion of the CEDS.
8. Conduct the CEDS process in compliance with all federal and USED A guidelines, rules and laws.
9. Notify NJEDA of any modifications to the guidelines, rules and laws pertaining to CEDS promptly after the County learns of such modifications.

10. In accordance with payment terms specified in the RFP for consulting services, present invoices to NJEDA for payment of work completed under the County's contract with the consultant(s).

11. In media and public venues, recognize NJEDA for support of CEDS.

SECTION 2. NJEDA'S RESPONSIBILITIES

NJEDA shall:

1. Work cooperatively and in a timely fashion with the County to assist the County to conduct the CEDS process.

2. Perform work in a timely and professional manner according to the mutually-agreed-upon plan for the division of work between Monmouth County and NJEDA for conducting the CEDS process.

3. Review and comment on the draft RFP for consulting services provided by Monmouth County in a timely fashion and seek NJEDA's Fort Office staff's review and comment on the draft RFP for consulting services.

4. Serve on steering committee, stakeholder's group or other such substantive body making decisions about the completion of the CEDS, and serve on the RFP for consulting services selection committee.

5. Keep accurate records of time, hours, hourly rate and tasks performed by NJEDA staff to substantiate in-kind staff contribution of up to \$25,000 toward the completion of the CEDS.

6. Pay 14.286%, up to a maximum of \$25,000 of total available funding of \$175,000, of any valid and accurate invoice presented by Monmouth County requesting payment for consulting services. Such invoice must be for services performed by the consultant under contract with Monmouth County to conduct the CEDS. Such invoice will be payable within thirty (30) days of receipt.

SECTION 3. MISCELLANEOUS

1. Any and all reports, studies and other work product produced by consultant(s) hired by the County for the CEDS process shall be jointly owned by the County and NJEDA.

2. The Parties acknowledge that the successful completion of each Party's duties hereunder and the purposes of effectuating the CEDS process will require cooperation. The Parties agree to work cooperatively to achieve the goals of this MOU. There are no third party beneficiaries to this agreement.

3. This MOU shall be effective as of the date of execution by all of the Parties and, shall continue until two (2) years thereafter or the CEDS process has been completed, whichever comes first.

4. The Parties may modify this MOU only by a writing signed by all of the Parties.

5. All correspondence pertaining to this MOU should be provided,

if to the County:

Amy Fitzgerald
Director, Economic and Workforce Development
Monmouth County
PO Box 1256
1 East Main Street
Freehold, NJ 07728

if to the NJEDA:

Timothy Lizura
Senior Vice President, Finance and Development
NJEDA
PO Box 990
36 West State Street
Trenton, NJ 08625-0990

6. Monmouth County and NJEDA shall administer their responsibilities under this MOU consistent with all guidance issued by USEDPA.

7. The recitals appearing at the beginning of this MOU are specifically incorporated herein by reference.

8. This Agreement shall be governed by and construed under the laws of the State of New Jersey. Any and all claims made against NJEDA based in tort law shall be governed by and subject to the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq. Any and all claims made against NJEDA based in contract law shall be governed by and subject to the provisions of the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq.

IN WITNESS HEREOF, the Parties have executed this MOU on the dates below:

MONMOUTH COUNTY

By: _____
John P. Curley
Freeholder Director

Dated: _____

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

By: _____
Caren S. Franzini
Chief Executive Officer

Dated: _____