



MEMORANDUM

TO: Members of the Authority
FROM: Michele Brown
Chief Executive Officer
DATE: August 13, 2013
SUBJECT: Agenda for Board Meeting of the Authority August 13, 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

July 11, 2013

MINUTES OF THE MEETING

Members of the Authority present: Al Koepp, Chairman; Melissa Orsen representing the Executive Branch; State Treasurer Andrew Sidamon-Eristoff; 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; Colleen Kokas representing the Commissioner of the Department of Environmental Protection; Public Members: Joseph McNamara, Vice Chairman; Larry Downes, Richard Tolson, Brian Nelson, and Elliot M. Kosoffsky, Second Alternate Public Member.

Present via conference call: Public Members Marjorie Perry, and Harold Imperatore, Third Alternate Public Member.

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

Absent: Public Members Charles Sarlo, Jerry Langer, Ray Burke, First Alternate Public Member, and Rodney Sadler, Non-Voting Member.

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

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the June 11, 2013 meeting minutes. A motion was made to approve the minutes by Mr. Tolson, seconded by Mr. Downes, and was approved by the 12 voting members present.

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

BOND PROJECTS

PRELIMINARY BOND RESOLUTIONS

PROJECT: Friends of Marion P. Thomas Charter School, Inc., The **APPL.#38389**
LOCATION: Newark City/Essex
PROCEEDS FOR: Construction of new building or addition, land, purchase of equipment and machinery
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Tolson **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

Ms. Perry recused herself because she has worked on the project.

PROJECT: LEAP Cramer Hill, LLC **APPL.#38392**
LOCATION: Camden City/Camden
PROCEEDS FOR: Construction of new building or addition
MOTION TO APPROVE: Mr. Tolson **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

LOANS/GRANTS/GUARANTEES

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

FOR INFORMATION ONLY: Summary of Funding Status for the Petroleum Underground Storage Tank Program and Hazardous Discharge Site Remediation Fund Programs.

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

PROJECT: Deborah McGroarty **APPL.#38010**
LOCATION: Stratford Borough/Camden
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: \$148,422 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Tolson **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

PROJECT: Corporate Enterprises **APPL.#38324**
LOCATION: Logan Township/Gloucester
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: \$132,666 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Ms. Kokas **SECOND:** Ms. Perry **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

FOR INFORMATION ONLY: Summary of Petroleum Underground Storage Tank Program projects approved by the Delegated Authority.

HAZARDOUS DISCHARGE SITE REMEDIATION FUND

PROJECT: Township of Aberdeen (South River Metal Products) **APPL.#38054**
LOCATION: Aberdeen Township/Monmouth
PROCEEDS FOR: Remedial Investigation
FINANCING: \$274,248 Hazardous Discharge Site Remediation Fund Grant
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Tolson **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

PROJECT: Newark City (Synfax Site) **APPL.#37731**
LOCATION: Newark City/Essex
PROCEEDS FOR: Remedial Investigation
FINANCING: \$140,235 Hazardous Discharge Site Remediation Fund Grant
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Kosoffsky **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

PROJECT: R.C.J., Inc. **APPL.#37917**
LOCATION: South Plainfield Borough/Middlesex
PROCEEDS FOR: Remedial Investigation
FINANCING: \$97,657 Hazardous Discharge Site Remediation Fund Grant
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

PROJECT: R.C.J, Inc. **APPL.#37921**
LOCATION: South Plainfield Borough/Monmouth
PROCEEDS FOR: Remedial Investigation
FINANCING: \$97,657 Hazardous Discharge Site Remediation Fund Grant
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Tolson **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

PROJECT: Vision of Hope Family Life Campus **APPL.#38160**
LOCATION: Newark City/Essex
PROCEEDS FOR: Remedial Investigation
FINANCING: \$178,978 Hazardous Discharge Site Remediation Fund Grant
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

Ms. Perry recused herself because "Vision of Hope" will sell the Family Life Campus to the Friends of Marion P. Thomas Charter School. Ms. Perry has worked on the Marion P. Thomas project.

INCENTIVE PROGRAMS

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

PROJECT: C & S Wholesale Grocers, Inc. **APPL.#38371**
LOCATION: Edison Township/Middlesex **BUSINESS:** Wholesale
GRANT AWARD: 55% **Business Employment Incentive grant, 10 years**
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PROJECT: C & S Wholesale Grocers, Inc. **APPL.#38372**
LOCATION: Edison Township/Middlesex **BUSINESS:** Wholesale
Tax Credit Term: 1 year **Business Retention and Relocation Assistance grant, 10 years**
MOTION TO APPROVE: Mr. Tolson **SECOND:** Mr. Kosoffsky **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

PROJECT: CVS Pharmacy, Inc. and Subsidiaries & CVS Caremark **APPL.#38368**
LOCATION: Florham Park/Morris **BUSINESS:** Retail Store/Commercial Sales
GRANT AWARD: 65% **Business Employment Incentive grant, 10 years**
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Nelson **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

Mr. Tolson stated that although CVS pay a good wages for administrative and support positions, they do not maintain the same standards for construction jobs. President & COO Lizura stated that prevailing wages apply for this project and that construction wages will be monitored.

PROJECT: David Yurman Enterprises, LLC **APPL.#38370**
LOCATION: Lyndhurst Township/Bergen **BUSINESS:** Wholesale
GRANT AWARD: 55% **Business Employment Incentive grant, 10 years**
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

Ms. Orsen entered the meeting at this time

PROJECT: Nature Delivered Inc. and Affiliates **APPL.#38350**
LOCATION: TBD **BUSINESS:** Transportation & Logistics
GRANT AWARD: 40% **Business Employment Incentive grant, 10 years**
MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Mr. Tolson **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PROJECT: Orexo US, Inc. & Orexo AB **APPL.#38375**
LOCATION: TBD **BUSINESS:** Pharmaceuticals
GRANT AWARD: 30% **Business Employment Incentive grant, 10 years**
MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PROJECT: PsychoGenics Inc. & PGI Holding Corporation **APPL.#38367**
LOCATION: Bridgewater Township/Somerset **BUSINESS:** Biotechnology
GRANT AWARD: 65% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Ms. Orsen **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PROJECT: Theorem, Inc. **APPL.#38369**
LOCATION: TBD **BUSINESS:** Professional Services
GRANT AWARD: 35% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Kosoffsky **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PROJECT: VF Sportswear, Inc. and Subsidiaries **APPL.#38377**
LOCATION: TBD **BUSINESS:** Wholesale
GRANT AWARD: 40% **Business Employment Incentive grant**, 10 years

Project withheld at the applicant's request.

BOARD MEMORANDUMS

ITEM: Frank Graafsma
P37832
REQUEST: To increase a Hazardous Discharge Site Remediation Fund loan approved for Frank Graafsma from \$44,658 to \$50,118.
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

ITEM: Merrill Lynch & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Incorporated and affiliates
Jersey City, New Jersey
\$31,096,800 Business Employment Incentive Program Grant
REQUEST: Consent to the acquisition of Merrill by Bank of America Corporation. A 20% cap will be imposed on the remaining payments due under the grant.

Project withheld pending legal review.

FOR INFORMATION ONLY: Incentives Modifications

FOR INFORMATION ONLY: Delegated Authority Approvals for 2nd Quarter 2013

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

New Jersey Business Growth Fund: The Rajiyah Family Limited Partnership (P38366).

Small Business Fund Program: Belford Seafood Cooperative Association Inc. (P38294).

NJ Main Street Program: Dataline, Inc. and Dataline Analytics, Inc. (38337); SDB Realty LLC (P38347)

Premier Lender Program: Giordano Vineland Scrap Material, LLC (P38346); Goldbil Investment Corporation/KidAcademy Learning Center (P38349)

REAL ESTATE

ITEM: Amendment to the October 19, 2004 Development and Option Agreement between the Authority and Camden Town Center, L.L.C.

REQUEST: To approve an Amendment to the October 19, 2004 Development and Option Agreement between the Authority and Camden Town Center, L.L.C..

MOTION TO APPROVE: Mr. Tolson **SECOND:** Ms. Orsen **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

Mr. Nelson recused himself because his firm represents one of the grantors of an easement of one of the properties.

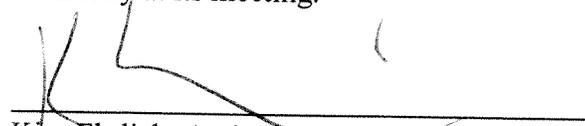
FOR INFORMATION ONLY: Delegated Authority Approvals for Leases, CCIT Grants and Right of Entry/Licenses for the first and second Quarter 2013.

PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion Mr. Downes, and seconded by Mr. McNamara, the meeting was adjourned at 10:55am.

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: August 13, 2013

RE: Chief Executive Officer's Report to the Board

STRONGER NJ BUSINESS GRANTS AWARDED TO ASBURY PARK AND BELMAR SMALL BUSINESSES

Last month, EDA President and COO Tim Lizura visited AAMCO of Asbury Park and Beckman's on the Beach in Belmar to deliver checks from the Stronger NJ Business Grant Program.

AAMCO of Asbury Park has been providing transmission service and repairs and complete car care to the surrounding area since 2007. After experiencing major roof damage, AAMCO reopened three weeks after the storm, but the impact to the business went beyond physical damage. Being closed for a significant period of time, combined with the destruction sustained by the Asbury Park community, diminished AAMCO's base of viable local customers. AAMCO of Asbury Park will use their \$50,000 grant to supplement their operating cash flow as they get back on track.

A \$50,000 grant disbursement was also delivered to Beckman's on the Beach - seasonal convenience store and deli in Belmar that suffered severe damage from storm flooding that caused a loss of all inventory. Beckman's grant will be used for inventory, rent, payroll and utilities.

"Thankfully, Beckman's was open for business in time to take advantage of the busy summer season," said owner Jerome Beckman. "We're facing challenges this year that are very different from a typical summer, but fortunately, things are slowly but surely returning to normal. The Stronger NJ Business Grant is helping us to bridge the gap."

"STRONGER THAN THE STORM" EVENTS CONTINUE TO ATTRACT VISITORS TO JERSEY SHORE

Through July, the "Stronger than the Storm" (STTS) campaign overseen by the Authority continues to host numerous free events/activities aimed at bringing visitors to impacted areas. The campaign hosted three "Kites and Castles" events in Lavallette, Manasquan and Ship

Bottom, attracting families to beaches in impacted areas, allowing children to learn the skills of sand castle building, kite crafting/flying. On July 21st, the campaign hosted a Tug of War event in Seaside Park, attracting hundreds of visitors and over 30 teams to compete in this. The campaign also hosted “Boats and Boards at Barnegat Bay” the week of July 22 in Shelter Cove in Toms River. The event’s goal was not only to attract visitors to an impacted town, but also attract media attention to the safety of water sports in Barnegat Bay.

The campaign also kicked off the “Jersey Shore Soundoff” music competition. The competition’s winner will appear at a Labor Day weekend concert alongside notable performers at a Jersey Shore venue to be announced. Information on all events, including the Soundoff, can be found at www.strongerthanthestorm.com

In addition to these STTS hosted events, the campaign also supported a variety of community events in the impacted areas in July through public relations and digital media channels, including: Fireworks, Union Beach, July 3; Oceanfest, Long Branch, July 4; Cape May County Lifeguard Championship, Wildwood Crest, July 5; State BBQ Championship and Angelsea Blues Festival, Wildwood, July 13, and Lobsterfest, Bradley Beach, July 14.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY (FMERA) UPDATE

FMERA continues to move the former Fort’s redevelopment forward. FMERA and the Army are having regular discussions on the future transfer of the balance of the Main Post, under the Phase 2 Memorandum of Agreement (MOA). Army representatives met with FMERA at the former Fort Monmouth on July 31, 2013. These discussions are helping to further a positive working relationship that will result in a revitalized former Fort Monmouth, and job creation.

FMERA is currently evaluating proposals, in accordance with the Authority’s Sale Rules, for five Requests For Offers To Purchase (RFOTPs) - Parcel B in Eatontown, Officers Housing in Oceanport and Parcels C, C1 and Building 2705 in Tinton Falls. We hope to have recommendations for Board of Directors’ consideration in the next 60 days. In addition, FMERA anticipates issuing three RFOTPs in the 3rd Quarter of 2013 - for a Veterans Community in Eatontown, for Russel Hall in Oceanport and for the Fabrication Shops in Tinton Falls. At its July meeting the FMERA Board of Directors approved entering into exclusive negotiations, in accordance with the Authority’s sales rules, with HovWest Land Acquisition LLC (Hovnanian) for Howard Commons in Eatontown.

FMERA moved into its new office in the former Fort library at the end of July. The first board meeting will be held in the new office space on August 21, 2013. A public access plan for the office was featured in the July FMERA Newsletter, and is posted on the FMERA website.

CLOSED PROJECTS IN JULY 2013

Through July 31, 2013, EDA has closed financing and incentives totaling more than \$272 million for 93 projects that are expected to support the creation of more than 2,900 new jobs, the support of more than 21,000 existing jobs, including more than 4,200 jobs at risk of leaving New

Jersey, and involve total public/private investment of over \$821 million in New Jersey's economy. Among the businesses assisted in July:

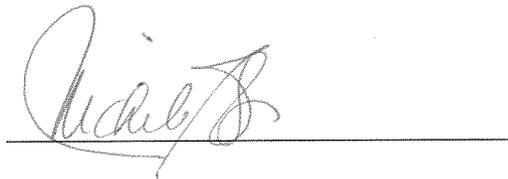
Imperial Bag & Paper Co., LLC, which executed a Grow New Jersey Business grant for \$29.1 million. Imperial Bag & Paper is a distributor of food containers and other "to-go" packaging as well as cleaning supplies and shipping room supplies.. As a result of this assistance, which will allow the company to consolidate its operations and expand in Jersey City, as opposed to a competing location in New York, Imperial Bag will be retaining 364 jobs at risk of leaving NJ. EDA's assistance to this company is expected to leverage \$126 million in capital investment.

Deep Foods Incorporated, which executed a Grow New Jersey Business grant for \$27 million. Soundview Paper is an Union Twp.-based manufacturer of authentic all natural Indian cuisine. As a result of this assistance, which will allow the company to expand in New Jersey as opposed to a competing location in Pennsylvania, Deep Foods will be retaining 275 jobs at risk of leaving NJ, as well as creating 175 new jobs. EDA's assistance to this company is expected to leverage more than \$26.9 million in capital investment.

KIPN Partners, LLC, which closed on a \$943,750 Main Street guarantee and a \$943,750 Main Street participation of a Bank of Princeton loan. KIPN Partners, LLC dba The Learning Experience was formed in July of 2010 to own and operate a new franchise location for The Learning Experience daycare in Monmouth Junction. Construction on the facility commenced in April of 2010 and was completed in March of 2012. As a result of this assistance, the company has committed to maintaining 12 existing jobs and creating 26 new full-time jobs within two years.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 12 events in July. These included the 2013 Annual RAIN Conference in Philadelphia and the BrickCity Tech July Meetup in Newark.



BOND PROJECTS

**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 and fund closing costs.

FINANCING SUMMARY:

BOND PURCHASER: Sovereign Bank (Direct Purchase)

AMOUNT OF BOND: \$6,000,000 Tax-exempt bond

TERMS OF BOND: 10 years; Interest only for one year, variable interest rate based on the tax-exempt equivalent of 30-day LIBOR plus 2.75%. The Borrower may enter into a fixed interest rate swap for up to the term of the bond, at an indicative rate of 3.17% (as of 7/23/2013).

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	\$5,825,000
Finance fees	\$100,000
Legal fees	\$50,000
Accounting fees	\$25,000
TOTAL COSTS	\$6,000,000

JOBS: At Application 177 Within 2 years 40 Maintained 0 Construction 0

PUBLIC HEARING: 08/13/13 (Published 07/29/13) **BOND COUNSEL:** McManimon, Scotland & Bauman
DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** T. Wells

AMENDED BOND RESOLUTIONS

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

APPLICANT: Ashland School, Inc.

P38307

PROJECT USER(S): TEAM Academy Charter School, Inc.

* - indicates relation to applicant

PROJECT LOCATION: 1-21 Ashland St. & 85 Custer Newark City (T/UA)

Essex

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

APPLICANT BACKGROUND:

Ashland School, Inc., is a 501(c)(3) not-for-profit organization, formed in 2010 to acquire real estate for use by the TEAM Academy Charter Schools, a network of charter schools in Newark, Essex County, that includes SPARK, TEAM, Rise and Newark Collegiate Academy. The TEAM Charter Schools are an independent organization and part of the KIPP Foundation charter school network based in California. The KIPP Foundation is a private foundation that supports charter schools with over 1,500 teachers serving more than 27,000 kids in schools across the country. The schools are free, open-enrollment, college-preparatory public schools preparing students in underserved communities for success in college and in life. The TEAM Charter Schools currently serve over 780 students in two middle schools, grades 5-8, located at the project locations, 21 Ashland St. (Rise Academy) and 85 Custer Avenue (TEAM Academy). TEAM Charter Schools are in good standing with Department of Education. Jordan Metzger is the President of Ashland School.

In 2011 and 2012, the Applicant and TEAM Academy Charter Schools closed on one (1) Qualified Zone Academy Bond and two (2) Qualified School Construction Bonds for planned capital projects to be completed over the next two years. The net proceeds from the sale of the QZAB and QSCBs which totaled \$38,176,247, are planned to be utilized for the following projects, all located in Newark, beginning in August 2013:

Location	Use	QZAB/QSCB proceeds
229 18th Ave.	Renovations to existing public school for new elementary/middle school, occupancy expected in August 2014	\$28,050,000
21 Ashland St.	Athletic field construction at the existing Rise Academy Middle School	\$ 2,750,000
129 Littleton Ave.	Fund portion of acquisition costs for new high school	\$ 5,557,357
Various sites	Purchase of furniture, fixtures & equipment	\$ 1,818,890

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

APPROVAL REQUEST:

Authority assistance will enable the applicant to:

1. acquire Rise Academy (1.15 acres of land and a 32,665 sq. ft. facility) located at 21 Ashland Street, currently serving 390 students in grades 5-8. In addition, the applicant will be making renovations to the school and will also acquire adjacent land to construct athletic fields for the School.
2. acquire TEAM Academy (1.16 acres of land and a 34,539 sq. ft. facility) located at 85 Custer Avenue, currently serving 390 students in grades 5-8. The applicant will also be constructing a gymnasium and completing some minor renovations to the property.
3. fund a debt service reserve fund and pay costs of issuance of the Bonds.

Other sources of funds include proceeds from the 2011 QZAB and the 2012 QZAB/2012 QSCB, which will be loaned to Ashland School by Kingston Educational Holdings.

THIS PROJECT IS BEING PRESENTED AT THE AUGUST 13, 2013 BOARD MEETING for an Amended Bond Resolution to increase the maximum amount of the bond from \$18,000,000 to \$23,000,000 to provide for a shift of sources of funds from conventional debt to tax-exempt bond financing for all eligible expenses and slightly higher renovation costs. The underwriter, M&T Securities, Inc. has committed to underwrite the bonds at the new bond amount. A TEFRA hearing is also being conducted at this meeting.

FINANCING SUMMARY:

BOND PURCHASER: M&T Securities, Inc. (Underwriter)

AMOUNT OF BOND: up to \$23,000,000 (Tax-exempt bond)

TERMS OF BOND: 30 years (max.); Term bonds with fixed interest rates not to exceed 7.5% (Estimated true interest cost as of 7/23/13 is 6.25%.)

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	\$13,500,000
Renovation of existing building	\$6,355,000
Land	\$1,275,000
Debt service reserve fund	\$1,270,000
Finance fees	\$350,000
Legal fees	\$250,000
TOTAL COSTS	\$23,000,000

JOBS: At Application 84 Within 2 years 2 Maintained 0 Construction 54

PUBLIC HEARING: 08/13/13 (Published 07/30/13) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: D. Bennis **APPROVAL OFFICER:** T. Wells

PRELIMINARY RESOLUTIONS



MEMORANDUM

To: Members of the Board

From: Timothy Lizura
President and Chief Operating Officer

Date: August 13, 2013

RE: **Qualified School Construction Bond (QSCB)**
Notice of Funding Availability in the amount of \$125 Million
For Charter Schools in New Jersey (NOFA)
(FOR INFORMATIONAL PURPOSES ONLY)

On May 16, 2013, the Members approved an invitation to the successful respondents of a NOFA jointly issued by the EDA and the Department of Education (DOE) to apply for QSCB bond approval in the amounts indicated below. This memo is intended to provide background information to the Members, who are being requested to give preliminary bond approval to the successful respondents at the August 13, 2013 meeting,

Background

Pursuant to Executive Order 167 and L.197, c.393, as amended by L.2009, c76, earlier this year, the Treasurer of the State of New Jersey reserved QSCB allocation in the amount of \$125 million for use by the EDA for the purpose of issuing bonds for the benefit of Charter School projects in New Jersey. On March 5, 2013, the EDA, in partnership with DOE issued the NOFA. All responses were due to the EDA and DOE no later than April 3, 2013. The NOFA outlined five areas of review for eligibility, including financial readiness, site control and approval, ability to close by year end and be in construction in first quarter 2014, and evidence of good standing with the DOE.

The EDA and DOE received a total of 16 requests for QSCB allocation from 13 New Jersey Charter Schools for a total of \$361,950,000. Of the 16 requests received, one request – the Burch School for \$37,500,000 - was deemed unresponsive because it was received after the deadline date of April 3, 2013.

The remaining 15 requests, for a total of \$324,450,000, were reviewed by DOE and EDA. DOE used specific scoring criteria to rank the projects based on three major components: (1) Academic Impact, which included academic performance and impact on student performance; (2) Operational Capacity, which included longevity and whether the school had ever been on probation; and (3)

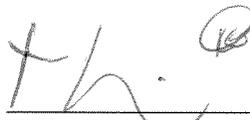
Equity, which included the evaluation of the population of students served and the district need. The EDA used scoring criteria based on project readiness to proceed to determine which projects were most likely to proceed within the timeframes listed under the Eligibility Requirements of the NOFA.

Based on the scoring criteria, six projects receiving the highest cumulative scores were invited to apply for QSCB through the EDA. It should be noted that the top three scoring projects represent \$50.8 million of the total allocation available and the remaining \$74.2 million was offered to the 4th, 5th and 6th ranked projects which are all projects of Uncommon Charter School. Uncommon Charter School was allowed to utilize the allocation based on their determination of priority and need of the projects. As a result, the School elected to utilize the allocation to advance two projects. The list below outlines the QSCB requests advancing for preliminary bond approval and exhausts the full \$125 million in allocation provided by Treasury.

List of Recommended Qualified School Construction Bond (QSCB) Projects

<u>Applicant/Charter School</u>	<u>Address</u>	<u>QSCB Request</u>
NSA 559 Broad Street, LLC Uncommon Charter School/North Star Academy	559 Broad Street and 2 Washington Street, Newark	\$2,829,697
CA Newark 66-78 MA Urban Renewal LLC/University Heights Charter School	66-78 Morris Avenue, Newark	\$8,000,000
Kingston Educational Holdings 1, Inc./TEAM Academy	129 Littleton Avenue, Newark	\$40,000,000
Uncommon Properties II, LLC Uncommon Charter School/North Star Academy	24 Hazelwood Avenue, Newark	\$40,000,000
Uncommon Properties II, LLC Uncommon Charter School/North Star Academy	557-571 15 th Avenue, Newark	\$34,170,303
TOTAL QSCB ALLOCATION REQUEST		\$125,000,000

It is intended that the applicants will obtain financing commitments and seek final bond approval no later than the November 15, 2013 meeting, which would enable them to meet the December 31, 2013 bond closing deadline outlined in the NOFA. In addition, pursuant to the NOFA, all applicants must commence construction no later than ninety days from closing date of the funding for each project.



 Timothy Lizura

Prepared by: Margaret Piliere

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

APPLICANT: CA Newark 66-78 MA Urban Renewal LLC

P38387

PROJECT USER(S): University Heights Charter School of Excellence * - indicates relation to applicant

PROJECT LOCATION: 66-78 Morris Avenue Newark City (T/UA) Essex

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

APPLICANT BACKGROUND:

CA Newark 66-78 MA Urban Renewal LLC (CA Newark) is a nonprofit real estate holding company, established to support University Heights Charter School of Excellence Inc. ("UHCS") with its real estate project. CA Newark is wholly owned by Canyon-Agassi Charter School Facilities Fund, L.P. The mission of Canyon-Agassi is to provide state-of-the-art, academically-friendly facilities for the best-in-class charter school operators. The Fund aims to develop 80 to 100 campuses for the nation's best charter schools and up to 40,000 to 50,000 students over the next 4 to 5 years. Glenn Pierce is the CEO of Canyon-Agassi Charter School.

UHCS is a 501(c)(3) not-for-profit, public charter school operating since 2006 and currently serving 336 students in grades K-6 at 74 Hartford Street, Newark, Essex County. The school's population is 90% low-income and 100% minority, one of the highest need schools in the city. UHCS is in good standing with the New Jersey Department of Education and the Department has approved the school's expansion to 750 students in grades K-8.

The project will be occupied by University Heights Charter School of Excellence Inc., a 501(c)(3) not-for-profit entity. The Bonds are being issued as Qualified School Construction Bonds pursuant to Section 54E of the Internal Revenue Code of 1986. The project was selected to receive a QSCB allocation of \$8,000,000 in connection with the Notice of Funding Availability in the amount of \$125 million for Charter Schools, jointly issued by the Authority and Department of Education, to NJ Charter Schools.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to finance the expansion of the charter school by acquiring and renovating a facility at 66-78 Morris Avenue, Newark, Essex County, which is directly across the street from the current UHCS. The site will be developed in two phases:

Phase I - Finance the acquisition of .74 acres and 16,000 sq. ft. facility, make renovations, including sufficient classrooms and cafeteria space, for 250 students in grades 3-7 in the 2013-14 school year;

Phase II - New construction of additional classrooms and multipurpose room, by developing a 15,238 sq. ft. addition on vacant land. This will provide enough space for an additional 200 students for a total of 450 students in grades 3-8. The Applicant's schedule for completion of this phase is in the late Spring 2014.

The difference in the amount of QSCB proceeds and the project costs will be funded with the Applicant's equity.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	\$3,905,690
Renovation of existing building	\$3,027,000
Engineering & architectural fees	\$1,904,988
Acquisition of existing building	\$1,505,000
Contingency	\$905,837
Closing Costs	\$168,920
Interest during construction	\$51,768
TOTAL COSTS	<u><u>\$11,469,203</u></u>

JOBS: At Application 0 Within 2 years 38 Maintained 0 Construction 58

PUBLIC HEARING:

BOND COUNSEL: McManimon, Scotland & Baumann,

DEVELOPMENT OFFICER: D. Bennis

APPROVAL OFFICER: T. Wells

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

APPLICANT: Kingston Educational Holdings 1, Inc.

P38412

PROJECT USER(S): TEAM Academy Charter School, Inc. *

* - indicates relation to applicant

PROJECT LOCATION: 129 Littleton Avenue

Newark City (T/UA)

Essex

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

APPLICANT BACKGROUND:

Kingston Educational Holdings 1, Inc., is a recently formed not-for-profit created to operate and own real estate property for the TEAM Academy Charter Schools, a network of charter schools in Newark, Essex County, that includes SPARK, TEAM, Rise and Newark Collegiate Academy. The TEAM Charter Schools are an independent organization and part of the KIPP Foundation charter school network based in California. The KIPP Foundation is a private foundation that supports charter schools with over 1,500 teachers serving more than 27,000 kids in schools across the country. The TEAM Charter Schools currently serve over 1,800 students in grades K-2 and 5-12 in Newark. Timothy Carden is the President of Kingston Educational.

In 2011 and 2012, the Applicant and TEAM Academy Charter Schools closed on one (1) Qualified Zone Academy Bond and two (2) Qualified School Construction Bonds for planned capital projects to be completed over the next two years. The net proceeds from the sale of the QZAB and QSCBs which totaled \$38,176,247, are planned to be utilized for the following projects, all located in Newark, beginning in August 2013:

Location	Use	QZAB/QSCB proceeds
229 18th Ave.	Renovations to existing public school for new elementary/middle school, occupancy expected in August 2014	\$28,050,000
21 Ashland St.	Athletic field construction at the existing Rise Academy Middle School	\$ 2,750,000
129 Littleton Ave.	Fund portion of acquisition costs for new high school	\$ 5,557,357
Various sites	Purchase of furniture, fixtures & equipment	\$ 1,818,890

This project will be occupied by one or more TEAM Charter Schools, all not-for-profit 501(c)(3) entities. The Bonds are being issued as Qualified School Construction Bonds pursuant to Section 54E of the Internal Revenue Code of 1986. The project was selected to receive a QSCB allocation of \$40,000,000 in connection with the Notice of Funding Availability in the amount of \$125 million for Charter Schools, jointly issued by the Authority and Department of Education, to NJ Charter Schools.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to acquire 2.25 acres of land, demolish an existing building and construct an 81,000 sq. ft. school with capacity to house up to 600 students, planned to open in August 2015. The new facility will be occupied by TEAM Charter Schools initially as an elementary school and middle school, while TEAM schools grows its enrollment that will feed students into this facility as TEAM's permanent second high school.

The difference in the QSCB proceeds and the project costs will be funded with a conventional loan.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	\$27,181,000
Original Issue Discount	\$13,000,000
Acquisition of existing building	\$2,355,000
Engineering & architectural fees	\$1,764,000
Purchase of equipment & machinery	\$1,500,000
Closing Costs	\$1,300,000
Contingency	\$900,000
TOTAL COSTS	\$48,000,000

JOBS: At Application 0 Within 2 years 73 Maintained 0 Construction 229

PUBLIC HEARING:

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: D. Bennis

APPROVAL OFFICER: T. Wells

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

APPLICANT: NSA 559 Broad Street, LLC

P38413

PROJECT USER(S): North Star Academy Charter School of Newark, * - indicates relation to applicant

PROJECT LOCATION: 559 Broad Street/2 Washington Newark City (T/UA) Essex

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

APPLICANT BACKGROUND:

NSA 559 Broad Street, LLC, whose sole member is Uncommon Schools, Inc. ("USI"), is a limited liability company formed to hold title to real estate projects for the benefit of the schools within the USI network, including North Star Academy Charter School of Newark, Inc. ("NSA") USI is a not-for-profit entity that starts and manages public charter schools, and through its subsidiaries, owns real estate that is leased to the school for use as public school facilities. USI currently manages 32 public charter schools across NJ, NY and MA. Brett Peisenor is the Chief Executive Officer.

NSA is currently a network of nine public charter schools serving over 2,200 students in grades K-12 across six campuses in Newark, Essex County. Founded in 1997, NSA's mission is to prepare each student to enter, succeed in, and graduate from college. NSA is in good standing with the NJ Department of Education.

In 2009, the Authority issued a \$16,480,000 Qualified School Construction Bond ("QSCB") for the benefit of NSA Central Avenue, LLC (P29061) to build a new high school facility at 13-25 Central Avenue, Newark. The project is completed. In 2012, Uncommon Properties II, LLC (P37823) closed on a \$7,806,000 Qualified Zone Academy Bond. Net proceeds of the sale of the QZAB in the amount of \$5,970,816 are anticipated to be utilized in the Fall of 2013 for various renovations at the following NSA schools in Newark: Downtown Middle School at 10 Washington St., Clinton Hill Middle School at 600 Clinton Avenue and Fairmount Elementary School at 9th Street.

The project is occupied by North Star Academy Charter School of Newark, Inc., a 501(c)(3) not-for-profit entity. The Bonds are being issued as Qualified School Construction Bonds pursuant to Section 54E of the Internal Revenue Code of 1986. The project was selected to receive a QSCB allocation of \$2,829,697 in connection with the Notice of Funding Availability in the amount of \$125 million for Charter Schools, jointly issued by the Authority and Department of Education, to NJ Charter Schools.

APPROVAL REQUEST:

Authority assistance will enable the applicant to finance renovations at the NSA Downtown Middle School & High School, located at 559 Broad Street/2 Washington Place, currently serving approximately 600 students in grades 5-12. Renovations include repairs to the building's historic facade due to water damage and roof repairs. Renovations are expected to begin in the Fall 2013.

The difference in the QSCB proceeds and the project costs will be funded with the Applicant's equity.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	\$1,584,746
Original Issue Discount	\$1,007,380
Engineering & architectural fees	\$235,750
Closing Costs	\$91,025
TOTAL COSTS	\$2,918,901

JOBS: At Application 79 Within 2 years 15 Maintained 0 Construction 13

PUBLIC HEARING:

DEVELOPMENT OFFICER: D. Bennis

BOND COUNSEL: Wolff & Samson

APPROVAL OFFICER: T. Wells

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

APPLICANT: Uncommon Properties II, LLC

P38414

PROJECT USER(S): North Star Academy Charter School of Newark, * - indicates relation to applicant

PROJECT LOCATION: 557-571 15th Avenue Newark City (T/UA) Essex

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

APPLICANT BACKGROUND:

Uncommon Properties II, LLC, an affiliate of Uncommon Schools, Inc. ("USI"), was formed to hold title to real estate projects for the benefit of the schools within the USI network, including North Star Academy Charter School of Newark, Inc. ("NSA"). USI is a not-for-profit entity that starts and manages public charter schools, and through its subsidiaries, owns real estate that is leased to the school for use as public school facilities. USI currently manages 32 public charter schools across NJ, NY and MA. Brett Peisenor is the Chief Executive Officer.

NSA is currently a network of nine public charter schools serving over 2,200 students in grades K-12 across six campuses in Newark, Essex County. Founded in 1997, NSA's mission is to prepare each student to enter, succeed in, and graduate from college. NSA is in good standing with the NJ Department of Education.

In 2009, the Authority issued a \$16,480,000 Qualified School Construction Bond ("QSCB") for the benefit of NSA Central Avenue, LLC (P29061) to build a new high school at 13-25 Central Avenue, Newark. The project is completed. In addition, Uncommon Properties II, LLC (P37823) closed on a \$7,806,000 Qualified Zone Academy Bond ("QZAB") in 2012. Net proceeds of the sale of the QZAB in the amount of \$5,970,816 are anticipated to be utilized in the Fall of 2013 for various renovations at the following NSA schools in Newark: Downtown Middle School at 10 Washington St., Clinton Hill Middle School at 600 Clinton Avenue and Fairmount Elementary School at 9th Street.

The project will be occupied by North Star Academy Charter School of Newark, Inc., a 501(c)(3) not-for-profit entity. The Bonds are being issued as Qualified School Construction Bonds pursuant to Section 54E of the Internal Revenue Code of 1986. The project was selected to receive a QSCB allocation of \$34,170,303 in connection with the Notice of Funding Availability in the amount of \$125 million for Charter Schools, jointly issued by the Authority and Department of Education, to NJ Charter Schools.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to acquire the NSA West Side Park Elementary School (1.16 acres of land and an 84,000 sq. ft. building), located at 15th Ave., Newark, currently serving 345 students in K-2 and grade 5. The project also includes renovations and repairs, including necessary classroom and hallway upgrades, renovations to improve the building's infrastructure, a new roof, HVAC, electrical and other safety upgrades. Renovations are expected to begin in the Fall 2013 for completion by May 2015.

The difference in the QSCB proceeds and the project costs will be funded with a conventional loan and the Applicant's equity.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	\$17,616,792
Original Issue Discount	\$12,164,736
Engineering & architectural fees	\$2,421,652
Contingency	\$1,811,230
Acquisition of existing building	\$1,200,240
Closing Costs	\$1,126,660
Land	\$133,360
TOTAL COSTS	\$36,474,670

JOBS: At Application 43 Within 2 years 38 Maintained 0 Construction 148

PUBLIC HEARING:

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: D. Bennis

APPROVAL OFFICER: T. Wells

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

APPLICANT: Uncommon Properties II, LLC

P38415

PROJECT USER(S): North Star Academy Charter School of Newark, * - indicates relation to applicant

PROJECT LOCATION: 24 Hazelwood Avenue Newark City (T/UA) Essex

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

APPLICANT BACKGROUND:

Uncommon Properties II, LLC, an affiliate of Uncommon Schools, Inc. ("USI"), was formed to hold title to real estate projects for the benefit of the schools within the USI network, including North Star Academy Charter School of Newark, Inc. ("NSA"). USI is a not-for-profit entity that starts and manages public charter schools, and through its subsidiaries, owns real estate that is leased to the school for use as public school facilities. USI currently manages 32 public charter schools across NJ, NY and MA. Brett Peisenor is the Chief Executive Officer.

NSA is currently a network of nine public charter schools serving over 2,200 students in grades K-12 across six campuses. Founded in 1997, NSA's mission is to prepare each student to enter, succeed in, and graduate from college. NSA is in good standing with the Department of Education.

In 2009, the Authority issued a \$16,480,000 Qualified School Construction Bond ("QSCB") for the benefit of NSA Central Avenue, LLC (P29061) to build a new high school at 13-25 Central Avenue, Newark. The project is completed. In addition, Uncommon Properties II, LLC (P37823) closed on a \$7,806,000 Qualified Zone Academy Bond ("QZAB") in 2012. Net proceeds of the sale of the QZAB in the amount of \$5,970,816 are anticipated to be utilized in the Fall of 2013 for various renovations at the following NSA schools in Newark: Downtown Middle School at 10 Washington St., Clinton Hill Middle School at 600 Clinton Avenue and Fairmount Elementary School at 9th Street.

The project will be occupied by North Star Academy Charter School of Newark, Inc., a 501(c)(3) not-for-profit entity. The Bonds are being issued as Qualified School Construction Bonds pursuant to Section 54E of the Internal Revenue Code of 1986. The project was selected to receive a QSCB allocation of \$40,000,000 in connection with the Notice of Funding Availability in the amount of \$125 million for Charter Schools, jointly issued by the Authority and Department of Education, to NJ Charter Schools.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to acquire the NSA Vailsburg Elementary & Middle School (1.8 acres of land and an 80,000 sq. ft. facility), located on Hazelwood Avenue, currently serving 675 students in grades K-7. The project also includes renovations for classroom and hallway upgrades, interior building systems such HVAC, life safety, plumbing, sprinklers, lighting, etc., improvements to the building's exterior structure, including roof, exterior facade repairs, windows, etc. In addition, bond proceeds will also be applied towards construction of new 9,000 sq. ft. gymnasium. The project is on schedule to commence in Fall 2013.

The difference in the QSCB proceeds and the project costs will be funded with a conventional loan and the Applicant's equity.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	\$21,099,593
Original Issue Discount	\$14,240,126
Acquisition of existing building	\$7,100,000
Land	\$3,400,000
Engineering & architectural fees	\$2,960,791
Closing Costs	\$2,200,000
Purchase of equipment & machinery	\$160,600
TOTAL COSTS	<u><u>\$51,161,110</u></u>

JOBS: At Application 75 Within 2 years 8 Maintained 0 Construction 178

PUBLIC HEARING:

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: D. Bennis

APPROVAL OFFICER: T. Wells

LOANS/GRANTS/GUARANTEES

FUND FOR COMMUNITY ECONOMIC DEVELOPMENT

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

APPLICANT: Housing and Neighborhood Development Services, Inc. or Nominee P38478

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: various locations Orange City (T/UA) Essex

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

APPLICANT BACKGROUND:

Housing and Neighborhood Development Services, Inc. ("HANDS") is a 501 (c)(3) not-for-profit organization established in 1986 to provide affordable housing to help stabilize neighborhoods and promote economic opportunity in New Jersey. HANDS is a chartered organization of the Neighbor Works America, certified by the State of New Jersey Department of Community Affairs and the City of East Orange as a Community Housing Development Organization. Revenues are generated mainly through grants and contributions. The majority of HANDS houses are subsidized through the State of New Jersey and the County of Essex. The organization operates out of leased space in Orange and employs seven people full-time.

HANDS seeks NJEDA assistance to refinance existing acquisition and renovation debts. Prudential Insurance Company of America and Wells Fargo Regional Community Development Corporation will be providing \$1,743,750 and \$100,000 respectively towards this Project. The project consists of 25,961 square feet of space of which 32% is residential with eleven commercial tenants and six residential units.

APPROVAL REQUEST:

The applicant is requesting Authority assistance in the form of a \$581,250 direct loan from the Fund for Community Economic Development to refinance existing debt related to six projects in the urban aid community of Orange.

FINANCING SUMMARY:

LENDER: Fund for Community Economic Development

AMOUNT OF LOAN: \$581,250

TERMS OF LOAN: Fixed for 5 years at the five year US Treasury rate + 250 basis points with a floor of 3% (indicative rate is 3.9% as of 8/1/13), ten year term (rate to reset at the end of year five) based upon a 20 year amortization.

PROJECT COSTS:

Refinancing	\$2,225,000
Finance fees	\$151,000
Debt service reserve fund	\$50,000
TOTAL COSTS	\$2,426,000

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

DEVELOPMENT OFFICER: D. Johnson

APPROVAL OFFICER: M. Conte

**PETROLEUM UNDERGROUND STORAGE
TANK PROGRAM**



MEMORANDUM

TO: Members of the Authority

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

DATE: August 13, 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. Provided herein is the remaining funding after July approvals and those proposed for August. Treasury has also been notified of the July approvals and will encumber the funds for those approvals.

As of July 1, the 2014 State Fiscal Budget additionally appropriated \$11.1 million for the PUST Fund and \$20.3 million for the HDSRF fund through the constitutional dedication of a portion of corporate business tax as is required under the governing statutes.

PUST:

As of June 30, the UST fund held by EDA had approximately \$1.7 million in cash and unfunded appropriations available to fund July approvals of \$897 thousand, which left \$825 thousand, which together with new unfunded 2014 appropriation of \$11.1 million, provides \$11.9 million in available cash plus unfunded appropriations to fund the \$1.1 million in approvals requested herein.

HDSRF:

As of June 30, the HD fund held by EDA had approximately \$37.2 million in cash and unfunded appropriations available to fund July approvals of \$789 thousand, which left \$36.4 million, which together with the new unfunded 2014 appropriation of \$20.3 million, provides cash plus unfunded appropriations of \$56.7 million to fund future projects (none presented herein).

Prepared by: Kathy Junghans



MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President/Chief Operating Officer
DATE: August 13, 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 Grant:

Roseanne Johnson \$ 201,688

Commercial Grant:

Gaetano Pagnozzi \$ 722,817
Anthony Perrelly \$ 141,469
Solowill Enterprises, Inc. \$ 34,749
\$ 899,035

Total UST funding for August 2013 \$ 1,100,723

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

APPLICANT: Roseanne Johnson

P38070

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 7 Clarissa Dr.

Middletown Township (N) Monmouth

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

APPLICANT BACKGROUND:

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

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 \$201,688 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$20,169 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: \$201,688

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$201,688
NJDEP oversight cost	\$20,169
EDA administrative cost	\$250
TOTAL COSTS	<hr/> \$222,107 <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Gaetano Pagnozzi

P38312

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 4200 Tonnelle Ave.

North Bergen Township (T/UA) Hudson

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

APPLICANT BACKGROUND:

Between September 2004 and October 2005, Gaetano Pagnozzi, the owner of the project site, which was an auto service center, received grants totaling \$92,972 under delegated authority for the closure of four underground gasoline storage tanks (USTs), soil sampling, analysis and site restoration. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities that include extensive groundwater remediation and continued monitoring.

The NJDEP oversight fee of \$72,282 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.

APPROVAL REQUEST:

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

The applicant is requesting grant funding in the amount of \$722,817 to perform the approved scope of work at the project site for a total project costs to date of \$870,789. The project site is located in the NJ Metropolitan Planning Area and therefore eligible for up to \$1,000,000 in funding.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: \$722,817

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

PROJECT COSTS:

Upgrade, Closure, Remediation	\$722,817
NJDEP oversight cost	\$72,282
EDA administrative cost	\$500
TOTAL COSTS	<hr/> <hr/> \$795,599

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Anthony Perrelly

P38287

PROJECT USER(S): Perrelly's Service Station *

* - indicates relation to applicant

PROJECT LOCATION 211 Market Street

Edgewater Borough (N)

Bergen

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

APPLICANT BACKGROUND:

Between February 2006 and April 2011, Anthony Perrelly, owner of Perrelly's Service Station, received grants totaling \$197,744 under P16944, P24277 and P34365 for the closure of the former underground storage tanks (USTs) at the project site. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform extensive groundwater remediation and continued monitoring.

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 \$141,469 to perform the approved scope of work at the project site for a total funding to date of \$339,213.

The NJDEP oversight fee of \$14,147 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 \$141,469

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

PROJECT COSTS:

Upgrade, Closure, Remediation	\$141,469
NJDEP oversight cost	\$14,147
EDA administrative cost	\$500
TOTAL COSTS	<hr/> <hr/> \$156,116

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Solowill Enterprises, Inc.

P38326

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 1346 Stuyvesant Ave.

Union Township (T)

Union

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

APPLICANT BACKGROUND:

Between December 2004 and December 2008, Solowill Enterprises, Inc. a car repair shop owned by Michael and Beverly Holland, received grants totaling \$181,291 under P16134, P16134s, P18634 and P23713 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible for investigation to perform additional groundwater remediation.

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$34,749 to perform the approved scope of work at the project site for a total project costs to date of \$216,040. This funding request exceeds the maximum approval of aggregate supplemental funds of \$100,000 and therefore requires EDA's board approval.

The NJDEP oversight fee of \$3,475 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 \$34,749

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

PROJECT COSTS:

Upgrade, Closure, Remediation	\$34,749
NJDEP oversight cost	\$3,475
EDA administrative cost	\$250
TOTAL COSTS	\$38,474

APPROVAL OFFICER: K. Junghans



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority
FROM: Timothy Lizura
 President/Chief Operating Officer
DATE: August 13, 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 July 01, 2013 to July 31, 2013

Summary:	# of Grants	\$ Amount
Leaking tank grants awarded	30	\$614,597
Non-leaking tank grants awarded	1	\$1,500

Applicant	Description	Grant Amount	Awarded to Date
Bildee Corporation (P38129)	Supplemental grant for upgrade, closure and remediation	\$33,846	\$132,570*
Bugge, Randall, and Diane (P38272)	Initial grant for upgrade, closure and remediation	\$4,704	\$4,704
Carver, John (P37995)	Supplemental grant for upgrade, closure and remediation	\$28,515	\$37,317
Clarke, Elizabeth (P38227)	Initial grant for upgrade, closure and remediation	\$6,592	\$6,592
Colangelo, Patricia (P38200)	Partial initial grant for upgrade, closure and remediation	\$4,826	\$4,826
Csizmadia, Laszlo (P38357)	Supplemental grant for upgrade, closure and remediation	\$4,143	\$16,083
Daura, Damon (P38102)	Initial grant for upgrade, closure and remediation	\$32,996	\$32,996
DeFinis, Stephen (P38219)	Initial grant for upgrade, closure and remediation	\$5,673	\$5,673
Dick, Christopher (P38380)	Supplemental grant for upgrade, closure and remediation	\$5,793	\$46,710
Dikkenberg, Johannes	Supplemental grant for upgrade,	\$12,688	\$17,213

Applicant	Description	Grant Amount	Awarded to Date
(P38393)	closure and remediation		
Downey, Patricia (P38184)	Initial grant for upgrade, closure and remediation	\$71,845	\$71,845
Estate of Edmund Suszek (P38230)	Initial grant for upgrade, closure and remediation	\$27,458	\$27,458
Fabian, Stephen (P38217)	Partial initial grant for upgrade, closure and remediation	\$4,184	\$4,184
Hernandez, Raymond (P38300)	Initial grant for upgrade, closure and remediation	\$13,143	\$13,143
Introcaso Cleaner, Inc. (P38198)	Initial grant for upgrade, closure and remediation	\$28,858	\$28,858
Irving, Linda (P38286)	Initial grant for upgrade, closure and remediation	\$67,314	\$67,314
Knox, Robert (P38226)	Partial initial grant for upgrade, closure and remediation	\$6,866	\$6,866
Lamy, Andy (P37847)	Initial grant for upgrade, closure and remediation	\$24,938	\$24,938
Ljubicich, Robert (P38270)	Initial grant for upgrade, closure and remediation	\$13,436	\$13,436
Loikits, Brandon and April Merl (P38334)	Supplemental grant for upgrade, closure and remediation	\$1,862	\$18,219
Lynch, Patrick (P38243)	Initial grant for upgrade, closure and remediation	\$13,394	\$13,394
Mezzo, Joseph and Patricia (P38250)	Partial initial grant for upgrade, closure and remediation	\$14,664	\$14,664
Morales, Winny (P38360)	Supplemental grant for upgrade, closure and remediation	\$9,800	\$20,686
Patel, Hiren (P37936)	Initial grant for upgrade, closure and remediation	\$30,825	\$30,825
Piper, Barbara J. (P38329)	Supplemental grant for upgrade, closure and remediation	\$5,708	\$86,516
Samba, Juliet (P38291)	Supplemental grant for upgrade, closure and remediation	\$60,554	\$156,059*
Smith, Michael (P38296)	Initial grant for upgrade, closure and remediation	\$8,061	\$8,061
Sole, Steve (P38293)	Supplemental grant for upgrade, closure and remediation	\$28,368	\$36,010
Van Saders, John (P38290)	Supplemental grant for upgrade, closure and remediation	\$41,736	\$79,986
Wilhelm, Robert (P38258)	Initial grant for upgrade, closure and remediation	\$1,807	\$1,807

30 Grants

**Total Delegated Authority
funding for Leaking**

\$614,597

Applicant	Description	Grant Amount	Awarded to Date
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applications.

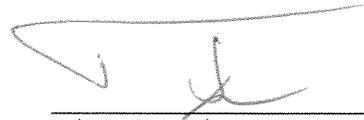
Osis, Richard (P32545)	Grant to	\$1,500	\$1,500
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1 Grants

Total Delegated Authority
funding for Non-Leaking
applications.

\$1,500

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



Timothy Lizura

Prepared by: Kathy Junghans, Finance Officer

INCENTIVES

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

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

APPLICANT: CLS Bank International

P38429

PROJECT LOCATION: 101 Wood Avenue

Woodbridge Township

Middlesex County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

CLS Bank International was started in 2002 and is headquartered in New York. The company provides transaction settlement services for the foreign exchange (FX) market in 17 currencies. Settlement of FX transactions requires the exchange of principal in two currencies. Settlement risk is the risk that one party pays the currency that it sold, but does not receive the currency that it bought. CLS Bank International eliminates settlement risk for its customers through the world's first simultaneous and irrevocable global multi-currency system. The applicant is economically viable.

MATERIAL FACTOR:

CLS currently has one office in downtown Manhattan where it employs approximately 130 people. That location was adversely affected and temporarily displaced by Superstorm Sandy and, as a result, the company has been exploring the possibility of opening a second location outside of Manhattan to serve as a backup recovery center and house some IT operations. Currently under consideration is a site in Woodbridge Township, New Jersey where CLS would lease about 16,000 sq ft and relocate 51 of its employees.

The company is requesting a BEIP to provide an incentive to locate the project in New Jersey which would result in 51 new jobs to the State. Management has indicated that the grant is 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: 60%

TERM: 10 years

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

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: \$ 2,550,000
 (not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 0

ELIGIBLE BEIP JOBS: Year 1 51 Year 2 0 Base Years Total = 51

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

ANTICIPATED AVERAGE WAGES: \$183,000

ESTIMATED PROJECT COSTS: \$2,363,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$4,819,500

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$4,679,250

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

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New York

APPLICANT OWNERSHIP:(X) Domestic () Foreign

DEVELOPMENT OFFICER: J. Kenyon

APPROVAL OFFICER: K. McCullough

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Woodbridge Township	N/A
2. Job Creation	51	1
	Targeted : _____ Non-Targeted : <u>X</u>	
3. Job at Risk:	0	0
4. Industry:	Financial services	2
	Designated : <u>X</u> Non-Designated : _____	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$2,220,000	1
7. Average Wage:	\$ 183,000	4

TOTAL: **10**

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:	10 = 35 %
Construction/Renovation :	5 %
Bonus Increases :	20 %
Total Score (not to exceed 80 %):	60 %

ANGEL INVESTOR TAX CREDIT PROGRAM

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - ANGEL INVESTOR TAX CREDIT**

APPLICANT(S)/ANGEL INVESTOR:

Jonathan Perelman

P38435

NJ EMERGING TECHNOLOGY BUSINESS:

Edge Therapeutics, Inc.

TECHNOLOGY BUSINESS NJ LOCATION:

139 South Street New Providence Borough Union County

GOVERNOR'S INITIATIVES: Urban Edison Core Clean Energy

TECHNOLOGY BUSINESS BACKGROUND:

Edge Therapeutics Inc., is a private, clinical stage biopharmaceutical company focused on developing and commercializing life-saving hospital products that improve patient outcome by addressing acute, fatal or debilitating conditions after brain hemorrhage that have no current effective treatment. The company qualifies as a NJ Emerging Technology Business as technology commercialization.

INDUSTRY:

- | | | |
|---|--|---|
| <input type="checkbox"/> Advanced Computing | <input type="checkbox"/> Information | <input type="checkbox"/> Renewable Energy |
| <input type="checkbox"/> Advanced Materials | <input type="checkbox"/> Life Sciences | |
| <input checked="" type="checkbox"/> Biotechnology | <input type="checkbox"/> Medical Device | |
| <input type="checkbox"/> Electronic Device | <input type="checkbox"/> Mobile Communications | |

DESCRIPTION OF QUALIFIED INVESTMENT:

The Applicant, an unrelated person to the NJ Emerging Technology Business, presented a non-refundable investment of cash to Edge Therapeutics, Inc. in exchange for stocks and warrants in the company.

APPROVAL REQUEST:

The Members of the Authority are asked to approve the proposed Angel Tax Credit to Jonathan Perelman to encourage the investment in a New Jersey emerging technology business, subject to all proposed regulations becoming final and adopted and the applicant is at risk if the rules and regulations are not adopted as proposed.

QUALIFIED INVESTMENT DATE:		11/12/2012
QUALIFIED INVESTMENT:	\$	17,500.00
TAXPAYER APPROVAL YEAR: (2013)	\$	1,750.00
TOTAL NUMBER OF EMPLOYEES (Worldwide): 		5
NEW JERSEY FULL-TIME EMPLOYMENT AT APPLICATION:		5

DEVELOPMENT OFFICER: D. Ackerman

APPROVAL OFFICER: T. Wells

BOARD MEMORANDUM



MEMORANDUM

TO: Members of the Authority

FROM: Tim Lizura
President and Chief Operating Officer

DATE: August 13, 2013

SUBJECT: ff Rose Venture Capital Fund, L.P.

Request:

Approval is requested to make a limited partnership investment in ff Rose Venture Capital Fund, L.P. (“FFR” or “the Fund”) up to \$2.5 million. Funding for the investment will be made from the State Small Business Credit Initiative fund (“SSBCI”).

Background:

FFR is a Delaware limited partnership that was formed in 2012 to provide investors with long-term capital appreciation through direct angel investments in start-up technology companies. The Fund will seek investments located in the U.S. with a focus on the East Coast. FFR is managed by a group of business executives including John Frankel, David Teten, Alex Katz and Michael Yavonditte. The Management Team has significant operating and investment experience including success in identifying, analyzing, structuring and managing start-up technology investments. FFR is part of the ff Asset Management, LLC dba ff Venture Capital (“FFVC”) family of funds. FFVC was formed by Mr. Frankel in 2008 and is comprised of three funds (Blue, Silver and Rose). Of note, Mr. Frankel has been investing in start-up technology companies since 1999.

FFR is seeking to invest in approximately 40 start-up technology companies. The Fund will be between \$50 million and \$70 million and fundraising will end in November, 2013. Of note, FFR has raised \$25 million and has made 11 investments totaling \$4.7 million to date. The Fund has agreed to invest two dollars for every one dollar the Authority invests in New Jersey-based companies, thereby resulting in a minimum of \$7.5 million of capital invested in New Jersey-based companies. This arrangement of leveraging the Authority’s public investment with FFR’s private investment will be documented in a side letter agreement consistent with all prior venture fund LP investments.

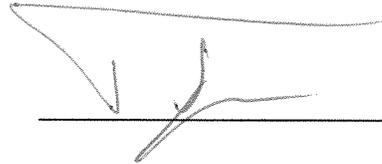
In support of the State's focus on growing technology jobs, the EDA's strategic plan includes goals to assist in the expansion of technology companies in the State through funding direct loans and investing in venture capital funds. The proposed investment in FFR is consistent with the EDA's strategic plan as it will assist in developing employment in the State by supporting the growth of start-up technology companies located in New Jersey.

Recommendation:

Approval of an investment up to \$2.5 million in FFR is recommended based upon the experienced management team and FFVC's satisfactory historic performance. In addition, the proposed funding will support the growth of start-up technology companies located in the State. This approval will authorize the CEO or COO to execute all documents required, subject to the review of the New Jersey Attorney General's office.

Conditions:

1. FFR must establish a physical office in New Jersey.
2. Evidence of a Key Person Life Insurance policy for John Frankel with the EDA named as loss payee in an amount equal to our funded investment.
3. The proposed investment will be disbursed in tranches to match the largest single outside investor in the FFR up to \$2.5 million.
4. Waiver of interest charge for late investment in FFR.
5. Upon formation, the Authority will receive a seat on FFR's advisory and valuation committees.
6. Proposed investment is subject to availability of SSBCI funding.
7. FFR agrees to provide additional quarterly and portfolio reporting as required by the NJEDA to fulfill SSBCI reporting requirements.



Prepared by: Sean V.M. Brady



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: August 13, 2013

SUBJECT: The MLB Network, LLC
Secaucus, New Jersey
Modification Request – Business Employment Incentive Program (“BEIP”) P23521

Modification Request:

1. Add 44 Hartz Way, Secaucus as a project location to the existing BEIP grant agreement; and
2. Waive the 20% new employment cap on the remaining five (5) years of the grant due to the company making additional significant capital investments at the project site. A waiver of the cap under this condition is permissible under BEIP program regulations.

The combined value of the BEIP for these two locations is approximately \$8.5 million over the remaining 5 year term of the grant.

Background

The MLB Network, LLC (“MLB”) is a national cable television network launched in January, 2009. The network features live Major League Baseball games which are available on the top ten cable and satellite providers including Comcast, Time Warner, Verizon and Dish Network.

In September, 2009, the members approved an 80%/10 year BEIP grant to the MLB valued at approximately \$8 million to support the creation of 201 new television production jobs in Secaucus. As of 12/31/12, MLB had created approximately 300 eligible positions. Approximately \$700,000 has been disbursed under the grant, and an additional \$2.7 million is pending review. The grant is currently subject to the 20% cap.

Since its launch in 2009, the network’s employment has grown dramatically and as a result the company is seeking to expand its operations. MLB has indicated it has the ability to expand adjacent to its existing site in Secaucus or establish a second location in the Bronx near Yankee Stadium. The proposed project includes construction of an 8,000 sf television studio, offices, a conference center, a cafeteria and a fitness center. If the Secaucus location is chosen, MLB will construct a walkway to connect the new space to its existing building under lease from the same landlord.

The company estimates it will spend \$12 - \$15 million in capital investment depending on which location is selected. MLB projects that it would hire approximately 250 jobs with an average annual salary of approximately \$95,000 for the expansion. MLB has provided a cost benefit analysis that supports that the BEIP is a material factor in the company's decision to expand in New Jersey.

To incent MLB to make this significant [\$15 million] capital investment in New Jersey, the members are being asked to consent to adding the new adjacent site to the existing BEIP for the remaining five (5) years of its term (no extension) and to waive the 20% cap on the grant, beginning in 2013. As early stated, a waiver of the 20% cap is permissible under BEIP Program regulations [N.J.A.C. 19:31-10.4(e)(2)(ii)]. The company will continue to be required to fulfill its commitment duration term through 2023.

Staff has reviewed the legal matters presented and found no disqualifying issues.

Economic Viability

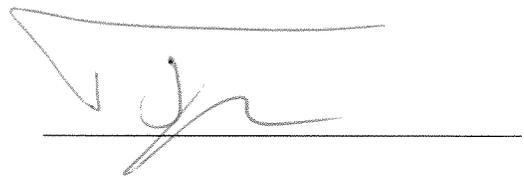
The financial statements of The MLB Network, LLC have been reviewed by staff and support that the company continues to be economically viable.

Recommendation:

Consent to the following actions:

1. Add 44 Hartz Way as a an additional project location to the existing BEIP grant; and
2. Waive the 20% cap in consideration of the significant capital investment to be made at the project site pursuant to BEIP program regulations guidelines.

Approval of these actions will provide the company with an approximate \$8.5 million grant for the two locations and the flexibility to add staff without limitation as it grows its company in New Jersey.

A handwritten signature in black ink, appearing to be 'J. Niles', is written over a horizontal line. The signature is stylized and cursive.

Prepared by: Jennifer Niles



MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: August 13, 2013

RE: **RBH-TRB Newark Holdings LLC**
P37504 - Economic Redevelopment and Growth Grant Program (“ERG”)
P34886 – Urban Transit Hub Tax Credit Program (“HUB”)

Request

RBH-TRB Newark Holdings LLC (the “Applicant”) has requested a second six month extension of time to submit financial commitments required for their ERG and HUB approvals.

Background

On July 15, 2010, the Members of the Authority approved an ERG in the amount of \$20,548,344 and a residential HUB in the amount of \$17,384,620 for a mixed use development located in downtown Newark, New Jersey. On January 17, 2012, the Members of the Authority approved a modification of the HUB award, increasing the amount to \$39,456,741, due to increased projected development costs and also due to a reduction in anticipated rents in the project proforma. In addition, on January 17, 2012, the Board approved a reset of the submission date for the conditions to maintain approval of the ERG and HUB.

Pursuant to the Board’s January 17, 2012 approvals, the Authority issued a revised HUB commitment letter to the Applicant on May 23, 2012 and an ERG modification letter on February 1, 2012, which each reset the due date to submit information required to maintain approval of the HUB and the ERG awards to January 17, 2013.

On January 15, 2013 and June 13, 2013, the Applicant submitted information to the Authority as required in order to maintain approval of the HUB and the ERG awards, however, the Applicant was not able to submit all financing commitments related to the project. To date, the Applicant has met all other requirements for maintaining approval and has submitted evidence of financing commitments for all components of the project except for the Project B portion of the project. Project B consists of 90 residential rental units and 10,595 square feet of retail space with a total

cost of \$32.9 million. This last phase of the project is expected to be completed by December 31, 2014.

For the ERG and the HUB, the Applicant executed and returned the Authority's commitment letter as well as provided evidence of site control and site plan approval from the City of Newark. A letter of support from the City of Newark has also been submitted. In addition, the Applicant has submitted evidence that they have committed equity of not less than 20% of the total project costs via the closing of New Markets Tax Credit ("NMTC") investor equity and land contributions to the Project.

In conjunction with the submission of documentation on January 15, 2013, the Applicant disclosed that the scope of the project has been modified since the January 17, 2012 Board approval. The \$149,244,445 project approved by the Board included the development of eight buildings on the project site, which included 251,607 square feet of rental housing with 205 units, 76,127 square feet of retail space and 94,894 square feet of charter school space for a total of 422,628 square feet. The Applicant has revised the scope of the project to eliminate the construction of two buildings, with an increase in the size of one of the remaining buildings. As such, the new project is expected to cost \$156,883,110 and includes six buildings with 236,995 square feet of rental housing (213 units), 64,805 square feet of retail space, 11,290 square feet of daycare space and 91,002 square feet of charter school space for a total of 405,891 square feet. Although the project costs increased, the Applicant has not requested, nor are we recommending, any increase in the HUB or ERG awards. Further, the project continues to meet the conditions of the ERG and HUB programs.

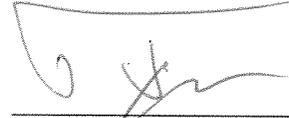
On April 6, 2013 pursuant to a request for an extension by the Applicant, the EDA approved, via delegated authority, a six month extension of the date to which all conditions contained in the HUB and ERG letters must be met to July 17, 2013.

In July of 2013 the Applicant informed EDA that they would not be able to deliver two of the components of the financing commitments for Project B thereby requesting an additional six month extension. Specifically this includes the senior mortgage from Prudential in the amount of \$14.4 million and the NMTC proceeds estimated at \$7.5 million. The latter is expected to come from NJ Community Capital, JP MorganChase and AFL-CIO and these commitments have been delayed due to allocations being awarded by the Federal Government later than anticipated. The Applicant has evidenced approvals for the remaining sources of funds for Project B, including a \$500,000 loan from CRDA, \$1 million loan from the City of Newark, \$1.2 million in RAB proceeds (purchased by Prudential) and \$4.9 million from Goldman Sachs via the monetization of HUB credits for this portion of the project.

The Applicant has demonstrated significant progress with the Project as construction is well underway on Project A and the charter schools (whereby numerous sources have been closed aggregating \$124 million and approximately \$83 million has been spent). Anticipated completion of Project A is August of 2014.

Recommendation

Given the significant progress made by the Applicant on the overall project to date and that they have a majority of their funding in place, recommendation is made to provide an additional six months, until January 17, 2014 to deliver the remaining financing commitments for Project B relative to the ERG and HUB incentives.



Timothy Lizura

Prepared by: Michael A. Conte



MEMORANDUM

TO: Members of the Authority

FROM: Tim Lizura, President/Chief Operating Officer

DATE: August 13, 2013

SUBJECT: Delegated Authority for Technology and Life Sciences

Request:

Delegate authority to staff for the approval of post closing modifications in the Technology and Life Sciences (“TLS”) portfolio and authorize the Director of Technology and Life Sciences as signatory for financing documents. Both are needed to reflect EDA’s current organization structure and to streamline the approval process for our customers.

Background:

Since 1999, the State, through the Commission on Science & Technology (“NJCST”) and EDA have provided support for early stage technology and life sciences companies in New Jersey.

In 2004, EDA acquired a portfolio of 63 Springboard (1) grants funded by the NJCST from 1999 to 2003. Successful Springboard companies were expected to repay these \$250,000 grants through annual payments based an increasing percentage of the borrower’s revenue through the 10th anniversary of the grant. Collections of those proceeds by EDA were used to fund 18 Springboard (2) grants totaling \$4.1 million during 2004 and 2005, and EDA’s Edison Innovation Fund. Presently there are 30 active Springboard grants totaling \$5.2 million. All (21) Springboard 1 grants have met their 10 year anniversaries, and are presently due and the 9 remaining Springboard 2 grants will begin to mature in 2014. Pursuant to the MOU with the NJCST, EDA is required to manage these maturities.

Presently, the majority of the Springboard companies are unable to repay the grants when due and are managed in Special Loan Management. TLS and SLM teams have collaborated and recommend that the Members delegate authority to restructure these grants to allow additional time for the company’s to repay the grants. This is expected to improve collections and support emerging technology companies.

In 2005, through the Edison Innovation Fund, EDA began providing 5-year term loans up to \$1 million to develop and commercialize new technology and products. In 2010, the Members delegated approval to staff to restructure and extend Edison loans that were unable to amortize their loans under the original terms. During 2011, customer management responsibilities for the Edison, Springboard, as well as the BPU funded Clean Energy Manufacturing Fund (CEMF) and Green Growth Fund(GGF) portfolios were transferred to TLS following EDA’s internal

reorganization. Later in 2011, the Members approved changes to the Edison program to redirect our lending efforts to more mature companies with lower risk profiles, and modified reporting and consent provisions in the Edison loan documents. As of 6/30/13 there are 10 Edison loans with \$3.6 million outstanding and seven BPU funded loans in the Green Growth Fund and Clean Energy Manufacturing Fund totaling \$9.7 million.

During 2012 and into 2013, several Edison companies required EDA consent to organizational changes and transfers of non-core intellectual property to enable them to obtain growth capital and/or liquidity to stabilize operations. With the guidance of the DAG's office, staff utilized existing credit delegations to approve these modifications, however, due to the distinct differences between traditional credits and Edison loans, it became apparent that specific delegations for TLS would clarify approval requirements under delegated authority and allow staff to respond quickly to customers' urgent needs to raise capital.

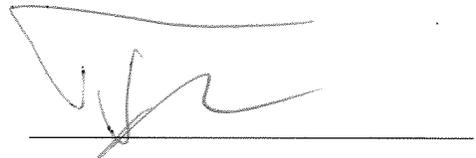
Staff from the TLS and Portfolio Management teams collaborated to develop the attached delegation recommendations to provide efficiencies for our customers during critical fund raising and organizational changes typical of later stage technology companies, and improving collections of Springboard grants by extending repayment terms, while balancing and limiting the risk to EDA. Dual sign off by either the Director of Portfolio Management or Credit Underwriting, or the TLS Director will be required to ensure internal checks and balances are maintained.

Finally the Director of Technology and Life Sciences will be added as an authorized signatory for EDA project documents as approved by the Members or under delegated authority. This addition is needed to reflect the changes in organizational structure adopted in 2011, but not advances with the 2012 signatory changes.

As with all Delegated approvals, these actions will be reported to the Board quarterly.

Recommendation:

Consent to the attached delegations, including approval to restructure an extend Springboard grants, and add the Director of TLS as a signatory to create efficiencies for Edison customers while ensuring the Authority's interests are protected as EDA continues to support these small technology companies and increase potential repayments of these unsecured financings.

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

Prepared by: Kathleen Coviello and Daniel Weick

TECHNOLOGY AND LIFE SCIENCES DELEGATIONS

Level 1	Level 2	Level 3	Level 4	Board Approval Date of Delegation Policy	Rationale for Proposed Chg.
CEO or President/COO	CEO or President/COO with any SVP or Managing Director (Underwriting & Closing or Post-Closing Services) and any one Director (Credit & Real Estate Underwriting, Bonds & Incentives*, Post Closing Credit & Bonds, Post Closing Incentives** or Technology & Life Sciences)	SVP or Managing Director (Underwriting & Closing, or Post-Closing Services) with any one Director (Credit & Real Estate Underwriting, Bonds & Incentives*, Post Closing Credit & Bonds Post Closing Incentives** or Technology & Life Sciences with recommending Officer	Any two Directors (Credit & Real Estate Underwriting, Post Closing Credit & Bonds, Bonds & Incentives*, Post Closing Incentives** or Technology & Life Sciences with recommending Officer	June 11, 2013 change to expand changes in organizational titles made in May and September 2012 to all EDA and Office of Recovery Programs and adds Director of Technology & Life Sciences as a signer.	
<p>* Limited to Bonds & Incentives (no credit transactions) ** Open Position limited to Incentives (no credit or bond transactions)</p>					
<p>Post Closing Modifications:</p>					
1. Subordinate liens on pledged assets for TLS borrowers seeking additional financing and/or investment when:			a) required by a new or existing lender for supplemental financing, and b) where the asset(s), including Intellectual Property was assigned no collateral value at approval.	August 13, 2013 - new	Facilitates follow on funding for these TLS companies needed to promote growth, stabilization and repayment of EDA's loans.
2. Release, substitute or subordinate liens on pledged assets collateral for TLS borrowers when:			1) a) the assets to be released are not essential to the operation of the business (e.g. Intellectual Property that is not integral to the business and is not being funded/supported by our investment, furniture/office equipment, etc.), and b) the primary Intellectual Property, remains intact, and c) the assets, including Intellectual Property, were assigned no collateral value at approval, or 2) sale proceeds, net of usual and customary expenses (up to 20%), are applied to senior liens, or EDA's loan as consideration.	August 13, 2013 - new	Allows TLS companies to sell non-integral assets to provide funding for operations and/or reduce senior or EDA loans.
3. Consent to changes in organizational structure of TLS borrowers when undertaking a merger, acquisition, or corporate restructure.			a) The borrower generates minimum revenues of \$2 million, and b) EDA receives the same treatment as other warrant holders in the same class, and c) EDA obtains warrants in the new entity/ies with coverage per the Edison program guidelines.	August 13, 2013 - new	New delegation required for later stage companies in mergers, divestitures or other changes (not in the ordinary course of business) to create efficiencies for borrowers that do not materially impact or impair EDA's position.
4. Change monthly loan payments			a) The change in payment terms does not adversely impact cash flow, and b) does not adversely change the debt service coverage ratio that was stated/approved in the original (Board or Delegated) approval.	July 9, 2003	
5. Payment Moratoriums			Approve initial 6 month moratorium at Borrower's or Bank's Request. Subsequent payment moratoria requests require Board approval.	July 9, 2003	

TECHNOLOGY AND LIFE SCIENCES DELEGATIONS

	Level 1	Level 2	Level 3	Level 4	Board Approval Date of Delegation Policy	Rationale for Proposed Chg.
	CEO or President/COO	CEO or President/COO with any SVP or Managing Director (Underwriting & Closing or Post-Closing Services) and any one Director (Credit & Real Estate Underwriting, Bonds & Incentives*, Post Closing Credit & Bonds, Post Closing Incentives** or Technology & Life Sciences)	SVP or Managing Director (Underwriting & Closing, or Post-Closing Services) with any one Director (Credit & Real Estate Underwriting, Bonds & Incentives*, Post Closing Credit & Bonds Post Closing Incentives** or Technology & Life Sciences with recommending Officer	Any two Directors (Credit & Real Estate Underwriting, Post Closing Credit & Bonds, Bonds & Incentives*, Post Closing Incentives** or Technology & Life Sciences with recommending Officer	June 11, 2013 change to expand changes in organizational titles made in May and September 2012 to all EDA and Office of Recovery Programs and adds Director of Technology & Life Sciences as a signer.	
6. Restructuring of Technology & Life Sciences Loans				Restructure payment terms under the following conditions to provide cash flow relief to borrowers under the Edison Innovation Loan Program: 1) Extend loan maturity for up to 5 years (not to exceed 10 years from original closing); 2) Restructure principal payments from monthly to annually based on a graduated percentage of gross revenues to coincide with year of repayment (1% in year one, 2% in year two, etc.); 3) permit the lump sum annual payment to be paid over 12 monthly installments if requested by the borrower; 4) in consideration for the approval borrowers will pay a \$1,000 modification fee and will provide an additional 10 year warrants, the number of shares of which will be determined by the scoring model.	December 8, 2009	
7. Modification of Springboard Recoverable Grant Terms				Modify grant repayment terms at the request of grantee.	April 10, 2007 (proposed change August 13, 2013).	Removes notice provisions to NJCST.
8. Restructure Spring Board 1 and 2 recoverable grants and CST Edison Innovation R&D recoverable grants provided.				a) Borrower is operating and demonstrates reasonable potential to make future payments; b) written notice of default has been issued; and c) borrower agrees to continue payments of 5% of annual revenues for additional 5 years. At maturity, unpaid balances will be discharged without recourse.	August 13, 2013 - new	Facilitates restructure of matured Spring Board recoverable grants for operating businesses to improve recovery for EDA over the longer term.

TECHNOLOGY AND LIFE SCIENCES DELEGATIONS

Level 1	Level 2	Level 3	Level 4	Board Approval Date of Delegation Policy	Rationale for Proposed Chg.
CEO or President/COO	CEO or President/COO with any SVP or Managing Director (Underwriting & Closing or Post-Closing Services) and any one Director (Credit & Real Estate Underwriting, Bonds & Incentives*, Post Closing Credit & Bonds, Post Closing Incentives** or Technology & Life Sciences)	SVP or Managing Director (Underwriting & Closing, or Post-Closing Services) with any one Director (Credit & Real Estate Underwriting, Bonds & Incentives*, Post Closing Credit & Bonds Post Closing Incentives** or Technology & Life Sciences with recommending Officer	Any two Directors (Credit & Real Estate Underwriting, Post Closing Credit & Bond, Bonds & Incentives*, Post Closing Incentives** or Technology & Life Sciences with recommending Officer	June 11, 2013 change to expand changes in organizational titles made in May and September 2012 to all EDA and Office of Recovery Programs and adds Director of Technology & Life Sciences as a signer.	
Fee Waivers/Changes:					
1. Waive Late Payment Fees a) EDA Generated Billing Errors; b) Customer reimbursement requests			a) Unlimited \$ waivers for EDA Billing errors; b) reimburse late fees up to \$3,000 for customers who request reimbursement for good cause and are in good standing at EDA (current pays for 24 months) limited to 2 times in 24 month cycle.	June 14, 2005 March 10, 2009 (to \$3K)	
2. Modification Fees		Under certain circumstances (financial hardship), waive modification fees to restructure debt not to exceed \$1,000.		March 10, 2009 (add fees)	



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President and COO
DATE: August 13, 2013
SUBJECT: Projects Approved Under Delegated Authority - **For Informational Purposes Only**

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

Small Business Fund Program:

- 1) Antoinette Marie Tauk DDS, LLC (P38386), located in North Brunswick, Middlesex County, was formed in 1997 by Antoinette Marie Tauk to provide general dental services. Dr. Tauk's office is located in a condominium complex in North Brunswick and employs a staff of eight (five full time and three part time) as well as three part time specialists (periodontist, endodontist and oral surgeon) to provide services on an as needed basis. The Provident Bank approved a \$335,000 term loan with a 50%, \$167,500 Authority participation. Proceeds will be used to refinance existing debt. Currently, the Company has eleven employees. SSBCI funds will be utilized for this project.

Main Street Post-Closing Modification:

- 1) Daron Realty, LLC (P38479) was formed in 2001 to purchase a warehouse facility in Rahway, NJ to be leased to a related operating company, Daron Fashions, Inc. ("DFI"), an importer and distributor of men's and children's jackets and winter coats. Daron Realty, LLC was approved for a \$256,209 Main Street loan to refinance a matured SLP participation loan originally used to acquire the warehouse. The other project lender is TD Bank, whose loan was approved for a 20-year term. The Main Street loan has an interest rate equal to 5-year Treasury plus 3.0% and a 5 year term with a 10 year amortization.

A handwritten signature in black ink, appearing to be 'T. Lizura', is written over a horizontal line.

Prepared by: D. Lawyer
DL/gvr

REAL ESTATE



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: NJEDA Newark Office Space

DATE: August 13, 2013

Summary

I am requesting the Members' approval to (1) execute a lease with Diversified-Capital Newark LLC (Landlord) for approximately 3,340 square feet of office space at 24 Commerce Street in Newark, (2) execute a parking agreement for seven parking spaces, and (3) to establish a budget and authorization to spend a maximum not to exceed amount of \$75,000 of Authority funds for furniture and moving expenses.

Background

The Authority has leased office space at One Gateway Center in Newark since 1988, and currently occupies 4,575 square feet on the 9th floor of the building at an annual rental rate of \$38.50 per square foot. The lease terminates on January 31, 2014. Seven Authority employees currently use the space as their primary office.

As part of the Authority's process of examining all expense categories in an effort to reduce costs and increase efficiency, staff evaluated alternative space options in addition to other options at One Gateway Center. Eleven potential spaces were identified through Co-Star, a preeminent multi-listing service for commercial rental properties, with reasonable proximity to Penn Station in Newark. Seven properties were toured by an evaluation committee consisting of the Authority's Director of Real Estate Development and the Authority's Real Estate Asset Manager. The evaluation committee selected a short list of three highly desirable spaces based mostly on price and location. Proposals were requested and received from the owners of 24 Commerce Street, 60 Park Place and One Gateway Center.

A financial analysis of the three proposals was performed, taking into account the building loss factor, free rent, utilities, and other expenses. The present value cost per useable square foot for

the location at 24 Commerce Street was \$27.05 per year, compared to One Gateway Center at \$50.93 and 60 Park Place at \$29.97.

Building features and amenities were also considered. A primary concern was proximity to Penn Station. One Gateway Center is in the office complex above the station, 24 Commerce is a half block away, and 60 Park Place is accessible to the station via light rail.

Based on cost, location, and other factors, 24 Commerce, a 180,000 square foot recently renovated historic building, was determined to be the best candidate for the Authority's Newark offices. With rent starting at \$18 per square foot per year, over the lease term the Authority's savings will be approximately \$288,180 compared to the One Gateway Center space, and \$17,976 compared to the 60 Park Place space.

The Landlord, Diversified-Capital Newark LLC, is a wholly owned subsidiary of Diversified Capital, Inc. (Diversified). Diversified, founded in 1999 and based in Lakewood, NJ, is a commercial real estate investment and management company specializing in acquiring and turning around troubled properties.

In addition to executing a lease for a five year, four month lease term with two (2) five year options to renew, a separate agreement will be executed for seven parking spaces at a nearby parking lot yet to be determined. Market rates range from \$150 to \$225 per space per month. The parking agreement will be coterminous with the lease, with the ability to add and remove spaces as staff requirements change.

Recommendation

I am requesting the Members approval to (1) execute a lease with Diversified-Capital Newark LLC (Landlord) for approximately 3,340 square feet of office space at 24 Commerce Street in Newark on terms generally consistent with the attached outline, (2) execute a parking agreement at a market rate for seven parking spaces, and (3) to establish a budget and authorization to spend a maximum not to exceed amount of \$75,000 of Authority funds for furniture and moving expenses. The final terms of the lease and the parking agreement will be subject to the approval of the President and Chief Operating Officer, and the Attorney General's Office.



Timothy J. Lizura
President/ Chief Operating Officer

Attachment

Prepared by: Christine Roberts

LEASE SUMMARY

24 Commerce Street, Newark, NJ

Premises: 3rd Floor, 24 Commerce Street, 3,340 s.f.

Term: 5 Years and four months

Rent: Modified gross, excluding tenant electric:

First Four Months:	Free
Year 1:	\$18.00 per s.f.
Year 2:	\$18.50 per s.f.
Year 3:	\$19.00 per s.f.
Year 4:	\$19.50 per s.f.
Year 5:	\$20.00 per s.f.

Common Area Expenses: Tenant pays increase over 2014 Base Year.

Building & Tenant Improvements:

Landlord to design, construct and fund turn-key tenant improvements to the Authority's specifications.

Renewals: Two five year options to renew at 95% of Fair Market Value

Security Deposit: None.



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: Biotechnology Development Center II
Technology Centre of New Jersey
Lease Agreement with Orthobond Corporation

DATE: August 13, 2013

Summary:

I will request the Members' approval for the Authority: (i) to enter into a lease for six years and two months with Orthobond Corporation ("Orthobond") for 7,066 square feet of generic wet lab space in the Tech III building; and (ii) to terminate Orthobond's existing CCIT lease when the graduation space is ready for occupancy.

Background:

At the September, 2007 meeting, the Members approved funding for the construction of generic lab space for incubator graduates, and the execution of a master lease with the AFL-CIO Building Investment Trust, the Authority's partner in the Technology Centre of New Jersey, LLC, for approximately 12,000 square feet in the Tech III building. Construction of the space was completed in October of 2009.

Founded in 2004, Orthobond is developing surface modification technology that can be applied to material to produce a desired biological response. Orthobond's goal is to produce safe and effective bio-interfaces for current and future generation medical devices that will ultimately lead to improvements in patients' health and lifestyle. Since moving to CCIT in 2009, the company has grown from two to four laboratories and expanded from a staff of three to eleven, most of them PhDs. They expect to add another eight jobs within the next two to three years. The company was recognized in April 2013 by the New Jersey Business Incubation Network as one of twenty high performing companies in incubators throughout the State.

In 2007, Orthobond was the recipient of a recoverable grant of \$498,000 through the New Jersey Commission on Science and Technology's Edison Innovation R&D fund. The company has also

received allocations totaling \$414,683 through the Technology Business Tax Certificate Transfer Program in 2006 and 2012.

Since its inception, Orthobond has been funded by angel investments rather than loans. Through recent partnering arrangements, they are now debt free and almost cash flow positive. They are in active negotiations with five additional prospective partners.

Orthobond is ready to graduate from the incubator space, but needs continued assistance as it transitions to the larger space in BDC II. The new lease with Orthobond will be a gross lease rather than a triple net lease, which is more typical at the Tech Centre. The rental rate of \$35 per square foot per year, including fourteen (14) months of free rent at various points during the lease term, averages \$29.76 per square foot per year on a gross basis. In addition, the Authority will construct and fund improvements to the space, not to exceed \$20 per square foot.

Recommendation:

In summary, I am requesting the Members' approval: (i) to enter into a six year, two month lease with Orthobond, Inc. for 7,066 square feet of generic wet lab space at the Technology Centre of New Jersey in the Biotechnology Development Center II portion of the Tech III building on terms generally consistent with the attached and the Authority's standard form of graduation space lease agreement, (ii) to terminate Orthobond's existing CCIT lease, and (iii) to execute documents to complete this transaction on final terms acceptable to the Attorney General's Office and the Authority's Chief Executive Officer.



Timothy J. Lizura
President/ Chief Operating Officer

Attachment

Prepared By: Christine Roberts

Orthobond Lease Summary

LANDLORD:	New Jersey Economic Development Authority
TENANT:	Orthobond Corporation (“Tenant”)
BUILDING:	675 US Route One South Tech III Building
LEASED PREMISES:	Approximately 7,066 s.f.
COMMENCEMENT:	Upon execution and delivery of a mutually satisfactory lease agreement.
TERM:	Six (6) years and two (2) months
RENT COMMENCEMENT:	Upon completion of Tenant Improvements
SECURITY DEPOSIT:	Equal to three months’ rent, or \$61,827.50, to be paid in three installments during the first year.
BASE RENTAL RATE:	Base Rent shall be as follows: Months 1-38: \$35/sf/yr, gross Months 39-74: \$39/sf/yr, gross Rent shall be abated during the following months: 1 st , 2 nd , 4 th , 7 th , 13 th , 16 th , 19 th , 22 nd , 29 th , 36 th , 41 st , 48 th , 60 th and 72 nd .
TAXES AND OPERATING EXPENSES (CAM):	This lease is a gross lease. Landlord shall pay for all utilities used within the Leased Premises, maintenance, janitorial services, any taxes (PILOT) related solely to the Leased Premises and its pro-rata share of common area maintenance (“CAM”) charges based on the rentable square feet of the Leased Premises as compared to the total rentable square feet of the Building or Technology Centre, as applicable.
TENANT IMPROVEMENT ALLOWANCE:	\$20 per square foot.

TRANSFERABILITY:

Tenant may sublease, assign, license or permit the use or occupancy of all or any portion of the Leased Premises, without Landlord's written consent, to an affiliate of Tenant. Tenant may not sublease, assign, license or permit the use or occupancy of all or any portion of the Leased Premises, without Landlord's written consent, which consent shall not be unreasonably withheld, or conditioned. In no event will Tenant be relieved of its payment and performance obligations under the lease.

RENEWAL OPTIONS:

Tenant will have the option to renew for one (1) five (5) year extension of the lease. The rent during the extension period will be triple net rent, and will be 95% of fair market value.

BROKER:

Jones, Lang, LaSalle is Landlord's Leasing Broker, and will be due a commission of \$30,200 on this transaction.



MEMORANDUM

TO: Members of the Authority

FROM: Tim Lizura
President and Chief Operating Officer

DATE: August 13, 2013

SUBJECT: Cooper's Ferry Partnership, Inc. or Nominee
\$1,250,000 Economic Development Site Fund ("EDSF") Grant

Request:

The members are asked to approve a \$1.25 million grant from the Economic Development Site Fund ("EDSF") to Cooper's Ferry Partnership, Inc. ("CFP") for the purchase of the property located at 300 North Delaware Avenue in Camden.

Background:

Created in 1996, EDSF was part of the Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development Bond Act, (P. L. 1996, c.70) ("Bond Act"). The Bond Act set aside \$20 million for the cost of the purchase of real property, equipment, and any building, construction and miscellaneous site improvements associated with economic development sites in the Delaware River and Bay Region. In addition to complying with the Bond Act, a project must meet certain statutory criteria in P.L. 1997, c. 97, s. 8. In June 2009, P.L. 2009, c. 65, appropriated to the EDA from the EDSF the sum of \$1,250,000 which the EDA shall grant to CFP to acquire and develop real estate on the Camden Waterfront for a project that CFP identifies to the EDA Chief Executive Officer that meets specific criteria.

Of note, CFP was formerly known as Cooper's Ferry Development Association. On July 10, 2013, CFP submitted an application for the \$1.25 million grant to redevelop the property located at 300 North Delaware Avenue in Camden.

Cooper's Ferry Development Association was formed in 1984 as a nonprofit organization dedicated to assisting in the redevelopment of Camden. Greater Camden Partnership was formed in 2001 as a nonprofit organization focused on creating public and private partnerships to redevelop Camden. In 2011, the two organizations merged to form CFP. CFP currently has 15 employees, more than 30 Board Members and is actively involved in numerous redevelopment projects in Camden.

Project Description

The proposed project is comprised of redeveloping the 47,000 square-foot property located at 300 North Delaware Avenue in Camden. The property formerly served as a warehouse for Campbell's Soup Company; however, it is vacant at the present time. The project has a total cost of \$4.26 million, which is comprised primarily of purchasing the property (\$1.39 million) and renovations (\$2.48 million). CFP intends to convert the property into two office suites and an artisan incubator. CFP will occupy an 8,000 square-foot suite and a construction management firm, ScungioBorst & Associates ("SBA"), will occupy a 5,000 square-foot suite. The artisan incubator will occupy 25,000 square-feet. The office space will rent at \$28 per square-foot (including common area maintenance) and the artisan space will rent at \$3.50 per square-foot.

The project has a high public purpose as it will serve to restore a vacant property directly across the street from Campbell's Field. The site is located in the Cooper Grant Neighborhood and is included in the 2004 Redevelopment Plan for Downtown Camden. It is estimated that the project will result in the creation of 26 construction jobs and 13 new full-time jobs within two years.

Sources of Funds

<u>Source</u>	<u>Amount</u>
Wells Fargo –Rate fixed at 5.25%. 5-year term, 20-year amortization.*	\$2,807,000
EDSF Grant – No repayment is required.	\$1,250,000
Equity	\$ 203,000
Total	\$4,260,000

*Wells Fargo has provided a letter of interest that included the terms listed above. Approval will be contingent upon evidence of an approval from the bank.

Use of Funds

<u>Description</u>	<u>Amount</u>
Purchase property	\$1,390,000
Renovations	\$2,480,000
Soft costs	\$ 390,000
Total	\$4,260,000

Project Eligibility

Staff has completed its review of the project as well as the statutory and regulatory criteria and concludes that the project satisfies the eligibility criteria. The project complies with the Bond Act because the land acquisition will promote economic activity and new jobs within the “Delaware River and Bay Region” (Region), defined as including Camden County. By redeveloping the vacant property in Camden City for office space and an artisan incubator and by creating new jobs, the project meets the four criteria of P.L. 1997, c.97, of which only two must be satisfied for EDSF funding:

1. The project will support or enhance the existing economic base of the Region
2. The project will result in the expansion of existing facilities in the Region
3. The project will promote the economic activity and new jobs in the Region
4. The project is expected to foster the development of business or commercial ventures and promote long-term growth in the Region.

Additionally, the appropriation (P.L. 2009, c. 65) requires that CFP identify to the EDA CEO a project:

1. On the Camden Waterfront, Camden City,
2. That will create jobs or facilitate redevelopment in promotion of economic activity in Camden City,
3. With identified sources of fund to complete the project; and
4. That presents a financing plan to show the project is economically feasible.

The EDA CEO has determined that the project satisfies these criteria. The project is to acquire and develop property directly across the street from Campbell’s Field on the Camden Waterfront in Camden City and is expected to create 26 construction jobs and 13 new full-time jobs within two years. CFP has identified the sources of funds. Moreover, CFP provided audited financial statements for 2011 and 2012 prepared by Bowman & Company, LLP, which evidenced that there is sufficient cash flow to service the proposed debt without any rental income from unrelated tenants. Please refer to the attached confidential cash flow analysis for additional details.

Conditions of Funding

Prior to the Authority releasing the funds, CFP will need to:

1. Provide evidence of an approval for a \$2,807,000 loan.
2. Provide an executed Purchase Agreement.
3. Provide an executed construction contract.
4. Execute and deliver the grant agreement for the funds to the Authority.

Recommendation

Approval is recommended for the \$1.25 million grant as proposed.

Handwritten signature of Tim Lizura, consisting of stylized initials 'TL' followed by a circled 'L'.

Tim Lizura
President and Chief Operating Officer

Prepared by: Sean V.M. Brady

Resolution of the New Jersey Economic
Development Authority Regarding the
Approval of an Economic Development Site
Fund Grant for Cooper's Ferry's Partnership
Inc. or Nominee

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 the 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: August 13, 2013