

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

June 1, 2012

MINUTES OF THE SPECIAL MEETING

Members of the Authority present: Matt McDermott representing the Executive Branch; Jim Kelly representing the State Treasurer; Nancy Graves representing the Commissioner of the Department of Banking and Insurance; Fred Zavaglia representing the Department of Labor and Workforce Development; Public Members: Joseph McNamara, Acting Chairman; Larry Downes; and Brian Nelson, Third Alternate Public Member.

Present via conference call: Colleen Kokas representing the Commissioner of the Department of Environment Protection; Public Members: Kate Whitman, Charles Sarlo, Ray Burke, First Alternate Public Member; and Elliot M. Kosoffsky, Second Alternate Public Member.

Also present: Caren Franzini, Chief Executive Officer of the Authority; Deputy Attorney Generals Bette Renaud, Kevin Jespersen; Nicole Crifo, Governor's Authorities' Unit; and staff.

Absent: Al Koeppe, Chairman; Public Members, Marjorie Perry, Richard Tolson, and Harold Imperatore.

Acting Chairman McNamara called the meeting to order at 1 p.m.

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

MINUTES OF AUTHORITY MEETING

Ms. Franzini provided Board members and the public with a brief history of the Urban Transit Hub Tax Credit Program and the analysis that the EDA performs to ensure that all of the program requirements are being met before recommending a project to the Board for approval.

Ms. Franzini reviewed the proposed changes to Prudential's amended application that came about from a change in location. Ms. Franzini then read a letter of support of the Prudential project from the Mayor of Newark Mr. Cory A. Booker.

(Ms. Whitman left the call at this time.)

INCENTIVE PROGRAMS
URBAN TRANSIT HUB TAX CREDIT PROGRAM

ITEM: Urban Transit Hub Tax Credit Program - Prudential Financial, Inc. and/or Affiliates

REQUEST: To review and adopt an amendment to the approval of the Urban Transit Hub Tax Credit (“UTHTC”) for Prudential Financial, Inc. and / or Affiliates (“Prudential” or “the Company” or “the Applicant”) due to a change in the project site address. The amount of the UTHTC is to be reduced from \$250,785,077 to \$210,828,357. All other previous conditions as previously approved remain the same and the methodology in determining the net benefits continues to be calculated more conservatively than as required per the legislation for the UTHTC program.

MOTION TO APPROVE: Mr. Nelson **SECOND:** Mr. McDermott **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

PUBLIC COMMENT

Mr. Paul Josephson, an attorney from the firm Hill Wallack that is representing the Gateway landlords, gave a presentation contesting the Prudential project approval. The presentation contained observations to support the appeal filed against the Authority for the Prudential project. Members of the Board had been previously provided with information compiled by Hill Wallack on behalf of Gateway.

Mr. Adam Carl, a New Jersey resident, addressed the Board by stating his opposition of the Prudential project and his thoughts on how the State should be utilizing tax credit relief programs for residents and not corporations.

Mr. Miles Burger, New Jersey real estate agent in Newark, addressed the Board by stating that he and his partners are strong supporters of the project, for the construction site will be occupying a lot that has been vacant for years and will provide the city and state with much needed economic benefits.

Mr. Calvin Wess, former councilman of the city of Newark, addressed the Board by stating that he supports the Prudential project, stating that as a long time resident and public servant, he believes that it is necessary for the revitalization of Newark and the project supports the people of Newark.

Acting Chairman McNamara recognized there were no more comments from the public and opened the meeting to comments from Board members. Mr. McNamara asserted that the Prudential project had undergone the same process as other HUB applications, has a positive impact on the city and state, and he believes that the intent of the law was applied properly. He noted that both the previous approval in November 2011 as well as the amended approval had been reviewed by the Incentive Committee, of which he is a member, several times.

Board member Mr. Brian Nelson recognized the work Hill Wallack did for its client but disagreed with the contention that the EDA had erred in its analysis. Mr. Nelson stated that he closely reviewed the arguments posed by Hill Wallack, believes appropriate due diligence was performed by the EDA staff and believes that the Authority would not support a project that did not result in a positive net benefit. Mr. Nelson added that the purpose of the program was to cause investment in nine cities with existing infrastructure. It is the purview of the local planning and zoning board to review the project for any infrastructure improvement and the developer will be required to address any costs.

Board member Larry Downes stated that he had the opportunity to understand the issues and question staff directly and the committee has reviewed them in detail, responded to them and made adjustments. Mr. Downes expressed that the EDA staff has applied the statute, that the committee is comfortable with the recommendation and commends the staff for their efforts.

Board member Charles Sarlo stated that he reviewed the allocations made by Mr. Josephson and expressed concern for the city's infrastructure from the impact of the new construction.

Ms. Franzini commented on Mr. Sarlo's concerns by stating that there is sufficient documentation indicating Prudential will be responsible for the costs of any infrastructure burdens. Prudential is also agreeing to pay full property taxes.

Ms. Franzini also added that at-risk jobs are not considered in the HUB analysis, only new jobs are considered.

Board member Matt McDermott concurred with Mr. Nelson and added that bringing a major employer to an urban center is what was intended by the legislature in its creation of the program.

There being no further business, on a motion by Mr. Downes, and seconded by Ms. Graves, the meeting was adjourned at 2:50 p.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.



Maureen Hassett, Assistant Secretary