



MEMORANDUM

TO: Members of the Authority
FROM: Michele Brown
Chief Executive Officer
DATE: April 9, 2013
SUBJECT: Agenda for Board Meeting of the Authority April 9, 2013

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Bond Projects

Loans/Grants/Guarantees

Incentive Programs

Board Memorandums

Real Estate

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

March 14, 2013

MINUTES OF THE MEETING

Members of the Authority present: Al Koepp, Chairman; Melissa Orsen representing the Executive Branch; Jim Kelly representing the State Treasurer; Fred Zavaglia representing the Commissioner of the Department of Labor and Workforce Development; Christopher Hughes representing the Commissioner of the Department of Banking and Insurance; Public Members: Joseph McNamara, Vice Chairman; Marjorie Perry, Harold Imperatore, Charles Sarlo, Larry Downes, Elliot M. Kosoffsky, Second Alternate Public Member; and Brian Nelson, Third Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Present via conference call: Ray Burke, First Alternate Public Member.

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

Absent: Colleen Kokas representing the Commissioner of the Department of Environmental Protection, and Richard Tolson, Public Member.

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

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the February 12, 2013 regular and executive session meeting minutes. A motion was made to approve the minutes by Ms. Perry, seconded by Mr. McNamara, and was approved by the 13 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: AZ Holdings, LLC **APPL.#37820**
LOCATION: South Amboy/Middlesex
PROCEEDS FOR: Acquisition, Renovation
FINANCING: \$1,350,000, Tax-Exempt
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Imperatore **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

LOANS/GRANTS/GUARANTEES

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

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

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

PROJECT: Susan Castano **APPL.# 38013**
LOCATION: Nutley/Essex
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$145,259 Petroleum UST remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT:2

PROJECT: Robert Savary & Karin Savary **APPL.# 37865**
LOCATION: Pennsauken/Camden
PROCEEDS FOR: Remediation, Upgrade, Closure
FINANCING: \$132,244 Petroleum UST remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Downes **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

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

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

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

PROJECT: Borough of Glassboro (Lew's Auto) **APPL.#37799**
LOCATION: Glassboro/Gloucester
PROCEEDS FOR: Remedial Investigation
FINANCING: \$156,853 Hazardous Discharge Site Remediation Fund loan
MOTION TO APPROVE: Mr. Nelson **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

INCENTIVE PROGRAMS

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

PROJECT: American Stock Transfer and Trust Co., LLC. **APPL.#38100**
LOCATION: Clifton/Passaic **BUSINESS:** financial services
GRANT AWARD: 55 % **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

GROW NEW JERSEY ASSISTANCE PROGRAM

ITEM: Honeywell International, Inc.
LOCATION: Morris Plains/Morris
REQUEST: To approve the at risk jobs finding.
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Kosoffsky **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PROJECT: Honeywell International, Inc.

LOCATION: Morris Plains/Morris

REQUEST: To approve the \$40,000,000 Grow New Jersey award

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

TECHNOLOGY BUSINESS TAX CERTIFICATE TRANSFER PROGRAM

ITEM: Technology Business Tax Certificate Transfer Program

REQUEST: To approve revised regulations for the Technology Business Tax Certificate Transfer program. Rule amendments will be submitted for publication in the New Jersey Register, subject to the review and approval of the Attorney General's Office and the Office of Administrative Law.

MOTION TO APPROVE: Ms. Orsen **SECOND:** Mr. Imperatore **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

BOARD MEMORANDUMS

ITEM: Axcan Pharma US, Inc. (APUI) P23062

REQUEST: To approve consent of (i) the acquisition of Eurand, Inc. by Axcan Pharma, Inc., the parent company of APUI, and the subsequent name changes of APUI and Eurand to Aptalis Pharma US, Inc. and Aptalis Pharmatech, Inc respectively; and (ii) the addition of Eurand as a participating entity on the grant.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

ITEM: PAETEC Communications, Inc. P16459

REQUEST: To approve consent to the acquisition of PAETEC Holding Corporation and its subsidiaries by Windstream Communications, Inc., including our BEIP recipient PAETEC Communications, Inc. No name change has occurred, only a change in control at the parent level as a result of the acquisition.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

ITEM: Princeton Montessori Society

REQUEST: To approve consent to modify existing Bonds to add a new interest rate mode of 30-day LIBOR + 1.3975% (tax free equivalent of LIBOR + 2.15%) subject to an existing interest rate hedge which fixes the rate at 4.4225%. This change will allow the bank to directly purchase the bonds and terminate its Letter of Credit supporting this financing.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

ITEM: SWP Real Estate, LLC and East Coast Panelboard, Inc.

REQUEST: To approve consent to various amendments to Bond Financing Agreement, the terms of an IRS closing Agreement, Mortgage Modification Agreement, Subordination Agreement and Amendment to Intercreditor Agreement regarding the \$6,550,000 EDA guaranteed bond and the \$2,220,486 stand alone bond to remedy a tax compliance issue with the bonds.

MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Ms. Orsen **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: Visual Arts Center of New Jersey, a NJ Non-profit Corporation

REQUEST: To approve consent to: (i) modify the existing bond to reduce the interest rate from 5.24% to 4.18%, and (ii) provide a new principal and interest payment schedule; and (iii) modify the prepayment fee calculation.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

ITEM: Woodrose Properties Golden Swan, LLC - P21755

REQUEST: To approve consent to: (i) substitution of senior lenders from First Colonial Bank to Fulton Bank; and (ii) consent to the release of the Northeast regional Council of Carpenters as co-borrower on our loan in exchange for a pledge of additional real estate collateral from Robert Torricelli who will continue to personally guarantee this loan.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Imperatore **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

Vice Chairman McNamara recused himself because his firm has a relationship with Woodrose Properties.

Mr. Kosoffsky recused himself because his firm has a real estate transaction with Fulton Bank.

FOR INFORMATION ONLY: Summary of the projects approved under Delegated Authority in February 2013:

New Jersey Business Growth Fund: Baker Boy Properties, LLC - P38098

Premier Lender Program: Akcorp, LLC. – P37887; Diamond Family Partners, LLC – P37889; Logistic Solutions, Inc. – P37958 & P37959

Small Business Fund Program: 330 Fairfield Road, LLC – P37981

Camden ERB: Camden Coalition of Healthcare Providers – P37990

Community Economic Development Program – Modification: Millville Urban Redevelopment Corp. P37784

CEO Brown welcomed new board member Melissa Orsen, who is Chief of Staff, Lt. Governor's office.

Ms. Brown announced that new board member Jerry Langer will join the board in April.

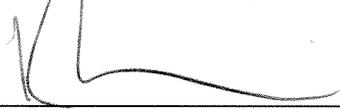
Ms. Brown introduced Terry Boylan, new Director of Governance & Communications to the board members.

PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion Ms. Perry, and seconded by Mr. McNamara, the meeting was adjourned at 11 a.m.

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



Kim Ehrlich, Assistant Secretary



MEMORANDUM

TO: Members of the Authority

FROM: Michele A. Brown 
Chief Executive Officer

DATE: April 9, 2013

RE: Chief Executive Officer's Report to the Board

SUPERSTORM SANDY RELIEF UPDATE

The Christie Administration submitted New Jersey's Superstorm Sandy Action Plan to the U.S. Department of Housing and Urban Development (HUD) on March 27, and now awaits approval from HUD which the State anticipates will be provided in April. EDA staff continues to finalize processes for intake of applications for grant and loan programs to support Superstorm Sandy-impacted businesses, as well as prepares for launch of a \$25 million tourism marketing campaign in anticipation of Action Plan approval.

URBAN LAND INSTITUTE HONORS EDA WITH "2013 LAND USE LEGACY AWARD"

Highlighting its institutional commitment to community-building and the revitalization of New Jersey's urban core, EDA received the "2013 Land Use Legacy Award" from the Urban Land Institute-Northern New Jersey (ULI-NNJ) at the nonprofit organization's 75th Anniversary Legacy Awards dinner last month.

In accepting the award, EDA President and COO Tim Lizura credited the talented and dedicated staff at the EDA who put these economic tools to use help to make the Authority such an effective organization.

"The EDA has always been an innovative partner of the private sector, and has played a key role in directing capital to urban communities," said Robert Antonicello, ULI-NNJ Chair and Executive Director of the Jersey City Redevelopment Agency. "This award signifies our appreciation for the EDA's many contributions to the cities, towns and communities that make New Jersey such a great place to live and work."

LT. GOVERNOR KIM GUADAGNO ANNOUNCES CREATION OF NEW COUNCIL ON INNOVATION TO IMPROVE COLLABORATIVE OPPORTUNITIES WITH INDUSTRY AND ACADEMIA

Last month, Lt. Governor Kim Guadagno announced the formation of a new Council on Innovation to advise the State's Partnership for Action on how industry and academia can better work together to improve New Jersey's economy and attract more federal funding. Creation of the Council is among 15 recommendations in a report released by New Jersey Policy Research Organization (NJPRO) and InnovationNJ. In addition, Lt. Governor Guadagno announced Secretary of Higher Education Rochelle Hendricks as the newest member of the New Jersey Partnership for Action.

The report, *Building Bridges II: Breaking Down Barriers*, recommends policy changes that would create an "innovation ecosystem," making it easier for industry and academia to collaborate on new ideas and inventions. Other recommendations contained in the report include:

- Cutting red tape by creating standard agreements governing intellectual property rights and collaboration between entities.
- Identifying areas of expertise within New Jersey's colleges and universities that can form the basis for Centers of Excellence. Designation of a single center of excellence for a topic would provide guidance to interested parties searching for a research partner.
- Having a chief administrator at each college and university who will serve as a one-stop shop coordinator for businesses to connect with university information and resources.

The New Jersey Partnership for Action supports the vital role business plays in advancing the state's economy and creating jobs. With today's announcement, the PFA grows to a four-pronged public-private approach to economic development including: the Business Action Center, reporting directly to the Lt. Governor and providing the business community with a single point of contact; the Secretary of High Education, which coordinates, plans, develops policies, and advocates for the state's higher education system; EDA, serving as the state's bank; and Choose New Jersey, a privately funded marketing, business attraction and lead generation organization that markets the state as an ideal location.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY (FMERA) UPDATE

FMERA continues to move the former Post's redevelopment forward. FMERA and the Army continue to have regular discussions on the future transfer of the balance of the Main Post, under the Phase 2 Memorandum of Agreement (MOA). These discussions are helping to further a positive working relationship that will result in a revitalized former Fort Monmouth, and job creation.

On March 26, 2013, FMERA publically issued Requests for Offers to Purchase (RFOTPs) for Parcels B, C and C1. Proposals are due on June 10, 2013. Parcel B is located in the Eatontown section of the former Post and Parcels C and C1 are located in the Tinton Falls section. All three parcels were included in the Phase 1 Economic Development Conveyance (EDC) Agreement with the Army.

The three RFOTPs are issued in addition to two pending RFOTPs. On January 28, 2013 FMERA received proposals for the Howard Commons Area in the Eatontown section of the

former Post. FMERA expects to have a recommendation for award for the FMERA Board of Directors' consideration in June or July. FMERA also publically issued an RFOTP for the Officers Housing in the Oceanport section of the former Post on January 16, 2013. Proposals for the Officers Housing are due on April 1, 2013.

CLOSED PROJECTS IN MARCH 2013

To date in 2013 (through March 31), EDA has closed financing and incentives totaling over \$124 million for 36 projects that are expected to support the creation of nearly 1,000 new jobs, the support of over 7,000 existing jobs, including over 1,200 jobs at risk of leaving New Jersey, and involve total public/private investment of over \$241 million in New Jersey's economy. Among the businesses assisted in March:

PHH Mortgage Corporation, which closed on Business Employment Incentive Program (BEIP) grant for just over \$2 million. PHH is a Mount Laurel-based provider of business process management services for the mortgage and fleet management industries. As a result of this assistance, the company expects to create 300 new jobs within two years. EDA's assistance to this company is expected to leverage \$10 million in capital investment.

Logistic Solutions, Inc., which closed on a \$500,000 guarantee of a Bank of Princeton line of credit under the Main Street Business Assistance Program. Based in Piscataway, Logistic Solutions is a minority, woman-owned provider of IT consulting and staffing solutions. As a result of this assistance, the company expects to create 50 new jobs within two years.

The Freehold Young Men's Christian Association (YMCA), which closed on \$5.3 million in tax exempt bond financing. The Freehold YMCA is a 501(c)(3) entity that provides for the physical, mental and spiritual health of the community in a safe friendly environment. The organization offers a variety of social, educational and recreational programs and services to over 16,000 members in western Monmouth, southeastern Middlesex and eastern Mercer counties. These programs and services include fitness and wellness programs, childcare, before and after school care, teen monitoring, and senior activities.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 17 events in March. These included the 8th Annual NJBIZ Real Estate/Economic Symposium at the Meadowlands, Chamber of Commerce Southern NJ's Meet the Policymakers event in Voorhees, and the Newark Regional Business Partnership Real Estate Market Forecast in Newark.

AMENDED BOND RESOLUTIONS

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

APPLICANT: United Methodist Homes of N.J. Obligated Group

P38126

PROJECT USER(S): Bristol Glen, Inc. *

* - indicates relation to applicant

The Shores at Wesley Manor, Inc. *

PROJECT LOCATION: Various

Statewide (N)

Multi Count

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

APPLICANT BACKGROUND:

The United Methodist Homes of New Jersey Obligated Group consists of United Methodist Homes of New Jersey ("UMH"), Bristol Glen, Inc. and The Shores at Wesley Manor, Inc. UMH, a not-for-profit organization founded in 1907, owns and operates 10 senior housing, residential health care, comprehensive personal care, memory and skilled nursing facilities in NJ. Bristol Glen, Inc., also a not-for-profit organization, is a continuing care retirement community ("CCRC") in Newton, Sussex County, consisting of 88 independent apartments, 84 assisted living units and 60 skilled nursing beds. The Shores at Wesley Manor, a not-for-profit retirement community, consists of 190 residential apartments, licensed as assisted living units and 60 skilled nursing beds, and is located in Ocean City, Cape May County. Lawrence D. Carlson is the President of UMH.

In 1999, Authority assistance via tax-exempt bonds enabled Bristol Glen, Inc. to construct and equip the CCRC in the original principal amount of \$35,590,000 (P17881). In 2008, Bristol Glen expanded the facility with a \$9 million tax-exempt bond (P15501). The 2008 Bristol Glen Bond was underwritten by Herbert J. Sims as a term bond with a fixed interest rate of 6.625% and maturity date of 7/1/2038.

In 2003, the Authority issued its \$27,470,000 tax-exempt bond to complete the second phase of an expansion for the benefit of The Shores at Wesley Manor (P15101). The 2003 Bonds were underwritten by Herbert J. Sims for 30 years consisting of Series A term bonds with fixed interest rates ranging from 5.75% to 6.625% and Series B Bonds with a variable interest rate, resetting every 5 years and currently at 5.75%.

This project is related to P10080, a \$34,280,000 tax-exempt issue for the benefit of UMH, which closed in October 1998. The 1998 UMH Bond refunded three existing EDA Bonds the proceeds of which were used to complete the first phase of the construction of The Shores at Wesley Manor and for the construction of the Collingswood Manor and the Main Street Manor, both owned by UMH.

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

REFUNDING REQUEST:

Authority assistance will enable the Applicant to current refund the 2003 Shores at Wesley Manor Bonds and advance refund the 2008 Bristol Glen Bonds. The proposed refunding will allow UMH to lower its debt service and operating expenses, thereby enabling it to increase its financial strength. The proposed refunding is expect to generate net present value savings of over \$2.7 million. Any difference between the project costs and the bond amount will be funded with Applicant's equity.

FINANCING SUMMARY:**BOND PURCHASER:** Herbert J. Sims & Co., Inc. (Underwriter)**AMOUNT OF BOND:** \$39,600,000 Tax-exempt Bond**TERMS OF BOND:** 25 years (max.); Serial and term bonds at fixed interest rates not to exceed 8% (estimated interest rates as of 4/2/13 are 4% to 5.375%).**ENHANCEMENT:** N/A**PROJECT COSTS:**

Principal amount of bond(s) to be refund	\$34,415,000
Debt service reserve fund	\$2,888,000
Redemption premium	\$1,605,000
Finance fees	\$827,000
Legal fees	\$225,000
Accounting fees	\$40,000
TOTAL COSTS	\$40,000,000

PUBLIC HEARING: 04/09/13 (Published 03/26/13) **BOND COUNSEL:** McCarter & English, LLP**DEVELOPMENT OFFICER:** M. Piliere**APPROVAL OFFICER:** T. Wells

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

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

APPLICANT: Bais Yaakov High School of Lakewood, Inc.

P38055

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION 277 James Street

Lakewood Township (T/UA) Ocean

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

APPLICANT BACKGROUND:

Bais Yaakov High School of Lakewood, Inc. is a private school for girls grades nine through twelve. The school is located in a one story building containing roughly 29,000 sq ft of space. The building contains 17 classrooms, administrative office space, and a large assembly room. Most of the building was completed in 2002 with the remainder completed in a second phase in 2007. The school, which is led by its president Shlomo Katz, has grown steadily since it opened and now has about 465 students. This number is expected to increase in the coming years due to the current population of elementary school aged children in the area. The project has been reviewed and approved by the Attorney General's Office relating to the First Amendment's Establishment Clause.

The applicant is a non-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 an existing mortgage with NY Community Bank, private loans, plus pay the cost of issuance.

FINANCING SUMMARY:

BOND PURCHASER: TD Bank, N.A. (Direct Purchase)

AMOUNT OF BOND: \$1,600,000 (Tax-Exempt)

TERMS OF BOND: 25 years; variable interest rate at the tax-exempt equivalent of one-month LIBOR plus 2.75%. The borrower may enter a swap agreement at closing to convert to a fixed rate for ten years. The indicative fixed rate as of 01/17/2013 was 3.75%.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	\$1,540,000
Legal fees	\$35,000
Finance fees	\$25,000
TOTAL COSTS	\$1,600,000

JOBS: At Application

77 Within 2 years

12 Maintained

0 Construction

0

PUBLIC HEARING: 04/09/13 (Published 03/26/13) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: T. Gill

APPROVAL OFFICER: K. McCullough

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

APPLICANT: Blair Academy

P38157

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 2 Park Street

Blairstown Township (N) Warren

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

APPLICANT BACKGROUND:

Blair Academy was founded in 1848 by railroad tycoon John Insley Blair and is situated on 423 hilltop acres in Blairstown, New Jersey. The school began in a one-room schoolhouse serving the sons and daughters of local farmers and merchants. Today, Blair Academy enrolls approximately 450 students in grades nine through twelve that come from 23 states and 28 countries. The school is currently led by Headmaster Chan Hardwick.

Blair Academy is proposing to build two new dormitories, one for males and one for females, that will house a total of 89 students plus six new faculty residences to provide supervision to the students. In addition to the living space each dorm will include separate areas for students to study and socialize with their classmates. The exterior of the buildings will keep with the style of the original stone buildings currently located throughout the campus.

The applicant has received prior Authority assistance in 1995, 1999, and 2007 for the construction and renovation of numerous structures around its campus including athletic facilities, dormitories, and a student center.

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

APPROVAL REQUEST:

Authority assistance will fund a portion of the costs associated with the construction of two new dormitories with a combined space of approximately 43,000 square feet. The structures will house 89 students plus 6 new faculty residences.

FINANCING SUMMARY:

BOND PURCHASER: Brown Brothers Harriman (Direct Purchase)

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

TERMS OF BOND: 25 years (max); a portion of the bonds will have a fixed rate of interest to be set at the time of closing, not to exceed 5.00% (estimated at 3.40% as of 02/01/2013). A portion of the bonds will have a variable rate of interest based on the tax-exempt equivalent of 90 day LIBOR plus 1.50%. The variable rate will be reset every 90 days using the same index. The indicative rate as of 02/01/2013 was 1.70%.

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	\$10,500,000
Purchase of equipment & machinery	\$2,000,000
Engineering & architectural fees	\$1,250,000

PRELIMINARY RESOLUTIONS

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

APPLICANT: Newark City & 36-54 Rector Urban Renewal LLC

P38101

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION 36-54 Rector Street

Newark City (T/UA)

Essex

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

APPLICANT BACKGROUND:

In August 2008, The City of Newark approved a redevelopment plan and a redevelopment area pursuant to the Local Redevelopment and Housing Law (NJSA 40:12A-1) as amended and supplemented. Included in this area is the project site at 36-54 Rector Street in Newark that will be developed by 36-54 Rector Urban Renewal LLC ("Rector LLC").

Rector LLC is a single purpose real estate entity owned by Boraie Development LLC ("Boraie"). Boraie, founded in 1980 by Omar Boraie, offers an array of services in the urban real estate market. The project consists of the development of 169 rental apartment units, 7,640 square feet of ground floor retail space, residential lobby and amenity space and 117 parking spaces for tenants. The project site is the former Newark Public School Science High School and is located adjacent to the NJ Performing Arts Center.

In April 2012, the Authority approved an Urban Transit Hub Tax Credit Grant to an affiliate, 36-54 Rector Street LLC, in connection with this project. The estimated total capital investment in the project is \$61,450,000.

APPROVAL REQUEST:

Authority assistance, via taxable bonds, will enable the The City of Newark to assist in the financing of a portion of the redevelopment of the project site by Rector LLC. The bonds will be repaid from Payments-In-Lieu-Of-Taxes ("PILOT" payments) made by the redeveloper and enabled by a tax abatement on the property, pursuant to the Redevelopment Area Bond Financing Law ("RAB") and pledged by the City to the bondholders. The City's application to the Local Finance Board ("LFB") for this project was submitted on February 20, 2013 for review at the LFB's April meeting.

The proposed issuance of the RAB bonds will assist to revitalize the downtown area and generate new growth through the creation of new residential and commercial space into the designated redevelopment area.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	\$53,000,000
Engineering & architectural fees	\$2,500,000
Interest during construction	\$1,900,000
Debt service reserve fund	\$1,850,000
Finance fees	\$1,500,000
Renovation of existing building	\$500,000

Legal fees	\$150,000
Accounting fees	\$50,000
TOTAL COSTS	\$61,450,000

JOBS: At Application 0 Within 2 years 20 Maintained 0 Construction 350

PUBLIC HEARING: N/A

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: P. Ceppi

APPROVAL OFFICER: T. Wells

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

APPLICANT: Portuguese Baking Company, LP

P38235

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 113-129 Kossuth Street

Newark City (T/UA)

Essex

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

APPLICANT BACKGROUND:

Portuguese Baking Company, LP, d/b/a Teixeira's Bakery, manufactures fresh baked products for regional distribution and par-baked frozen products for national distribution. The founder of the company, Manuel Teixeira is a 5th generation baker from Portugal and has over 50 years experience in the baking industry. Mr. Teixeira had successfully operated the business on Kossuth Street in Newark, Essex County, until it was sold in 2000. Mr. Teixeira reacquired 100% ownership of the facility in 2012 and once again owns and operates the bakery with 177 employees.

Teixeira's Bakery, under the ownership of Mr. Teixeira, received EDA assistance in 1988 and 1994 to acquire its facility in Newark via tax exempt bond financing in an aggregate principal amount of \$6,284,000. The Bonds are paid in full.

APPROVAL REQUEST:

Authority assistance will enable the applicant to purchase new machinery and equipment for the manufacturing facility.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	\$5,025,000
Finance fees	\$100,000
Legal fees	\$50,000
Accounting fees	\$25,000
TOTAL COSTS	\$5,200,000

JOBS: At Application

177 Within 2 years

40 Maintained

0 Construction

0

PUBLIC HEARING:

BOND COUNSEL: McManimon, Scotland & Bauman

DEVELOPMENT OFFICER: P. Ceppi

APPROVAL OFFICER: T. Wells

LOANS/GRANTS/GUARANTEES

**PETROLEUM UNDERGROUND STORAGE
TANK PROGRAM**



MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President and Chief Operating Officer
DATE: April 9, 2013
SUBJECT: PUST and HDSRF Program Funding Status
(For Informational Purposes Only)

In December, 2012, the members approved a change in the administration of the subject programs as a result of new Treasury guidance for fund transfers.

Following this memo for the members' information are the actions taken by staff in March under delegated approval. After these approvals, the net funding available at March 31 for April, 2013 board actions is shown below. Treasury has also been notified of the March approvals and will encumber the funds for those approvals.

PUST:

As of March 31, the UST fund held by EDA had approximately \$7.2 million in cash and unfunded appropriations to fund projects for \$282,926 presented to the members for consideration herein. Estimated cash together with remaining unfunded appropriations after these approvals is \$6.9 million.

HDSRF:

As of March 31, the HD fund held by EDA had approximately \$36.6 million in cash and unfunded appropriations available to fund projects for \$130,342 presented to the member for consideration herein. Estimated cash together with remaining unfunded appropriations after these approvals is \$36.5 million.

Prepared by: Lisa Petrizzi



MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President/Chief Operating Officer
DATE: April 9, 2013
SUBJECT: NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

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

Residential Grants:

Kathy Bonilla	\$ 133,922
Graciliano Carmona and Claudia Carmona	<u>\$ 149,004</u>
Total UST Residential Grants	\$ 282,926

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

APPLICANT: Kathy Bonilla

P37846

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 15 Hickory Avenue

Howell Township (T)

Monmouth

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

APPLICANT BACKGROUND:

Kathy Bonilla is a homeowner seeking to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank will be decommissioned and removed in accordance with NJDEP requirements for extensive soil remediation and site restoration. The NJDEP has determined that the costs are technically eligible.

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$133,922 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$13,392 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: \$133,922

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$133,922
NJDEP oversight cost	\$13,392
EDA administrative cost	\$250
TOTAL COSTS	\$147,564

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Graciliano Carmona and Claudia Carmona

P37861

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 185-187 Carlisle Ave.

Paterson City (T/UA)

Passaic

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

APPLICANT BACKGROUND:

Graciliano Carmona and Claudia Carmona are homeowners seeking to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank will be decommissioned and removed in accordance with NJDEP requirements for extensive soil remediation and site restoration. NJDEP has determined that the project costs are technically eligible.

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

APPROVAL REQUEST:

The applicants are requesting grant funding in the amount of \$149,004 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$14,900 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: \$149,004

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$149,004
NJDEP oversight cost	\$14,900
EDA administrative cost	\$250
TOTAL COSTS	\$164,154

APPROVAL OFFICER: K. Junghans

Resolution of the New Jersey Economic
Development Authority Regarding Approval
of Petroleum Underground Storage Tank Remediation
Upgrade and Closure Fund Grants

WHEREAS, the Members of the New Jersey Economic Development Authority have been presented with and considered Project Summaries in the form attached hereto; and

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

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

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

DATED: April 9, 2013

**PETROLEUM UNDERGROUND STORAGE TANK REMEDIATION
UPGRADE AND CLOSURE FUND**

LOANS AND/OR GRANTS

SCHEDULE A

Applicant and/or Nominee	Project Number	Site	Grant Amount	Loan Terms
Kathy Bonilla	P37846	15 Hickory Avenue, Howell Township, Monmouth County	\$133,922	No Interest; No Repayment
Graciliano Carmona and Claudia Carmona	P37861	185-187 Carlisle Ave., Paterson City, Passaic County	\$149,004	No Interest; No Repayment



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority
FROM: Timothy Lizura
 President/Chief Operating Officer
DATE: April 09, 2013
SUBJECT: Petroleum Underground Storage Tank Program - Delegated Authority Approvals
 (For Informational Purposes Only)

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

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

Below is a summary of the Delegated Authority approvals processed by Finance & Development for the period March 01, 2013 to March 31, 2013

Summary:	# of Grants	\$ Amount
Leaking tank grants awarded	41	\$800,912
Non-leaking tank grants awarded	0	\$0

Applicant	Description	Grant Amount	Awarded to Date
Arango, Jose (P38016)	Initial grant for upgrade, closure and remediation	\$64,264	\$64,264
Bassi, Travis and Loren (P37888)	Initial grant for upgrade, closure and remediation	\$6,283	\$6,283
Burke, Joseph (P37935)	Initial grant for upgrade, closure and remediation	\$5,937	\$5,937
Capaldo, Anthony (P37876)	Initial grant for upgrade, closure and remediation	\$22,544	\$22,544
Connors, Mary Ann (P38029)	Initial grant for upgrade, closure and remediation	\$8,056	\$8,056
Crowhurst, Diane (P37765)	Supplemental grant for upgrade, closure and remediation	\$12,776	\$24,107
Czaplinski, Edward and Joan (P38066)	Initial grant for upgrade, closure and remediation	\$5,125	\$5,125
Davis, Timothy (P37843)	Initial grant for upgrade, closure and remediation	\$21,370	\$21,370
DeZerga, Kathleen (P38047)	Initial grant for upgrade, closure and remediation	\$9,750	\$9,750
Di Sandro, Marge (P37924)	Initial grant for upgrade,	\$5,002	\$5,002

Applicant	Description	Grant Amount	Awarded to Date
	closure and remediation		
Downey, Dennis and Jane (P38037)	Initial grant for upgrade, closure and remediation	\$12,331	\$12,331
Dubberley, F. Aaron (P37965)	Initial grant for upgrade, closure and remediation	\$73,179	\$73,179
Edmund, Deborah (P37944)	Initial grant for upgrade, closure and remediation	\$10,073	\$10,073
Eliades, David T. (P37813)	Supplemental grant for upgrade, closure and remediation	\$63,237	\$149,499*
Esser, Fred and Wendy (P37874)	Initial grant for upgrade, closure and remediation	\$23,980	\$23,980
Femia, Deborah (P37920)	Initial grant for upgrade, closure and remediation	\$11,500	\$11,500
Filippone, John and Rose Marie (P29877)	Initial grant for upgrade, closure and remediation	\$14,749	\$14,749
Gaydos, Joseph (P37988)	Initial grant for upgrade, closure and remediation	\$11,212	\$11,212
Heller, Amy (P37987)	Initial grant for upgrade, closure and remediation	\$30,540	\$30,540
Hill, Rhonda (P38060)	Initial grant for upgrade, closure and remediation	\$15,779	\$15,779
Hirsch, Stephen (P38033)	Initial grant for upgrade, closure and remediation	\$8,056	\$8,056
Jaskiewicz, Henryk (P37878)	Initial grant for upgrade, closure and remediation	\$15,362	\$15,362
Kahn-Wilen Corp. (P37852)	Initial grant for upgrade, closure and remediation	\$18,271	\$18,271
Kazior, David (P37933)	Initial grant for upgrade, closure and remediation	\$8,811	\$8,811
Kerns, Wayne and Amelia (P37853)	Initial grant for upgrade, closure and remediation	\$30,629	\$30,629
LaScola, Larry (P38048)	Initial grant for upgrade, closure and remediation	\$3,530	\$3,530
Lamanna, Marlene (P37858)	Initial grant for upgrade, closure and remediation	\$7,418	\$7,418
Lamborn, Lucille (P38059)	Initial grant for upgrade, closure and remediation	\$85,584	\$85,584
Lehman, Edward (P37969)	Initial grant for upgrade, closure and remediation	\$6,777	\$6,777
Lippencott, George (P37886)	Initial grant for upgrade, closure and remediation	\$4,000	\$4,000
Miranda, Jacqueline (P38063)	Initial grant for upgrade, closure and remediation	\$17,885	\$17,885
Nardin, Howard (P38058)	Initial grant for upgrade,	\$13,225	\$13,225

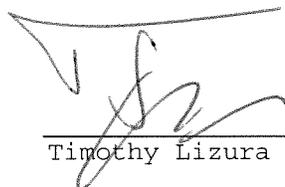
Applicant	Description	Grant Amount	Awarded to Date
	closure and remediation		
Nicolai, Peter (P37994)	Supplemental grant for upgrade, closure and remediation	\$9,016	\$43,659
Nocito, Matthew (P38083)	Initial grant for upgrade, closure and remediation	\$5,793	\$5,793
Rubinich, Lisa (P37978)	Initial grant for upgrade, closure and remediation	\$13,633	\$13,633
Rubner, Richard (P37884)	Initial grant for upgrade, closure and remediation	\$4,500	\$4,500
Sarno, Charles and Christine (P37940)	Initial grant for upgrade, closure and remediation	\$5,545	\$5,545
Shields, Suzanna (P37773)	Supplemental grant for upgrade, closure and remediation	\$56,993	\$87,674
Smith, Greg (P37948)	Initial grant for upgrade, closure and remediation	\$14,100	\$14,100
Thaiss, Norman (P37945)	Initial grant for upgrade, closure and remediation	\$21,740	\$21,740
Van Pelt, Linda (P37947)	Initial grant for upgrade, closure and remediation	\$22,357	\$22,357

41 Grants

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

\$800,912

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



Timothy Lizura

Prepared by: Lisa Petrizzi, Assistant Director

**HAZARDOUS DISCHARGE SITE REMEDIATION FUND
PROGRAM**



MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President/Chief Operating Officer
DATE: April 9, 2013
SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

The following grant project has been approved by the Department of Environmental Protection for a grant to perform Remedial Investigation activities. The scope of work is described on the attached project summary.

Commercial Grant:

Tri-County Community Action Partnership \$ 130,342

Prepared by: Lisa Petrizzi

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

APPLICANT: Tri-County Community Action Partnership

P37808

PROJECT USER(S): Southeast Gateway Plaza

* - indicates relation to applicant

PROJECT LOCATION Pampylia & South East Ave. Bridgeton City (T/UA) Cumberland

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

APPLICANT BACKGROUND:

In September 2009 Tri-County Community Action Partnership (TCCAP), a non-profit 501(c)(3) entity received Board approval for a grant in the amount of \$112,710 under P26466. The project site is vacant which has potential environmental areas of concern (AOC). TCCAP intends to acquire the project site and has satisfied Proof of Site Control. It is the applicant's intent, upon completion of the environmental investigation activities, to redevelop the project site as commercial/retail use.

NJDEP has approved this supplemental request for Remedial Investigation (RI) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 6, Series A.

APPROVAL REQUEST:

Tri-County Community Action Partnership is requesting grant funding to perform RI in the amount of \$130,342 at the Southeast Gateway Plaza project site for a total funding to date of \$243,052.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT \$130,342

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$130,342
EDA administrative cost	\$500
TOTAL COSTS	\$130,842

APPROVAL OFFICER: K. Junghans

Resolution of the New Jersey Economic
Development Authority Regarding Approval
of a Hazardous Site Remediation Municipal
Grant- Tri-County Community Action Partnership

WHEREAS, the Members of the New Jersey Economic Development Authority have been presented with and considered a Project Summary in the form attached hereto; and

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

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

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

DATED: April 9, 2013

INCENTIVES

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

The following summaries are provided for information only. Full eligibility and review criteria can be found in the program's rules.

BUSINESS EMPLOYMENT INCENTIVE PROGRAM (BEIP)

Created by law in 1996, the intent of this program is to provide grants to businesses locating in, or relocating to, New Jersey that create new jobs in this State.

Per N.J.S.A. 34:1B-124 et seq. / N.J.A.C. 19:31-10 and the program's rules, the applicant must:

- be moving to New Jersey from out of state, or expanding in New Jersey and is seriously looking at out of state alternatives.
- demonstrate it is financial viable, and that the BEIP grant is a "material" factor in the decision to relocate to or expand in New Jersey
- create at least 25 new jobs within a 2-year period; emerging high technology and biotech companies' eligibility threshold is 10 new job.

Staff Review:

- To determine material factor, staff reviews the cost benefit analyses provided by the company regarding other out-of-state sites under consideration, which include factors such as cost of rent, property taxes, and utility costs. Staff also investigates the existence of any existing labor contracts or real estate ownership that would render a relocation out of New Jersey as impractical or cost prohibitive.

Amount of award based upon:

10 to 80% of income tax withholdings of new jobs created.

BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT (BRRAG)

Created by law in 1996, the intent of this program is to preserve jobs that currently exist in New Jersey but are in danger of being relocated to premises outside of the State.

Per N.J.S.A. 34:1B-112 et seq. / N.J.A.C. 19:31-14 and the program's rules, the applicant must:

- relocate or maintain a minimum of 50 retained full-time "at risk" jobs from one or more locations within this State to a new business location or locations in this State and maintain the retained full-time jobs pursuant to the project agreement for the commitment duration. Businesses may remain at a current location if it makes a capital investment equal to the total value of the business retention or relocation grant of tax credits to the business at that location or locations.
- have operated continuously in New Jersey in whole or in part, in its current form or as a predecessor entity, for at least 10 years.
- demonstrate that the BRRAG grant is a "material" factor in moving the relocation project forward in New Jersey (except for a business that relocates 1,500 or more retained full-time jobs from outside of a designated urban center to one or more locations within a designated urban center if the business applies for a grant within six months of signing its lease or purchase agreement).
- commit to remain in New Jersey for the tax credit term and an additional five years – the commitment duration.
- meet a net benefit test

Staff Review:

- To determine material factor, staff reviews the cost benefit analyses provided by the company regarding other out-of-state sites under consideration, which include factors such as cost of rent, property taxes, and utility costs. Staff also investigates the existence of any existing labor contracts or real estate ownership that would render a relocation out of New Jersey impractical or cost prohibitive.
- A comprehensive net benefit analysis is conducted to ensure the project has a positive net benefit to the State of at least 110%. The economic impact model used by the EDA includes multipliers from the RIMS II data base, published by the US Department of Commerce, along with our own econometric analysis and modeling to assess economic outputs, impacts and likely jobs creation. In addition to this information we also estimate likely personal and corporate earnings yield from a given project. EDA estimates both direct and indirect impacts on a one-time and ongoing basis. Direct impacts are those that result from capital flows for people and material directly associated with the project. (i.e. on site workers salaries, construction materials, etc.) Indirect impacts are those from cash flows other than those generated directly from the project (i.e. sandwich makers, equipment repair companies, and local retail.) One-time benefits are those associated with the project's capital investment while the ongoing benefits are attributable to the project's annual economic activity.

Amount of award based upon:

- Up to \$1,500 tax credit per job retained for up to six years. Tax credit boosted to \$2,250 per job retained if capital investment is more than twice the amount of the tax credit benefit. Number of years of the term of the benefit based upon number of jobs retained.

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

APPLICANT: High Road Press, LLC

P38176

PROJECT LOCATION: 220-240 Anderson Avenue Moonachie Borough (N) Bergen County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

High Road Press, LLC ("High Road") was formed in 2004 by Hallie Satz, formerly President of Barton Press, a 4th generation family owned printing company. The applicant is a full service commercial printing company with corporate offices and a plant in lower Manhattan's So Ho district. The So Ho plant operates two 40" six-color offset presses, a full-service prepress and plate making department, a digital printing operation and a bindery. High Road's customers include MetLife, Pfizer, Bloomingdale's and Jet Blue. The applicant is economically viable.

MATERIAL FACTOR:

High Road is seeking a BEIP grant to support creating 60 jobs in Moonachie within the next two years. Also under consideration is moving to the recently renovated Bush Terminal in Brooklyn. The applicant's So Ho facility was acquired in 2012 by a developer who will be renovating and expanding the building to capitalize on the gentrification of the community. As the last printer, in what was once a building with only print shops, the new landlord provided High Road with a financial incentive to move by June 15, 2013, four years before its lease termination. Project costs are estimated to exceed \$1.9 million. 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 move to New Jersey. The Authority is in receipt of an executed CEO certification that states the application has been reviewed and the information submitted and representations contained therein are accurate.

APPROVAL REQUEST:

PERCENTAGE: 50%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage High Road Press, LLC 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: \$ 345,750
(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 52 Year 2 8 Base Years Total = 60

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$5,762

ANTICIPATED AVERAGE WAGES: \$50,000

ESTIMATED PROJECT COSTS: \$1,905,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$691,500

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$691,500

PROJECT IS: (X) Expansion (X) Relocation New York City

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New York

APPLICANT OWNERSHIP: (X) Domestic () Foreign

DEVELOPMENT OFFICER: P. Ceppi

APPROVAL OFFICER: M. Krug

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Moonachie Borough	N/A
2. Job Creation	60	1
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	0	0
4. Industry:	printing and publishing	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$1,905,000	1
7. Average Wage:	\$ 50,000	2

TOTAL: **6**

Bonus Increases (up to 80%):

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

Total Bonus Points: **20 %**

Total Score :

Total Score per formula:	6 = 25 %
Construction/Renovation :	5 %
Bonus Increases :	20 %
Total Score (not to exceed 80 %):	50 %

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

APPLICANT: New Prime, Inc.

P38195

PROJECT LOCATION: To Be Determined

Locations Unknown (N)

Unknown County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

New Prime, Inc. ("Prime") provides services as a commercial truckload irregular route common carrier, specializing in the transportation of high-quality perishable commodities and other service-sensitive cargo. Additionally, Prime also provides flatbed, tanker, and cargo van carrier services. The company is headquartered in Springfield, Missouri and operates throughout the United States. The applicant is economically viable.

MATERIAL FACTOR:

In order to expand its operations, Prime is planning the construction of a 60,000 sq ft facility in the Northeast. The new location would serve as a dispatch center, wash facility, and a tractor trailer repair facility. Prime is currently evaluating options in New Jersey and Pennsylvania. Due to higher estimated costs in the Garden State, Prime has submitted an application for a BEIP grant to provide an incentive to go forward with the project here. When the applicant finalizes its location, the BEIP award could increase to as much as 80% with an estimated value of \$713,700 based on certain smart growth criteria. Management has indicated that the grant will be a material factor in the company's decision and the Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate.

APPROVAL REQUEST:

PERCENTAGE: 35%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage New Prime, 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: \$ 312,243

(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 40 Year 2 25 Base Years Total = 65

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$4,803

ANTICIPATED AVERAGE WAGES: \$55,000

ESTIMATED PROJECT COSTS: \$31,224,976

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$892,125

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$1,025,944

PROJECT IS: Expansion Relocation

CONSTRUCTION: Yes No

PROJECT OWNERSHIP HEADQUARTERED IN: Missouri

APPLICANT OWNERSHIP: Domestic Foreign

DEVELOPMENT OFFICER: J. Kenyon

APPROVAL OFFICER: K. McCullough

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Locations Unknown	N/A
2. Job Creation	65	1
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	0	0
4. Industry:	shipping/transportation	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$31,224,976	3
7. Average Wage:	\$ 55,000	3

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 %

Resolution of the New Jersey Economic
Development Authority Regarding Approval
of Business Employment Incentive Program
Projects

WHEREAS, the Members of New Jersey Economic Development Authority have been presented with and considered the Project Summaries in the form attached hereto; and

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

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

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

DATED: April 9, 2013

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

SCHEDULE A

Applicant and/or Nominee	Site Name and Address	Employment Incentive		Number of New Jobs in Base Years	Estimated Construction Jobs
		Percentage	Terms		
High Road Press, LLC	220-240 Anderson Avenue, Moonachie Borough, Bergen County	50%	10 years	60	2
New Prime, Inc.	To Be Determined	35%	10 years	65	143

URBAN TRANSIT HUB TAX CREDIT PROGRAM

The following summaries are provided for information only. Full eligibility and review criteria can be found in the program's rules.

URBAN TRANSIT HUB TAX CREDIT PROGRAM

Created by law in 2007, the intent of this program is to encourage capital investment and increased employment in targeted urban rail transit hubs to catalyze economic development in the areas.

Per N.J.S.A. 52:27D-489 a. through o. / N.J.A.C. 19:31-4 and the program's rules, applicant must:

- for a *qualified business facility*, a business other than a tenant, make or acquire capital investments of at least \$50 million at a qualified business facility, located in an urban transit hub*, and employ not fewer than 250 full-time employees; if the business is a tenant, make or acquire capital investments of at least \$17.5 million and, along with up to two other tenants, employ at least 250 full-time employees.
- for a *qualified residential project*, make or acquire capital investments of at least \$50 million, but not be required to meet employment requirements.
- for a *qualified mixed use facility*, make or acquire capital investments equaling at least \$17.5 million at a qualified business facility; and employ not fewer than 250 full-time employees.
- for a *qualified residential project that includes a mixed-use project*, make or acquire capital investments of at least \$17.5 million at a qualified business facility, but not be required to meet employment requirements.
 - *Urban Transit Hub property boundaries based on certain proximity to various rail and light rail stations, as well as utilization of a freight rail line.
 - transfer of an existing job from one location in the state to another, may be considered the creation of a new job if the business proposed to transfer existing jobs as part of a consolidation of business operations and the business's CEO submits a certification indicating that the existing jobs are at-risk of leaving the state and the business intends to employ not fewer than 500 full-time employees at the qualified business facility.
- meet a net benefit test

Staff Review:

- A comprehensive net benefit analysis is conducted to ensure the project has a positive net benefit to the State of at least 110%. The economic impact model used by the EDA includes multipliers from the RIMS II data base, published by the US Department of Commerce, along with our own econometric analysis and modeling to assess economic outputs, impacts and likely jobs creation. In addition to this information we also estimate likely personal and corporate earnings yield from a given project. EDA estimates both direct and indirect impacts on a one-time and ongoing basis. Direct impacts are those that result from capital flows for people and material directly associated with the project. (I.e. on site workers salaries, construction materials, etc.) Indirect impacts are those from cash flows other than those generated directly from the project (i.e. sandwich makers, equipment repair companies, and local retail.) One-time benefits are those associated with the project's capital investment while the ongoing benefits are attributable to the project's annual economic activity.
- In addition, staff undertakes a rigorous underwriting analysis of the project.
- For an application involving intra-State job transfers, EDA Board shall make a separate determination to verify and confirm that the jobs are at risk of leaving the state as attested to in a CEO certification.

Amount of the award based upon:

- Tax credits up to 100% of qualified capital investments over an eight year period; developers may apply for a credit of up to 35% of their capital investment in a qualified residential project. Tax credit award reduced by 20 percent if less than 200 employees are employed, even if a business relocates to an urban transit hub from another location in the same municipality. Per program rules, the amount of the tax credit award cannot exceed the amount of the project's capital investment.



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: April 9, 2013

RE: Urban Transit Hub Tax Credit Program (“UTHTC”)
Residential Competitive Solicitation Project Recommendations

Request

The Members are requested to approve the following three projects for residential UTHTCs in the amount of \$33 million each: 1) College Avenue Redevelopment Associates LLC, 2) Beacon Redevelopment LLC, and 3) Journal Square Associates LLC. The Members are further requested to decline a fourth project, Harborside Unit A LLC. Although this project was deemed eligible under the terms of the solicitation, it is being recommended for declination as it received the lowest score and was the third Jersey City project (which exceeds the two projects per municipality maximum established in the solicitation). There were an additional seven submissions received. Although these projects were meritorious in their own right, they did not meet all the technical eligibility requirements of the solicitation, and therefore were not scored and are being recommended for declination. The seven projects are: 1) RBH-TRB Newark Holdings LLC, 2) PHMII Associates LLC, 3) Matrix Upper Lot Urban Renewal LLC, 4) Two Center Street Urban Renewal LLC, 5) TDAF I Springfield Avenue Holding Urban Renewal Company LLC, 6) Haddon Avenue UTH LLC, and 7) Bridge View Development LLC.

Background

At the September 13th 2012 Board meeting, the Members approved the issuance of a competitive solicitation to award up to an aggregate of \$100 million in UTHTCs under the residential component of the program. At that meeting, the members also approved evaluation criteria and limitation of the per project award of up to \$33 million up to a 35% maximum credit, with a limit of no more than two project awards in any eligible city.

On October 25, 2012, the Authority issued a competitive solicitation for residential UTHTC projects which had a due date of December 20, 2012, no later than 3:00 pm. While the solicitation was open, staff conducted a pre-submission conference that was attended by representatives of approximately twenty projects. Questions posed during that session were memorialized in the Question and Answer document (Q&A) that was continuously updated with new questions and responses submitted in writing until a week before the solicitation due date.

This document was posted to NJEDA's webpage for the solicitation, as were the four addenda that NJEDA issued. Respondents were required to submit signed certifications that they had reviewed each of the four addenda.

Eleven submission packages were received by the Authority and were publically opened. On December 27, 2012, all eleven respondents were sent a letter acknowledging receipt of their submission packages. After the due date, a technical review team composed of five Authority staff members also began reviewing the eleven proposals for completeness and missing items. After thorough review, letters were sent to all eleven respondents requesting information and documentation to address the incomplete and missing items. This letter was sent on February 1, 2013 and had a due date two weeks later of February 14, 2013.

All eleven respondents submitted packages in answer to their respective letter on or before the due date. These packages were opened at 3:00 pm on February 14, 2013. The technical review team then completed a review of the responsiveness of the letter submissions, and considering initial submission packages, determined that seven of the eleven submissions did not meet the minimum requirements of the solicitation and therefore were not scored. A description of the reasons for these determinations is attached. While many of these projects appeared to have merit, in accordance with the terms of the solicitation, no further analysis or scoring was performed on these packages.

The technical review team began an extensive review and analysis of the remaining four responsive submissions. This included the eligibility requirements pursuant to section 7.1 Eligibility Requirements of the solicitation, a financial analysis of the project, including a gap analysis, a review of the project for general real estate feasibility and consistency, a green building practice analysis, a review of each remaining project in relation to the scoring criteria. The four projects also received a site visit from two members of the technical review team.

The findings of the technical review team were summarized in an agreed-upon format designed to preserve review consistency and presented to the Evaluation Committee comprised of five Authority staff members on March 26, 2013. The membership of the technical review team was independent of the Evaluation Committee. After review and discussion of the project write-ups, the Evaluation Committee made eligibility determinations and scored each project based upon the following eight criteria (associated percentages denote weighting for each criterion): 1) timeliness of project start of construction – 20%; 2) incorporation of mixed use elements – 20%; 3) project location in a low or moderate income census tract, or abutting one – 15%; 4) renovation and/or adaptive re-use – 15%; 5) whether the project is part of a Redevelopment Plan – 10%; 6) developer capacity – 10%; 7) amount of equity contributed to the project – 5%, and 8) leverage of private to government funding – 5%. Project write-ups for the three responsive submissions are attached.

The following three projects were scored most highly and are shown below in order of highest to lowest scores. A total of approximately \$625 million in investment is being made through these three projects which will create approximately 1,525,000 square feet (sf) of residential space, nearly 48,000 sf of commercial space, approximately 163,000 sf of academic space, and 1,660

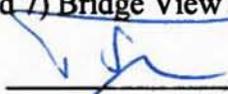
parking spaces in New Brunswick and Jersey City. In addition, these projects are estimated to create nearly 1,600 construction jobs and 70 permanent positions.

<u>Applicant</u>	<u>Location</u>	<u>Amount Requested</u>	<u>Total Project Cost</u>	<u>Estim. Constr. Job Creation</u>	<u>Estim. Perm. Job Creation</u>
1) College Avenue Redevelopment Associates, LLC	New Brunswick	\$33,000,000	\$297,707,632	1,200	32
2) Beacon Redevelopment, LLC	Jersey City	\$33,000,000	\$124,848,872	318	27
3) Journal Square Associates, LLC	Jersey City	\$33,000,000	\$202,672,571	71	9
	Total		\$625,229,075	1,589	68

With the allocation of \$99 million of available funding under the solicitation and being the third ranked project in Jersey City, subject to the two projects per city limitation, the Harborside Plaza 7 project is not being recommended for award, at this time. The de minimis amount of remaining UTHTC of \$1 million under the solicitation is being returned to the UTHTC general program.

Recommendation

Based upon the foregoing, the Members are requested to approve the following three projects for residential UTHTCs in the amount of \$33 million each: 1) College Avenue Redevelopment Associates LLC, 2) Beacon Redevelopment LLC, and 3) Journal Square Associates LLC. The Members are further requested to decline a fourth project, Harborside Unit A LLC. Although this project was deemed eligible under the terms of the solicitation, it is being recommended for declination as it received the lowest score and was the third Jersey City project (which exceeds the two projects per municipality maximum established in the solicitation). There were an additional seven submissions received. Although these projects were meritorious in their own right, they did not meet all the technical eligibility requirements of the solicitation, and therefore were not scored and are being recommended for declination. The seven projects are: 1) RBH-TRB Newark Holdings LLC, 2) PHMII Associates LLC, 3) Matrix Upper Lot Urban Renewal LLC, 4) Two Center Street Urban Renewal LLC, 5) TDAF I Springfield Avenue Holding Urban Renewal Company LLC, 6) Haddon Avenue UTH LLC, and 7) Bridge View Development LLC.



 Timothy Lizura

Attachments:

- Declination List
- Three Project Write-Ups (College Avenue Redevelopment Associates LLC, Beacon Redevelopment LLC, and Journal Square Associates LLC)

Prepared by: Gina Behnfeldt

Urban Transit Hub Tax Credit

Residential Competitive Solicitation

Summary of Project Submission which met all eligibility requirements but is not being recommended for an allocation

(By Applicant Name with Project name in parenthesis)

1) Harborside Unit A, LLC (Harborside Plaza 7 Project)

- This Project met all of the Eligibility Requirements of the solicitation. Upon completion of the scoring of the Project by the evaluation committee, this was the lowest scoring project. The solicitation specifically limits the approval to two projects per municipality. Therefore, since this is the third Jersey City project, the Harborside Plaza 7 is recommended for decline to the Members of the Authority.

Summary of Projects that did not meet all eligibility requirements of the residential solicitation and are not recommended for an allocation

(By Applicant Name with Project name in parenthesis)

1) RBH-TRB Newark Holdings, LLC (Four Corners Millennium Project)

- Financing Commitments - Section 7.1 Eligibility Requirements item 4 of the UTHTC Residential Competitive Solicitation requires that all funding for the Project is committed and evidenced by copies of financial commitments for all sources identified on the Sources and Uses Statement, including equity. The Respondent did not submit financing commitments as required.
- Market Feasibility – Section 7.1 Eligibility Requirements item 6 of the UTHTC Residential Competitive Solicitation requires that the contemplated Project is feasible within its market as evidenced by a Market Feasibility Study, meeting the Market Feasibility Study Standards defined in Appendix E. Appendix E Market Feasibility Study Standards requires that the study shall identify any assumptions, estimates, projections and models used in the analysis for both Residential and Commercial Uses. The Market Feasibility Study submitted by the Respondent did not meet these Market Feasibility Study Standards as it did not include all anticipated uses of the proposed Project.

2) PHMII Associates LLC (3 Journal Square)

- Developer Equity - Section 7.1 Eligibility Requirements item 4 of the UTHTC Residential Competitive Solicitation requires that the entity providing equity to the Project has liquid funding, access to capital, and/or is contributing property to the Project. The Respondent did not provide sufficient information to determine that they met this

requirement (specifically there was no financial statements submitted for Hartz Mountain Industries, Inc. , which ultimately owns 50% of the applicant and, through a related entity, was also providing the debt financing for the Project).

3) Matrix Upper Lot Urban Renewal LLC (Matrix New Brunswick Redevelopment)

- Financing Commitments - Section 7.1 Eligibility Requirements item 4 of the UTHC Residential Competitive Solicitation requires that all funding for the Project is committed and evidenced by copies of financial commitments for all sources identified on the Sources and Uses Statement, including equity. The Respondent did not submit financing commitments as required.

4) Two Center Street Urban Renewal LLC (One Theater Square)

- Financing Commitments - Section 7.1 Eligibility Requirements item 4 of the UTHC Residential Competitive Solicitation requires that all funding for the Project is committed and evidenced by copies of financial commitments for all sources identified on the Sources and Uses Statement, including equity. The Respondent did not submit financing commitments as required.

5) TDAF I Springfield Avenue Holding Urban Renewal Company LLC (Springfield Avenue Marketplace)

- Financing Commitments - Section 7.1 Eligibility Requirements item 4 of the UTHC Residential Competitive Solicitation requires that all funding for the Project is committed and evidenced by copies of financial commitments for all sources identified on the Sources and Uses Statement, including equity. The Respondent did not submit financing commitments as required.

6) Haddon Avenue UTH LLC (The Residences I at Haddon Avenue Transit Village)

- Financing Commitments - Section 7.1 Eligibility Requirements item 4 of the UTHC Residential Competitive Solicitation requires that all funding for the Project is committed and evidenced by copies of financial commitments for all sources identified on the Sources and Uses Statement, including equity. The Respondent did not submit financing commitments as required.
- Market Feasibility – Section 7.1 Eligibility Requirements item 6 of the UTHC Residential Competitive Solicitation requires that the contemplated Project is feasible within its market as evidenced by a Market Feasibility Study, meeting the Market Feasibility Study Standards defined in Appendix E. Appendix E Market Feasibility Study Standards requires that the study shall identify any assumptions, estimates, projections and models used in the analysis for both Residential and Commercial Uses. The Market Feasibility Study submitted by the Respondent did not meet these Market Feasibility Study Standards as it did not include all anticipated uses of the proposed Project.

- Site Plan Approval - Section 7.1 Eligibility Requirements item 7 requires that the Project has preliminary site plan approval. The Respondent did not provide evidence that the Planning Board of the municipality in which the Project is located granted preliminary site approval to the Respondent for the Project.

7) Bridge View Development LLC (Washington Park Tower)

- Financing Commitments - Section 7.1 Eligibility Requirements item 4 of the UTHTC Residential Competitive Solicitation requires that all funding for the Project is committed and evidenced by copies of financial commitments for all sources identified on the Sources and Uses Statement, including equity. The Respondent did not submit financing commitments as required.
- Developer Capacity – Section 7.1 Eligibility Requirements item 8, C & D of the UTHTC Residential Competitive Solicitation requires that the entity responsible for the development of the Project has a least a portfolio of assets with leverage of no more than 70% and a debt service coverage ratio of 1.15 or greater. The respondent did not submit sufficient information to determine that they met this requirement (specifically as there was no schedule of assets provided on any entities which renders a calculation of the required benchmarks impossible).
- Market Feasibility – Section 7.1 Eligibility Requirements item 6 of the UTHTC Residential Competitive Solicitation requires that the contemplated Project is feasible within its market as evidenced by a Market Feasibility Study, meeting the Market Feasibility Study Standards defined in Appendix E. Appendix E Market Feasibility Study Standards requires that the study shall identify any assumptions, estimates, projections and models used in the analysis for both Residential and Commercial Uses. The Market Feasibility Study submitted by the respondent did not meet these Market Feasibility Study Standards (as approximately 40% of the space in the facility is commercial and parking, yet there was no competitive analysis provided to justify the income and expenses of these components of the cash flow).



MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: April 9, 2013

RE: **College Avenue Redevelopment Associates LLC**
Urban Transit Hub Tax Credit Program (“UTHTC”)
Residential Competitive Solicitation

Request

The Members are asked to approve the Urban Transit Hub Tax Credit (“UTHTC”) program application (under P.L. 2007, c.346, P.L. 2008, as amended on July 26, 2011) under the 2012 Urban Transit Hub Tax Credit Residential Competitive Solicitation for College Avenue Redevelopment Associates LLC (“CARA” or the “Applicant”). Tax credits are available for up to 35% of the total qualified capital investment per project with a maximum of \$33 million, whichever is less. This application has complied with all eligibility criteria as outlined in the 2012 Urban Transit HUB Tax Credit Residential Competitive Solicitation. This Project involves and is defined as College Avenue Redevelopment Initiative. The owner and developer of the project is New Brunswick Development Corporation (“Devco”).

The total costs of the Project are estimated to be \$297,707,632. The total eligible costs under the UTHTC program are \$238,732,821. The recommended award of tax credits is up to 35% of the eligible costs, not to exceed \$33,000,000 or \$3,300,000 annually for 10 years.

Project Description

This Project involves a proposed mixed use development located in New Brunswick, New Jersey in an urban transit hub within one half mile of the New Brunswick Train Station. The Project is in and/or abuts several Low and Moderate Income Census Tracts. The Project site is part of the College Avenue Redevelopment Plan. In December 2012, the Project received preliminary site plan approval and/or planning board recommendation for consistency with the city’s Master Plan as required for Rutgers University projects. The property use is predominantly residential and as such, the application is a qualified residential project as defined by the UTHTC program.

The Project represents a public-private partnership with Rutgers University (“Rutgers”), New Brunswick Theological Seminary (“Seminary”), Rutgers Hillel (“Hillel”), Citibank and the Applicant. The overall Project includes the redevelopment of approximately 10 acres existing on three main sites. The Project consists of the following components:

- **University Honors College** – A portion of the residential component will include construction of 175,380 square feet of residential space for the University Honors College on the current Seminary site and parcels currently owned by Rutgers and Hillel, located at Seminary Place, College Avenue, Bishop Place and George Street (“Seminary Site”). This component will include three distinct buildings providing 500 beds for Rutgers’ honors students, in a configuration providing 250 standard double occupancy units with common bathrooms located on each hallway. It will also include amenity space to support student activities, including areas for small group and individual study, library and media areas, and common areas for social gathering. Total rentable building area (“RBA”) for this component is 166,610 square feet.
- **Student Apartments** – A portion of the residential component will also include the development of 242,090 square feet of residential space for student apartments on a site currently owned by Rutgers at the corner of College Avenue and Hamilton Street (“Lot 8”). This component will include a complex of buildings providing 520 beds for Rutgers students, with 130 units in a 4 bedroom single occupancy configuration. The building will also offer student amenities such as a fitness center, media room, and areas designated for social gatherings and quiet study. Total RBA for this component is 211,775 square feet.
- **Retail** – The Student Apartments component will also include 13,500 square feet of ground floor retail space.
- **University Academic Building** – This component involves the further redevelopment of the Seminary Site into a 162,865 square foot academic building for Rutgers. The building will house a number of academic departments in the liberal arts disciplines, together with approximately 3,000 seats of classroom space in the form of modern lecture halls ranging from 80 to 250 seats per classroom. Total RBA for this component is 154,725 square feet
- **Parking** – The project also includes a 150,000 square foot structured parking facility with 380 parking spaces on a site on George Street currently owned by Rutgers (“Lot16”). The Applicant has represented that the garage will not be available for residential use. Rutgers intends to incorporate the parking facility into its overall parking inventory for assignment to faculty and staff members.
- **Public Green Space** – This component will include the development of a 25,000 square foot public plaza on Lot 8, providing outdoor amenities, outdoor connections between new and existing facilities and a large projection screen allowing communal viewing of athletic events, movies, etc.

Total RBA of the project is 696,610 square feet, with 54% designated for residential use and 46% designated for commercial uses. Other components of the overall development plan that are not included in this application include: infrastructure improvements, relocation of the Seminary to a new building, development of 20 townhouse-style apartments on Mine Street for students and construction of a new student center for Hillel.

The Applicant anticipates demolition of existing buildings to commence in May and construction of four additions to commence in July 2013, with a construction period of approximately 3 years. Construction of the residential components is expected to be completed in the 3rd quarter of 2015, and construction of the commercial components is expected to be completed in the 2nd quarter of 2016. The application did not contain any information that contradicts the applicant’s representation that the project will be completed

within the stated timeframe.

Although applicants for the residential project portion of the UTHTC program are not required to maintain certain employment levels, it is estimated that this Project will create approximately 1,200 construction jobs with average salaries of approximately \$85,000 and 32 permanent jobs with average salaries of approximately \$45,000.

The Applicant has received a letter of support from the Mayor of New Brunswick and intends to meet Green Building requirements through LEED Silver certification of performance and pay for performance. In addition, the Applicant has received a letter from the Director of the Department of Planning, Community and Economic Development stating that the project is not subject to any affordable housing requirements.

Developer Capacity

The development team for the Project consists of the following:

- ***New Brunswick Development Company – Owner of Applicant and Developer/Project Manager***
Devco was established in 1976 as a non-profit development company to initiate redevelopment projects and to serve as the vehicle for public and private investment in the City of New Brunswick. Devco has overseen and managed over \$2 billion of redevelopment activity. Key staff from Devco involved in the Project includes Christopher Paladino - President, Sarah Clarke - Executive Vice President, Merissa Buczny - Vice President, and each has 15 to 20 years of experience in real estate development. Devco has been involved in three other similar residential mixed use projects within the past ten years: the \$143 million Gateway Transit Village project, the \$88 million University of Medicine and Dentistry Housing project and the \$55 million Rockoff Hall University Apartments project.
- ***Farewell Architects, LLC – Architect***
Key staff from Farewell involved in the Project include Michael Farewell, Principal, with 34 years of experience and Lorine Murray-Mechini, Partner, with 28 years of experience.
- ***Elkus Manfredi Architects – Architect***
Key staff from Elkus Manfredi involved in the Project include David Manfredi, Principal, with 25 years of experience and John Martin, Principal, with 22 years of experience.
- ***PS&S – Civil Engineer***
The key individuals from PS&S involved in the Project are Rebecca Koze - Senior Associate (13 years of experience), Kyle Rutherford - Project Designer (4 years of experience) and Joseph Seybert - Project Designer (4 years of experience).
- ***Langan Engineering – Civil Engineer***
The key individuals from Langan involved in the Project are David Gockel, Principal with 30 years of experience and Christian Roche, Project Engineer with 7 years of experience.
- ***Louis Berger Group – Environmental Engineer***
The key individuals from Louis Berger involved in the Project are Joe Dempsey - Director of Site Remediation (16 years of experience), Fameeda Ali - Manager of Site Assessments (15 years of experience) and Bruce Lockwood - Senior Industrial Hygienist (18 years of experience).

- **Michael Riesz & Co. – Construction**
Michael Riesz & Co. is a construction firm. The key individuals from Michael Riesz involved in the Project are Eric Jensen, President and Chris Jensen, Vice President – Project Management, who each have more than 20 years of experience in construction.
- **Joseph Jingoli & Son Inc. Construction – Construction**
Jingoli is a construction firm. The key individuals from Jingoli involved in the Project are Dennis Mockaitis, Senior Vice President, with 40 years experience, and David Christiansen, Senior Project Manager, with 32 years of experience.

Project Ownership

The Applicant is a single purpose entity owned by Devco. Rutgers, Seminary and Hillel currently own the Project site parcels for each component as described above. Rutgers and the Applicant have executed a Ground Lease Option Agreement to convey site control of Lot 8 and Lot 16 from Rutgers to the Applicant. Seminary and the Applicant have executed a Purchase & Sale Agreement to convey site control of the Seminary Site from Seminary to the Applicant. Rutgers and Hillel have executed a Land Swap Agreement to convey site control of portions of the Seminary Site currently owned by Hillel to Rutgers. Rutgers and the Applicant have executed a Purchase & Sale Agreement to convey site control of this Hillel parcel and another parcel owned by Rutgers on the Seminary Site from Rutgers to the Applicant. The Applicant will then lease the entire Project to Rutgers through a master lease/net lease structure.

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	\$ 17,340,000	\$ 0
Construction of Building & Site Improvements	\$ 188,646,350	\$ 188,646,350
Professional Services	\$ 18,343,350	\$ 15,995,000
Financing & Other Costs	\$ 57,027,076	\$ 27,174,017
Contingency	\$ 6,917,454	\$ 6,917,454
Development Fee	\$ 9,433,402	\$ 0
TOTAL USES	\$ 297,707,632	\$ 238,732,821

HUB eligible costs exclude \$17,340,000 in land costs, \$9,433,402 in development fees, \$9,362,266 in soft costs that exceed the cap of 20% of eligible costs and \$22,839,143 marketing, relocation and other project expenses which do not fit within the UTHTC definition of eligible hard or soft costs.

<i>Sources of Financing</i>	<i>Amount</i>
Tax Exempt Bond Issue – Residential Series	\$ 178,039,733
Tax Exempt Bond Issue – Academic Series	\$ 119,670,899
Total	\$ 297,707,632

The Project will be 100% financed with the proceeds of tax exempt bonds (the “Project Bonds”) to be considered for approval by the Authority, who will loan the Project Bond proceeds to the Applicant. The Project Bonds will be secured by payments made by Rutgers (with an anticipated Aa2/AA credit rating) to the

Applicant pursuant to a Master Lease between the Applicant and Rutgers. In December 2012, Rutgers executed a commitment (the "Rutgers Commitment") to, among other things, enter into a Master Lease with the Applicant to lease the Project for a term of 30 years, with rent payments set at an amount sufficient to pay debt service payments due on the Project Bonds after application of the proceeds from the sale of UTHTC tax credits towards such debt service on the Project Bonds. At the end of the Master Lease, ownership of the Project will be conveyed to Rutgers for nominal consideration. The Applicant has received a letter from Citigroup Global Markets Inc. stating interest and confidence in underwriting the Project Bonds based on the proposed structure. In addition, the Applicant has also received a letter from Citibank N.A. stating interest and confidence in Citibank's ability to purchase the UTHTC tax credits awarded to the Applicant.

Gap Analysis

EDA staff has reviewed the application to determine if there is a shortfall in the project development economics pertaining to the return on the investment for the developer and their ability to attract the required investment for this project. Staff analyzed the pro forma and projections of the project, however, the Authority is unable to calculate an equity IRR for the Project because there is no proposed equity contribution in the capital structure of the Project. In addition, the Authority has noted that projected returns from the project are negligible due to the Master Lease structure described above.

The Project has demonstrated an economic need for the UTHTC award based on the Rutgers Commitment, which is contingent on the Applicant receiving an allocation of UTHTC tax credits. Authorizing resolutions adopted by Rutgers' Board of Governors and Board of Trustees in June 2012 approved the Project contingent on the receipt of approximately \$52 million in UTHTC tax credits. The Senior Vice President for Finance and Administration for Rutgers, who was authorized to execute documents necessary to proceed with the Project, executed the Rutgers Commitment, which is contingent on a \$33 million UTHTC award. In addition, the Project proforma submitted by the Applicant demonstrates a gap in their ability to service debt without the UTHTC award. Assumptions utilized in the residential portion of the proforma were supported by a third-party market study further supporting that there is a gap in funding debt service on the residential portion of the Project. As such, it appears that the project would not otherwise be completed without the benefit of the HUB.

Recommendation

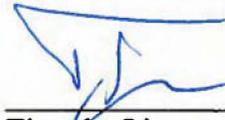
Staff has reviewed the application for consistency with the Act and Rules, as amended, implementing the UTHTC Program and the Residential HUB Solicitation and recommends approval of the following:

Application for a tax credit in a maximum amount estimated at \$33,000,000 representing up to 35% of the eligible capital investment. The NJEDA will provide the Applicant with an approval letter for a tax credit amount that will reflect that the Applicant at a maximum will receive \$33,000,000. In addition, the NJEDA may provide approval of assignment of tax credits by the Applicant, as may be required by the Applicant for financing and completion of the Project.

Pursuant to the rules governing the program, the project will need to meet certain milestones within 12 months of approval in order to maintain the project's credit approval. These milestones include:

1. Site control
2. Site plan approval
3. Other project specific items which may be added

Upon project completion and the satisfaction of certain conditions to be outlined in the commitment letter, the Authority shall issue a tax credit certificate based on the final qualified costs, not to exceed the approved amount. The tax credit certificate shall indicate that the Applicant may take one tenth of the total credit annually over ten years when accompanied by a letter issued by NJEDA indicating the project is compliant with program guidelines.



Timothy Lizura

Prepared by: Christine Caruso



MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: April 9, 2013

RE: **Beacon Redevelopment LLC or Nominee**
Urban Transit Hub Tax Credit Program (“UTHTC”)
Residential Competitive Solicitation

Request

The Members are asked to approve the Urban Transit Hub Tax Credit (“UTHTC”) program application (under P.L. 2007, c.346, P.L. 2008, as amended on July 26, 2011) under the 2012 Urban Transit Hub Tax Credit Residential Competitive Solicitation for Beacon Redevelopment LLC or Nominee (“BR”, “Developer” or the “Applicant”). This application has complied with all eligibility criteria as outlined in the 2012 Urban Transit HUB Tax Credit Residential Competitive Solicitation. This Project is specifically defined as the rehabilitation of two dilapidated and long vacant buildings on the campus of the former Jersey City Medical Center (known as the Hague and Criterion) consisting of approximately 495,000 square feet of gross space to be converted into 479 rental apartment units along with 31,000 square feet of commercial space (also referred to as phase two in this memo with all other phases representing work on other buildings in the vicinity and on the campus of the former medical center). The overall project/campus (called “The Beacon”) is a multi phase project totaling 1.5 million square feet with full build out consisting of 1,400 residential units and 1,100 parking spaces spread over 14 acres among eleven buildings (note two buildings have been redeveloped with 310 of the 315 condominiums sold by previous owner and another building remains under ownership of previous owner). This is the largest historic redevelopment project in the State of New Jersey. The developer of the Project is BR.

Tax credits are available for up to 35% of the total qualified capital investment per project with a maximum of \$33 million, whichever is less. The total costs of the Project are estimated to be \$124,848,872. The total eligible costs under the UTHTC program are \$113,046,339. The recommended award of tax credits is up to 35% of the eligible costs, not to exceed \$33,000,000 or \$3.3 million annually for ten years.

Project Description

This Project involves the rehabilitation of two existing towers (22 story Criterion with 250 residential units plus 31,000 square feet of commercial and the 11 story Hague with 229 residential units). The primary demand drivers and marketing efforts will be Manhattan and Bronx as it is anticipated that 50% of this Project’s residents will be relocate to New Jersey from out of state. The beautiful layout and design will

restore two of the best known and most majestic buildings at the Beacon with overall average room sizes of 766 square feet per unit (and 73% of the units are to be comprised of efficiency or one bedroom) with desirable amenities.

The Project address is 88 and 110 Clifton Place and the attributable land area is 2.2 acres. The existing buildings on the site currently have been vacant for over ten years and will be completely refurbished. The Project site is three quarters of a mile from the Journal Square PATH Station. The UTHTC amendment in 2012 incorporated projects located within a one mile radius of a rail station in an area which is the subject of a Choice Neighborhoods Transformation plan funded by HUD and the site of an acute care medical facility or a closed hospital and this Project meets both of these criteria.

The Project site is confirmed to be within a Moderate Income Census Tract. The Medical Center area was designated as an area in need of redevelopment and per the most recent amendment to the Redevelopment plan (Beacon Redevelopment Plan with both the Jersey City Redevelopment Authority and the Hudson County Improvement Authority) for the entire complex is now known as the Beacon Redevelopment Area. Final major site plan approval has been obtained back in 2007. The residential component of this Project, based on square footage (rentable square feet of 367,000) is 92% of the total with the remainder commercial space (31,000 square feet). The Project received a waiver from the municipality with regard to providing affordable housing units.

BR acquired their portion of the Beacon in December of 2011 (for \$41 million) and preliminary site plan approval has been obtained (final site plan is expected once construction drawings are completed by mid June) the rehabilitation anticipated to commence in January of 2014 consisting of interior demolition. The Project renovation time line reflects an expected completion date of October of 2016. The application did not contain any information that contradicts the applicant's representation that the Project will be completed within the stated timeframe.

The Project is expected to create 318 construction jobs at \$83,000 per annum salary with another 27 full time jobs (pertaining to the residential and commercial) at an average salary of \$33,500.

A December 17, 2012 letter of support from the Mayor of Jersey City states that this Project is a priority as the total rehabilitation area encompasses over 14 acres in the heart of the municipality and will be the anchor in developing the area that has been neglected for decades. Green building standards are proposed to be met via the design complying with the requirements for 15% energy cost savings vs. the ASHRAE standard 90.1-2007.

Developer Capacity

BR is the developer of this Project and is the sole member of two special purpose subsidiaries, BR Criterion Urban Renewal Company, LLC and BR Hague Urban Renewal Company, LLC which own the two buildings being rehabilitated, are the recipients of the financing and the tax credits for this Project.

BR is owned 91.3% by BLTREJV2 Beacon LLC and 8.7% by MVNI Beacon LLC. The sole member of BLTREJV2 Beacon LLC is BLT Real Estate JV2, LLC ("BLTRE"). The members of BLTRE have committed to contribute capital (to this entity plus BLT Real Estate JV1, LLC) and unfunded capital calls through 12/31/11 are in excess of the equity required for this Project. The managing members and investors are known as CRK Holdings and PJK Holdings which are in turn controlled by and represent the asset portfolio of Carl and Paul Kuehner (financial resources summarized later in the confidential memo portion of

this analysis evidencing sufficient ability to provide the necessary debt and equity for the Project).

BR was formed in 2011 for the purpose to acquire, develop, hold directly or indirectly through such subsidiaries as the company shall establish or acquire, the Beacon (includes the Project property). The General contractor for the Project is Building and Land Technology (“BLT”) which is a second generation real estate development company that has completed ventures in excess of \$3 billion including over 4 million square feet of commercial development and over 4,000 residential units. The principals, Paul and Carl Kuehner have led this company for over 20 years. The equity provider in the Project is BLTRE. The loan commitment for this Project came from BLT Finance, an affiliate of BLT established in 2008 to provide financing for their real estate development projects. BLT Finance is owned by CRK Holdings and PJK Holdings and these entities also control BLT and BR.

The development team includes Dinallo Construction Corporation (Donald Dinallo, the construction manager has over 30 years of real estate experience and also holds the CEO position at Terminal Construction Corporation), Richard Woolley, Chief Estimator for the Beacon (with over ten years of experience at BLT), Victor Mironshuk, design and construction management (President of EDI, design firm founded in 1976) and Walter Mawby, design and construction management (40 years of experience in residential construction industry currently at BLT). The lead general construction management and project manager role for the Beacon is being handled by Carl R. Kuehner, CEO of BLT who possesses over 25 years of real estate experience with Carl J. Kuehner, Senior, consultant to BLT, having over 40 years of real estate experience (started Real Estate Technology Corp. in 1979 which formed the genesis for BLT) acting as the on-site assistant project manager for all activities at the Beacon.

BLT as developer has completed an adaptive residential reuse project called the Lofts at Yale and Town in Stamford Connecticut in May of 2010 with 225 apartments as a Gold Certified LEED historic renovation. The Mercury project in Jersey City (part of the Beacon) is a 126 unit residential redevelopment project that was completed in 2012 and now stabilized (converted from construction to permanent loan in December of 2012). The Paramount project in Jersey City (part of the Beacon) is a 231 unit residential adaptive reuse development that is currently under development by BLT with expected completion in 2014.

Project Ownership

BR is owned 91.3% by BLTREJV2 Beacon LLC and 8.7% by MVNI Beacon LLC. The sole member of BLTREJV2 Beacon LLC is BLT Real Estate JV2, LLC (“BLTRE”).

BLTRE was organized in June of 2011 and has three members including BLT Real Estate JV1, the managing member, whose purpose is to acquire, invest in, hold and dispose of debt and equity securities and investments relating to commercial, retail and residential real properties and carry out other activities customarily undertaken by a holder of real estate. The fund will be in existence until June 20, 2019 and the manager is BLT Fund Manager, LLC, a related party of the managing member.

BR’s Asset portfolio consists of the eight buildings and several parking lots associated with the Beacon project (includes a parking garage) with a cost of \$81 million and outstanding debt of \$43 million (\$7 million of which is specifically attributable to the Project which will be refinanced once the construction loan is closed).

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	\$ 7,000,000	\$ 0
Construction of Building & Site Improvements	\$ 98,662,078	\$ 98,662,078
Professional Services	\$ 6,377,533	\$ 6,377,533
Financing & Other Costs	\$ 7,620,329	\$ 7,495,329
Contingency	\$ 511,399	\$ 511,399
Development Fee	\$ 4,677,533	\$ 0
TOTAL USES	\$ 124,848,872	\$ 113,046,339

HUB eligible costs exclude land, developer fee and other costs which are not eligible costs under the program.

<i>Sources of Financing</i>	<i>Amount</i>
BLT Finance: 36 months interest only (with two twelve month extension options with 30 year amortization therein), interest at borrower option of LIBOR + applicable margin or Lender's Prime less 1%. Commitment expiration date of 4/30/13.	\$ 81,151,767
Equity	\$ 43,697,105
Total	\$ 124,848,872

The financing structure for this Project has no public funding sources and the equity contribution is 35% of total costs.

Gap Analysis

EDA staff has reviewed the application to determine if there is a shortfall in the project development economics pertaining to the return on the investment for the developer and their ability to attract the required investment for this project. Staff analyzed the pro forma and projections of the project and compared the returns with and without the HUB over 10 years. At stabilization when the construction loan is converted into permanent financing in year four, the Developer anticipates \$5.79 million in additional debt (resulting in a loan of \$86.94 million) which reduces equity by \$5.79 million (as reflected in the gap analysis). Additionally, the gap analysis reflects the receipt of historic tax credits in the amount of \$2.7 million in year three.

Without HUB	With HUB (*)
Equity IRR 11.80%	Equity IRR 17.67%

(*) Includes full value of HUB at \$3.3 million per year for ten years.

As indicated in the chart above, the project would not otherwise be completed without the benefit of the HUB. **With the benefit of the HUB, the Equity IRR is 17.67%. This is below the maximum market rate of 20% as adopted by the Members of the Authority as indicated in the Residential Competitive Solicitation.**

Recommendation

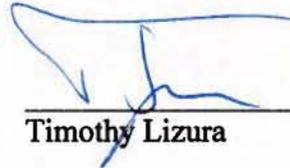
Staff has reviewed the application for consistency with the Act and Rules, as amended, implementing the UTHTC Program and the Residential HUB Solicitation and recommends approval of the following:

Application for a tax credit in a maximum amount estimated at \$33,000,000 representing up to 35% of the eligible capital investment. The NJEDA will provide the Applicant with an approval letter for a tax credit amount that will reflect that the Applicant at a maximum will receive \$33,000,000. In addition, the NJEDA may provide approval of assignment of tax credits by the Applicant, as may be required by the Applicant for financing and completion of the Project.

Pursuant to the rules governing the program, the project will need to meet certain milestones within 12 months of approval in order to maintain the project's credit approval. These milestones include:

1. Site control
2. Site plan approval
3. Other project specific items which may be added

Upon project completion and the satisfaction of certain conditions to be outlined in the commitment letter, the Authority shall issue a tax credit certificate based on the final qualified costs, not to exceed the approved amount. The tax credit certificate shall indicate that the Applicant may take one tenth of the total credit annually over ten years when accompanied by a letter issued by NJEDA indicating the project is compliant with program guidelines.



Timothy Lizura

Prepared by: Michael A. Conte



MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: April 9, 2013

RE: **Journal Square Associates LLC**
Urban Transit Hub Tax Credit Program (“UTHTC”)
Residential Competitive Solicitation

Request

The Members are asked to approve the Urban Transit Hub Tax Credit (“UTHTC”) program application (under P.L. 2007, c.346, P.L. 2008, as amended on July 26, 2011) under the 2012 Urban Transit Hub Tax Credit Residential Competitive Solicitation for Journal Square Associates LLL (“J2, “Developer” or the “Applicant”). This application has complied with all eligibility criteria as outlined in the 2012 Urban Transit HUB Tax Credit Residential Competitive Solicitation. This Project is specifically defined as phase one consisting of a 540-unit residential tower (54 stories) with associated parking, amenity retail, as well as the public esplanade which, as the new entryway to the Journal Square Transit Center, will serve as the broad infrastructure platform to enable the additional planned development by J2. The entire scope of the development is three phases to include 1,800 residential units, 36,000 square feet of retail, 920 parking spaces and the possibility of a 600,000 square foot office tower. The owner and developer of the Project is J2.

Tax credits are available for up to 35% of the total qualified capital investment per project with a maximum of \$33 million, whichever is less. The total costs of the Project are estimated to be \$202,672,571. The total eligible costs under the UTHTC program are \$172,476,250. The recommended award of tax credits is up to 35% of the eligible costs, not to exceed \$33,000,000 or \$3.3 million annually for ten years.

Project Description

This Project involves the construction of a residential tower containing approximately 644,000 square feet consisting of 540 rental units, 180 parking spaces and 3,160 square feet of retail. The facility will target young professional and workforce housing residents, with 80% of the units’ efficiency or one bedroom with the overall average size of 730 square feet per unit.

The Project address is 136 Magnolia Avenue and the land area attributable to phase one is part of a 1.3 acre parcel that has not yet been delineated by the Developer (aggregate land for all phases is 2 acres). There are two existing buildings on the site currently which are to be demolished. The Project site is adjacent to the Journal Square PATH Station (part of the Journal Square Transportation Center which provides extensive bus

and rail mass transit options to employment centers in New York and New Jersey) and is within ½ mile of this station. This Center serves as hub for access to Newark International Airport, Midtown Manhattan and the World Trade Center Path Station in the heart of New York's financial district. A ten minute ride from Journal Square to Newark Penn Station allows passengers to access the entire northeast corridor via NJ Transit and Amtrak.

The Project site is confirmed to be within a Moderate Income Census Tract. In 2008 Journal Square area was designated as an area in need of rehabilitation and as a result of this designation, the Journal Square 2060 Redevelopment Plan was passed by the Jersey City Municipal City Counsel in July of 2010 (which in addition to the Project site includes 211 acres, 57 city blocks and some 1,600 individual parcels). Final major site plan approval with deviations for Phase one was memorialized on December 18, 2012. The residential component of this Project, based on square footage (500,000 square feet gross leasable and 394,000 square feet net rentable) is 99% (including parking dedicated to the residential which is approximately 115,000 square feet) with retail (3,600 square feet) comprising the remainder. Aside from monetary contribution to the affordable housing trust fund there are no municipal ordinances or other municipal regulations of any kind that require the proposed project to include or otherwise provide affordable housing units.

J2 acquired the site in 2008 (with the exception of one parcel currently under contract for \$3.8 million and expected to close by April 30, 2013), obtained preliminary site plan approval in December of 2012, expects construction drawings/documents by September 2013 and anticipates commencement of construction in October of 2013. The Project will take 36 months to construct resulting in a completion date of October 2016. The application did not contain any information that contradicts the applicant's representation that the project will be completed within the stated timeframe.

The Project is expected to create 711 construction jobs at \$75,000 per annum salary with another nine full time non retail related jobs at \$48,000. In addition, eight full time retail jobs are anticipated at salaries of \$25,000.

An October 17, 2012 letter of support from the Mayor of Jersey City states that this Project was in fact the municipality's highest priority residential redevelopment project. Green building standards are proposed to be met via the design complying with the requirements for 15% energy cost savings vs. the ASHRAE standard 90.1-2007 per the pay for performance procedures.

Developer Capacity

Journal Square Associates, LLC is the developer of this Project and is owned equally by IBEW-NECA Diversified Real Estate Fund, LLC ("IBEW") and S/K Journal Square Associates, LLC ("SK"). The equity contribution for this Project is 90/10, respectively.

J2 was formed in February of 2008 to acquire lands associated with and to develop the Project. The principals of the members of J2 have steep experience in real estate (all five key staffers, Murray Kushner, Jonathan Kushner, Jeffrey Kanne, Jeffrey Persky and Joseph Punia each have over 10 years of real estate industry experience). Three projects of similar nature to the proposed Project (whereby the members controlling at least 50% by the same principals as the principals in J2) include Grove Point, Jersey City with a total cost of \$150 million completed in 2007 (458 rental units and parking), 225 Grand, Jersey City with a total cost of \$138 million completed in 2010 (348 rental units, retail and parking) and 18 Park, Jersey City with a total cost of \$140 million which is under construction and scheduled to be completed in late 2013 (422 rental units, retail and parking and a UTHTC recipient under the name Grand LHN).

The development team includes AJD Construction (the likely contractor) which was founded in 2007 and has successfully built over 25,000 apartments valued at over \$4 billion (including Grove Point, 225 Grand and 18 Park). Dresdner Robin (engineering and development with Fred Worstell, Principal possessing over 30 years experience), Barone Engineering Associates, LLC (engineering with Vincent Barone founder with 43 years experience, Connel Foley, LLP (real estate law firm with James McCan having 18 years experience), Melillo + Bauer (architects with Thomas Bauer having over 30 years experience), Hollwich/Kushner, LLC (architects with Matthais Hollwich possessing over 20 years experience), Gary Handel (planner and designer with over 18 years experience) and Dolan & Dean Consulting (Gary Dean with over 25 years experience).

The project manager is Joseph Punia, Executive Vice President of KRE Group (Kushner Real Estate Group, successor to SK Properties with origins to 1979 serving as a full service real estate investment and property management firm with over 100 office, residential, warehouse and retail properties in their portfolio). Mr. Punia founded Punia Company which has been in existence for over 20 years providing engineering and construction management of 1.5 million in office and industrial projects. Mr. Punia has spent the most recent 12 years at KRE and was project manager for Grove Point, 225 Grand and currently managing 18 Park.

Project Ownership

Journal Square Associates, LLC is a single purpose entity formed to develop and operate this Project with ownership split equally by IBEW-NECA Diversified Real Estate Fund, LLC (“IBEW”) and S/K Journal Square Associates, LLC (“SK”).

IBEW was founded in 2008 as an open ended comingled real estate fund formed to provide members a medium for pooling funds to invest in commercial and residential real estate related assets for the purpose of generating income and appreciation on such investments. There are approximately twelve members of the fund with National Electrical Benefit Fund holding an 83.5% interest. The manager of the fund is National Real Estate Advisors, LLC. Asset portfolio consists of 26 equity investments (apartments 42%, industrial 15%, retail 15%, office 12% and land 8%) centered in California, New York, Pennsylvania, Illinois, Maryland and Texas. Eleven other properties are in debt investments (retail 36%, hospitality 18%, apartment 18%, senior 9%, office 9% and industrial 9%) centered in Wisconsin, Pennsylvania, California, Illinois and New York).

SK is a single purpose entity formed for investment in the Project with no portfolio of assets.

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	\$ 14,697,500	\$ 0
Construction of Building & Site Improvements	\$ 144,311,365	\$ 142,008,365
Professional Services	\$ 6,200,000	\$ 3,400,000
Financing & Other Costs	\$ 29,481,398	\$ 24,988,662
Contingency	\$ 2,079,223	\$ 2,079,223
Development Fee	\$ 5,903,085	\$ 0
TOTAL USES	\$ 202,672,571	\$ 172,476,250

HUB eligible costs exclude land, developer fee, working capital, marketing and other costs which are not eligible costs under the program (including \$2.8 million in predevelopment costs incurred prior to 7/28/09).

<i>Sources of Financing</i>	<i>Amount</i>
National Real Estate Advisors, LLC: 36 months interest only (with two six month extension options), interest at greater of 5.25% or 300 basis points over 30 day LIBOR to be reset monthly. Commitment expiration date of 12/19/13.	\$ 141,870,800
Equity	\$ 60,801,771
Total	\$ 202,672,571

The financing structure for this Project has no public funding sources and the equity contribution is 30% of total costs.

Gap Analysis

EDA staff has reviewed the application to determine if there is a shortfall in the project development economics pertaining to the return on the investment for the developer and their ability to attract the required investment for this project. Staff analyzed the pro forma and projections of the project and compared the returns with and without the HUB over 10 years.

Without HUB	With HUB (*)
Equity IRR 9.84%	Equity IRR 13.48%

(*) Includes full value of the HUB at \$3.3 million per year for ten years.

As indicated in the chart above, the project would not otherwise be completed without the benefit of the HUB. **With the benefit of the HUB, the Equity IRR is 13.48%. This is below the maximum market rate of 20% as adopted by the Members of the Authority and as indicated in the Residential Competitive Solicitation.**

Recommendation

Staff has reviewed the application for consistency with the Act and Rules, as amended, implementing the UTHTC Program and the Residential HUB Solicitation and recommends approval of the following:

Application for a tax credit in a maximum amount estimated at \$33,000,000 representing up to 35% of the eligible capital investment. The NJEDA will provide the Applicant with an approval letter for a tax credit amount that will reflect that the Applicant at a maximum will receive \$33,000,000. In addition, the NJEDA may provide approval of assignment of tax credits by the Applicant, as may be required by the Applicant for financing and completion of the Project.

Pursuant to the rules governing the program, the project will need to meet certain milestones within 12 months of approval in order to maintain the project's credit approval. These milestones include:

1. Site control
2. Site plan approval
3. Other project specific items which may be added

Upon project completion and the satisfaction of certain conditions to be outlined in the commitment letter, the Authority shall issue a tax credit certificate based on the final qualified costs, not to exceed the approved amount. The tax credit certificate shall indicate that the Applicant may take one tenth of the total credit annually over ten years when accompanied by a letter issued by NJEDA indicating the project is compliant with program guidelines.



Timothy Lizura

Prepared by: Michael A. Conte

Resolution of the New Jersey Economic
Development Authority Regarding Approval
of an Urban Transit Hub Tax Credit Program
Residential Competitive Solicitation Project Recommendations

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

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

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

1. The actions set forth in the Memorandum attached hereto, are hereby approved, subject to any conditions set forth as such in said Memorandum.
2. The findings set forth in the Memorandum are hereby adopted including the declination of one project based on its score and the declination of seven projects that did not meet the eligibility requirements and were therefore not scored.
3. The Memorandum, attached hereto, is hereby incorporated and made a part of this resolution as though set forth at length herein.
4. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10-day period the Governor shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

DATED: April 9, 2013

**RESIDENTIAL COMPETITIVE SOLICITATION PROJECTS
SCHEDULE A**

Applicant and/or Nominee	Location	Amount
College Avenue Redevelopment Initiative	New Brunswick	\$33 million
The Beacon	Jersey City	\$33 million
Journal Squa	Jersey City	\$33 million

DRAFT

BOARD MEMORANDUMS



MEMORANDUM

TO: Members of the Authority

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

DATE: April 9, 2013

SUBJECT: Carlin Realty
\$354,111 Direct Loan
P19091

Request:
Extend the loan balloon maturity for 5 years to 02/01/2018.

Background:
Borrower is a real estate holding company for Community Programs, Inc., (CPI), which operates an adult medical day care center in Vineland. CPI has been in operation for more than 20 years under the ownership of Larry Carlin, and has been a long standing customer of the Authority.

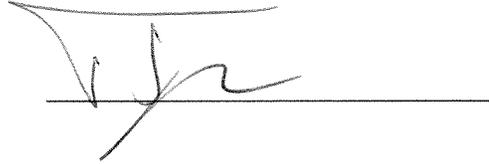
In January 2008, the EDA provided a \$500,000 direct loan to supplement a \$2,080,000 New Markets Tax Credit (5 year interest only) loan from United Western Bank and a \$160,000 loan from Community Reinvestment Fund for the refinance of existing debt and funding capital improvements. In July 2009, the EDA agreed to extend the amortization of its loan to 20 years to provide debt service relief needed due to declining reimbursement. The Authority's loan matured with a balloon payment due on 2/1/2013.

Due to declining revenues over the past four years and reduced property value, the borrower was unable to refinance the EDA loan at maturity or obtain suitable terms on refinancing the NMTC loan, which began amortizing on 03/05/2013. As a result, the borrower no longer meets the financial criteria for the loan maturity extensions under Delegated Authority and the extension is being presented for the Members' approval.

Staff recommends a five year extension to permit the borrower to continue amortizing the loan while they seek refinancing of project debt. The adult daycare industry is expected to benefit from the Affordable Care Act that will take effect on January 1, 2014. It is estimated that 395,000 uninsured New Jersey residents will be newly eligible for Medicaid, which in turn will significantly increase adult day care client base and will result in higher revenues for adult day care providers.

Recommendation:

Extend the loan maturity for 5 years at current repayment terms to 02/01/2018 to allow borrower to continue to amortize the loan while providing time for an expected increase in adult day care funding which may potentially support the refinance of the EDA's loan and other company debt.

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

Prepared by: Natalia Nagovsky

ADOPTED

Attachment

Resolution of the New Jersey Economic Development Authority Regarding Carlin Realty

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

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

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

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

DATED: April 9, 2013

EXHIBIT

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: April 9, 2013

SUBJECT: **Gran Prix Partners, LP**
P37573

Request

This memo is to request the release of the limited personal guarantees of Kenneth Brier and Ted Drauschak. The limited personal guarantees were provided in consideration of the EDA's direct loan to Gran Prix Partners approved by the board on August 14, 2012.

Background

Grand Prix Partners, LP ("GP" or "Company") was formed in 2008 to own and operate a Fairfield Inn and Suites by Marriott. GP is owned by Ferrari Hospitality, LLC. (20%), Horizons Development Partners, LP. (45%) and Sohum Hospitality, LLC. (35%). The hotel opened for business on April 26, 2011. The hotel has 111 rooms and other amenities including a breakfast dining area, 500 square feet of meeting space, an outdoor pool, an indoor whirlpool, a sport court, exercise room, business center, sundries counter, and guest laundry room.

On February 9, 2010, the EDA Board approved a \$1 million direct loan that would pay down the \$11.4 million construction loan provided by Continental Bank and a group of five additional banks. The remaining \$10.4 million balance of the construction loan would be converted to a permanent mortgage. The original approval required that our loan close once construction was completed and the Company could meet Continental Bank's terms and conditions to convert the construction loan to a permanent mortgage. One of the primary conditions required by the banks and the Authority was GP needed to illustrate two consecutive quarters with a minimum debt service coverage ratio of 1.35 times. Note that this coverage ratio was based on the interest only portion of the fully disbursed construction loan. The construction loan did not require any principal reductions. GP was unable to meet this condition reflecting a longer than anticipated ramp up period reflecting the US recession and aggressive pricing strategies employed by local competitors. As a result, the Authority's commitment for the \$1 million term loan expired on January 31, 2012.

Continental Bank's construction loan was set to expire on July 1, 2012 and the borrower had requested the Authority to reapprove a \$1 million term loan. The banks approved an extension of the construction loan until September 15, 2012, which will require a monthly \$13,000 principal payment plus interest until the construction loan is converted to the permanent mortgage. The extension approved included amended terms and conditions, specifically eliminating the two consecutive quarters of 1.35 times debt service requirement and was conditional upon the Authority reapproving a \$1 million direct term loan, which was done at the August 14, 2012 EDA Board meeting, as part of the permanent mortgage financing package. As in the original approval, the Authority's loan proceeds were intended to reduce the exposures of Continental Bank and the participating lenders collectively by \$1 million.

The loan did not close on or prior to November 14, 2012 and the commitment expired. Prior to extending the commitment expiration date, the Authority discovered a civil suit had been filed in the State of Pennsylvania naming as defendants certain guarantors and other individuals having a vested interest in the project.

Upon learning of the suit, Authority staff declined to extend the commitment expiration date and commenced due diligence in order to decide whether or not to proceed with extending the commitment and subsequently allowing the loan to close. Following EDA staff and attorney review of the suit and further due diligence conducted with the applicant, certain of those individuals that have involvement in the lawsuit and senior lender, Continental bank, it has been decided to extend the commitment until April 30, 2013 subject to the following additional conditions.

1. Kenneth Brier, Ted Drauschak, and Joel Cooperman are members of the general partner Ferrari Hospitality, LLC ("Ferrari") an investment entity formed to make an equity investment into the Gran Prix project. Ferrari has a 20% ownership in GP. Messrs. Brier, Drauschak and Cooperman each agree that they will no longer have any management voting rights, decision making ability, oversight or any other active daily role in the management of the Marriott effective as of the date of the closing pursuant to the extended commitment. It is understood, however, that they shall be entitled to retain their respective ownership interests in Ferrari. Note that these three individuals each have verbally agreed to this condition.
2. The modifications to the roles of Kenneth Brier, Ted Drauschak and Joel Cooperman will be evidenced by the preparation of and submission to the Authority of an amended operating agreement governing the rights and responsibilities between the members of Ferrari and all of the Limited Partners. The amended partnership agreement will need to be found satisfactory by Authority and its attorneys prior to the date of the closing pursuant to the extended commitment.
3. The Authority agrees to release the limited personal guarantees of Kenneth Brier and Ted Drauschak only. This release requires an amended approval from the members of the Board of the Authority. The guarantees of Messrs. Brier and Drauschak were required when this project was originally approved in February 2010 primarily due to the construction risk of the hotel and to a lesser degree our subsequent approval relying upon company prepared projections stating that the project will provide sufficient cash flow to service the proposed

debt structure. The guarantees of both individuals were limited to \$60,000 each or 6% of the Authority's term loan reflecting their 30% ownership positions each in Ferrari. This ownership relationship translates into Kenneth Brier and Ted Drauschak each having a 6% indirect ownership position in Gran Prix (calculated as 30% x 20%). Since the project has been completed, construction risk no longer exists. Also, we will continue to have the unlimited personal guarantee of Ray Brown whose excess personal cash flow combined with the historical cash flow of the hotel results in a global DSCR of 1.25x.

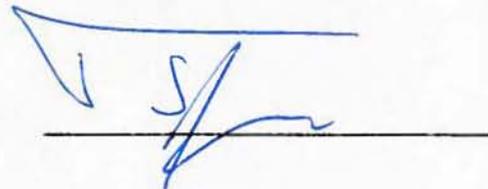
4. The firm of O'Neill, Bragg & Staffing, P.C. and principal attorney in this transaction, Gary L. Bragg, Esq. currently representing the Borrower. Neither the law firm nor Mr. Bragg shall represent the Borrower in the closing of the Loan in any aspect including but not limited to the issuance of any required attorney opinion letters. The Borrower shall retain separate and independent counsel licensed to practice in the State of New Jersey and the Commonwealth of Pennsylvania to the extent appropriate, to represent the Borrower's interest in the Loan transaction.

Ownership Structure Change in Corporate Guarantor

Horizons Development Partners, LP. is a single purpose entity, which was created to hold a 45% ownership interest in GP. This company has no other operations. There were no revenues generated in FY10 per the Federal Tax Return. Since the August 2012 approval, a revised partnership agreement was received showing that ownership has changed from R. Ray Brown owning 100% of the entity to Suzanne O. Brien and Michelle Lind, Mr. Brown's daughters, each owning 49.9% as limited partners and R. Ray Brown owning 0.2% as the general partner. The change of ownership was caused by some estate planning Mr. Brown was completing. The Authority has determined that Ms. Brien and Ms. Lind will not be required to provide their guarantees, since Mr. Brown will still provide his unlimited personal guarantee. Mr. Brown's Personal Financial Statement at May 31, 2012 showed net worth of \$22.4 million, which included liquid assets of \$4.3 million.

Recommendation

Approve the modification of this project as presented. All other terms and conditions of the August 14, 2012 approval will remain unchanged.



ADOPTED

Attachment

Resolution of the New Jersey Economic Development Authority Regarding Gran Prix Partners, LP

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

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

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

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

DATED: April 9, 2013

EXHIBIT



MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President and COO
DATE: April 9, 2013
SUBJECT: Projects Approved Under Delegated Authority - **For Informational Purposes Only**

The following projects were approved under Delegated Authority in March 2013:

New Jersey Business Growth Fund:

- 1) Humes & Kaplan, LLC ("H&K") (P38189), located in Berlin Township, Camden County, is a real estate holding company formed to purchase and own real estate occupied by operating company, Telecom Assistance Group, Inc., ("TAG" or the "Company"). H&K and TAG are related by common ownership. TAG was formed in 1989 as a manufacturer and distributor of specialty products for the telecommunications industry. PNC Bank approved a \$132,500 bank loan with a five-year, 25% Authority guarantee initially, and not to exceed \$33,125. Proceeds will be used to purchase commercial property to facilitate business expansion. Currently, the company has 30 employees and plans to create ten new jobs over the next two years.

Premier Lender Program:

- 1) 60 Lockwood Associates, LLC ("Lockwood") (P38082), located in Newark City, Essex County, is a real estate holding company that was formed to purchase and own real estate occupied by the operating company, American Trading International, Inc. ("ATI" or the "Company"). Lockwood and ATI are related by common ownership. ATI was started in 2003 by father and son Thomas and Brian Dersovitz, to develop recycling plans for companies with post-industrial and post-consumer plastics. The recycling plans involve ATI's purchase of scrap plastics from its customers, sorting of the material, and ultimate sale of the raw material to end users. TD Bank approved a \$2,970,000 term loan with a \$970,000 (32.7%) Authority participation. Proceeds will be used to purchase and renovate commercial property. The Company currently has 40 employees and plans to create 20 additional positions within two years.

Small Business Fund Program:

- 1) Hampton-Clarke, Inc. (P38056), located in Fairfield Borough, Essex County, was founded in 1986 as an environmental services company that operates a chemical analysis laboratory and provides waste remediation services on a national basis. The Company was approved for a five-year, \$137,770 Small Business Fund direct loan. Proceeds will be used to purchase equipment and machinery such as permanent generators to replace the existing rented portable generators. The Company currently has 89 employees and will create five additional jobs within two years.

Camden ERB:

- 1) Camden Special Services District ("CSSD") (P37953), a 501(c)(3) New Jersey non-profit that is managed and staffed by Cooper's Ferry Partnership located in Camden City, Camden County, was incorporated in 2005 and is dedicated to improving the appearance of the Camden Downtown District and adjacent area. The organization is 100% funded through the voluntary contributions of anchor institutions, businesses, grants and fee-for-service contracts. CSSD provides Clean and Safe Ambassadors Services employing local Camden residents to perform the necessary cleaning and maintenance of the Downtown, create special events in the Downtown and Waterfront areas and bridges the gap between the municipal entities, local businesses and anchor institutions and attractions into a cooperative and successful Downtown. Duties include removal of litter, trash and debris from sidewalks and public spaces, graffiti removal, and providing a constant and assuring presence in the community. CSSD is leasing 11,000 square feet of space at 34-36 North 4th Street, Camden. The Company was approved for a \$101,200 Business Lease Incentive Grant over a five-year period, to subsidize a portion of their rental costs. The Company currently has five employees and plans to create two new positions within two years.



Prepared by: D. Lawyer
DL/gvr

MEMORANDUM

TO: Members of the Authority

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

DATE: April 9, 2013

SUBJECT: Delegated Authority Approvals for 1st Quarter 2013.
For Informational Purposes Only

The following post-closing actions were approved under delegated authority during the first quarter of 2013:

Name	EDA Exposure	Action
Bluenog Corp.	\$ 504,414	Consent to a change in corporate organization of this emergent technology company and the transfer of certain assets to newly formed entity, TrialScope, (including intellectual property) in exchange for the guaranty and additional warrants in newly formed Bluenog Holdings and \$500,000 in additional outside funding in the Borrower.
Antonio Real Estate, LLC (Antonio Mozzarella Factory)	\$ 338,453	Extend this LDFP balloon maturity to 7/1/2017.
Swift Electrical Supply, Co., Inc.	\$ 230,699	Release the junior lien on a guarantor's personal residence in exchange for a \$50,000 pay down on our MST loan and a pledge of cash collateral.
SWS Tire & Auto Services, LLC and FPS Properties, LLC	\$ 128,757	Consent to PNC Bank's principal and interest moratorium for up to 6 months to allow the borrower time to rebuild after a fire.
Advance Healthcare Services, Inc.	\$ 63,816	Subordinate EDA's third mortgage on the owner's residence to a new lower rate mortgage from Wells Fargo Bank. As part of this transaction, the guarantors paid down the mortgage and as a result, improved EDA's collateral position.
Waterford Township, Camden County	\$ 50,000	Consent to disbursing \$25,000 of the \$50,000 FCED contingent loan to cover the cost of a feasibility study and extend the term to 10/1/19 to allow additional time for the project to proceed and the contingent loan to be repaid.

Phillips, Brian and Patricia A.	\$ 30,910	Extend EDA's maturing participation loan for 2 years to be coterminous with Fulton Bank's loan maturity.
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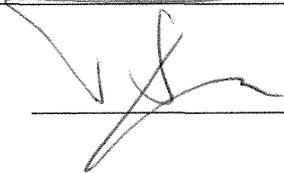
Loans Written-Off under Delegated Authority

Pursuant to delegation guidelines, staff is authorized to write off loans under \$300,000. For accounts written off with recourse, EDA and/or its participation banks retain their legal rights against the borrower and/or guarantors and pursue collections of these loans through litigation.

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

The following action was taken pursuant to delegated authority.

Name	EDA Exposure	Description
The Estate of Jeanette Brain	\$ 69,537	Accept \$54,698 as settlement in full of this UST Loan and reclassify the remaining balance as written off without recourse.



Prepared by: Daniel Weick



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: April 9, 2013

SUBJECT: Incentives Modifications
(For Informational Purposes Only)

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

Attached is a list of the BEIP modifications that were approved in the 1st quarter ending March 31, 2013.

Prepared by: C. Craddock

**ACTIONS APPROVED UNDER DELEGATED AUTHORITY
 QUARTER ENDING MARCH 2013**

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

Name	Action	Modification
Sun America Annuity and Life Assurance Company	1) Add Tax Paying Entity 2) Remove Tax Paying Entity	1) Addition of American General Life Insurance Company to the grant 2) Effective January 2013, removal of SunAmerica Annuity and Life Assurance Company from the grant

Business Retention and Relocation Assistance Grant

Mission Solutions Engineering, LLC	Transfer/Sale of Unused Tax Credits	Transfer and sale of unused tax credits to GTE Wireless for 94 cents on the dollar
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UEZ Energy Sales Tax Exemption for Manufacturers

Actavis Elizabeth, LLC	Salem/UEZ Annual Extension	Extension to December 5, 2013
Avantor Performance Materials, Inc.	Salem/UEZ Annual Extension	Extension to May 24, 2013
General Mills Operations, LLC	Salem/UEZ Annual Extension	Extension to December 31, 2013

Urban Transit Hub Tax

Transit Village Associates, LLC	Transfer/Sale of Unused Tax Credits	Transfer and sale of unused HUB tax credits to TD Bank, N.A. for 75.7 cents on the dollar
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REAL ESTATE



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: License Agreement
Waterfront Technology Center at Camden

DATE: April 9, 2013

Summary

I am requesting the Members' approval to enter into a License Agreement with Sunesys, LLC, a service provider to tenants at the Waterfront Technology Center at Camden ("WTCC") that is owned and operated by the Authority.

Background

A Tenant at WTCC has requested that Sunesys Systems, Corporation ("Sunesys"), be permitted to provide fiber optic communication services to the tenants at WTCC. Sunesys has requested the Authority enter into a License Agreement related to Sunesys's installation, operation, maintenance, repair, inspection, augmentation and removal of wire, cables, underground conduit, aerial supports, aerial cabling, building entrance facilities, above ground enclosures, markers and concrete pads and other appurtenant fixtures and equipment for said fiber optic communication system, as more fully described in the attached License Agreement.

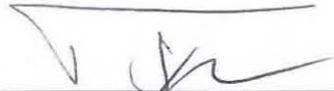
Sunesys will be responsible for installing and maintaining the fiber optic communication system and will indemnify the Authority for any liability, costs and expenses related to any claim involving the broadband communication system. Sunesys will also provide insurance coverage naming the Authority as an additional insured.

The Authority has previously entered into similar agreements for services at both the WTCC and Tech Centre sites with Comcast and Cablevision.

The attached form of License Agreement is in substantially final form. The final document will be subject to revision, although basic terms and conditions will remain consistent with those in the attachment. Final terms of the License Agreement will be subject to the approval of the President/Chief Operating Officer and the Attorney General's Office.

Recommendation

In summary, I am requesting the Members' approval to enter into a License Agreement with Sunesys Systems, Corporation for the installation, operation, maintenance and removal of a broadband communication system at the Waterfront Technology Center at Camden, on terms acceptable to the President/Chief Operating Officer and the Attorney General's Office.



Timothy J. Lizura

Attachment

Prepared by: Cathleen Schweppenheiser

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the "Agreement") is made as of this ____ day of April, 2013, between **NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY** ("NJEDA"), an instrumentality of the State of New Jersey, and **SUNESYS, LLC** ("Sunesys").

WHEREAS, NJEDA owns the building and holds a long-term leasehold interest in the property known as the Waterfront Technology Center at Camden (the "Property") and designated as 200 Federal Street, Block 1, Lot 139.02 in the City of Camden, County of Camden and State of New Jersey;

WHEREAS, Sunesys desires to provide various telecommunications services, by fiber optic or wireless, (the "Services") to tenants (the "Tenants") of the Property; and

WHEREAS, NJEDA is willing to permit Sunesys to construct, install, replace, maintain, repair, operate, inspect, augment and remove its broadband communications system through, over and under the Property under the conditions described herein below;

NOW, THEREFORE, for good and valuable consideration, NJEDA and Sunesys hereby agree as follows:

1. Grant

(a) NJEDA hereby grants to Sunesys a non-exclusive license in, on, over, under, across and through the Property, at Sunesys's sole option and expense, to construct, install, replace, maintain, repair, operate, inspect, augment, and remove Sunesys's wires, cables, underground conduit, aerial supports, aerial cabling, building entrance facilities, above-ground enclosures, markers and concrete pads and other appurtenant fixtures and equipment (together, the "Facilities") necessary or useful for distributing the Services to Tenants.

(b) Without limiting the foregoing, NJEDA shall give Sunesys reasonable access to vertical and horizontal shafts and the common areas within the building at the Property to enable Sunesys, where necessary and at its expense, to install cabling and wiring associated with providing Services to Tenants ordering such services.

(c) Nothing contained herein shall be construed as granting to Sunesys any ownership rights in the Property or to create a partnership or joint venture between NJEDA and Sunesys.

2. Use. Sunesys may use the Facilities installed at the Property solely to provide the Services to the Tenants.

3. Construction. Prior to the commencement of any work at the Property, Sunesys shall, at its cost and expense, prepare and deliver to NJEDA drawings, plans, and specifications (the "Plans"), reasonably detailing the location and size of the Facilities, and any space required at the Property outside of the vertical and horizontal shaft necessary to house the Facilities. NJEDA shall review the Plans and provide its response thereto within five (5) business days. No work shall commence until NJEDA has approved the Plans, which approval will not be unreasonably withheld, conditioned or delayed. Upon NJEDA's approval of the Plans, Sunesys may begin to install its Facilities at Sunesys's sole cost and expense. Sunesys shall:

(a) perform such construction in a diligent and safe manner consistent with generally accepted construction standards;

(b) perform such construction and work in such a way as to reasonably minimize interference with the operation of the Property;

(c) obtain, prior to the commencement of any construction and work, necessary federal, state and municipal permits, licenses and approvals;

(d) cause such construction and work to comply with NJEDA's prevailing wage and affirmative action requirement; and

(e) cause such construction and work to be performed without any mechanic's lien being placed on the Property or the Facilities.

4. **Sunesys's Obligations.** Sunesys shall:

(a) keep the Facilities in good order, repair and condition, and promptly and adequately repair all damage to the Property caused by Sunesys, other than ordinary wear and tear; and

(b) comply with federal, state, and municipal laws, orders, rules and regulations applicable to the Facilities.

Nothing in this Agreement shall be construed to require Sunesys to construct, install, or operate the Facilities at the Property, to deliver the Services to a particular Tenant or Tenants.

5. **Facilities.** The Facilities shall belong to Sunesys and shall be there at the sole risk of Sunesys. NJEDA shall not be liable for any damage to the Facilities or theft, misappropriation or loss thereof, except in the event of the gross negligence or willful misconduct of NJEDA or their employees, or contractors. At the expiration of this Agreement, Sunesys shall, upon notice by NJEDA given prior to such expiration, at Sunesys's sole cost and expense, remove the Facilities and Sunesys's other personal property from the Property, and restore the Property to its condition as existed just prior to the installation work performed by the Company, normal wear and tear excepted. In no event, however, shall the Company remove equipment (internal cable wiring) that is located behind any of the walls located at the Property. During the Term of this Agreement, such equipment or electronics may not be utilized by any third party without the express written consent of Sunesys in its sole discretion. Any property not so removed within sixty (60) days after the expiration of this Agreement shall be deemed the property of NJEDA, as appropriate, without further liability to Company.

6. **Access.** Except in the event of emergencies, ordinary customer installation/service calls and routine repairs or maintenance, subject to the rights of tenants under signed lease agreements, any access to the Property for installation, operation, maintenance, repair, replacement, upgrade, modification, removal and/or relocations of the equipment shall be scheduled and coordinated through the NJEDA.

7. **Term.** Commencing on the date first written above, this Agreement shall have an initial term of ten (10) years (the "Initial Term"). This Agreement shall automatically renew for two (2) successive periods of five (5) years each (the "Renewal Terms"), unless Sunesys provides NJEDA with a minimum one hundred twenty (120) days notice of its intention not to renew at the end of the then current term (the "Initial Term" and the "Renewal Terms" are collectively referred to as the "Term"). The license granted hereby may not be revoked during the Term, except as provided in Section 11.

8. **Liens.** Sunesys shall be responsible for the satisfaction or payment of any liens for any provider of work, labor, material or services claiming by, through or under Sunesys. Sunesys shall also indemnify, hold harmless and defend NJEDA against any such liens, including the reasonable fees of NJEDA's or Delaware River Port Authority's ("DRPA") attorneys. Such liens shall be discharged by Sunesys within sixty (60) days after notice by NJEDA of filing thereof by bonding, payment or otherwise, *provided that* Sunesys may contest, in good faith and by appropriate proceedings any such liens.

9. **Performance of Work.** Sunesys may contract or subcontract any portion of work at the Property contemplated by this Agreement to any person or entity competent to perform such work. In no event shall such subcontract relieve Sunesys of any of its obligations under this Agreement.

10. **Limitation of Liability.** NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY LOST PROFITS, SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO FRUSTRATION OF ECONOMIC OR BUSINESS EXPECTATIONS, LOSS OF PROFITS, LOSS OF CAPITAL, COST OF SUBSTITUTE PRODUCT(S), FACILITIES OR SERVICES, OR DOWN TIME COST, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, EXCEPT TO THE EXTENT CAUSED BY WILLFUL MISCONDUCT.

11. **Termination.** Subject to applicable law, should either party default in the performance of material provision of this Agreement and fail to correct same within thirty (30) days after having received notice specifying nature of such default, unless such default is of a nature that it cannot be completely cured within thirty (30) days, if a cure is not commenced within such time and thereafter diligently pursued to completion, then the non-defaulting party may terminate this Agreement and may pursue all other remedies available to it at law and/or equity.

12. **Indemnification.** Sunesys shall indemnify, hold harmless and defend NJEDA and DRPA, their employees, agents, contractors, invitees, officers, directors, affiliates and subsidiaries from and against any and all claims, actions, damages, liabilities and expenses, including reasonable attorneys' and other professional fees, arising from or out of the installation, operation, maintenance or removal by Sunesys of the Facilities, entry upon the Property and the Services provided by Sunesys, except to the extent that any such claims, actions, damages, liabilities, expenses or damage are caused by NJEDA or DRPA or their employees, agents, contractors, invitees, officers, directors, affiliates or subsidiaries.

13. **Insurance.** Sunesys shall maintain insurance coverage insuring against claims, demands or actions for personal injuries or death resulting from the use or operation of the Facilities with limits of not less than One Million Dollars (\$1,000,000) any one occurrence, in an aggregate amount of Five Million Dollars (\$5,000,000) and for damage to property in an amount of not less than Five Hundred Thousand Dollars (\$500,000). Upon NJEDA's request, Sunesys shall provide a certificate of insurance to NJEDA, naming NJEDA as an additional insured.

14. **Assignment.** Sunesys shall not assign or transfer this Agreement without the written consent of the NJEDA, which consent will not be unreasonably withheld or conditioned or unduly delayed; *except that*, upon written notice to the NJEDA, Sunesys may, without obtaining NJEDA's prior consent, make such assignment to:

(a) any parent, affiliate, or subsidiary of Sunesys; or

(b) any entity which succeeds to all or substantially all of Sunesys's assets or ownership interests, or the cable system operated by Sunesys which serves the municipality in which the Property is located, whether by merger, sale or otherwise, provided that such successor also succeeds to the cable television franchise agreement held by Sunesys for the municipality in which the Property is located.

15. **Sale of Property.** In the event of any sale, assignment, or transfer of NJEDA's interest in the Property, the obligations of NJEDA under this Agreement shall thereafter be binding upon the grantee, assignee or other transferee of such interest, and NJEDA shall notify Sunesys of such.

16. **Force Majeure.** Neither party shall be liable for failure to perform its obligations hereunder due to acts of God, the failure of equipment or facilities belonging to a third party (including, but

not limited to, utility facilities or service), denial of access to facilities or rights-of-way essential to serving the Property, government order or regulation or any other circumstances beyond its reasonable control.

17. Notice. All notices, demands, requests or other communications given under this Agreement shall be in writing and be given certified mail, return receipt requested, or nationally recognized overnight courier service to the address set forth below or as may subsequently in writing be requested.

If to NJEDA:

New Jersey Economic Development Authority
36 West State Street
Trenton, New Jersey 08625
Attn.: Director Real Estate Division

With a copy to:

New Jersey Division of Law
Treasury Section
Hughes Justice Complex
P. O. Box 106
Trenton, New Jersey 08625-0106
Attn.: Edward Pillsbury, DAG

If to Sunesys:

Sunesys
185 Titus Avenue
Warrington, Pennsylvania 18976
Attn: Senior Counsel

18. Governing Law. This Agreement shall be governed by and construed under the laws of the State of New Jersey. Any and all claims made, or to be made, against NJEDA based in tort law for damages, 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. Sunesys agrees that any and all claims made, or to be made against NJEDA based in contract law for damages 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.

19. Miscellaneous. This Agreement shall bind and benefit the parties and their respective successors and assigns. This Agreement is the entire understanding between the parties and supersedes any prior agreements or understandings whether oral or written. This Agreement may not be amended except by a written instrument executed by both parties. If any provision of this Agreement is found to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement will not be affected or impaired. Each party represents to the other that the person signing on its behalf has the legal right and authority to execute, enter into and bind such party to the commitments and obligations set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**NEW JERSEY ECONOMIC
DEVELOPMENT AUTHORITY**

SUNESYS, LLC

By: _____

By: _____

Print: Timothy J. Lizura _____

Print: _____

Title: President/Chief Operating Officer _____

Title: _____

Date: _____

Date: _____

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Attachments

Resolution of the New Jersey Economic Development Authority Regarding Approval to Enter into a License Agreement with Sunesys Systems, Corporation for the Waterfront Technology Center at Camden

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

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

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

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

DATED: April 9, 2013

OFFICE OF RECOVERY



MEMORANDUM

To: Members of the Authority

From: Timothy J. Lizura
President and Chief Operating Officer

Date: April 9, 2013

Subject: NJEDA Office of Recovery – Hurricane Sandy
Appointment of Accountability Officer and Designation of Records Custodian

Request:

The Members are asked to designate Steven Quattro as the Authority’s “Accountability Officer” and Marcus Saldutti as “Records Custodian” for the Authority’s newly created Office of Recovery to administer Sandy-related federal reconstruction funds for business assistance and economic revitalization efforts.

Background:

Pursuant to paragraph 7 of Executive Order 125 (Christie), the Authority is directed to appoint an “Accountability Officer” to oversee the responsible disbursement and utilization of Hurricane Sandy-related federal reconstruction resources allocated and administered by the Authority.

Mr. Quattro has served as a Program Manager within the Authority’s Internal Process Management division responsible for the Authority’s compliance with various rules, regulations and reporting requirements since 2008.

Additionally, pursuant to New Jersey’s Open Public Records Act (N.J.S.A. 47:1A-1, et seq.), requests by members of the public for public documents are to be handled by a public agency’s “Records Custodian” who is “designated by formal action of that agency’s director or governing body.” Marcus Saldutti has served as the Authority’s Records Custodian since 2004 and his duties will now be expanded to include the Authority’s Office of Recovery.

Recommendation:

Based on the above, it is recommended that Steven Quattro be appointed as the Authority's Office of Recovery Accountability Officer as required by Executive Order 125 and Marcus Saldutti be designated as the Office of Recovery Records Custodian.



Timothy Lizura

Prepared by: Steven Quattro