NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: September 13, 2012

SUBJECT: Agenda for Board Meeting of the Authority September 13, 2012

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Authority Matters

Bond Projects

Loans/Grants/Guarantees

Edison Innovation Fund

Incentive Programs

Board Memorandums

Real Estate

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
August 14, 2012

MINUTES OF THE MEETING

Members of the Authority present: Al Koeppe, Chairman; Steve Petrecca representing the State Treasurer; Colleen Kokas representing the Commissioner of the Department of Environment Protection; Fred Zavaglia representing the Department of Labor and Workforce Development; Nancy Graves representing the Commissioner of the Department of Banking and Insurance; Public Members: Joseph McNamara, Vice Chairman; Larry Downes, Marjorie Perry, Charles Sarlo, Harold Imperatore, Ray Burke, First Alternate Public Member; Elliot M. Kosoffsky, Second Alternate Public Member; Brian Nelson, Third Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Present via conference call: Matt McDermott representing the Executive Branch.

Absent from the meeting: Public Member Rich Tolson.

Also present: Caren Franzini, Chief Executive Officer of the Authority; Bette Renaud, Deputy Attorney General; Michele Brown, Governor's Appointments Office; Nicole Crifo, Governor's Authorities' Unit, and staff.

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

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the July 12, 2012 meeting minutes. A motion was made to approve the minutes by Ms. Perry, seconded by Ms. Graves, and was approved by the 13 voting members present.

The next item of business was the approval of the July 30, 2012 meeting minutes. A motion was made to approve the minutes by Mr. McNamara, seconded by Ms. Graves, and was approved by the 13 voting members present.

The next item of business was the approval of the July 25, 2012 meeting minutes, as amended by Chairman Koeppe. A motion was made to approve the minutes by Ms. Perry, seconded by Mr. Kosoffsky, and was approved by the 13 voting members present.

Mr. Zavaglia entered the meeting at this time.

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

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: Springpoint at Montgomery, Inc. **APPL.#37660**
LOCATION: Montgomery Township/Somerset
PROCEEDS FOR: Refinancing and Reimbursement
FINANCING: $8,500,000 (est.) Series A Tax-Exempt Bond (Part of a total $35 million Series A Tax-Exempt Bond with P37663), and $3,000,000 (est.) Series B Tax-Exempt Bond (Part of a total $20 million Series B Tax-Exempt Bond with P37663)
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Springpoint at Montgomery, Inc **APPL.#37663**
LOCATION: Montgomery Township/Somerset
PROCEEDS FOR: Refinancing and Reimbursement
FINANCING: $26,500,000 (est.) Series A Tax-Exempt Bond (Part of a total $35 million Series A Tax-Exempt Bond with P37660), and $17,000,000 (est.) Series B Tax-Exempt Bond (Part of a total $20 million Series B Tax-Exempt Bond with P37660)
MOTION TO APPROVE: Mr. Nelson **SECOND:** Ms. Perry **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PRELIMINARY RESOLUTIONS

PROJECT: Delta Thermo Energy, Inc. **APPL.#37549**
LOCATION: Egg Harbor City/Atlantic
PROCEEDS FOR: Equipment Purchase and Construction
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Zavaglia **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

PUBLIC HEARING ONLY

PROJECT: Landmark Property Management, Inc. **APPL.#37448**
LOCATION: Statewide/Multi County
PROCEEDS FOR: Refinancing
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

DIRECT LOANS

PROJECT: BBM, LLC **APPL.#37348**
LOCATION: Elizabeth City/Union
PROCEEDS FOR: Equipment Purchase, Building Acquisition and Renovation
FINANCING: $2,500,000 Urban Plus Program Loan
MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Mr. McNamara **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

PROJECT: Gran Prix Partners, LP **APPL.#37573**
LOCATION: Millville City/Cumberland
PROCEEDS FOR: Equipment and Land Purchase, Construction
FINANCING: $1,000,000 Direct Loan Program Loan
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Burke **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

SMALL BUSINESS FUND DIRECT LOAN PROGRAM

PROJECT: First Choice Asian Food, Inc. **APPL.#37578**
LOCATION: Bridgewater Township/Somerset
PROCEEDS FOR: Equipment and Machinery Purchase
FINANCING: $300,000 Small Business Fund Program Loan
MOTION TO APPROVE: Mr. McNamara **SECOND:** Ms. Graves **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

The following municipal projects were presented under the Hazardous Discharge Site Remediation Fund Program
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Kosoffsky **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

PROJECT: Schoolhouse Joint Venture **APPL.#37377**
LOCATION: Millburn Township/Essex
PROCEEDS FOR: Remedial Investigation and Action
FINANCING: $103,213 Hazardous Discharge Site Remediation Fund Grant

PROJECT: Township of Maurice River **APPL.#37541**
LOCATION: Maurice River Township/Cumberland
PROCEEDS FOR: Site Investigation
FINANCING: $231,129 Hazardous Discharge Site Remediation Fund Grant

EDISON INNOVATION FUND

PROJECT: CareKinesis, Inc. **APPL.#36955**
LOCATION: Moorestown Township/Burlington County
FINANCING: $500,000 VC Growth Fund Loan
MOTION TO APPROVE: Mr. McNamara SECOND: Mr. Downes AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

INCENTIVE PROGRAMS

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

PROJECT: Ascena Retail Group, Inc. **APPL.#37631**
LOCATION: Mahwah Township/Bergen **BUSINESS:** Retail
GRANT AWARD: 60% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Ms. Perry **SECOND:** Ms. Graves **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PROJECT: Clement Pappas and Company, Inc. **APPL.#37627**
LOCATION: Seabrook/Cumberland **BUSINESS:** Distribution
GRANT AWARD: $1,287,000 (est.), **Business Retention and Relocation Assistance grant,** 2 years
MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Ms. Perry **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

PROJECT: Fairfield Gourmet Food Corp. **APPL.#37612**
LOCATION: Unknown **BUSINESS:** Food Products
GRANT AWARD: 30% **Business Employment Incentive grant**, 10 years
REQUEST: To approve the at risk jobs finding
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Nelson **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PROJECT: Fairfield Gourmet Food Corp. **APPL.#37560**
LOCATION: Unknown **BUSINESS:** Food Products
GRANT AWARD: $1,350,000 (est.), **Business Retention and Relocation Assistance grant,** 2 years
MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Mr. Nelson **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

PROJECT: Garden State Consumer Credit Counseling, Inc **APPL.#37627**
LOCATION: Unknown **BUSINESS:** Services
GRANT AWARD: 35% **Business Employment Incentive grant**, 10 years
REQUEST: To approve the at risk jobs finding
MOTION TO APPROVE: Ms. Perry **SECOND:** Ms. Graves **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PROJECT: Garden State Consumer Credit Counseling, Inc **APPL.#37628**
LOCATION: Unknown **BUSINESS:** Services
GRANT AWARD: $411,750 (est.), **Business Retention and Relocation Assistance grant,** 1 year
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Downes **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

PROJECT: SRS Software, LLC **APPL.#37620**
LOCATION: Montvale Borough/Bergen **BUSINESS:** Printing and Publishing
GRANT AWARD: 55% **Business Employment Incentive grant**, 5 years
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Nelson **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

ITEM: Pfizer Inc. P15947

REQUEST: To approve the amendment of Pfizer's existing grant agreement to remove 225 Pfizer animal health jobs from the agreement as result of the company's decision to spin off that business segment into a separate entity to be known as Zoetis; and add an additional project location to the grant agreement.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Downes **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PROJECT: Zoetis (Pfizer Animal Heath) **APPL.#37609**
LOCATION: Unknown **BUSINESS:** Pharmaceuticals
GRANT AWARD: 50% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Mr. Downes **SECOND:** Ms. Perry **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

ECONOMIC REDEVELOPMENT AND GROWTH PROGRAM

ITEM: Saker Shoprites, Inc
REQUEST: To approve the modification of Saker Shoprite, Inc's eligible project costs from 17.79% to 20%, with no adjustment to the previously approved not to exceed grant award of $5 million.
MOTION TO APPROVE: Mr. Nelson **SECOND:** Mr. Downes **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: Williamstown Square Urban Renewal, LLC and Affiliates
REQUEST: To approve the ERG application for Williamstown Square Urban Renewal, LLC and Affiliates for 20% of the eligible costs, not to exceed $11,968,365.
MOTION TO APPROVE: Mr. Downes **SECOND:** Ms. Graves **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

GROW NEW JERSEY ASSISTANCE PROGRAM

PROJECT: Imperial Bag & Paper Co., LLC
LOCATION: Jersey City/Hudson
REQUEST: To approve the at risk jobs finding
MOTION TO APPROVE: Mr. Nelson **SECOND:** Ms. Graves **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: Imperial Bag & Paper Co., LLC
LOCATION: Jersey City/Hudson
REQUEST: To approve the $29,120,000 Grow New Jersey award
MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Ms. Perry **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: MSKCC Properties, LLC or an LLC to be formed
LOCATION: Middletown Township/Monmouth County
REQUEST: To approve the at risk jobs finding
MOTION TO APPROVE: Ms. Perry **SECOND Mr. Petrecca AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

Mr. Nelson recused himself because he represents Middletown Township.

PROJECT: MSKCC Properties, LLC or an LLC to be formed
LOCATION: Middletown Township/Monmouth County
REQUEST: To approve the $7,910,000 Grow New Jersey award
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Kosoffsky **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

Mr. Nelson recused himself because he represents Middletown Township.

BOARD MEMORANDUMS

ITEM: The Bank of Princeton
REQUEST: To approve the addition of The Bank of Princeton as a Premier Lender.
MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Mr. Downes **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

Mr. Nelson left the room at this time.

ITEM: Gestalt, LLC– P16539
Camden, New Jersey
Business Employment Incentive Program

REQUEST: To approve the acquisition of Gestalt, LLC by Accenture National Security Services LLC and the subsequent name change to Accenture Federal Services LLC, and to add Accenture LLP as a grantee under the BEIP incentive.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

Mr. Nelson reentered the room at this time.

ITEM: Perceptive Services, Inc. (formerly ClinPhone, Inc.) – P16468
East Windsor Twp., New Jersey
Business Employment Incentive Program

REQUEST: To approve the acquisition of ClinPhone plc, the parent company of ClinPhone, Inc. by PAREXEL International Corporation and the subsequent name change of its subsidiary and BEIP grantee, ClinPhone, Inc. to Perceptive Services.

MOTION TO APPROVE: Ms. Graves **SECOND:** Mr. McNamara **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

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

New Jersey Business Growth Fund: Maria L. Urgiles and Klever Urgiles

Premier Lender Program: Dream On Me Industries Inc. or Nominee

Statewide Loan Pool Program: 1301 Forest Grove Road, LLC

FOR INFORMATION ONLY: The next item is a summary of the write-offs with recourse approved under Delegated Authority in July 2012:

PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion Ms. Perry, and seconded by Mr. Kosoffsky, the meeting was adjourned at 11:30 am.

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

Maureen Hassett

Maureen Hassett, Assistant Secretary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
August 21, 2012

The Technology Centre of New Jersey, North Brunswick

MINUTES OF THE ANNUAL BOARD STRATEGIC PLANNING SESSION

Members of the Authority present: Al Koeppe, Chairman; Jim Leonard representing the State Treasurer; Commissioner Hal Wirth of the Department of Labor and Workforce Development; Lieutenant Governor Guadagno representing the Executive Branch; Colleen Kokas representing the Commissioner of the Department of Environment Protection; Nancy Graves representing the Commissioner of the Department of Banking and Insurance; Public Members: Joseph McNamara, Vice Chairman; Larry Downes, Harold Imperatore, Rich Tolson, Marjorie Perry, Charles Sarlo, Ray Burke, First Alternate Public Member; Elliot M. Kosoffsky, Second Alternate Public Member; and Brian Nelson, Third Alternate Public Member.

Absent: Rodney Sadler, Non-Voting Member.

Also present: Caren Franzini, Chief Executive Officer of the Authority; Bette Renaud, Deputy Attorney General, and staff.

Chairman Koeppe called the meeting to order at 9 a.m.

The planning session started with a presentation which provided an update on the Partnership for Action which consists of the EDA, the Business Action Center, and Choose NJ. Chairman Koeppe introduced Lt. Governor Kim Guadagno who gave the presentation. CEO Franzini provided an overview on the "State of the Authority", consisting of the Authorities' key accomplishments and challenges; and the 2012 Midyear Strategic plan progress highlights.

Lt. Governor Guadagno left the meeting at 9:35 a.m.

Ms. Franzini also gave a summary of pro-forma earnings trends from 2005 through 2015, the EDA's mission, lending practices, as well as the strategic focus and proposed action items for Incentive programs, Real Estate activities, and Operations. Greg Ritz presented the three year projections forming the bases for fiscal planning. Tim Lizura, Maureen Hassett and Fred Cole highlighted strategic objectives and tactics planned for 2013 that will assist in meeting the EDA's goals of financial sustainability and catalyzing New Jersey's economic growth.

During the presentation, the Members actively questioned staff and provided thoughtful comments through the balance of the annual Strategic Planning session. No formal Board action occurred.

The annual Strategic Planning session was adjourned approximately at 1:30pm.

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

Maureen Hassett

Maureen Hassett, Assistant Secretary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
August 22, 2012

MINUTES OF THE SPECIAL MEETING

Members of the Authority present: Fred Zavaglia representing the Department of Labor and Workforce Development.

Present via conference call: Joseph McNamara, Vice Chairman; Matt McDermott representing the Executive Branch; Jim Kelly representing the State Treasurer; Colleen Kokas representing the Commissioner of the Department of Environment Protection; Nancy Graves representing the Commissioner of the Department of Banking and Insurance; Public Members: Larry Downes, Harold Imperatore, Rich Tolson, Charles Sarlo, Ray Burke, First Alternate Public Member; and Brian Nelson, Third Alternate Public Member.

Absent from the meeting: Al Koeppe, Chairman; Public Members: Marjorie Perry, Elliot M. Kosoffsky, Second Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Also present: Caren Franzini, Chief Executive Officer of the Authority; Bette Renaud, Deputy Attorney General; representatives from the Office of Public Finance, and staff.

Also present via conference call: Nicole Crifo, Governor's Authorities' Unit.

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

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

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

MINUTES OF AUTHORITY MEETING

BOND PROJECTS

ITEM: NJEDA/School Facilities Construction Bonds
REQUEST: To approve the adoption of the Amended and Restated Twenty-Ninth Supplemental School Facilities Construction Bond Resolution (the "Amended and Restated Twenty-Ninth Supplemental Resolution") authorizing the issuance of an additional series of 2012 Series Refunding Bonds in the amount not to exceed $25,000,000 to be directly

purchased by RBC Capital Markets, LLC. The direct purchase of the bonds will not require an offering statement and other State disclosure or a bond rating. RBC Capital Markets, LLC has agreed to structure the direct purchase bond as a short term instrument (with a maturity in 75 days or less) at an agreed taxable rate of interest not to exceed 1.00%. Thereafter, the original plan of finance will proceed and the 2012 Series Obligations will be issued through a public offering in September 2012, together with another series of 2012 Refunding Bonds, the proceeds of which would be used to call and retire the direct purchase bond held by RBC Capital Markets, LLC.

Based upon the above description, and subject to the criteria set forth above, the Members are requested to approve the adoption of the Amended and Restated Twenty-Ninth Supplemental Resolution, and in addition to all actions previously approved in the Twenty-Ninth Supplemental Resolution on July 30, 2012, to also authorize the direct purchase of 2012 Refunding Bonds by RBC Capital Markets, LLC in the amount not to exceed $25 million, as well as other matters in connection with the issuance and sale thereof and otherwise described above; subject to final review and approval of all terms and documentation by Bond Counsel, Saul Ewing LLP and the Attorney General's Office.
MOTION TO APPROVE: Mr. Tolson SECOND: Mr. Downes AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion Mr. Tolson, and seconded by Mr. Zavaglia, the meeting was adjourned at 1:07 pm.

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

Maureen Hassett

Maureen Hassett, Assistant Secretary

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: September 13, 2012

RE: Chief Executive Officer's Report to the Board

FIRST PROJECT CLOSES UNDER EDISON INNOVATION GREEN GROWTH FUND

Edison-based FieldView Solutions recently became the first company to receive financing through the state's new Edison Innovation Green Growth Fund (EIGGF). FieldView Solutions, the industry-leading provider of data center infrastructure management, received a $1 million growth capital loan to advance its energy efficient products in New Jersey. FieldView Solutions expects to create 14 new jobs as a result of the EIGGF award.

FieldView Solutions is committed to helping data center managers, IT and facilities personnel run their IT environments at peak efficiency – ensuring they maximize uptime, optimize power and cooling and enhance green initiatives. According to the company, their platform reduces energy consumption by a minimum of 10 percent across the 26 major data centers in New Jersey using FieldView software, and customers have received a 172,000 metric ton reduction in carbon dioxide emissions.

Funded by the New Jersey Board of Public Utilities (BPU) and administered by EDA, the EIGGF offers assistance in the form of loans with a performance grant component of up to $1 million to New Jersey class I renewable or energy efficiency clean technology companies that have begun generating commercial revenues and are seeking matching funding to support the growth of their clean technology businesses. With the positive performance of the company, up to 50 percent of the funding may be converted to a performance grant.

CLEAN ENERGY MANUFACTURING FUND (CEMF) SUPPORTS CREATION OF 20 NEW WIND-ENERGY MANUFACTURING TECHNOLOGY JOBS IN JERSEY CITY

Last month, the New Jersey Board of Public Utilities (BPU) closed on $3.3 million in financing through the CEMF to support Fluitec Wind, a manufacturer of technologies that reduce the cost of operating wind turbines. Its parent company, Fluitec SA, consolidated its U.S. operations and all global corporate functions in Jersey City last year.

Fluitec Wind expects to create 20 new, high-paying jobs as a result of the CEMF funding. With its move to New Jersey last year, Fluitec SA created 30 additional new jobs in the state. The company has averaged 80 percent annual growth rates over the last three years and expects the trend to continue. The New Jersey Partnership for Action, led by Lt. Governor Kim Guadagno, worked with Fluitec last year to help encourage the company to choose New Jersey over competing locations in Florida and Belgium.

Funded by BPU and administered by EDA, the CEMF provides eligible clean technology manufacturers funding under two separate components: project assessment and design, and project construction and operation. Qualified manufacturers of Class I renewable energy or energy efficiency systems, products or technologies may be eligible to receive up to $3.3 million in grants and low-interest loans.

EDA SENIOR VICE PRESIDENT MAUREEN HASSETT RECOGNIZED AS ONE OF REAL ESTATE FORUM'S "WOMEN OF INFLUENCE"

EDA Senior Vice President of Governance & Communications Maureen Hassett was recently recognized as one of Real Estate Forum's *Women of Influence* in the most recent issue of the magazine published last month.

This is a prestigious national honor which included over 200 nominations that the editors narrowed down to 45 executives whose accomplishments were particularly impressive. The magazine particularly called out Maureen's terrific work in helping to create and implement the Grow New Jersey Program, as well as her role as an environmental steward through developing and managing EDA's many clean energy programs that increase energy efficiency for businesses.

EDA would like to congratulate Maureen on this significant national recognition of her abilities and talents.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY (FMERA) UPDATE

FMERA continues to move the redevelopment of the former Post forward. There has been a great level of interest in this 1,100-acre parcel that represents a tremendous opportunity for commerce, recreation, housing and educational facilities.

The Economic Development Conveyance and Memorandum of Agreement approved by the FMERA Board and the Army set forth a phased approach to transfer property. In this first phase of development, we are focusing efforts on Howard Commons, the Marina, Clinic Parcel, Parcel E, Parcel C, Parcel C1, Parcel B and the golf course. It is FMERA's intention, to publically issue Requests for Offers to Purchase (RFOTP) for these phase 1 parcels by late fall 2012. Consistent with our mission, and in the best interest of the region, FMERA is working with our master broker, Cushman and Wakefield/Continental Realty to seek the highest and best uses for these development opportunities that will help to create jobs, economic revitalization and housing.

FINANCING ACTIVITY

Through August 2012, EDA has closed financing and incentives totaling nearly $347 million for over 100 projects that are expected to support the creation of over 2,100 new jobs, the retention of over 7,400 existing jobs at risk of leaving New Jersey, and involve total public/private investment of over $881 million in New Jersey's economy. Businesses assisted through EDA assistance in August include:

810 Broad LLC, which closed on a $4.7 million reimbursement of costs associated with a Newark-based redevelopment project under the Economic Redevelopment and Growth (ERG) Program. This project involves the restoration of a 12-story building to be converted into a boutique hotel. Plans for the hotel, which is located within the Four Corners Historic District and next to the Prudential Center, include up to 110 rooms, with 6,000 square feet for a restaurant, 3,000 square feet of rooftop space that may be made available for outdoor use during the summer. This assistance, which was instrumental in moving this project forward, will result in the creation of an estimated 171 construction jobs and 65 permanent, full-time jobs.

UMM Energy Partners, LLC which closed on $79.4 million in tax-exempt bond financing. UMM Energy Partners, LLC is a special purpose entity formed to design, develop, construct, own, operate and maintain the Montclair State University Energy Project. The project, located on the campus of Montclair State University, will include the total replacement of the existing combined heat and power facility with a new facility that will include electric production to serve the campus, chilled water to provide air conditioning and steam for heat. The Board approved the proposed Energy Project by Montclair State University under the Higher Education Private Public Partnership Program at the December 11, 2011 Board meeting, subject to certain conditions, including securing the bond financing by UMM Energy Partners, LLC.

Glenmore Industries, LLC which executed a Business Employment Incentive Program (BEIP) grant of nearly $700,000 to support the creation of 35 new jobs in Edison. Glenmore Industries is a global textile converter of vinyl sheeting whose products range from vinyl tablecloths, shower curtains and placemats to vinyl packaging for industrial purposes and preschool floor mats. This assistance will enable the company to relocate its headquarters and operations from Brooklyn, NY to Edison, bringing 25 immediate new jobs with the plan to create 10 additional new jobs.

Triad Advisory Services, Inc. which closed on a $400,000 Capital Bank of New Jersey line of credit with $200,000 (50%) EDA participation through the Main Street Business Assistance Program. Triad Advisory Services, Inc. is a Vineland-based consulting firm that represents both public and private sector clients and specializes in urban planning, development and strategic planning, grant writing and program implementation. As a result of this assistance, the company expects to create 16 new jobs within two years.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 6 events in August. These events included the Chamber of Commerce Southern NJ Business Expo in Cherry Hill, the Southern New Jersey Development Council 25th Annual Day on the Delaware in Philadelphia, and the NJ Bankers Association Associate Member Orientation in Cranford.

AUTHORITY MATTERS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Al Koeppe
Chairman

Date: September 13, 2012

Subject: EDA By-Law changes

Summary:

The Members are asked to approve an amendment to the Authority's by-laws to update the description of the positions of Chief Executive Officer (CEO) and Chief Operating Officer (COO).

The Members are also asked to approve modifications to the membership of the Policy Committee.

Background:

At the July 25, 2012 Special Board Meeting, the Members approved a change to the Authority's executive structure to delineate the Chief Executive Officer position from the newly formed President/Chief Operating Officer position and approved the appointment of Michele Brown as CEO and the appointment of Tim Lizura as President/COO.

The CEO position was described as one that will provide strategic direction in partnership with the Board and the Administration; oversee sound ethical and governance processes; secure the tools and resources necessary for the work at hand; select and mentor key staff and serve as the principal representative of the EDA throughout the State. The President/COO will manage the highly technical and increasingly diverse core operation of the organization, providing leadership of the EDA's business operations, including finance and development matters; overseeing the management of the incentive programs; loans and guarantees; real estate development; and the agency's financial and accounting matters.

The attached by-law amendments, to be effective October 1, 2012, are reflective of this change.

Further, the attached by-law amendments include a restructuring of the Authority's Policy Committee. It has been acknowledged that the matters brought before the Policy Committee, which meets on an as needed basis, span the breadth of the EDA's operations and touch upon matters overseen by each of the other Board Committees. Therefore, in order to make the Policy Committee a more effective venue for reviewing the work as the Authority as a whole, and for providing guidance to staff and other Committees, the Committee is constituted to be composed of the Chairperson of the Authority, the Chairpersons of the Real Estate Committee, the Audit Committee, the Incentives Committee, the Director's Loan Review Committee and one additional member appointed by the Chairperson of the Authority. (See accompanying memo for current year appointments)

Recommendation:

The Members are asked to approve an amendment to the Authority's by-laws to update the description of the positions of Chief Executive Officer and Chief Operating Officer.

The Members are also asked to approve modifications to the sections regarding membership of the Policy Committee.

Al Koeppe

Attachment

BY-LAWS

OF

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

ARTICLE I

GENERAL PROVISIONS

Section 1. Scope and Provisions of By-laws. These by-laws are adopted pursuant to Section 5.a. of the New Jersey Economic Development Authority Act (P.L. 1974, Chapter 80, approved August 7, 1974), as amended and supplemented (hereinafter referred to as the "Act"). They are intended to govern the affairs and the conduct of business of the Authority with respect to the performance of its functions, powers and duties under the Act, as well as the performance of any other functions, powers, or duties which have been transferred to it pursuant to the Executive Reorganization Act (P.L. 1969, Chapter 203).

Section 2. Name of the Authority. The name of the Authority shall be the "New Jersey Economic Development Authority" (hereinafter referred to as the "Authority").

Section 3. Principal Office. The principal office of the Authority shall be 36 West State Street, PO Box 990, Trenton, New Jersey 08625. All communications to the Authority should be addressed to its principal office except as may be otherwise specified by rule or regulation. The Authority may also have offices at such other places as it may from time to time designate by resolution.

Section 4. Seal. The Seal of Authority shall be in the form of a circle enclosing the seal of the State of New Jersey, and shall bear the name of the Authority and the year of its creation (1974).

ARTICLE II

MEMBERS AND DESIGNEES

Section 1. Members. The Authority shall consist of the Commissioner of Labor, the Commissioner of Banking and Insurance, the Commissioner of Environmental Protection, an officer or employee of the Executive Branch of State government appointed by the Governor, and the State Treasurer, who shall be members ex-officio, eight public members and three alternate members appointed by the Governor for terms of three years. Pursuant to P.L. 2002, Chapter 43:69, one public member of the EDA subsidiary, the State Economic Recovery Board for Camden, will be appointed by its Board to serve as a non-voting, ex-officio Member of the Authority Board. Two public members and one alternate member shall be appointed by the Governor upon the recommendation of the Senate President and two public members and one alternate member shall be appointed by the Governor upon the recommendation of the Speaker of the Assembly. Each member shall hold the office for the term of his appointment and until his successor shall have been appointed and qualified. A member shall be eligible for reappointment. Any vacancy in the membership occurring other than by expiration of term shall be filled in the same manner as the original appointment but for the unexpired term only. In the event that a public member is unable to attend all or any part of a meeting of the Authority, the Chairperson may authorize an alternate member, in the order of appointment, to exercise all of the powers, duties and responsibilities of such member.

Section 2. Removal of Members. Each member appointed by the Governor may be removed from office by the Governor, for cause, after a public hearing, and may be suspended by the Governor pending the completion of such hearing. Each member before entering upon his duties shall take and subscribe an oath to perform the duties of his office faithfully, impartially and justly to the best of his ability. A record of such oaths shall be filed in the office of the Secretary of State.

Section 3. Designees. Each ex-officio member of the Authority may designate an officer or employee of the member's department to represent the member at meetings of the Authority, and each such designee may lawfully vote and otherwise act on behalf of the member. Any such designation shall be in writing delivered to the Authority and shall continue in effect until revoked or amended by writing delivered to the Authority.

ARTICLE III

MEETINGS

Section 1. Annual Meetings. The annual meeting of the Authority shall be held at the principal office of the Authority on the first Tuesday of September of each year, at 10:00 a.m. or such earlier or later date in September of each calendar year as the Chairperson may designate in accordance with the notice provisions hereinafter provided for the purpose of electing the Vice-Chairperson and the Treasurer of the Authority and for the transaction of such other business as may properly come before the meeting.

Section 2. Regular Meetings. Regular meetings of the Authority shall be held at such times and places as may be determined by resolution of the Authority in accordance with the provisions of the Open Public Meetings Act.

Section 3. Special Meetings. Special meetings of the Authority may be called at any time by the Chairperson and must be called by the Chairperson upon receipt of the request of three other members of the Authority. Such meetings shall be scheduled in conformity with the provisions of the Open Public Meetings Act. Notice of such meeting shall be in writing, shall be given personally to each member of the Authority at the member's address as it appears on the books or records of the Authority unless the member shall have filed a written request with the Secretary that notices intended for the member shall be mailed to the address designated in such request. Notice of such meeting shall be given no less than forty-eight (48) hours prior to the date of such meeting, and shall specify the time, place and purpose or purposes of the meeting. At such meetings, any and all matters may be considered and acted upon by the members of the Authority.

Section 4. Quorum. At any meeting of the Authority, seven members of the Authority present shall constitute a quorum for all purposes. No vacancy in the membership of the Authority shall impair the right of the members to exercise all the powers and perform all the duties of the Authority.

Section 5. Voting. At every meeting of the Authority, each member shall be entitled to one vote. All elections shall be had, action may be taken and motions and resolutions adopted by the affirmative vote of at least seven members. Except when the vote is unanimous, the voting on all questions, resolutions and motions shall be by roll call and the yeas and nays shall be entered into the Minutes.

Section 6. Certificate of Resolutions. Each member of the Authority is authorized to certify, when required, the records, proceedings, documents, or resolutions of the Authority, and to affix the seal of the Authority to all contracts, documents and instruments to be executed by the Authority.

ARTICLE IV

OFFICERS

Section 1. Officers. The officers of the Authority shall be the Chairperson, the Vice-Chairperson, the Secretary, the Assistant Secretary (ies), and the Treasurer.

Section 2. Election. The Vice-Chairperson and the Treasurer shall be elected for a term of one year by the members of the Authority from their number at each annual meeting of the Authority, and shall serve for said term until their successors shall have been duly elected, except as Section 3 of this Article provides otherwise for filling vacancies.

Section 3. Vacancies. In case any officer of the Authority, except any office which is held ex-officio, becomes vacant by death, resignation, removal or any other cause, or in the event additional offices are created by the Authority, the members may at a meeting elect an officer to fill such vacancy or additional office, and the officer so elected shall serve until the next annual meeting of the Authority and until the election of the officer's successor.

Section 4. The Chairperson. The Chairperson shall be appointed by the Governor from the public members. Any such appointment shall be in writing and shall be delivered to the Authority and shall continue in effect until revoked or amended in writing by the Governor to the Authority. The Chairperson shall preside at all meetings of the Authority and rule on all questions of order, subject to appeal by the members.

The Chairperson shall submit such recommendations considered proper concerning the business, duties, and affairs of the Authority. In connection with the issuance of bonds by the Authority, the Chairperson may execute on behalf of the Authority documents, indentures, bonds and other instruments by manual or facsimile signatures and shall have such other powers and shall perform such other duties as the Authority may prescribe from time to time by resolution.

Section 5. The Vice-Chairperson. The Vice-Chairperson shall preside over all meetings in the absence or disability of the Chairperson and shall perform the duties of the Chairperson in the event the position of Chairperson is vacant or in the event the Chairperson is unable to perform such duties by reason of illness, disability or absence. The Vice-Chairperson shall have such other powers and perform such other duties as the Authority may prescribe from time to time by resolution.

Section 6. The Secretary. The Chief Executive Officer of the Authority shall serve as Secretary of the Authority. The Secretary shall act as clerk of all meetings of the Authority, record or cause to be recorded all the proceedings of the meetings of the Authority, and cause such records to be kept in such a manner as to ensure their permanence. The Secretary shall attend to the giving of notices of the Authority and shall have charge of such books, documents and papers as the Authority may determine and shall have the custody of the Authority's seal and the power to affix and attest the same. The Secretary shall in general perform all the duties incident to the office of Secretary, subject to the control of the Authority and shall have such other powers to do and perform such other duties as the Authority may prescribe from time to time by resolution. The Secretary shall deliver and certify forthwith a true copy of the minutes of every meeting of the Authority to the Governor. The Secretary shall also keep a record, containing the names, alphabetically arranged, of all persons who are members of the Authority or duly appointed designees of members, showing their places of business and dates of membership or dates of designation.

Section 7. Assistant Secretary. The Authority may by resolution appoint one or more Assistant Secretary. At the request of the Secretary or in the event of the Secretary's absence or disability, an Assistant Secretary may perform any and all duties and possess all the powers of the Secretary.

Section 8. The Treasurer. The Treasurer shall have such powers and perform such duties as the Authority may prescribe from time to time.

Section 9. Removal of Officers. Any officer or agent of the Authority other than the Chairperson may be removed by the Authority wherever in its judgment the best interest of the Authority will be served thereby. The removal of a member of the Authority from an office thereof shall in no way constitute such member's removal as a member of the Authority.

ARTICLE V

STAFF

Section 1. Chief Executive Officer. The Authority shall employ a Chief Executive Officer (CEO) qualified by training and experience for the duties of the office. The CEO, subject to the rules and regulations of the Authority, shall give general supervisory and management responsibility over all the activities of the Authority. The CEO shall have the following powers and duties in addition to any other duties assigned to her/him by these by-laws or by resolution of the Authority:

a. supervise and manage the internal operations and organization of the staff of the Authority;
b. serve as lead on matters related to policy, legislation, governance and strategic initiatives;
c. represent the EDA at business meetings, legislative sessions, committee meetings and other appropriate functions; interface with the Executive and Legislative branches of government; and maintain strong relations with state and local government officials, state agencies and departments;
d. enhance EDA's interests with respect to legislative, regulatory, and litigious matters;
e. assign functions and duties of any member of the staff and modify such assignments as needed;
f. appoint, promote, remove, suspend, discipline, and supervise employees of the Authority, in consultation with the Chief Operating Officer and Senior Vice President subject to the approval of the Chairperson of the Authority;
g. oversee the procedures for procurement of all supplies, material and equipment needed for the efficient and effective operation of the Authority;
h. execute on behalf of the Authority documents, indentures, bonds and other instruments by manual or facsimile signature in connection with the issuance of bonds by the Authority or with the granting of any loan or guarantee;
i. provide appropriate staff members with grants of operating authority in accordance with Resolutions adopted by the Members of the Authority.

Section 2. President and Chief Operating Officer. The Authority shall employ a President and Chief Operating Officer (COO), qualified by training and experience, who shall assist the CEO in all aspects of the CEO's responsibilities as CEO and Secretary of the Authority. The COO shall have the following powers and duties in addition to any other duties assigned by these bylaws, by resolution of the Authority or by delegation from the CEO.

a. In the absence or disability of the CEO, the COO shall exercise all functions and undertake all responsibilities of the CEO and Secretary;
b. In connection with the issuance of bonds by the Authority, or with the granting of any loan or guarantee, the COO may execute on behalf of the Authority documents, indentures, bonds and other instruments by manual or facsimile signature;
c. prepare and submit a proposed annual budget for the Authority for each ensuing year for adoption by members of the Authority;
d. oversees operations to ensure production efficiency, quality, service and the cost effective management of resources;
e. responsible for the review of all projects involving real estate investment, credit and incentives;
f. lead in the identification of new business opportunities to improve New Jersey's economy and generate revenue for the Authority;
g. Oversee the Authority's real estate holdings and development activities, including owned real estate properties and the activities involved in redeveloping the former Fort Monmouth properties.

Section 3. Professional Services. Upon recommendation of the CEO, the members of the Authority may contract for professional services required for the efficient and effective operation of the Authority. Professional services as used in this section may include, but are not limited to, the services of counsel, bond counsel, engineering and appraisal services, financial and credit reporting services, and architectural services.

Section 4. Personnel. The CEO may from time to time employ such additional personnel as it may deem necessary to exercise its powers, duties and functions as prescribed by law.

ARTICLE VI

WAIVER OF NOTICE

Whenever the Authority or any officer thereof is authorized to take any action or to hold any meeting or proceeding after notice or after the lapse of a prescribed period of time, such actions may be taken, or such meeting or proceeding held, without notice and without the lapse of any period of time, if at any time before or after the action to be completed or the meeting or proceeding to be held, the notice or lapse of time requirements be waived in writing by the member, person or body entitled to said notice or entitled to the benefit of the lapse of time.

ARTICLE VII

FISCAL YEAR

Section 1. Fiscal Year. The fiscal year of the Authority shall commence on the first day of January of each calendar year and conclude on the last day of December of the same calendar year.

ARTICLE VIII

AUDIT COMMITTEE

Section 1. Members. The Chairperson of the Audit Committee shall be appointed by the Chairperson of the Authority. The Audit Committee shall consist of the Chairperson, the State Treasurer, and from one to four members of the Board appointed by the Chairperson for a minimum total of three members and not more than six members. At least one member shall have accounting or related financial expertise. All members shall be independent of the Authority and have knowledge of the Authority's governmental functions. The Audit Committee shall have a direct relationship with the external, independent auditor.

Section 2. Meetings. Meetings of the Audit Committee shall be held quarterly, unless otherwise determined by the Chairperson.

Section 3. Duties. The Committee shall monitor the financial operations of the Authority. The duties of the Committee shall be defined by Audit Committee's Charter and shall include, but not be limited to, review of:

(a) draft quarterly and annual financial statements to include comparison of actual expenses to budget;
(b) annual operating budget;
(c) audit scope, prior to the commencement of the annual audit. Post audit- annual audited financial statements, to include comparison of actual expenses to budget, internal control functions, results of the annual audit to include management letters from auditors and managements response, the effectiveness of electronic data processing procedures, controls and related security programs;
(d) major changes in financial policies and procedures;
(e) major financial commitments being contemplated by the financial management of the Authority and recommend policies with respect to risk assessment and risk management;
(f) quarterly review of subsidiary operations;
(g) oversee the competitive selection process for the retention of independent external auditors, to include non-audit engagements, as conducted by the Evaluation Committee and make a recommendation to the Board of Directors. Provide the Evaluation Committee with selection criteria. Within six months of making the recommendation to the Board, issue a report to the State Treasurer setting forth the

steps taken in the selection process. Monitor the auditor's performance and, if necessary, recommend replacement; and

(h) Review the Authority's compliance with legal, regulatory and ethical requirements to include adequacy of compliance with the Authority's Code of Ethics.

The Committee shall perform such other duties as may be prescribed from time to time by resolution.

ARTICLE IX

DIRECTOR'S LOAN REVIEW COMMITTEE

Section 1. Members. The Chairperson of the Directors' Loan Review Committee shall be appointed by the Chairperson of the Authority. The Directors' Loan Review Committee shall consist of the Commissioner of Labor and Workforce Development, the Commissioner of the Department of Banking and Insurance and from one to four members of the Board appointed by the Chairperson for a minimum total of three members and not more than six members. At least one member shall be a member of the Audit Committee and at least two members shall have financial expertise. All members shall be independent of the Authority and have knowledge of the Authority's governmental functions.

Section 2. Meetings. The times, places and agenda for the Director's Loan Review Committee shall be set forth by the at the Authority's Annual Meeting and at other times deemed necessary by the CEO of the Authority in consultation with the Chair of the committee.

Section 3. Duties. The duties of the Directors' Loan Review Committee shall include, but not be limited to:

a. review of all non-real estate development Authority exposure requests, including but not limited to, direct loan and loan guarantee requests, prior to submission to the members of the Authority for their consideration.

b. such other duties as may be prescribed from time to time by the Chairperson of the Authority.

ARTICLE X

REAL ESTATE COMMITTEE

Section 1. Members. The Chairperson of the Real Estate Committee shall be appointed by the Chairperson of the Authority. The Real Estate Committee shall consist of the Commissioner of Environmental Protection, the State Treasurer and from one to four members of the Board appointed by the Chairperson for a minimum total of three members and not more than six members. At least one member shall be a member of the' Audit Committee and at least one member shall have real estate development, construction, and/or related expertise. All members shall be independent of the Authority and have knowledge of the Authority's governmental functions.

Section 2. Meetings. The times, places and agenda for the Real Estate Committee shall be set forth by the CEO of the Authority, in consultation with the Chair of the committee.

Section 3. Duties. The duties of the Real Estate Committee shall include, but not be limited to:

a. review of significant real estate development initiatives being contemplated by the management of the Authority, including but not limited to, direct exposure requests, prior to submission to the members of the Authority for their consideration.

b. such other duties as may be prescribed from time to time by the Chairperson of the Authority.

ARTICLE XI

POLICY COMMITTEE

Section 1. Members. The Chairperson of the Policy Committee shall be appointed by the Chairperson of the Authority. The Policy Committee shall consist of the Chairperson the Authority, the Chairperson of the Audit Committee, Chairperson of the Incentives Committee, Chairperson of the Real Estate Committee, the Chairperson of the Director's Loan Review Committee and one member of the Board appointed by the Chairperson for a total of six members. At least one member shall have governmental/public sector expertise. All members shall be independent of the Authority and have knowledge of the Authority's governmental functions.

Section 2. Meetings. The times, places and agenda for the Policy Committee shall be set forth by the CEO of the Authority in consultation with the Chair of the committee.

Section 3. Duties. The duties of the Policy Committee shall include, but not be limited to:

a. review policy matters related to the Authority's operations and programs, including reviewing the Business Plan developed by the management of the Authority and underlying policy decisions of significant initiatives being contemplated by management, prior to submission to the members of the Authority for their consideration.

b. such other duties as may be prescribed from time to time by the Chairperson of the Authority.

ARTICLE XII

INCENTIVES COMMITTEEE

Section 1. Members. The Chairperson of the Incentives Committee will be appointed by the Chairperson of the Authority. The Incentives Committee shall consist of the State Treasurer, the Commissioner of the Department of Labor and Workforce Development, an officer or employee of the Executive Branch of State Government as appointed by the Governor and from one to three of the Board appointed by the Chairperson for a minimum total of four members and not more than six members. All members will be independent of the Authority and have knowledge of the Authority's governmental functions.

Section 2. Meetings. The times, places and the agenda for the Incentives Committee will be set forth by the CEO of the Authority, in consultation with the Chair of the committee.

Section 3. Duties. The duties of the Incentives Committee shall include, but not be limited to:

a. Review of all significant non-direct exposure incentive requests, including but not limited to tax credits, prior to submission to the members of the Authority for their consideration.
b. Review of all formula or scoring mechanism changes to legislatively mandated incentive programs.
c. Such other duties that may be prescribed from time to time by the Chairperson of the Authority.

ARTICLE XIII

COMMITTEES

Section 1. <u>Establishment of Committees</u>. The chairperson may, in his/her discretion, appoint and abolish committees, other than those provided herein, as is necessary to address affairs of the Authority. The Chairperson of the Authority shall appoint the chairperson of these committees.

ARTICLE XIV

AMENDMENTS

Section 1. <u>Amendments to By-Laws</u>. The by-laws may be altered, amended, or repealed at any meeting of the Authority by the affirmative vote of at least seven members provided that notice of the proposed action and a copy of such alteration or amendment or a copy of the provisions to be repealed are inserted in the notice of such meeting, given at least seven days in advance of the meeting at which the motion on adoption on such resolution is to be made.

ARTICLE XV

SUSPENSION OF BY-LAWS

Section 1. Suspension of By-Laws. Any and all provisions of these by-laws may be suspended by unanimous consent of the members present at any duly constituted meeting of the Authority.

CERTIFICATION

The foregoing is a true copy of the by-laws duly adopted by the New Jersey Economic Development Authority at a meeting of the Authority held on September 13, 2012.

____

CAREN S. FRANZINI
SECRETARY AND CEO
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

[SEAL]

ATTEST:

____

MAUREEN HASSETT
ASSISTANT SECRETARY
NEW JERSEY ECONOMIC
DEVELOPMENT AUTHORITY

Last Amended 9/13/12.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Al Koeppe
Chairman

Date: September 13, 2012

Subject: Annual Meeting

The New Jersey Economic Development Authority's By-Laws provide that an annual reorganization meeting be held in September of each year. The Members are asked to consider the following recommendations associated with the annual reorganization meeting:

Officers

As has been done in years past, it is recommended that the position of Board Treasurer be held by State Treasurer Andrew P. Sidamon-Eristoff. The position of Vice Chairman is currently held by Joe McNamara, who is interested in continuing to serve in this role, subject to confirmation by the Members.

The appointment of Assistant Secretaries to the Board to support the Secretary in her absence is also required. I am recommending that Tim Lizura, Maureen Hassett, Fred Cole, John Rosenfeld, Greg Ritz, and Kim Ehrlich serve as Assistant Secretaries. As per the By-Laws, Michele Brown, in her role of CEO, will serve as Board Secretary.

Committees

The Authority has six committees that meet throughout the year. I am requesting that the named Members or their Ex Officio designees participate in the following committees and recommend the appointment of individual Members to Chair each committee as so indicated:

> **Director's Loan Review Committee** - Chair: Ray Burke, Marjorie Perry, Elliott Kosoffsky, Commissioner of the Department of Banking and Insurance, and the Commissioner of the Department of Labor and Workforce Development

The DLRC will meet monthly to review all non real estate development Authority exposure requests, including, but not limited to, direct and loan guarantee requests.

Audit Committee – Chair: Elliot Kosoffsky, Al Koeppe, Ray Burke, Charles Sarlo, the State Treasurer, and the Commissioner of the Department of Banking and Insurance

The Audit Committee monitors the financial operations of the Authority including the review of the annual operating budget and those responsibilities outlined in the committee Charter. The committee will meet quarterly and at such other times as determined by the Chair.

Policy Committee - Chair: Joe McNamara, Charles Sarlo, Ray Burke, Elliot Kosoffsky, Larry Downes and Al Koeppe

The Policy Committee provides advice on policy matters, the formulation of the Authority's annual strategic business plan and marketing strategy and meets at times determined by the Chief Executive Officer (CEO) in consultation with the Chair. Staff has recommended a change to the by-laws (see accompanying memo) that reconstitutes the committee with representation by the Chair and the Chairs of the other standing committees.

Real Estate Committee - Chair: Charles Sarlo, Richard Tolson, Harold Imperatore, Brian Nelson, the Commissioner of the Department of Environmental Protection and the State Treasurer.

The Real Estate Committee reviews all monthly real estate matters with Authority exposure prior to the Board meeting.

Incentives Committee - Chair: Larry Downes, Joe McNamara, Brian Nelson, the Executive Branch Designee, the Commissioner of Labor and Workforce Development and the State Treasurer.

The Incentives Committee meets monthly to review all significant non-direct exposure incentive requests, including but not limited to tax credits.

Compensation Committee – Chairman Al Koeppe, Joe McNamara, and Larry Downes.

The Compensation Committee advises on compensation policies that enable the attraction and retention of staff and meets as determined by the CEO in consultation with the Chair.

<u>Staff Appointments</u>

I am asking the Board to reaffirm the appointment of Marcus Saldutti as OPRA Custodian and the appointment of Fred Cole as Ethics Liaison Officers.

<u>Operating Authority</u>

The changes to the Authority's executive structure have necessitated changes to the EDA's Operating Authority, Credit Delegations, and Real Estate Operating Authority. This modification will involve granting the President/COO the equivalent authority to the CEO.

<u>Board Schedule</u>

Attached is a schedule of the monthly Board meetings through September 2013 that I am asking the Board to approve at this time.

Recommendation:

By resolution we will be adopting this schedule for the next year's Board meeting dates. I am also seeking your approval for the following actions: 1) Committee appointments as noted above; 2) Appointment of the Assistant Secretaries; 3) Election of a Vice Chair and Treasurer; 4) the reaffirmation of OPRA Custodian and Ethics Liaison Officers; and 5) changes to the EDA's Operating Authority, Credit Delegations and Real Estate Operating Authority.

Al Koeppe

Attachment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

2012 – 2013 BOARD MEETING DATES

October 9, 2012

November 15, 2012 (Thursday)

December 11, 2012

January 15, 2013*

February 12, 2013

March 14, 2013 (Thursday)

April 9, 2013

May 16, 2013 (Thursday)

June 11, 2013 (WTCC)

July 11, 2013 (Thursday)

August 13, 2013

September 12, 2013 (Thursday)

All board meetings are held on the second Tuesday of each month from 10 – 12 Noon in the EDA Trenton boardroom, unless otherwise noted.

***3rd Tuesday**

WTCC: Waterfront Technology Center of Camden, 200 Federal Street, Camden.

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

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

APPLICANT: Bet Yaakov of the Jersey Shore, Inc. P37632

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

PROJECT LOCATION 200 Wall Street West Long Branch (N) Monmouth

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

APPLICANT BACKGROUND:

Bet Yaakov of the Jersey Shore, Inc. is a 501(c)(3) not-for-profit organization established in 2008 to operate the B'not Yisrael School for girls in pre-school through 8th grade. The 30,000 sq. ft. school is located in West Long Branch Borough, Monmouth County and has an enrollment of 200 students with 86 employees.

Rabbi Shmuel Choueka is the Executive Director. The project has been reviewed and approved by the Attorney General's Office relating to the First Amendment's Establishment Clause.

The applicant is a 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 acquire 1.5 acres of land and the 30,000 sq. ft. building which the applicant currently leases for the operation of the school. Any difference between the bond amount and the project costs will be paid with the applicant's equity.

FINANCING SUMMARY:

BOND PURCHASER: The Bank of Princeton (Direct Purchase)

AMOUNT OF BOND: $2,900,000 Tax-exempt bond

TERMS OF BOND: 25 years; Fixed interest rate of 4.10% for years 1-5; thereafter the interest rate will reset every 5 yrs. based on the tax-exempt equivalent of the 5 yr. U.S. Treasury Note plus 300 basis points; with a floor of 4.10% and subject to a call option on each 5th anniversary.

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	$3,850,000
Legal fees	$20,000
Finance fees	$20,000
Accounting fees	$20,000
TOTAL COSTS	$3,910,000

JOBS: At Application 86 Within 2 years 15 Maintained 0 Construction 0

PUBLIC HEARING: 09/13/12 (Published 08/30/12) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: D. Johnson **APPROVAL OFFICER:** D. Sucsuz

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

APPLICANT: Hudson Community Enterprises Inc. P37666

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

PROJECT LOCATION68-70 Tuers Avenue Jersey City (T/UA) Hudson

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

APPLICANT BACKGROUND:

Hudson Community Enterprises Inc. (formerly The Occupational Center of Hudson County) is a 501(c)(3) not-for-profit organization based in Jersey City, New Jersey. The organization was founded in 1957 as a community rehabilitation program and has always focused its efforts in the area of job preparation, training, and job retention services for individuals with disabilities and other barriers to employment. With a staff of 500, the agency offers a range of education, training, and employment services for youth with disabilities exiting school, adults with disabilities in its vocational rehabilitation programs, as well as community residents facing other barriers to employment. This past year over 700 individuals participated in its programs leading to employment. Since its inception in 1957, the organization has placed 3,500 community residents into employment. Maureen Walliser is the President.

In 1998, the applicant received Authority assistance via tax-exempt bond financing, in the amount of $1,480,000 (Appl. P9482) to make leasehold improvements to a two-story, 27,000 sq. ft. vacant building in Jersey City, Hudson County, in order to house and expand its various employment and training programs. Municipal Capital Markets Group, Inc., acted as private placement agent for the 1998 Bond for 20 years at a fixed rate of 6.5%.

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 refinance conventional debt, purchase certain machinery and equipment and pay a portion of the costs of issuance. The difference between the project costs and bond amount will be funded with Applicant's equity.

This application is being presented in conjunction with Appl. P37700 for the refunding of the outstanding balance of the 1998 Bond, for total tax-exempt bond financing not to exceed $1,520,000.

FINANCING SUMMARY:

BOND PURCHASER: The Provident Bank (Direct Purchase)

AMOUNT OF BOND: $760,000 est. (Part of a $1,520,000 Tax-exempt bond with P37700)

TERMS OF BOND: 7 years; Fixed interest rate for 7 years based on the tax exempt equivalent of 7 yr. U.S. Treasury Securities plus 300 basis points, estimated at 2.75% as of 8/1/12.

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	$500,000
Refinancing	$251,000
Legal fees	$22,500

Finance fees	$5,000
TOTAL COSTS	$778,500

JOBS: At Application 254 Within 2 years 25 Maintained 0 Construction 0

PUBLIC HEARING: 09/13/12 (Published 08/30/12) **BOND COUNSEL:** Wolff & Samson

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

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - REFUNDING BOND PROGRAM

APPLICANT: Hudson Community Enterprises Inc. P37700

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

PROJECT LOCATION: 68-70 Tuers Avenue Jersey City (T/UA) Hudson

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

APPLICANT BACKGROUND:

Hudson Community Enterprises Inc. (formerly The Occupational Center of Hudson County) is a 501(c)(3) not-for-profit organization based in Jersey City, New Jersey. The organization was founded in 1957 as a community rehabilitation program and has always focused its efforts in the area of job preparation, training, and job retention services for individuals with disabilities and other barriers to employment. With a staff of 500, the agency offers a range of education, training, and employment services for youth with disabilities exiting school, adults with disabilities in its vocational rehabilitation programs, as well as community residents facing other barriers to employment. This past year over 700 individuals participated in its programs leading to employment. Since its inception in 1957, the organization has placed 3,500 community residents into employment. Maureen Walliser is the President.

In 1998, the applicant received Authority assistance via tax-exempt bond financing, in the amount of $1,480,000 (Appl. P9482) to make leasehold improvements to a two-story, 27,000 sq. ft. vacant building in Jersey City, Hudson County, in order to house and expand its various employment and training programs. Municipal Capital Markets Group, Inc., acted as private placement agent for the 1998 Bond for 20 years at a fixed rate of 6.5%.

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.

REFUNDING REQUEST:

Authority assistance will enable the applicant to refund the outstanding balance of the 1998 Bond and pay a portion of the costs of issuance. The difference between the project costs and the bond amount will be funded with Applicant's equity.

This application is being presented in conjunction with Appl. P37666 to refinance conventional debt, purchase certain machinery and equipment and pay costs of issuance, for total tax-exempt bond financing not to exceed $1,520,000.

FINANCING SUMMARY:

BOND PURCHASER: The Provident Bank (Direct Purchase)

AMOUNT OF BOND: $760,000 est. (Part of a $1,520,000 Tax-exempt bond with Appl. P37666)

TERMS OF BOND: 7 years; Fixed interest rate for 7 yrs. based on the tax exempt equivalent of 7 yr. U.S. Treasury Securities plus 300 basis points, estimated at 2.75% as of 8/1/12.

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond(s) to be refund	$825,000
Legal fees	$22,500

Finance fees	$5,000
TOTAL COSTS	$852,500

PUBLIC HEARING: 09/14/12 (Published 08/30/12) **BOND COUNSEL:** Wolff & Samson
DEVELOPMENT OFFICER: D. Johnson **APPROVAL OFFICER:** T. Wells

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

APPLICANT: The Pingry Corporation P37686

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

PROJECT LOCATION Martinsville Road Bernards Township (N) Somerset

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

APPLICANT BACKGROUND:

The Pingry Corporation, a 501(c)(3), not for profit entity, operates the Pingry School, an independent, co-educational, college preparatory day school for students in Kindergarten through Grade 12. Originally founded in 1861, the school is comprised of two campuses, which are located in Millburn Township and Bernards Township, the latter is the project municipality. John B. Brescher, Jr. is the Chairman of the Board of Trustees of this non-profit corporation.

The Applicant's two campuses serve approximately 1,076 students. The campus in Millburn Township consists of a lower school (approximately 256 pupils), while the campus in Bernards Township consists of a middle school (approximately 270 pupils) and an upper school (approximately 550 pupils). The school's students participate in a demanding academic program, complemented by extensive co-curricular activities.

Over a year ago, the Applicant undertook a $2.8 million capital improvement project in Bernards Township with a conventional, interest-only loan from Union Center National Bank.

In addition, the Applicant is also seeking to refund a bond from 2007 under a separate project summary in this agenda, P37688.

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

APPROVAL REQUEST:

Authority assistance will enable the Applicant to refinance its conventional bank loan totaling $2,800,000.

FINANCING SUMMARY:

BOND PURCHASER: Brown Brothers Harriman & Co. (Direct Purchase)

AMOUNT OF BOND: $2,800,000 tax-exempt bond (part of a bond issue up to $8,320,000)

TERMS OF BOND: Up to 25 year term; fixed rate of interest not to exceed 5%; indicative 20-year t/e fixed rate as of June 21, 2012 is 2.80%.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	$2,800,000
Cost of Issuance	$49,000
TOTAL COSTS	$2,849,000

JOBS: At Application 185 Within 2 years 2 Maintained 0 Construction 0

PUBLIC HEARING: 09/13/12 (Published 08/28/12) **BOND COUNSEL:** McCarter & English, LLP

DEVELOPMENT OFFICER: L. Wallick **APPROVAL OFFICER:** D. Sucsuz

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - REFUNDING BOND PROGRAM

APPLICANT: The Pingry Corporation P37688

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

PROJECT LOCATION Martinsville Road Bernards Township (N) Somerset

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

APPLICANT BACKGROUND:

The Pingry Corporation, a 501(c)(3), not for profit entity, operates the Pingry School, an independent, co-educational, college preparatory day school for students in Kindergarten through Grade 12. Originally founded in 1861, the school is comprised of two campuses, which are located in Millburn Township and Bernards Township, the latter is the project municipality. John B. Brescher, Jr. is the Chairman of the Board of Trustees of this non-profit corporation.

The Applicant's two campuses serve approximately 1,076 students. The campus in Millburn Township consists of a lower school (approximately 256 pupils), while the campus in Bernards Township consists of a middle school (approximately 270 pupils) and an upper school (approximately 550 pupils). The school's students participate in a demanding academic program, complemented by extensive co-curricular activities.

In May 2007, the Authority issued an $8 million, 30-year term, tax-exempt bond for the benefit of the Applicant, which has a current fixed interest rate of 5%. The proceeds of this bond were used to finance a capital improvement project, the construction of the middle school building in Bernards Township. The outstanding principal is approximately $5.52 million.

In addition, the Applicant is also seeking a new tax-exempt bond to refinance its conventional bank debt under a separate project summary in this agenda, P37686.

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

REFUNDING REQUEST:

Authority assistance will enable the Applicant to refund its tax-exempt debt totaling $5,520,000.

FINANCING SUMMARY:

BOND PURCHASER: Brown Brothers Harriman & Co. (Direct Purchase)

AMOUNT OF BOND: $5,520,000 tax-exempt bond (part of a bond issue up to $8,320,000)

TERMS OF BOND: Up to 25 year term; fixed rate of interest not to exceed 5%; indicative 20-year t/e fixed rate as of June 21, 2012 is 2.80%.

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond(s) to be refund	$5,520,000
Cost of Issuance	$49,000
TOTAL COSTS	$5,569,000

PUBLIC HEARING: 09/13/12 (Published 08/28/12) **BOND COUNSEL:** McCarter & English, LLP
DEVELOPMENT OFFICER: L. Wallick **APPROVAL OFFICER:** D. Sucsuz

PRELIMINARY RESOLUTIONS

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

APPLICANT: BWP School Partners LLC P37648

PROJECT USER(S): Lady Liberty Academy Charter School, Inc. * - indicates relation to applicant

PROJECT LOCATION: 746 Sandford Avenue Newark City (T/UA) Essex

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

APPLICANT BACKGROUND:

Founded in 2003, Build With Purpose, Inc. (formerly known as Real Estate Advisory and Development Services, Inc.) has recently formed BWP School Partners LLC to hold the leasehold interests to the project location and to expand and rehabilitate, and subsequently sublease it to Lady Liberty Academy Charter School. Build with Purpose, Inc. develops a host of real estate projects including schools, affordable housing projects and nonprofit centers. Brian Keenan is the President and Director of this non-profit real estate development and consulting firm.

Established in 2001, Lady Liberty Academy Charter School is a public charter school established under the laws of the State of New Jersey. With elementary and middle schools, this school serves pupils from the Newark Public Schools District. For about a year, it has been operating at a temporary, leased location in Harrison, New Jersey pursuant to a State waiver permitting the school to remain out of district. The charter school has a current enrollment of approximately 474 students for school year 2012-2013 in grades K-8. Glen Pinder is the Executive Director. The school is in good standing with the New Jersey Department of Education.

As a part of this project financing, Lady Liberty Academy Charter School and BWP School Partners LLC are partnering to facilitate the return of Lady Liberty Academy Charter School to a new location in Newark.

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

APPROVAL REQUEST:

Authority assistance will enable the Applicant to redevelop a new 48,000 sf charter school campus, including the construction of an addition, along with furnishing and equipping same plus paying related costs, including the cost of issuance, a debt service reserve fund, and the capitalized interest during construction.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	$5,713,000
Interest during construction	$840,000
Debt service reserve fund	$800,000
Contingency	$780,000
Engineering & architectural fees	$770,000
Developer's Fee	$750,000

Renovation of existing building	$500,000
Finance fees	$385,000
Renovation of existing equipment & machi	$300,000
Legal fees	$80,000
Accounting fees	$50,000
Leasehold Deposit	$32,000
TOTAL COSTS	$11,000,000

JOBS: At Application 78 Within 2 years 2 Maintained 0 Construction 52

PUBLIC HEARING:

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: D. Johnson

APPROVAL OFFICER: D. Sucsuz

PUBLIC HEARING ONLY

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

APPLICANT: Dakota Properties, Inc. P37676

PROJECT USER(S): Twin Oaks Community Services, Inc. * * - indicates relation to applicant

PROJECT LOCATION: Various Statewide (N) Multi Count

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

APPLICANT BACKGROUND:

Dakota Properties, Inc. (formerly Family Service Foundation, Inc.) is a 501(c)(3) not-for-profit organization formed as a supporting organization for the charitable purpose of aiding, contributing, promoting and supporting Twin Oaks Community Services, Inc. ("Twin Oaks"). Dakota Properties' main function is the acquisition, development, construction, operation, renovation, lease maintenance, management and sales of real estate as a supporting agency. Dakota Properties is also responsible for the fundraising and receiving of monetary gifts, securities and the maintenance of property donated for the benefit of or donated to Twin Oaks.

Twin Oaks was formed in January 2012 when Family Service of Burlington County, New Jersey merged with Steininger Behavioral Care Services. Originally formed in 1962, Twin Oaks provides a variety of behavioral and healthcare services to adults, children and families throughout southern and central New Jersey communities. Twin Oaks has over 65 programs that focus on community integration, integrated substance abuse treatment, strengthening families, preventing hospitalization and improving long term outcomes. Besides counseling and support services, Twin Oaks provides programs for adoption support, teenage parents programs, day programs for developmentally disabled adults with special needs, partial care mental health services and group homes services. Bob Pekar is the Executive Director.

Twin Oaks (as Family Service of Burlington County, NJ) received Authority assistance via tax exempt bonds of $3,283,000 in 2009 and $4,391,732 in 2010 to finance, refinance and/or reimburse the cost of acquiring and improving certain properties used by Twin Oaks to provide its services. The 2010 Bond was directly purchased by TD Bank for 20 years with current interest rate of 1.56%. The 2009 Bond was paid in full.

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 refinance conventional debt used for the purchase of offices and group homes used to serve its clients.

The Project is being presented at the September 13, 2012 Board meeting for a Public Hearing Only.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	$3,020,000
Closing Costs	$20,000
TOTAL COSTS	$3,040,000

JOBS: At Application 10 Within 2 years 4 Maintained 0 Construction 0

PUBLIC HEARING: 09/13/12 (Published 08/30/12) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: H. Friedberg **APPROVAL OFFICER:** T. Wells

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

APPLICANT: Twin Oaks Community Services, Inc. P37675

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

PROJECT LOCATION: Various Statewide (N) Multi Count

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

APPLICANT BACKGROUND:

Twin Oaks Community Services, Inc. ("Twin Oaks"), a 501(c)(3) not-for-profit organization, was formed in January 2012 when Family Service of Burlington County, New Jersey merged with Steininger Behavioral Care Services. Originally formed in 1962, Twin Oaks provides a variety of behavioral and healthcare services to adults, children and families throughout southern and central New Jersey communities. Twin Oaks has over 65 programs that focus on community integration, integrated substance abuse treatment, strengthening families, preventing hospitalization and improving long term outcomes. Besides counseling and support services, Twin Oaks provides programs for adoption support, teenage parents programs, day programs for developmentally disabled adults with special needs, partial care mental health services and group homes services. Bob Pekar is the Executive Director.

Twin Oaks (formerly Family Service of Burlington County, NJ) previously received Authority assistance via tax exempt bonds of $3,283,000 in 2009 and $4,391,732 in 2010 to finance, refinance and/or reimburse the cost of acquiring and improving certain properties used by Twin Oaks to provide its services. The 2010 Bond was directly purchased by TD Bank for 20 years with current interest rate of 1.56%. The 2009 Bond was paid in full.

The applicant is a 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 refinance conventional debt used for the purchase of offices and group homes used to service its clients.

The Project is being presented at the September 13, 2012 Board meeting for a Public Hearing Only.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	$2,285,000
Closing Costs	$20,000
TOTAL COSTS	$2,305,000

JOBS: At Application <u>100</u> Within 2 years <u>20</u> Maintained <u>0</u> Construction <u>0</u>

PUBLIC HEARING: 09/13/12 (Published 08/30/12) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: H. Friedberg **APPROVAL OFFICER:** T. Wells

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: September 13, 2012

SUBJECT: Hazardous Discharge Site Remediation Fund Program

The following private and municipal grant projects have been approved by the Department of Environmental Protection for a grant to perform Remedial Investigation and Remedial action activities. The scope of work is described on the attached project summaries.

Private Grants:

Pastor Enterprises.. **$ 164,730**

Municipal Grants:

Township of Bridgewater (Dept Public Works Muni Garage)........................... **$ 115,526**

Township of Haddon (Dy Dee Redevelopment Project)...... .... **$ 677,814**

Total HDSRF funding for September 2012...$958,070

Prepared by: Lisa Petrizzi

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

APPLICANT: Pastor Enterprises P37431

PROJECT USER(S): Rosenthal Realty Management, LLP * - indicates relation to applicant

PROJECT LOCATION 560 Lincoln Blvd. Middlesex Borough (N) Middlesex

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

APPLICANT BACKGROUND:

In June 1996, the applicant was approved for a $10,629 grant (P08839) to perform Remedial Investigation. Subsequently in November 1998, the applicant was approved for a $13,525 grant (P10437) to remove an underground storage tank (UST) and perform the associated remedial activities.

Pastor Enterprises sold the property to Rosethal Realty Management, LLP in 2000 who is the current owner of the project site. Despite the change in ownership, the AG's office has opined that a supplemental award for this project is appropriate since the original applicant was eligible for the award and the scope of the cleanup has remained unchanged since the initial approval to Pastor in 1996. As a result of this ruling, this applicant continues to be responsible for the remedial activities for this project site, which formely housed a rolling bearing manufacturer.

The NJDEP Bureau of Case Management has found the applicant's proposal to continue remedial investigation at the project for financial assistance to be administratively and technically complete and has approved funding for a Hazardous Discharge Site Remediation Grant under N.J.S.A. 58:10B-Subsection 4, Series A. This Innocent Party Grant has been calculated off 50% of the approved remedial investigation project costs ($329,459).

APPROVAL REQUEST:

The applicant is requesting supplemental grant funding in the amount of $164,730 to perform the approved scope of work at the project site. Total funding to date of $178,257.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT $164,730 (50% Innocent Party Grant)

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	$329,459
EDA administrative cost	$500
TOTAL COSTS	$329,959

APPROVAL OFFICER: K. Junghans

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT

APPLICANT: Township of Bridgewater (Dept Public Works Muni Garage) P37684

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

PROJECT LOCATION: 100 Hanlon Dr. Bridgewater Township (N) Somerset

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

APPLICANT BACKGROUND:

The Township of Bridgewater received grant funding to perform a Site Investigation (SI) in the amount $109,054 at the Dept Public Works Muni Garage project site on March 2009 under P24813. The project site, identified as Block 411.01, Lots 41, 41.01 and 42 is a municipal garage which has potential environmental areas of concern (AOCs). The Township owns the project site and has satisfied Proof of Site Control. It is the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed use.

NJDEP has approved this supplemental request for SI and Remedial Action (RA) grant funding and finds the project technically eligible under the HDSRF program, Category 2, Series A.

The RA portion represents a 75% Matching Grant for RA costs at Block 411.01 Lot 41 that was redeveloped for recreation and conservation use. According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects involving the redevelopment of contaminated property for recreation and conservation purposes, provided that the use of the property for recreation and conservation purposes is included in the redevelopment plan and is conveyed by a development easement, deed restriction for development or conservation easement for recreation and conservation purposes.

APPROVAL REQUEST:

The Township of Bridgewater is requesting supplemental grant funding to perform additional SI and RA activities required by NJDEP in the amount of $115,526 at the Dept Public Works Muni Garage project site, for total funding to date of $224,580.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $115,526

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	$109,188
Site investigation	$6,338
EDA administrative cost	$500
TOTAL COSTS	$116,026

APPROVAL OFFICER: K. Junghans

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT

APPLICANT: Township of Haddon (Dy Dee Redevelopment Project) P37542

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

PROJECT LOCATION 207 Highland Ave. Haddon Township (N) Camden

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

APPLICANT BACKGROUND:

The Township of Haddon received a grant in August of 2008 under P21956 in the amount of $690,798 to perform Preliminary Assessment (PA), Site Investigation (SI) and Remedial Investigation (RI) and a grant in March 2010 in the amount of $732,481 under P29292 for (RI) and Remedial Action (RA). The project site, identified as Block 21.06, Lot 19, 27,and 28 is a former laundry and dry cleaning facility which has potential environmental areas of concern (AOCs). The Township of Haddon currently owns the project site, which is located in a Brownfield Development Area (BDA), and has satisfied Proof of Site Control. It is the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed use.

According to amended legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects within a BDA. The grant has been calculated off 75% of the RA costs $677,814.

NJDEP has approved this supplemental request for RA grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

APPROVAL REQUEST:

The Township of Haddon is requesting additional grant funding to perform RA in the amount of $677,814 at the Dy Dee Wash Site project site for a total funding to date of $2,101,093.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT $677,814

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	$903,750
EDA administrative cost	$500
TOTAL COSTS	$904,250

APPROVAL OFFICER: K. Junghans

EDISON INNOVATION VC GROWTH FUND PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: September 13, 2012

SUBJECT: Edison Innovation Venture Capital Growth Fund – Product Enhancement

Request:

The Board is requested to approve amendments to the rules implementing the Edison Innovation Venture Capital Growth Fund program to raise the funding limit from $500,000 to $1 million.

Background:

At the March 8, 2011 Board Meeting, the EDA Board approved the implementation of three new products to support emerging technology and life sciences businesses in New Jersey - The Edison Innovation Angel Growth Fund, the Edison Innovation Venture Capital Growth Fund and the Edison Innovation Growth Stars Fund.

As the Members are aware, the Edison Innovation Venture Capital Growth Fund (EIVCGF) product is structured as a subordinated convertible note of up to $500,000 to support the growth of venture capital supported technology companies, with a 1:1 matching fund requirement. Applicants are also required to demonstrate $500,000 of commercial revenues, for the preceeding12 months derived from the sale of technology product/core business activity. This program was intended to leverage institutional venture backed investments in support of early stage, emerging technology and life science businesses through a matching fund program. These funds provide growth capital for key hires, product iteration/roll out, product enhancement or marketing/sales.

Since the original approval of this program in 2011, staff has found that eligible companies are more mature than anticipated, and are able to meet the matching requirement for Venture Capital (VC) funds at a higher level. The companies in the pipeline for this program have also been able to exceed the minimum trailing 12-month commercial revenues derived from sale of technology product/core business activities at a significantly higher level. Specifically, the last three companies which presented to the Authority's Technology Advisory Board (TAB) had annual revenues of $6 million, $5.3 million and $5.2 million respectively. Industry stakeholders have recommended to staff that given the timeline and level of due diligence in order to apply for EDA funding, a higher commitment threshold is desired in order for the funding to be impactful for these maturing companies. Note that despite the higher funding threshold, it is recommended that the disbursements remain funded through pre-negotiated achievement milestones, thereby mitigating the risk. Also noteworthy, is this $1 million threshold was the original funding amount for the original Edison Innovation Fund technology lending programs, however with increased risk in the market place changes were made including: differentiating between angel investments and venture investments; initiating the trailing revenue threshold and reducing the commitment cap. The projects under this revised Edison program are expected to have a stronger credit profile than under the previous program, given the companies are a more mature stage, have met the minimum trailing twelve month revenue requirement of at least $500,000 and have a recently raised equity match.

Staff is therefore recommending that in order to provide a more impactful benefit to emerging technology and life sciences businesses in New Jersey that the funding limit on this program be raised to $1 million, provided the company is able to demonstrate fresh 1:1 matching funds from a VC and commercial revenues for the last 12 months matching the requested funding amount (but not less than $500,000). All other parameters of the program remain the same. Companies that have been previously approved under the lower limit may reapply for additional funding, provided they meet the matching and revenue requirements. A revised product description is attached.

Funding Resources:

In addition to the $2 million budgeted funds from the EDA's revolving loan fund, in the Spring of 2011, the Joint Budget Oversight Committee (JBOC) of the New Jersey Legislature approved the release of $12.4 million of funding to support these initiatives. Additionally, the EDA has received significant repayments on its technology portfolio, with $4.5 million of repayments in 2010; $4.2 million in 2011 and $1.1 million received year-to-date in 2012. The first funding allocations will come from the JBOC approved allocation.

Recommendation:

The Members of the Board approve the proposed amendment to the Edison Innovation Venture Capital Growth Fund program to increase the funding limit from $500,000 to $1 million.
In addition, the Members are further requested to authorize staff to submit the program rules implementing these changes, pending review by the Governor's Policy Officer, for publication in the New Jersey Register, subject to final review and approval by the office of the Attorney General and the Office of Administrative Law.

Prepared by: Kathleen Coviello and Kim Ehrlich
Attachments

Product Description
Edison VC Growth Fund

Product Family: Loan

Approval Authority: EDA Board

Product Description:
Subordinated convertible note of up to $1 million to support the growth of VC-supported technology companies (subject to entity maximum of $1million inclusive of all Edison /state "entry" programs, including the Edison Innovation Angel Growth.)

Eligibility:
- NJ-based technology company structured as a C-Corp
- Minimum trailing 12 month commercial revenues derived from sale of technology product/core business activities matching the funding request
- In good standing on previous or current loan(s) and waited a period of at least 12 months since last closing
- Must be developer/owner of intellectual property
- Founder/management equity
- 1:1 fresh matching funds from VC
- Full-time management team with domain experience
- Occupied physical commercial office space
- Entities applying for this program are ineligible for the Clean Energy Manufacturing Fund and Edison Innovation Green Growth Fund programs
- Entities may not apply for this program and an Edison Angel Growth Fund Loan concurrently

Uses:
- Growth Capital – key hires, product rollout, product enhancement, marketing/sales

Terms/Conditions:
- Fixed interest rate for a five-year term, based on risk profile and location of the company, ranging from 4-10%
- The right to convert debt to equity, in a future financing round under the same terms and conditions as any other investor in the round
- Subordinated lien position to any current senior bank indebtedness and to allow future automatic lien subordination of 25% of the commitment amount for new senior debt. Any amounts above the 25% require the prior written consent of the EDA
- A negative pledge and "springing lien" on the intellectual property for the duration of the loan
- Tax certificate clearance from Division of Taxation

Maximum/Limits:

- Up to $1 million (subject to entity maximum of $1 million inclusive of all Edison/state "entry" programs, except CEMF and EIGGF)

EDA Fees:

- Application:$2500
- Commitment: 0.75% of loan amount
- Closing: 0.75% of the loan amount
- Commitment Extension: $750
- Warrants for consideration in the financing. The warrants will have a 10-year life and coverage is based on the risk profile of the company and determined at the time of commitment.

D R A F T

RULE PROPOSALS

OTHER AGENCIES
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Authority Assistance Programs; Direct Loan Program

Proposed Amendment: N.J.A.C. 19:31-3.1

Authorized By: New Jersey Economic Development Authority, Caren S. Franzini, Chief Executive Officer.

Authority: N.J.S.A. 34:1B-1 et seq.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2012- .

Submit written comments by January 4, 2013 to:

Maureen Hassett, SVP Governance & Communications
New Jersey Economic Development Authority
PO Box 990
Trenton, NJ 08625-0990

The agency proposal follows:

Summary

The New Jersey Economic Development Authority ("EDA" or "Authority") is proposing an amendment to its rules to increase the funding limit under the Edison Innovation VC Growth Fund from $500,000 to $1 million.

Currently, the Edison Innovation VC Growth Fund offers a subordinated convertible note of up to $500,000 to support the growth of venture capital supported technology businesses. The program leverages institutional venture backed investments, under a one to one matching fund requirement, in support of early stage, emerging technology and life science businesses that have generated a minimum of $500,000 in prior 12-month commercial revenues for key hires, product iteration/roll out, product enhancement, or marketing/sales.

Since the enactment of the program in 2011, the EDA has found that eligible companies are more mature than anticipated, and are able to meet the matching requirement for Venture Capital (VC) funds at a higher level. The companies in the pipeline for this fund have also been able to exceed the minimum trailing 12-month commercial revenues derived from the sale of technology/core business activities at a significantly higher level.

As the Authority has provided a 60-day comment period in this notice proposal, this notice is excepted from the rulemaking calendar requirement, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The EDA, under the Edison Innovation Fund, increases access to early-stage capital and offers specialized assistance to existing mid-size and large technology and life sciences businesses as it builds the capacity of New Jersey's research colleges and universities in key areas that complement economic development. The proposed amendment will increase the amount of assistance available under the Edison Innovation VC Growth Fund to early-stage research businesses across the State.

Economic Impact

Since the launch of the Edison Innovation Fund in 2006, the EDA has provided just over \$27.7 million in direct equity-like investment to 45 technology and life sciences companies which are expected to create 1,185 new jobs. The funding provided under the Edison Innovation VC Growth Fund and other revolving loan funds under the Edison Innovation Fund, offer growth capital which is leveraged with angel investments and venture capital investments to provide the needed resources for key hires, product iteration/rollout, product enhancement or marketing sales by emerging technology businesses in New Jersey.

Federal Standards Statement

A Federal standards analysis is not required because the proposed amendment is not subject to any Federal requirements or standards.

Jobs Impact

The EDA anticipates the proposed amendment will produce greater job creation and retention as a result of increased financing available for emerging technology and life sciences projects.

Agriculture Industry Impact

The proposed amendment will have no impact on the agriculture industry of the State of New Jersey.

Regulatory Flexibility Analysis

The proposed amendment, which increases the funding limit under the Edison Innovation VC Growth Fund, does not impose any additional reporting, recordkeeping, or other compliance requirements on small business, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq.

Housing Affordability Impact Analysis

The proposed amendment will not impact the amount or cost of housing units, including multi-family rental housing and for sale housing in the State. The proposed amendment increases the funding limit under the Edison Innovation VC Growth Fund.

Smart Growth Development Impact Analysis

The proposed amendments will not impact the number of housing units or result in any increase or decrease in the average cost of housing in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan. The proposed amendment increases the funding limit under the Edison Innovation VC Growth Fund.

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

AUTHORITY ASSISTANCE PROGRAMS

SUBCHAPTER 3. DIRECT LOAN PROGRAM

19:31-3.1 Program description

(a) (No change.)

(b) Except as otherwise provided in this subsection, direct loans are available in a maximum amount of $1,250,000 for fixed asset financing and $ 750,000 for working capital.

1. – 5. (No change.)

6. For the Edison Innovation Angel Growth Fund, the Authority may award up to $250,000 in convertible debt financing to leverage private angel investments, on a two to one angel matching fund requirement, to a business that has generated a minimum of $500,000 in prior 12-month commercial revenues; for the Edison Innovation VC Growth Fund, the Authority may award up to [$500,000] **$1 million** in convertible debt financing to leverage institutional venture backed investments, on a one to one matching fund requirement, to a business that has generated a minimum of $500,000 in prior 12-month commercial revenues; and, for the Edison Innovation Growth Stars Fund, the Authority may award up to $500,000 in convertible debt financing, on a one to one matching fund requirement, to a business that has generated a minimum of $2 million in prior 12-month commercial revenues.

7. (No change.)

(c) – (m) (No change.)

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - EDISON INNOVATION VC GROWTH FUND PROGRAM

APPLICANT: Phone.com, Inc. P37701

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

PROJECT LOCATION: 184 S. Livingston Ave Livingston Township (N) Essex

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

APPLICANT BACKGROUND:

Phone.com, Inc. ("PI") was formed in 2006 (operations commenced in 2007) by Ari Rabban, CEO and Brian Scott, COO as a provider of voice-over-internet ("VOIP") services with a focus on small office and home office ("SOHO") businesses. PI's VOIP service is built on a proprietary software platform that is robust, scalable and cloud-based. The Company's primary offering is its "Virtual Office," which provides numerous services to SOHO's including: an 800 telephone number, unlimited extensions, auto-attendant, voicemail, internet fax, call transfer and conferencing. PI is seeking a $600,000 loan for working capital needs including marketing and product development.

APPROVAL REQUEST:

Approval is requested for a $600,000 loan as proposed.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $600,000

TERMS OF LOAN: Interest rate of 6.1% with a 12-month interest-only period followed by a 48-month term and amortization.

PROJECT COSTS:

Growth Capital	$1,200,000
Finance fees	$8,000
TOTAL COSTS	$1,208,000

JOBS: At Application 6 Within 2 years 18 Maintained 0 Construction 0

DEVELOPMENT OFFICER: M. Wiley **APPROVAL OFFICER:** S. Brady

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: Celldex Therapeutics, Inc./Celldex Research Corp. (Celldex P37665

PROJECT LOCATION: 6 State Road 173 Clinton Township (N) Hunterdon County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Celldex Therapeutics, Inc. (Celldex), a public company traded on the NASDAQ, is a biopharmaceutical company focused on the development and commercialization of several immunotherapy technologies for the treatment of cancer and other difficult-to-treat diseases. The applicant has a pipeline of drug candidates based on its antibody focused Precision Targeted Immunotherapy (PTI) Platform. Celldex currently has 6 ongoing global clinical trials, with 3 in Phase II and III studies. Should the results of the Phase III trials for rindopepimut to treat brain tumors prove successful, the applicant is anticipating "fast track" approval by the FDA in 2014, with revenues from commercialization in 2015. The applicant was founded by Anthony Marucci in 2004 as a subsidiary of Medarex, and spun out as an independent private company in October 2005 with the asset acquisition of several biotech companies. Since 2010, the applicant has raised approximately $80 million to support its research and clinical trials. The applicant is economically viable.

Celldex has participated in our Technology Business Tax Certificate Transfer Program since 2010. At the September 2012 Board meeting Celldex will be recommended for approval to sell tax credits. The Technology Business Tax Certificate Transfer Program requires successful applicants to remain in NJ for 5 year from the time of selling their tax credits. The applicant is aware of this and is committed to retain the 21 current jobs in NJ. These jobs are not eligible for a BEIP grant.

MATERIAL FACTOR:

Celldex is seeking a BEIP grant to create 110 jobs in Clinton, NJ as it evaluates consolidating its operations. The applicant has corporate headquarters and manufacturing facilities in Needham, MA, Fall River, MA, New Haven, CT and a research and development facility in Phillipsburg. Also under consideration is consolidating at the Needham facility. Project costs are estimated to be $13.3 million. Management has indicated that a favorable decision by the Authority to award the BEIP grant is a material factor in the company's decision to expand employment in New Jersey. The Authority is in receipt of an executed CEO certification that states the applications have been reviewed and the information submitted and representations contained therein are accurate.

APPROVAL REQUEST:

PERCENTAGE: 65%
TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Celldex Therapeutics, Inc./Celldex Research Corp. 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: $ 3,934,287
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 21

ELIGIBLE BEIP JOBS: **Year 1** 40 **Year 2** 70 **Base Years Total =** 110
ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: $35,766
ANTICIPATED AVERAGE WAGES: $125,000

ESTIMATED PROJECT COSTS: $13,300,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $6,052,750

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $5,144,837

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

CONSTRUCTION: (X) Yes ( ) No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP:(X) Domestic ( ) Foreign

DEVELOPMENT OFFICER: S. Royster **APPROVAL OFFICER:** M. Krug

Applicant : Celldex Therapeutics, Inc./Celldex Research Corp. **Project # : P37665**

FORMULA EVALUATION

Criteria		Score
1. Location:	**Clinton Township**	**N/A**
2. Job Creation	**110**	**2**
	Targeted : X Non-Targeted : ____	
3. Job at Risk:	**0**	**0**
4. Industry:	**Biotechnology**	**2**
	Designated : X Non-Designated : ____	
5. Leverage:	**3 to 1 and up**	**2**
6. Capital Investment:	**$7,975,000**	**2**
7. Average Wage:	**$ 125,000**	**4**
	TOTAL:	**12**

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

Total Bonus Points: **20 %**

Total Score :

Total Score per formula:	**12 = 40 %**
Construction/Renovation :	**5 %**
Bonus Increases :	**20 %**
Total Score (not to exceed 80 %):	**65 %**

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

APPLICANT: Everite Machine Products Co and Affiliates P37673

PROJECT LOCATION: TBD Locations Unknown (N) Unknown County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Founded in 1951 and headquartered in Philadelphia, Pennsylvania, Everite Machine Products Co is a pioneer in electrochemical machining. This provider and manufacturer of engineered precision machined parts and burr-free machine tools currently has a total of 38 employees, including corporate staff, in two Philadelphia manufacturing facilities. The group is planning to consolidate these two Philadelphia based plants along with corporate staff into a new world class facility. The management of the group is currently evaluating facilities that would meet its needs. The relocation will also complement their expansion and growth plans. The Applicant expects to employ 100 people in the first 2 years in New Jersey. The Applicant is economically viable.

In the event that this Applicant chooses a location that is eligible for bonus scoring, the BEIP score may increase up to 80%, at which percentage an estimated amount of the grant would be $1,154,320 over the term of the grant.

MATERIAL FACTOR:

The Applicant is seeking a BEIP grant to support creating 100 permanent, full-time positions in New Jersey within the first two years. The company has submitted a cost benefit analysis comparing the cost of similar facilities in New Jersey and Pennsylvania. The company has represented that a favorable decision by the Authority to award the BEIP grant is a material factor in the Applicant's decision to go forward with the project. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate. The Authority staff recommends the award of the proposed BEIP grant.

APPROVAL REQUEST:

PERCENTAGE: 35%
TERM: 10 years

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

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $ 505,015
(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** 58 **Year 2** 42 **Base Years Total =** 100

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: $5,050

ANTICIPATED AVERAGE WAGES: $56,600

ESTIMATED PROJECT COSTS: $1,115,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $1,442,900

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $1,659,335

PROJECT IS: (X) Expansion (X) Relocation Philadelphia, PA

CONSTRUCTION: (X) Yes ( ) No

PROJECT OWNERSHIP HEADQUARTERED IN: Pennsylvania

APPLICANT OWNERSHIP:(X) Domestic ( ) Foreign

DEVELOPMENT OFFICER: J. Kenyon **APPROVAL OFFICER:** D. Sucsuz

Applicant : Everite Machine Products Co and Affiliates **Project # : P37673**

FORMULA EVALUATION

Criteria		Score
1. Location:	**Locations Unknown**	**N/A**
2. Job Creation	**100**	**2**
	Targeted : ______ Non-Targeted : **X**	
3. Job at Risk:	**0**	**0**
4. Industry:	**industrial/electrical equipment**	**0**
	Designated : ______ Non-Designated : **X**	
5. Leverage:	**3 to 1 and up**	**2**
6. Capital Investment:	**$1,115,000**	**1**
7. Average Wage:	**$ 56,600**	**3**
	TOTAL:	**8**

Bonus Increases (up to 80%):

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

Total Bonus Points: **0 %**

Total Score :

Total Score per formula:	8 = **30 %**
Construction/Renovation :	**5 %**
Bonus Increases :	**0 %**
Total Score (not to exceed 80 %):	**35 %**

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

APPLICANT: Real Estate Mortgage Network, Inc. P37668

PROJECT LOCATION: To be determined Locations Unknown (N) Unknown County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:
Real Estate Mortgage Network, Inc., ("REMN"), incorporated in 1991 and headquartered in New Jersey, is a national direct mortgage lender serving the lending needs of home buyers, home owners, real estate professionals and builders across the country by raising more than $30 million in capital to pursue an increased market share of mortgage lending. REMN attributes its success to strong relationships with realtor and builder partnerships and repeat customers. REMN is currently headquartered in Edison, NJ with 787 employees throughout the country, 407 in New Jersey. REMN is in good standing with the Dept. of Banking and Insurance. The applicant is economically viable.

MATERIAL FACTOR:
REMN is looking at various options to relocate its corporate headquarters as well as support future growth plans upon expiration of its lease early next year. The company is looking at various options in either New Jersey or Rockland County, NY. The company is seeking a BEIP grant to create 82 jobs in New Jersey as well as a BRRAG for the retention of 204 employees. Management has indicated that the grants will be a material factor in the company's decision to go forward with the project. The Authority is in receipt of 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:** 45%
TERM: 10 years

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

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $ 587,633
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 407

ELIGIBLE BEIP JOBS: **Year 1** 32 **Year 2** 50 **Base Years Total =** 82

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: $7,166

ANTICIPATED AVERAGE WAGES: $60,000

ESTIMATED PROJECT COSTS: $1,952,500

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $1,305,850

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $1,371,143

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

CONSTRUCTION: (X) Yes ( ) No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: (X) Domestic ( ) Foreign

DEVELOPMENT OFFICER: J. Kenyon **APPROVAL OFFICER:** T. Wells

Applicant : Real Estate Mortgage Network, Inc. Project # : P37668

FORMULA EVALUATION

Criteria		Score
1. Location:	Locations Unknown	N/A
2. Job Creation	82	2
	Targeted : _______ Non-Targeted : X	
3. Job at Risk:	204	2
4. Industry:	Financial services	2
	Designated : X Non-Designated : _______	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	$1,202,500	1
7. Average Wage:	$ 60,000	3
	TOTAL:	12

Bonus Increases (up to 80%):

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

Total Bonus Points: 0 %

Total Score :

Total Score per formula:	12 = 40 %
Construction/Renovation :	5 %
Bonus Increases :	0 %
Total Score (not to exceed 80 %):	45 %

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

APPLICANT: Real Estate Mortgage Network, Inc. P37669

COMPANY ADDRESS: 499 Thornall Street Edison Middlesex County

PROJECT LOCATION: To be determined

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

APPLICANT BACKGROUND:
Real Estate Mortgage Network, Inc. ("REMN"), incorporated in 1991 and headquartered in New Jersey, is a national direct mortgage lender serving the lending needs of home buyers, home owners, real estate professionals and builders across the country by raising more than $30 million in capital to pursue an increased market share of mortgage lending. REMN attributes its success to strong relationships with realtor and builder partnerships and repeat customers. REMN is currently headquartered in Edison, NJ with 787 employees throughout the country, 407 in New Jersey. The company is in good standing with the NJ Dept. of Banking and Insurance.

MATERIAL FACTOR/NET BENEFIT:
REMN is looking at various options to relocate its headquarters as well as support future growth plans upon expiration of its lease early next year. REMN is comparing new space in New Jersey and Rockland County, NY. The company is seeking a BEIP grant to create 82 jobs in New Jersey as well as a BRRAG for the retention of 204 employees. Management has indicated that the grants will be a material factor in the company's decision to go forward with the project. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate. The applicant has demonstrated that the grant of these tax credits will result in a net benefit to the State of $21.8 million.

APPROVAL REQUEST: **TAX CREDIT TERM:** 1 year
COMMITMENT DURATION: 6 years

The Members of the Authority are asked to approve the proposed BRRAG benefit to Real Estate Mortgage Network, Inc. to encourage the company to remain in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award amount and the term. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount and the term that corresponds to the actual criteria that have been met.

CONDITIONS OF APPROVAL:
1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in NJ unless the applicant had a pre-application meeting with the Authority during the grandfathering period.
2. If the applicant enters into a lease for the project site, the term of the lease will be no less than 8 years exclusive of any renewal options.
3. Expenditures totaling at least twice as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before February 28, 2013 in order to remain eligible for the bonus award.
4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.

5. If the applicant remains in a location at which it currently operates, expenditures totaling at least as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before February 28, 2013.

END OF APPLICANT'S FISCAL YEAR:		December 31
CAPITAL INVESTMENT MUST BE MADE BY:		February 28, 2013
SUBMISSION DATE OF CPA CERTIFICATION:		June 15, 2013
TOTAL ESTIMATED GRANT AWARD OVER TERM:	$	459,000
APPLICANT TAX PERIOD 1 APPROVAL (2013):	$	459,000
ELIGIBLE BRRAG JOBS:		204
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	$	1,500
BONUS AWARD PER EMPLOYEE:	$	750
TOTAL YEARLY TAX CREDITS INCLUDING BONUS:	$	2,250
ANTICIPATED AVERAGE WAGES:	$	60,000
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	$	12,240,000
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 6 YRS:	$	1,949,220
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$	1,202,500
OPERATED IN NEW JERSEY SINCE:		1991

PROJECT IS: (X) Expansion (X) Relocation
CONSTRUCTION/RENOVATION: (X) Yes ( ) No
DEVELOPMENT OFFICER: J. Kenyon **APPROVAL OFFICER**: T. Wells

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

APPLICANT: Spectrum Laboratory Products, Inc. P37678

PROJECT LOCATION: 755/769 Jersey Ave. New Brunswick City (T/UA) Middlesex County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Spectrum Laboratory Products, Inc. (Spectrum) dba Spectrum Chemical Manufacturing Corporation, formed in 1971, is a distributor of high purity specialty chemical products and laboratory equipment for research and development, biochemical, medicinal chemistry and general laboratory use. Through various distribution agreements Spectrum has access to over 40,000 unique chemicals and one of the most comprehensive lists of organics. The applicant repackages bulk product into small quantities and distributes the chemicals from warehousing facilities in NJ, California, Arizona and China. All of Spectrum's worldwide facilities are ISO 9001 certified, and the New Jersey and California plants are FDA registered drug establishments and operate under current Good Manufacturing Practices. Included among the applicant's customers are Glaxo, Smith Kline, Mylan Pharmaceuticals, VWR International, 3M Corp and Dupont. The applicant is economically viable.

MATERIAL FACTOR:

Spectrum is seeking a BEIP grant to support moving 30 administrative jobs from its California and Arizona facilities to NJ. At present the applicant has 55 employees in NJ, 130 in California, and 10 in Arizona. They will close the Arizona office in 2013, when the lease expires, and consolidate the 10 administrative positions in either NJ or California. The NJ facility is 105,000 s. f. and California is 110,000 s. f. Should the applicant not receive the BEIP grant, Spectrum anticipates moving 20 jobs from NJ to California. Project costs are estimated to be $1,050,000. Management has indicated that a favorable decision by the Authority to award the BEIP grant is a material factor in the company's decision to move to New Jersey. The Authority is in receipt of an executed CEO certification that states the application has been reviewed and the information submitted and representations contained therein are accurate.

APPROVAL REQUEST:

PERCENTAGE: 80%
TERM: 10 years

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

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $ 276,600
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 55

ELIGIBLE BEIP JOBS: **Year 1** 15 **Year 2** 15 **Base Years Total =** 30

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: $9,220

ANTICIPATED AVERAGE WAGES: $50,000

ESTIMATED PROJECT COSTS: $1,050,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $345,750

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $245,025

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

CONSTRUCTION: (X) Yes ( ) No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP:(X) Domestic ( ) Foreign

DEVELOPMENT OFFICER: J. Kenyon **APPROVAL OFFICER:** M. Krug

Applicant : Spectrum Laboratory Products, Inc. Project # : P37678

FORMULA EVALUATION

Criteria		Score
1. Location:	New Brunswick City	N/A
2. Job Creation	30	1
	Targeted : ______ Non-Targeted : X	
3. Job at Risk:	20	0
4. Industry:	other manufacturing	0
	Designated : ______ Non-Designated : X	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	$1,050,000	1
7. Average Wage:	$ 50,000	2
	TOTAL:	6

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan or, existing building(s) that have been 100% vacant for 12 months.	20%	20%
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs, or, existing building(s) that have been 100% vacant for 12 months.	30%	
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	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%	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%	
Innovation Zone	5%	5%

Total Bonus Points: 55 %

Total Score :

Total Score per formula:	6 = 25 %
Construction/Renovation :	5 %
Bonus Increases :	55 %
Total Score (not to exceed 80 %):	80 %

(beip_eval1.frx)

ECONOMIC REDEVELOPMENT AND GROWTH (ERG) PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Caren S. Franzini
Chief Executive Officer

Date: September 13, 2012

RE: **DGMB Casino, LLC**
Economic Redevelopment and Growth Grant Program

Request

The Members are asked to approve the application of DGMB Casino, LLC ("DGMB" or the "Applicant"), which is primarily under the ownership and control of Morris Bailey, who through an affiliated entity with partner Dennis Gomes, purchased Resorts Casino Hotel ("Resorts") in December of 2010. The Applicant is requesting a reimbursement of certain taxes for an Atlantic City, Atlantic County retail project under a "state incentive grant" by the EDA pursuant to the Economic Redevelopment and Growth Grant ("ERG") program set forth in N.J.S.A. 52:27D-489c ("Act").

The total project costs (which are entirely eligible) are estimated to be $43,236,660. The total costs under the ERG Act (after deducting state grants) are **$40,362,958** ("net project costs"). The recommended reimbursement is up to **$5,055,556** (which equates to approximately **12.53%** of the net project costs).

Project Description

DGMB is proposing a new development known as Margaritaville at Resorts ("MR" or the "Project") located at 1133 and 1100 Boardwalk in Atlantic City. The Project consists of approximately 150,000 square feet (65% renovated space and 35% newly created space). Margaritaville is a restaurant and retail lifestyle brand with a very desirable demographic and nationwide awareness. Margaritaville has been successful in attracting customers to destinations including competitive gaming markets. Singer Jimmy Buffet established his first Margaritaville restaurant and store in 1987 in Key West and now has sixteen locations (including Orlando, New Orleans, Nashville, Las Vegas, Honolulu, Pensacola, Myrtle Beach, Panama City, Glendale and at the Mohegan Sun site in Uncasville, CT. The lease agreement with Margaritaville is contingent upon $17.5 million in State assistance (which would include the Authority ERG approval and approximately $12.5 million in funding from the Casino Reinvestment Development Authority ("CRDA"). This major strategic investment by Resorts would leverage existing destination assets (casino, hotel, beachfront) with the ability to drive increased visitation from the major metropolitan areas in the northeast.

There are several components to the Project:

1] Margaritaville Café – along the boardwalk frontage of Resorts this will be a renovation which when completed will seat 388 patrons indoors and 66 beneath the arcade along the boardwalk frontage. This restaurant is 8,890 square feet and includes an atrium ceiling created by removal of the existing floor structure.

A] The kitchen will be 3,570 square feet with new equipment.

B] Margaritaville Retail Shop – fronting the main entry hallway from the boardwalk into Resorts containing 1,815 square feet and selling branded Margaritaville products.

C] Margaritaville Blue Mountain Coffee – 965 square feet serviced from the kitchen and fronting on the main interior hallway of Resorts lobby.

Other components include:

i] Asian Noodle Bar – 2,250 square feet existing restaurant to be re-themed as Margaritaville element.

ii] Southwest corner shop of 1,860 square feet will be renovated as promotional and retail.

iii] The existing Asian gaming area will receive a new floor, wall and ceiling finishes and theming elements related to Margaritaville.

iv] The main entry hall from the boardwalk to the Casino will receive new finishes and theming characteristics for consistent Margaritaville experience.

v] 5 O'Clock Somewhere Bar – 1,833 square feet with 30 seats and perimeter standing area located at the center of the main isle in the Casino. The bar is elevated approximately fourteen inches above the gaming floor.

vi] New food court with up to five stations seating 104 patrons. Square footage (includes seating, kitchen and front/disbursing) is approximately 6,500.

2] Landshark Pier (formerly the Steeplechase Pier) – 17,473 square feet of new space located at the boardwalk and extending out 200 feet towards the ocean. The deck of the pier is four feet above the height of the boardwalk. Components include:

A] Landshark Bar and Grill – 6,355 square feet (seating for 180 inside, plus kitchen and restrooms).

B] Landshark Surf Shop – 2,100 square feet selling branded items.

C] Exterior deck with 116 seats beneath roof overhang/canopy with another 80 seats uncovered (anticipated usage is 100 days per year similar to D] hereafter).

D] Outdoor recreation area – 35,000 square feet for volley ball, bocce, beach bar, temporary kitchen, restrooms, landscaping, dance and seating areas.

The Project is expected to commence renovations/construction in September of 2012 with completion by May 30, 2013.

Resorts is located on six acres of property with frontage to the boardwalk. The facility dates back to 1868 (formerly Haddon Hall) and was New Jersey's first casino opening on May 26, 1978. Today the resort has 924 guest rooms in two towers with 100,000 square feet of gaming, 1,350 seat show room, six restaurants, salon, health club, retail shops and 39,000 square feet of convention space. Resorts has 1,400 employees.

This property has been experiencing poor results for the past several years. Resorts was acquired by Colony Capital LLC for $140 million in 2001 and was refinanced for $301 million in 2006 before being taken over by the lenders in December of 2009 after the owners defaulted on the mortgage. It has been reported that Resorts lost a total of $50 million in 2009 and 2010. Under the current ownership, the business incurred a loss of $17 million in 2011 and $6.7 million for the first six months of 2012 (losses have been funded by additional owner contributions). Resorts' new owners rebranded the property in 2011 by introducing the Roaring 1920's theme (which attempts to capitalize on the popularity of the HBO series Boardwalk Empire which was inspired by Prohibition-era Atlantic City). Cost cutting initiatives and hotel room makeovers have been implemented as strategic improvements to the property in an effort to reverse operating losses.

Upon completion of this Project there is expected to be 171 new, full time, direct jobs along with 125 part time jobs (plus another 209 construction jobs). New employee wage compensation is projected at $3.9 million annually (average salaries are approximately $23,245). The project is also anticipated to generate more than $2.2 million in annual local and State taxes.

The Applicant is not seeking construction financing as the expectation is to completely equity fund the Project (they are pursuing monetization of the ERG) and is consistent with the capital structure the current owners used when they acquired Resorts.

Project Ownership

DGMB Casino, LLC was formed in August of 2010 and effective December 7, 2010 acquired (certain assets and assumed certain liabilities) Resorts for $31.5 million in cash. DGMB owns the property and operates Resorts Casino Hotel (and is holder of a permanent gaming license by the Casino Control Commission or "CCC") and is owned 100% by DGMB Casino Holding, LLC (99.5%) and DGMB Casino SPE Corp. (0.5%). In July of 2012, Dennis Gomes (who passed away in February of 2012) had his 25% interest in DGMB Casino Holding, LLC acquired by JEMB Resorts, LLC (which now owns 100%). Morris Bailey (via several related persons and trusts) is the primary manager and owner of JEMB Resorts, LLC. In August of 2012 a new investor, Mohegan Tribunal Gaming Authority (which reported will own approximately 10% subject to approval by the Division of Gaming Enforcement ("DGE") and CCC as well as take over management and marketing of Resorts) executed a consulting agreement and plans to execute a management agreement subject to approval by DGE and CCC with the detail being negotiated (and expected to be approved and finalized by the end of 2012).

JEMB Resorts, LLC is related to JEMB Realty Corp. which operates as a New York based real estate developer which reported total assets of $4 billion. JEMB Realty and an affiliate entity, BUSAC, operate office towers, shopping centers, residential complexes and industrial properties totaling in excess of 6 million square feet in the US and Canada. Mr. Bailey has been in real estate development for over 20 years after owning numerous businesses (including over 50 Burger King restaurants locations in NJ).

Project Uses

Uses/Costs	*Total Project Costs*	*ERG Eligible Project Costs*
Renovations (1)	$ 28,361,262	$ 28,361,262
New Construction	$ 7,297,736	$ 7,297,736
Professional Services	$ 3,428,219	$ 3,428,219
Furniture & Equipment	$ 792,419	$ 792,419
Soft Costs	$ 3,357,024	$ 3,357,024
TOTAL USES	$ 43,236,660	$ 43,236,660
Less: Amount of State Grant	$ 2,873,702	$ 2,873,702
Net Project Costs (2)	$ 40,362,958	$ 40,362,958

(1) Included in the renovations cost figure above is $7,738,500 in costs associated with the food court located inside Resorts.

(2) While the entire $43,236,660 in project costs are eligible costs, when calculating the amount of the ERG, any amounts deemed state grants are subtracted. This project is receiving $2,873,702 in state grants (from CRDA under Atlantic City Expansion Fund which was approved in 2006 and will be allocated to the food court portion of the project). In addition, another $2,339,337 is coming from CRDA for façade improvements which was approved previously and **are not part of the project costs above**. Subtracting the $2,873,702 grant from the project costs of $43,236,660 leaves a balance of $40,362,958 as the basis for the ERG award. The Applicant is eligible for a maximum ERG of 20% of this figure or $8,087,572, however, an ERG of $5,055,556 (which equates to 12.53% reimbursement of net project costs) is being recommended for approval to be consistent with the Margaritaville lease contingency regarding materiality.

It is also noted that the project is receiving $12,843,750 (of which $343,750 represents a fee to CRDA) in additional funding from CRDA (from previously collected alternative investment funds that may be utilized for certain development projects). This item is not deemed state grant (with no payments due) as it has been contributed by and permitted to be rebated to the casino licensee. This funding was approved by CRDA board on August 21, 2012 for this Project. This CRDA funding is based solely on the Margaritaville portion of project costs of $35,498,160 (which excludes the food court portion of the project which is considered a separate project by CRDA and is receiving the previously mentioned grant of $2,873,702).

Project Sources

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

Sources	***Amount***
Applicant Equity	$ 18,871,876
CRDA Funding	$ 15,717,452
Debt	$ 8,647,332
TOTAL SOURCES	**$ 43,236,660**

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

Gap Analysis

EDA staff has reviewed the application of DGMC to determine if there is a project financing gap. This financing gap was determined by analyzing the Applicant's pro-forma and comparing the returns with and without the ERG. Based on guidance from the Applicant, it was assumed that the project would be able to attract financing for 20% of the development costs (at 9% interest and a 10 year amortization). For modeling purposes, staff utilized these assumptions as well as the developer's anticipated pro forma and projections (supported by an independent market study) of the project and compared the returns with and without the ERG over 10 years.

Without ERG	With ERG
Equity IRR 8.20% (Market Range = 15-20%)	Equity IRR 11.18% (Market Range = 15-20%)

As indicated in the chart above, the project would not otherwise be completed without the benefit of the ERG (and the CRDA subsidy). **With the benefit of the ERG and CRDA subsidy, the Equity IRR is 11.18% making the returns less than the market ranges provided by the EDA's contracted consultant Jones Lang Lasalle.** The additional revenue from the prospective ERG would enable DGMC to move forward with the project.

Net Positive Benefit Analysis

The Authority has conducted the required Net Benefit Analysis and has found that the present value of the ongoing Net Positive Benefits to the State at a 6% discount rate over a 20 year period is $11.2 million. Calculating only 10 years of Net Positive Benefits to the State at a 6% discount rate (to match the initial term of the lease with Margaritaville) the figure is $6.4 million which is sufficient relative to the proposed ERG incentive amount. An additional $801,000 in one time net benefits is also generated by the project based upon the construction related costs, jobs and multipliers.

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

66% of all the incremental annual corporate business tax and incremental gross income tax was considered in calculating the Net Benefits for the DGMC project because the majority of jobs are in the retail trade sector. The third party feasibility study concludes that the Margaritaville Project is a destination. The CRDA approval references the Project as having destination status; however, solely for the purposes of calculating the net benefits to the State, staff took the conservative approach and excluded all the sales taxes that will be generated by the Project. Therefore, it is assumed that there will be no additional new sales tax benefits to the State.

Other Statutory Criteria

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

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

According to the information provided in the market feasibility study prepared by an independent firm (Morowitz Gaming Advisors), the total revenues anticipated for this Project is approximately $20 million annually (including $2.3 million from the food court) with rental income to DGMB at 10% of sales. The sales per square foot figures, average customer spend per visit and capture rates are based on actual results generated by existing comparable size Margaritaville locations. The return on investment to the Applicant without the benefit of an incentive like the ERG is nominal as demonstrated by IRR being dramatically below the market level. The benefit of the ERG payments increases the return to a level still below market but acceptable for DGMB to proceed with this Project. It is noted that the expected annual visitors to the Project of 455,000 includes 210,000 of incremental trips (of which 60% will come from residents outside of New Jersey). There is clearly a likely benefit (in terms of greater visits and spending) to both the existing Resorts Casino as well as other properties in Atlantic City as a result of the customers which will visit this new venture. The market study classifies the Project as a destination (however the Authority's net benefit analysis does not include any sales tax in its calculation) and there are still expected to be sufficient net benefits to New Jersey relative to the proposed incentive award. Spending by incremental visitors is estimated at over $67 million which includes $41 million from out of state visitors.

The members of this Project's development team have extensive experience managing casino and real estate properties. The sales figures projected by the Project are above the typical ranges for restaurant/retail projects reviewed by the Authority; however they are within the ranges generated by other Margaritaville locations. If these levels are achieved then the taxes generated would enable the Applicant to receive the full ERG grant within approximately six years (noted that the Applicant has up to 20 years to receive ERG payments should the actual taxes be less than projected). But for the prospect of securing an ERG and CRDA funding to incentivize the development of MR, the Applicant would not proceed with the project at this time.

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

The MR project is needed to help stem the continuing decline in visitors and revenues that have plagued the Atlantic City gaming market since its peak in 2006. Gaming revenues reached $5.2 billion in 2006 and have fallen each year thereafter to $3.3 billion in 2011 (estimate for 2012 is $3.18 billion). Atlantic City was the first jurisdiction after Nevada to implement casino style gaming and for several years enjoyed a monopoly in the northeast (and annual growth gains up until 2006). Fortunes of Atlantic City have been declining due to the combined effect of four specific factors including increased competition from neighboring states, a partial smoking ban, the increase in tolls on the Garden State Parkway and Atlantic City Expressway and the reductions in consumer spending due to the general recession of 2008-2009 and rise in gasoline prices over the last few years. Employment at the casinos continues to fall peaking at 50,000 in 1997 with 2011 figure of 33,000. Likewise valuations and profitability has declined precipitously.

The Authority has received a market feasibility study performed by an independent third party that indicates the ability of this Project to attract the level of visitors and spending patterns of the target market to achieve the results in the Applicant's sensitized pro forma financial model. The study reviewed the Project in the context of Atlantic City and its recent trends as a gaming and entertainment destination. The market for additional non gaming amenities in Atlantic City and Resorts specifically was analyzed. The study reviewed the Margaritaville brand and how it will fit as a destination asset in Atlantic City. Lastly, the study quantifies the incremental spending in Atlantic City by Margaritaville patrons and the direct impacts on tax receipts to Atlantic City and New Jersey. There are over 37 million adults within 240 miles of Atlantic City (which is considered the drive-in primary market for the proposed project) and annual visitors are 28 million. The city has critical mass of assets and attractions (airport, restaurants, piers, shopping, hotels, casinos, convention center, boardwalk, good road network etc.) however infrastructure is old coupled with negative perception of the town.

The Project is consistent with Boardwalk and Beach section of the Tourism District Master Plan ("TDMP") as updated February 1, 2012 in conjunction with CRDA which seeks to re-activate the Tourism District where the proposed Project is located. The introduction of the Margaritaville brand to the Boardwalk experience will clearly activate the area and help transform the boardwalk into an entertainment street. The proposed upgraded facades, lighting and landscaping plus the addition of the Landshark Pier are exactly the uses targeted as well as design principals sought by the TDMP.

The feasibility study outlined the steady decline of Atlantic City and what steps are necessary to stabilize the region. The 200 mile radius restriction for new Margaritaville locations has been conceptually agreed to and will enable this Atlantic City location to attract Pennsylvania based visitors (which has the third highest concentration of Margaritaville's database customers).

Atlantic City reported an unemployment rate of 12.9% for the most recently reported month of June 2012 and Atlantic County's unemployment rate was 12.8% for the same month. Both of these figures are significantly above the State of New Jersey's 9.6% unemployment rate reported in June of 2012 and the 8.2% rate for the entire US at the same date. The jobs created as a result of this project will provide important employment opportunities for local residents. The project will generate approximately 171 new, full time, direct jobs upon completion, as well as 125 part time and 209 temporary construction jobs. Sales tax generation by this Project is estimated at $1.3 million annually along with one time construction materials tax generation from the Project estimated at $162,000 (as well as annual incremental real estate taxes of $275,000, luxury taxes on liquor of $210,000 and payroll taxes of $158,000).

Recommendation

Authority staff has reviewed the DGMB Casino, LLC application and finds that it is consistent with eligibility requirements of the Act. The Treasury has reviewed the application and notified the Authority of the adequacy of the project's estimated tax revenues and specified the percentage reimbursement of total project costs. Therefore, contingent on Treasury's approval, it is recommended that the Members approve the application and authorize anyone authorized under

EDA's operating authority to execute an Incentive Grant Agreement with the Applicant and the State Treasurer, subject to final review and approval of the Office of the Attorney General. All disbursements under the ERG program are subject to annual appropriation by the New Jersey State Legislature.

Closing of the Incentive Grant Agreement and the reimbursement of any taxes is contingent upon DGMB Casino, LLC and affiliates meeting the following conditions regarding the Project:

1. The State Treasurer's approval of the ERG Grant; and
2. Copies of all required State and federal government permits, copies of all local planning and zoning board approvals and evidence of site control for the redevelopment Project; and
3. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant in its application to the Authority for the ERG.

Reimbursement shall commence upon:

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

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

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

Total Eligible Project Costs (after subtracting state grants): $ 40,362,958.

Eligible Taxes for Reimbursement: Sales and other eligible taxes not to exceed $5,055,556 over 20 years.

Recommended Grant: Not to exceed **$5,055,556 to be paid over a maximum period of 20 years (estimated at 12.53% of net project costs).**

Prepared by: Michael A. Conte

URBAN TRANSIT HUB TAX CREDIT PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: September 13, 2012

SUBJECT: **Haddon Avenue UTH Limited Liability Company**
Urban Transit Hub Tax Credit Program

Request

The Members are asked to approve the Urban Transit Hub Tax Credit ("UTHTC") program application for Haddon Avenue UTH Limited Liability Company (the "Applicant") under P.L. 2007, c.346, P.L. 2008, as amended on July 26, 2011, as the master tenant in the proposed new mixed use project on an eligible site, with at least 250 employees, in Camden, New Jersey for a tax credit in the amount up to \$50,306,363 or \$5,030,636 annually for 10 years. This amount represents 80% of the cumulative net benefits nominal value of \$62,882,953 (as the Applicant does not anticipate creating 200 new full-time jobs at the site). The Project's total cost is \$76,168,568 and eligible cost is \$71,189,790. The net benefits to the State are calculated over 20 years.

Project Description

The Applicant is developing approximately 20 acres of blighted industrial property adjacent to the Ferry Avenue PATCO Station, along Haddon Avenue in Camden, New Jersey.

The Applicant is undertaking the redevelopment of this site into a 345,000 square foot mixed use development (the "Project"), which will include the following components:

- ***Retail*** – The project will include approximately 66,000 square feet of leasable retail space. This will consist of 55,000 square feet allocated to a grocery store. The applicant has negotiated an LOI with The Fresh Grocer, a regional grocery retailer, which will include an ownership interest in the Applicant. Currently, Camden is one of 134 food deserts identified by the USDA in which there is limited access to a supermarket or large grocery store. There are only three full service grocery stores in Camden currently, which are not necessarily accessible by residents with limited transportation and may not provide a wide selection of fresh options to urban residents.

In addition, the retail component will also consist of approximately 11,000 square feet of other, smaller retail space which will be located at the ground level of the office and garage facilities.

- ***Office*** – The project will include approximately 34,000 square feet of office space, which will be occupied by OLL Transit Village LLC, an affiliate of Our Lady of Lourdes Care Services Inc. ("OLL") as a tenant/co-owner of the property.

- ***Parking*** – The project will include 245,000 square feet of structured parking, providing 700 parking spaces.

The Applicant and its affiliates anticipate employing 1,992 full-time and part time employees at the new facility, which includes the current OLL facilities within the complex. This includes the addition of 37 new full-time employees and 205 new part-time employees in the grocery and garage space. It also includes the relocation and consolidation of 120 full-time employees from existing OLL facilities in Haddon Heights and Delran to the new facility, and the transfer of 130 full-time employees from the existing OLL facility in Camden to the new facility. Finally, it includes 1,200 full-time employees and 300 part-time employees which currently exist at the existing OLL facilities and will remain within the complex.

In addition to the above Project, the Applicant also anticipates the development of additional future projects which will include 80,000 square feet of industrial space and a residential component which will create approximately 115 units of housing near the Project site. It is anticipated that this will add an additional $33 million of investment near the Project site.

The Applicant has applied for the UTHTC to make the project financially viable. The Project Site has been verified to be in an eligible municipality and is located within one mile of the Ferry Avenue PATCO station.

Under the UTHTC rules, the Applicant must employ at least 250 full time employees at the Project Site by January 13, 2016, and they anticipate meeting this requirement when the Project is completed at the end of 2013. The estimated total capital investment in the project is $76,168,568. The eligible capital investment is $71,189,790 which does not include land costs and other ineligible costs. The Authority recommends approval of this project for a tax credit in an amount up to $50,306,363 based on the results of the net benefit analysis and qualifying cost breakdown. The Applicant expects to commence construction in March 2013 and be complete in April 2014.

Project Ownership

The ownership structure of Applicant is complex as it includes several tenants, owners, developers and financing partners. Much of the structure is required in order to accommodate New Markets Tax Credit financing. The Applicant is the master tenant of the developer and owner of the Project, Haddon Avenue Transit Partners Urban Renewal LLC (the "Developer"). The Developer, CCIA Haddon Garage LLC (anticipated to be owned by Camden County Improvement Authority), OLL Transit Village LLC (anticipated to be owned by OLL) and Camden Foods LLC (anticipated to be owned by The Fresh Grocer, the grocery operator, through a holding company to be determined) will each own an anticipated 22.5% interest in Haddon Avenue UTH Holdings LLC, which will in turn own 90% of the Applicant. Haddon Transit Partners Holdings LLC ("Grapevine/CFP"), which is indirectly owned by Grapevine Capital Ventures LLC ("Grapevine") and Coopers Ferry Partnership, will own an anticipated 9.99% of the Applicant. The remaining 0.01% interest of the Applicant is anticipated to be owned by Goldman Sachs or an affiliate in connection with its financing of the Project. The final ownership structure, if different, will be required to satisfy all program requirements.

Land for the grocery retail component is currently owned indirectly by Grapevine and will be conveyed to Grapevine/CFP, which anticipates ground leasing the property to the Developer for 60 years. Land for the office component is currently owned by OLL, which anticipates ground leasing the property to Grapevine/CFP through a 32 year ground lease with an affiliate. OLL, with board approval, has executed a Ground Lease Term Sheet indicating the intended terms of the transaction. Grapevine/CFP will then ground lease the office property to the Developer for an anticipated 32-year term. The Developer anticipates entering into one or two 32-year master leases with the Applicant for the office and grocery property. The grocery operator has executed a Letter of Intent to lease the grocery property for a 30 year sublease and then a 10 year direct lease. OLL, with board approval, has executed a Letter of Intent for the Sublease of Office Space for a 15 year initial term with three 5-year renewal terms. Land for the parking component is also owned by OLL, who through an affiliate will ground lease the property to CCIA Haddon Garage, LLC, which will be owned by the Applicant and CCIA. CCIA and OLL, with board approval, have executed a Memorandum of Understanding documenting the terms of the transaction in which OLL will be the primary tenant in the garage through a 30-year parking reservation agreement. The Developer will be responsible for the construction of the grocery component and the office component and CCIA will oversee the construction of the parking garage. The land conveyance structure, if different, will be required to satisfy all program requirements.

Grapevine Capital Ventures LLC is a real estate investment and property development firm formed in 2007 and based in Moorestown, NJ that concentrates on sustainable downtown redevelopment projects, focusing on challenging urban centers. Coopers Ferry Partnership has been in operation for 25 years to revitalize Camden and has attracted $550 million of private and public investment to Camden including the following projects: L3 Communications complex, Susquehanna Bank Center, Victor Building and Campbell's Field. Coopers Ferry has also worked in partnership with many community organizations to develop and implement neighborhood plans that connect the residents of

Camden to the city's downtown, waterfront and anchor institutions. Our Lady of Lourdes Health Care Services, Inc. is a Regional Health Corporation that is primarily owned by Catholic Health East, which is a Catholic, multi-facility health system sponsored by nine religious congregations and Hope Ministries with more than $6 billion in assets. The Fresh Grocer, established in 1996, is a grocery store operator that focuses on establishing stores in urban areas and currently has seven grocery stores in the Greater Philadelphia area and one under construction in New Brunswick, NJ. Camden County Improvement Authority was created by Board of Chosen Freeholders of the County of Camden to provide within the County, public facilities, convention halls, equipment and facilities for transportation, aviation facilities, garbage and solid waste systems, the improvement, furtherance and promotion of tourist industries and recreational attractiveness and planning and carrying out of redevelopment projects. Goldman Sachs, founded in 1869 and headquartered in New York, is a global investment banking, securities and investment management firm with more than $900 billion in assets. The Applicant has demonstrated the financial ability to undertake the proposed project.

Project Budget for the 345,000 Square Foot Development:

Item	Total Development Cost	Eligible Capital Investment
Land, Site Work, Building Shell, Interior Construction, Grocery Equipment, Contingency and Parking	$42,649,524	$39,899,524
Architect & Engineering, Insurance, Legal, Developers Fee and Other Soft Costs	$10,116,044	$7,887,266
OLL Equipment Costs	$23,403,000	$23,403,000
TOTAL	**$76,168,568**	**$71,189,790**

The UTHTC eligible project costs above exclude land costs and other ineligible marketing and working capital costs. It includes equipment that will be purchased by OLL and will be housed in the existing facilities in the Project complex.

Sources of Funds for the 345,000 Square Foot Development:

Funding Source	Amount
Applicant's Equity Contribution	47,403,000
Mortgage Loan	6,574,599
Bond Financing	11,140,000
NMTC Equity	7,050,969
FF&E Loan	4,000,000
TOTAL	**76,168,568**

The Applicant's equity contribution includes approximately $23.4 million from OLL, $22.5 million from Goldman Sachs and $1.5 million from Grapevine. The Applicant has received a term sheet from Goldman Sachs indicating their intent to provide UTHTC equity investment, New Markets Tax Credits financing and mortgage financing for the project. Bond financing will be provided by CCIA in conjunction with the MOU for the development and financing of the parking garage.

Net Positive Benefit Analysis

Pursuant to the UTHTC rules, the Authority calculates the Net Positive Benefit of the project based on the new jobs to the state, unless the Applicant submits material facts to demonstrate the "at risk" nature of any relocated employees or the applicant is consolidating existing jobs from two or more locations in the State to the project facility and the business intends to employ not fewer than 500 full-time employees (including new, transferred, consolidated and existing employees within the complex) at the new facility. In this project, 120 hospital jobs are being consolidated from Delran and Haddon Heights to the Camden facility and therefore may be included in the net benefits test. From a net benefit perspective, there are 356 jobs measured in the analysis, which includes 36 new full-time retail jobs and 200 new part-time retail jobs in the grocery space, and 120 hospital jobs that will be relocated to Camden by OLL as part of a consolidation of business activities. The average annual salary of the retail and garage employees is $17,584. Although only salaries, and not employee benefits, were included in the net benefits analysis, part-time grocery store employees who work at least 15 hours per week are offered access to low cost medical insurance, life insurance and disability insurance after 90 days of employment. The employer pays a significant portion of these benefits for full time employees and certain part time employees. The average annual salary of the hospital employees included in the net benefits analysis is projected to be $55,000. The net benefit analysis did not include any other jobs at the Project site or in the complex.

The Authority conducted the required Net Benefit Analysis for this project based on 356 jobs at the Project site and has found that the cumulative net present value of the Net Positive Benefits to the state of New Jersey over 20 years is approximately $51 million using a 6% discount rate.This total Net Benefit to the State includes one-time construction costs associated with the proposed Camden facility, direct tax revenue (Sales Tax, Corporate Business Tax, Gross Income Tax, NJ wage taxes and Real Estate Tax) and the indirect tax revenue expected to be generated by the Project over 20 years. Sales Tax related to the urban grocery store space is included in projected benefits. This figure also includes $9 million in additional benefits as a result of the 25% bonus factor because the Applicant's employees are deemed urban grocery. Use of this bonus factor, approved in a June 8, 2010 memorandum to the Board, compensates for the fact that the low wage nature of grocery stores negatively skews the net benefit test for these projects. In addition, this figure is net of $1.3 million in anticipated State grants from the 5-4-3-2-1 Business Lease Incentive Program

Since the cumulative amount of net benefits to the State must have a 10% cushion, the net benefit figure of $51 million is reduced to $46 million. Converting the $46 million into a non-discounted or nominal value over ten years results in a maximum tax credit award of $62.9 million over ten years. Because the Applicant does not anticipate creating 200 new full-time jobs at the site, the maximum award of $62.9 million based on net benefits generated is reduced by 20%, resulting in a recommended award of $50,306,363.

After the approval of this project and other projects for consideration by the Authority today, the total amount of tax credits approved under the UTHTC Program will increase to $1,027,430,238. This total is comprised of $778,847,010 of credits for commercial UTHTC projects and $248,583,228 of credits for residential UTHTC projects. Also, the total combined credits approved under UTHTC and Grow New Jersey programs will increase to $1,417,110,238.

Recommendation

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

1] Application for a tax credit in a maximum amount estimated at $50,306,363, or 80% of final eligible capital investment, if lower. The NJEDA will provide the Applicant with an approval letter for the total amount of the credit of $50,306,363.

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

1) Site control
2) Site plan approval
3) Financing commitments
4) Other project specific items which may be added

Upon project completion, the Authority shall issue a tax credit certificate based on the final qualified costs, not to exceed the approved amount. The tax credit certificate shall indicate that the Applicant may take one tenth of the total credit annually over ten years when accompanied by a letter issued by NJEDA indicating the project is compliant with program guidelines. The Applicant will be required to maintain full time employment in each of the ten years of the tax credit period of at least 80% of the total Statewide employment as well as not reduce full time employment at all sites excluding the Project site by more than 20% or they shall forfeit tax credits in any year until such time as these thresholds have been re-instated.

Caren S. Franzini
Chief Executive Officer

Prepared by: Christine Caruso

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: September 13, 2012

RE: Urban Transit Hub Tax Credit Program (UTHTC)/GROW NJ Program – Report on Activity and Program Recommendations

Pursuant to the Members' request at the February 14, 2012 Board meeting, staff has undertaken a review of the UTHTC and GROW NJ program activity. This memorandum provides an overview of activity to date, as well as recommendations for the future administration of the program based upon the most recent legislative enhancements including the Grow NJ program, project pipeline review and staff analysis.

Program Activity

The UTHTC Act was originally signed into law in 2008, providing for an allocation of $1.5 billion of tax credits. The UTHTC has been amended several times since inception, including an amendment in 2012 to designate $200 million of the $1.5 billion in allocation for the GROW program. In July, 2012, the legislature approved the allocation of an additional $250 million in tax credits to the UTHTC program and Governor Christie signed the legislation into law on August 8, 2012.

The Grow NJ program was originally allocated $200 million in tax credits within the UTHTC and the law allowed the Board to increase the allocation. At the June 12, 2012 meeting, the Members approved removing the $200 million cap for GROW NJ and allowing for the use of the total remaining UTHTC allocation for both UTHTC commercial projects and GROW NJ projects in the order they are deemed complete and recommended for approval by the Members. In addition, $250 million was allocated by Board action towards residential projects, all of which have been approved by the Members. At the February, 2012 Board meeting, the Members approved the closure of the UTHTC residential portion of the program and the Authority is no longer accepting applications under this portion of the program.

Allocation Breakdown

As of August 14, 2012, the total tax credits approved under the UTHTC program are as follows:

UTHTC Commercial Projects:	$ 728,540,647
UTHTC Residential Projects:	$ 248,583,228
GROW NJ Projects:	$ 264,800,000
TOTAL APPROVED	$1,241,923,875

All of the approved commitments under UTHTC to date, including the GROW NJ program result in commitments of $1,241,923,875 against the $1.75 billion cap (see attached chart of approved projects). This results in an uncommitted allocation of $508,076,125.

Staff has reviewed all approved HUB Commercial and Residential projects and all GROW NJ projects and has confirmed, they are all currently meeting the Board conditions and project milestones indicated at approval and are moving forward at this time.

Approximately $386 million is anticipated to be considered in the next several months. This will leave approximately $122 million in available allocation under the UTHTC program.

Recommendations

1. Pursuant to the N.J.S.A. 34:1B-209.3 (the "Act"), the Authority is charged with monitoring the application and allocation activity, and if sufficient credits are available, may increase the amount of UTHTC allocation available for residential projects, in such amounts as deemed reasonable and justified, if the Executive Director judges certain residential projects to be meritorious. In determining the merits of residential projects, the Executive Director must take into account various factors as outlined in the Act, including, but not limited to, input from the municipality, whether the project furthers State and municipal planning goals, and whether the project furthers a public purpose such as catalyzing urban development. To provide assistance to projects which meet this criteria, Staff is recommending a competitive solicitation for residential projects which would utilize up to $100 million of the remaining UTHTC allocation. The solicitation will be scored to prioritize projects in those cities which continue to demonstrate financing challenges in the residential markets, as well as those that reflect community development legislative goals and are "ready to proceed" to catalyze development in the urban hub community. A Board memo is included in this agenda outlining the proposed scoring criteria and requesting approval by the Members of this solicitation in the

anticipation of releasing it to the public in early October, 2012, with awards anticipated in the first quarter of 2013.

2. Assuming the approval of the remaining UTHTC allocation in the next several months and the allocation of up to $100 million for a UTHTC residential competitive solicitation, the program has a remaining balance of approximately $22 million. Therefore, Staff recommends the UTHTC and GROW NJ programs accept applications to utilize the remaining allocation, along with any allocation returned to the program from approved projects, on a first come, first served basis as applications are deemed complete. Upon approval of the remaining allocation, staff recommends we stop accepting the UTHTC and GROW NJ programs applications, unless and until any additional allocation becomes available should projects fail to meet performance milestones. If any such allocation becomes available, Staff will provide a recommendation to the Members at that time.

Prepared by: Margaret Piliere

HUB AND GROW APPROVED PROJECTS AS OF 9/13/2012

Company	Location	Program	Total Investment	Jobs			Total Approved
				Retained	New	Total	
151 Foods/ aka Amoroso's Baking Company	Bellmawr	GROW	33,103,000	205	140	345	20,700,000
36-54 Rector Street, LLC/Boraie	Newark	HUB	63,747,500	25	25	50	20,666,625
70 Columbus LLC	Jersey City	HUB	162,615,199	-	30	30	28,317,582
Ahold eCommerce Sales Company LLC	Jersey City	HUB	94,284,941	120	380	500	34,561,347
Ascena Retail Group, Inc/The Dress Barn, Inc	Mahwah	GROW	53,175,000		405	405	32,400,000
Automatic Switch Company	Florham Park	GROW	44,700,275	350		350	24,500,000
Boraie Development	New Brunswick	HUB	77,229,600	-	50	50	23,810,360
Burlington Coat Factory	Florence	GROW	41,591,757	626	120	746	40,000,000
Campbell's Soup	Camden	HUB	52,000,000	49	50	99	34,191,809
CSC TKR LLC (Cablevision)	Newark	HUB	50,388,750	524	50	574	37,451,378
Daily News LP	Jersey City	HUB	100,695,000	450	117	567	41,650,000
Flight Safety	Moonachie Borough	GROW	24,736,876	101	12	113	6,780,000
Goya Foods Inc.	Jersey City	HUB	127,003,692	325	166	491	81,901,205
Grand LHN Urban Renewal	Jersey City	HUB	140,926,699	-	-	-	42,015,207
Imperial Bag & Paper	Jersey City	GROW	57,100,000	364	-	364	29,120,000
Lockheed Martin Corporation	Mt. Laurel	GROW	60,000,000	1,000		1,000	40,000,000
Newark Farmers Market/Wakefern	Newark	HUB	65,000,000	317	288	605	45,000,000
Panasonic Corp	Newark	HUB	125,828,566	806	-	806	102,408,062
Pearson Inc.	Hoboken	HUB	90,025,766	646	-	646	82,548,489
Pennrose Properties/Trenton Housing Auth	Trenton	HUB	60,048,457	-	-	-	17,716,713
Prudential Financial	Newark	HUB	444,000,000	2,050	400	2,450	210,828,357
RBH-TRB Newark Holdings LLC	Newark	HUB	149,244,445	-	329	329	39,456,741
Royal Wine Corp/Kenover Marketing Corp	Bayonne	GROW	40,050,000	184	143	327	22,890,000
Sloan Kettering	Middletown	GROW	206,128,001	100	184	284	7,910,000
Soundview/PaperMarcal	Elmwood Park	GROW	47,351,000	509		509	25,450,000
Teva Pharmaceuticals USA, Inc	Florham Park	GROW	80,638,931		215	215	15,050,000
Transit Village	New Brunswick	HUB	326,000,000	75	250	325	76,600,000
Wakefern Food Corp	Elizabeth	HUB	89,885,000	345	350	695	58,000,000
			2,907,498,455	**420**	**815**	**12,875**	**1,241,923,875**

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: September 13, 2012

RE: Urban Transit Hub Tax Credit Program (UTHTC)
$100 Million Residential Competitive Solicitation

At the February 2012 Board meeting, the Members approved the suspension of the residential component of the UTHTC program after reaching the $250 million allocation cap. The Board asked staff to provide an update on program activity in September including whether to initiate a new residential application round, pending funding availability. Pursuant to P.L. 2011, 34:1B-209.3, after taking into account allocation for commercial facilities, the CEO may recommend an increase of the initial allocation. As noted in the accompanying Board Memo presented to the Board today, Staff is recommending that the EDA issue a competitive solicitation for up to $100 million of UTHTCs for residential projects in those qualified Urban Hub cities which meet the requirements of the program. As per the statute, the solicitation will require input from the municipality, information as to whether the project furthers State and municipal goals, and whether the project furthers a public purpose, such as catalyzing urban development or maximizing the value of vacant or underutilized property.

Staff worked with the NJ Housing & Mortgage Finance Agency (HMFA) to review housing policy goals and associated redevelopment criteria with the anticipation of releasing the competitive solicitation to the public on October 1, 2012. Based on discussions with EDA and HMFA staff, and with input provided by the Incentives Committee, this memo summarizes the recommended threshold requirements to qualify for the program and the evaluation criteria for the solicitation. The summarized threshold requirements are intended to ensure only those projects that are ready to proceed, with site control and a viable financial structure in place, are deemed eligible to be scored. The summarized scoring criteria are intended to result in vibrant, mixed use projects in neighborhoods that would be most impacted by a significant public incentive and private investment. Below is a summary of the Threshold and Scoring Criteria.

Summary of Threshold Criteria

The Threshold Criteria summarized below are intended to be fundamental criteria, which if not met, will remove a Project from further consideration under this Urban Transit Hub Tax Credit (UTHTC) Solicitation.

1) **Financing Commitments** – all funding for the Project is committed and evidenced by copies of fully executed, current funding commitments for all sources identified on the Sources and Uses Statement, including equity. Evidence also must be provided of interest from the UTHTC transfer buyer. Commitments may be contingent on award of a UTHTC.

2) **Developer Equity** – the entity providing equity to the Project has liquid funding and/or is contributing property to the Project valued in an amount equal to or greater than the amount of equity committed to the Project.

3) **Market Feasibility** – the contemplated Project is feasible within its market as evidenced by a Market Feasibility Study.

4) **Site Plan Approval and Municipal Support** – the Project has Preliminary Site Plan Approval, demonstrated by a copy of the municipal resolution of the approval, and has a letter of support for the Project signed by the Mayor of the municipality in which the Project is located.

5) **Developer Capacity** – the entity(s) responsible for development of the Project has at least 3 years of experience in the field of real estate development, has completed at least 2 other projects in the past 10 years of similar size as the one proposed, and has sufficient financial strength and staff experience to complete the Project.

6) **Meets UTHTC Affordability Standards** – the Project is meeting the UTHTC Program's Affordability requirements as established by the municipality in which the Project is located.

7) **Meets Green Standards** – the Project is meeting the UTHTC Green Building Standards.

8) **Meets All Other Program Requirements** – the Project meets all other requirements of the UTHTC Program as set forth in the UTHTC Act (L. 2007, c.346, et seq.) and Regulations (N.J.A.C. 19:31-9.3), as determined by NJEDA at its sole discretion.

Scoring Criteria

The Scoring Criteria will be based on certain factors pursuant to the public purpose requirements of the UTHTC Act, which emphasize assistance to projects that will catalyze urban development in underserved areas and encourage the development of vacant or underutilized properties. These factors include, but are not limited to, project location, incorporation of mixed uses, projects in areas in need of redevelopment or rehabilitation, timeliness of construction, developer capacity, level of equity contribution, and leverage of public to private funding.

Recommendation

Staff recommends approval of a UTHTC competitive solicitation for residential projects which would utilize up to $100 million of the UTHTC available allocation. Project allocations are recommended to have a cap of 20% of qualified capital investment per project with a maximum of up to $33 million, whichever is less, and that no more than 2 projects per municipality be awarded. The competitive solicitation will be scored to prioritize projects as outlined in the above summary evaluation criteria and shall be subject to the terms and conditions of the competitive solicitation, including funding availability at the time of awards and satisfactory review by the Attorney General's Office.

Prepared by: Margaret Piliere and Gina Behnfeldt

GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: .com Distribution, Inc.

PROJECT LOCATION: Mill Road Edison Township Middlesex County

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

APPLICANT BACKGROUND:
.com Distribution, Inc. (dba Dotcom Distribution) is a provider of third party logistics, distribution, and fulfillment services in the northeastern United States for a variety of e-commerce retailers including Bliss, Vineyard Vines, and SiriusXM Radio. The company was founded in 1999 and operates out of a 400,000 sq ft facility in Edison, New Jersey. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Dotcom's current lease at 300 Nixon Lane in Edison expires in July 2015. The company is rapidly growing and not only needs to secure renewal, but needs expansion space as well. Dotcom has an offer from developer J.G. Petrucci Company to build a 571,000 sq ft facility adjacent to the facility that Dotcom currently occupies. Under this scenario, Dotcom would renew its lease at 300 Nixon Lane in addition to leasing the Petrucci building which would be ready for occupancy around June 2014. Alternatively, Dotcom is also looking at a build to suit situation in Bethlehem, PA. This is an attractive option for Dotcom because the entire company would be located under one roof as opposed to having its operations split between two buildings. If the applicant chooses New Jersey, it would mean the retention of 623 current employees as well as the addition of 200 new positions.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and as a result the management of Dotcom has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate. It is estimated that the project would have a net benefit to the State of $114.12 million over the 15 years that the company would be committed to keep the jobs here.

FINDING OF JOBS AT RISK:
The applicant has certified that the 623 New Jersey jobs listed in the application are at risk of being located outside the State. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

APPROVAL REQUEST:
The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey; 2) approve the proposed Grow New Jersey grant to encourage Dotcom Distribution to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

After the approval of this project and other projects for consideration by the Authority today, the total amount of tax credits approved under the Grow New Jersey Assistance Program will increase to $389,680,000 and the total combined approvals under HUB and Grow New Jersey to $1,417,110,438.

CONDITIONS OF APPROVAL:

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

Grant Calculation

BASE GRANT PER EMPLOYEE:		$5,000	
BONUS INCREASES: ($1,000 per item with a max of $3,000)			
INDUSTRY:	$1,000		
PUBLIC TRANSIT:	0		
HIGH SALARIES:	0		
AFFECTED SITE:	0		
BONUS PER EMPLOYEE:		$1,000	
TOTAL GRANT PER EMPLOYEE:		$6,000	
ELIGIBLE JOBS:			
New Jobs:	200		
Retained Jobs:	623		
Total:	823		
ANNUAL CREDIT AMOUNT ($4,000,000 max):			$4,000,000

TOTAL AMOUNT OF AWARD:	$ 40,000,000
TERM:	10 years
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 58,000,000
QUALIFIED INCENTIVE AREA:	PA-1
MEDIAN WAGES:	$ 25,000
STATEWIDE BASE EMPLOYMENT:	623

PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No
DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** K. McCullough

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Caren S. Franzini
Chief Executive Officer

Date: September 13, 2012

Subject: Honeywell International, Inc.

Purpose:

This memorandum addresses the legal matters of the applicant, Honeywell, Inc. (Honeywell), related to the company's application for a Grow New Jersey grant.

Background:

Honeywell is a diversified technology and manufacturing company that serves customers worldwide with aerospace products and services as well control technologies for buildings, homes and industry.

The company's products also include turbochargers, automotive products, specialty chemicals, electronic and advanced materials as well as technology for refining and petrochemicals. Honeywell is headquartered in Morristown, New Jersey and has over 132,000 employees worldwide and is listed on the New York Stock Exchange and has applied for a Grow New Jersey grant to provide an incentive to keep 1,061 jobs in the Garden State.

The business activities of Honeywell are regulated by a number of federal, state, and international laws. From time to time and as is the case with entities of the applicant's size and industry, Honeywell has been involved in litigation and become the subject of examinations, inquiries and investigations.

Analysis of Litigation as Grounds for Possible Disqualification:

Pursuant to the Authority's regulations on disqualification (N.J.A.C. 19:30-2.1 et seq.), the Authority may decline to give financial assistance, or approval as a tenant in any Authority financed project, or contract with any persons for certain reasons which include: commission of an offense indicating a lack of business integrity; violation of any law governing the occupations or professions of regulated industries; and violation of any law which may bear upon a lack of responsibility or moral integrity[1].

Listed below are the facts of the actions to which they are related and the fines assessed and paid as reviewed by the Attorney General's Office:

March 2011 Resource Conservation and Recovery Act Plea Agreement

Honeywell International Inc. pleaded guilty in federal district court in Benton, Ill., to one felony offense for knowingly storing hazardous waste without a permit in violation of the Resource Conservation and Recovery Act (RCRA). Honeywell was also sentenced to pay a criminal fine in the amount of $11.8 million and serve a five-year term of probation.

Honeywell, owns and operates a uranium hexafluoride conversion facility in Massac County, Ill., is licensed by the U.S. Nuclear Regulatory Commission to possess and manage natural uranium, which it converts into uranium hexafluoride for nuclear fuel. This is the only such facility in the United States.

Air emissions from the conversion process are chemically scrubbed prior to discharge with the resultant slurry mud containing some uranium that is later reclaimed. In November of 2002, Honeywell shut down the uranium reclamation process which then required onsite storage of the slurry mud until the process was restarted. This slurry mud is classified as corrosive hazardous waste under the RCRA. Honeywell needed, but it did not have, a RCRA permit to store drums of the slurry mud on-site longer than 90 days.

In July 2007, Honeywell requested a modification of its RCRA permit from the Illinois Environmental Protection Agency (IEPA) so that it could store drums of the slurry mud, which permit was issued in July 2008. This permit allowed Honeywell to store drums containing the mud only in a container storage area designed to contain any spills, leaks or precipitation that accumulates in that area.

By September 2008, Honeywell accumulated over 7,000 drums of the mud. In April 2009, the EPA found nearly 7,500 illegally stored drums. Honeywell began storing the mud drums in compliance with the terms of its RCRA permit in approximately March 2010.

According to the plea agreement, Honeywell is to serve a five-year term of probation. Furthermore, as a condition of its probation, Honeywell must comply with the terms of an interim consent order entered into with the Illinois Attorney General's Office and the IEPA, filed

[1] Additionally, unrelated to the other matters reported herein and for informational purposes only, the State of New Jersey, Department of Environmental Protection recently settled with Honeywell and other entities for $15 million in cost recovery as part of a broader chromium cleanup in Jersey City. Honeywell's share of the $15 million dollar settlement involved a claim for strict liability for environmental remediation under the New Jersey Spill Act. According to the applicant, there was no finding of fault or illegal behavior. Honeywell's involvement is solely as a result of the fact that in 1954 one of its predecessors bought a company called Mutual Chemical after Mutual had ceased operating in Jersey City.

on April 21, 2010, and any subsequent revisions, which includes a schedule for the processing of the mud.

As an additional condition of probation, Honeywell is to implement a community service project surrounding the Metropolis facility, where Honeywell will develop, fund and implement a household hazardous waste collection program and arrange for proper treatment, transportation and disposal of this waste collected during at least eight collection events over a two-year period, at a cost of approximately $200,000.

September 2007 Clean Air Act Violation Plea Agreement

On September 13, 2007, Honeywell pled guilty before U.S. District Court Chief Judge Ralph E. Tyson to a bill of information charging one count of negligently causing the release of hazardous air pollutants and negligently placing another person in imminent danger of death, in violation of Title 42, United States Code, Section 7413(c)(4) (federal Clean Air Act).

Honeywell was sentenced to two years probation, a criminal fine of $8,000,000, restitution of $2,000,000 to the victim's three children, community restitution of $750,000 to the Louisiana Department of Environmental Quality, community restitution valued at $750,000 to the Louisiana State Police Hazardous Materials Unit, and community restitution valued at $500,000 to the Louisiana State Police Emergency Operations Center.

According to the plea agreement, Honeywell failed to analyze, test, or sample the contents of a one ton cylinder, erroneously labeled by a third party vendor as containing a relatively benign refrigerant, but which instead contained a highly toxic compound.

On July 29, 2003, this resulted in the death of a Honeywell employee, Delvin Henry, who was in the process of venting the cylinders in preparation for transport to an outside contractor for hydrostatic testing when there was a violent release of a "spent catalyst," instead of the labeled benign refrigerant, causing Mr. Henry to suffer third degree burns over most of his body.

<u>**Mitigating Factors:**</u>

March 2011 Resource Conservation and Recovery Act Plea Agreement

As reported by the applicant to EDA, Honeywell wishes to enumerate the following mitigating factors and circumstances to be considered:

- By May 2010, Honeywell had moved the drums in question to a newly constructed and permitted storage facility on site.

- Honeywell self-reported the potential violation and undertook costly and comprehensive measures to address the waste.

- Honeywell implemented significant changes to its policies and procedures to ensure that similar issues do not recur, as well as a company-wide process to improve RCRA compliance. This included revising its handling procedures for surplus materials that may become regulated as hazardous waste, as well as additional company-wide training.

- Honeywell also made significant personnel changes.

- Honeywell's storage of the waste at issue resulted in no harm to human health or the environment.

- While not minimizing the seriousness of the offense, Honeywell notes that the waste would have qualified for an exemption from RCRA had Honeywell timely submitted a simple form claiming the exemption, and without taking any other measures.

- Honeywell cooperated fully with the federal criminal investigation and acted proactively to resolve this matter.

- Honeywell also entered into a settlement with the relevant state environmental agency to fully resolve this matter.

- Moreover, Honeywell accelerated processing of these drums beyond what was required by its agreements with federal and state agencies. At this time, all of these drums have been re-processed and rendered nonhazardous, more than 4 years ahead of the agreed-to schedule.

- The federal Consolidated Appropriations Act of 2012 prohibits the use of funds appropriated thereunder to contract with any corporation that was convicted of a felony within the previous 24 months, unless the awarding agency has considered suspension and debarment of the corporation and made a determination that such action is not necessary to protect the interest of the government. Honeywell's conviction was reported by the applicant to the Departments of the United States Army, Navy, Air Force, Defense Logistics Agency and the National Aeronautics and Space Administration, none of which determined that suspension or debarment was necessary.

September 2007 Clean Air Act Violation Plea Agreement

As reported by the applicant to EDA, Honeywell wishes to enumerate the following mitigating factors and circumstances to be considered:

- The events that gave rise to the offense occurred primarily in 1998, over 14 years ago.

- The employee violated company procedures by opening the cylinder at issue without first verifying it was not pressurized.

- A third party vendor, expert in the area, had mislabeled the cylinder as another, generally safe, material. This vendor has since also been prosecuted.

- Honeywell significantly revised its cylinder identification and management procedures to prevent and recurrence of such an event. Enhanced training has been implemented.

- Honeywell cooperated fully with the investigation and acted proactively to resolve the matter, which cooperation and acceptance of responsibility was noted by the U.S. Attorney.

- Virtually all site managers have been changed since the 2003 incident.

- Honeywell's safety record, as shown by Total Case Incident Rate, far exceeds industry standards.

Conclusion:

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

Caren S. Franzini, CEO

Prepared by: Marcus Saldutti

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

APPLICANT: Honeywell International, Inc.

PROJECT LOCATION: 101 Columbia Road Morris Township Morris County

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

APPLICANT BACKGROUND:
Honeywell International, Inc. is a diversified technology and manufacturing company that serves customers worldwide with aerospace products and services as well as control technologies for buildings, homes and industry. The company's products also include turbochargers, automotive products, specialty chemicals, electronic and advanced materials as well as technology for refining and petrochemicals. Honeywell is headquartered in Morris Township, New Jersey and has over 132,000 employees worldwide and is listed on the New York Stock Exchange under the symbol HON. The company has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Honeywell's current campus in Morris Township consists of nearly 146 acres and approximately 1.1 million sq ft of buildings. The company's analysis shows that this is roughly twice the size required for its headquarters and lab space. Accordingly, management is in the process of evaluating options to improve the efficiency and productivity of its operations. Honeywell is considering either redeveloping its current campus in Morris Township or relocating its headquarters to Pennsylvania. If the applicant selects the New Jersey option, it would renovate a 350,000 sq ft building at which it would consolidate all of its headquarters operations while also maintaining a 187,000 sq ft laboratory on the property. The excess real estate would then be available to be sold and redeveloped. Honeywell originally estimated the cost of redevelopment to be $50.8 million, but after further analysis revised the estimate to $99.65 million due to the need to replace many of the critical building systems. The proposed project would mean the retention of 1,061 employees in the state of New Jersey.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and as a result the management of Honeywell has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate. It is estimated that the project would have a net benefit to the State of $361.97 million over the 15 years that the company would be committed to keep the jobs here.

In the event that Honeywell accepts the award, the company has volunteered to go beyond the statutory requirements of the Grow New Jersey program and will commit to spending at least $99.65 million in eligible capital investments in order to receive the full amount of the grant.

FINDING OF JOBS AT RISK:
The applicant has certified that the 1,061 New Jersey jobs listed in the application are at risk of being located outside the State. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey; 2) approve the proposed Grow New Jersey grant to encourage Honeywell to maintain employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

After the approval of this project and other projects for consideration by the Authority today, the total amount of tax credits approved under the Grow New Jersey Assistance Program will increase to \$389,680,000 and the total combined approvals under HUB and Grow New Jersey to \$1,417,110,438.

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than \$99.65 million after board approval, but no later than July 28, 2017. To the extent that the applicant does not reach this level of eligible capital investment, the award will be reduced by \$0.60 for every dollar less than the \$99.65 million commitment.
3. No employees that are subject to a BEIP, BRRAG, or Urban Transit Hub are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, or Urban Transit Hub is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

Grant Calculation

BASE GRANT PER EMPLOYEE:		$5,000	
BONUS INCREASES:			
($1,000 per item with a max of $3,000)			
INDUSTRY:	1,000		
PUBLIC TRANSIT:	0		
HIGH SALARIES:	1,000		
AFFECTED SITE:	0		
BONUS PER EMPLOYEE:		$2,000	
TOTAL GRANT PER EMPLOYEE:		$7,000	
ELIGIBLE JOBS:			
New Jobs:	0		
Retained Jobs:	1,061		
Total:	1,061		
ANNUAL CREDIT AMOUNT ($4,000,000 max)**:**			$4,000,000

TOTAL AMOUNT OF AWARD:	$ 40,000,000
TERM:	10 years
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 99,650,000
QUALIFIED INCENTIVE AREA:	PA-1
MEDIAN WAGES:	$ 128,067
STATEWIDE BASE EMPLOYMENT:	1,592

PROJECT IS: ( ) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No
DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER**: K. McCullough

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

APPLICANT: Spectra East, Inc.

PROJECT LOCATION: 76 Livingston Avenue Roseland Borough Essex County

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

APPLICANT BACKGROUND:
Spectra East, Inc. is a wholly-owned subsidiary of Fresenius Medical Care, the world's largest vertically integrated dialysis service provider. Spectra was established in 1982 and is a leading provider of clinical laboratory services, utilizing state-of-the-art analytical equipment, automated specimen processing and reporting applications to deliver rapid and reliable test results. The company performs more than 54 million tests each year serving a variety of markets, such as End-Stage Renal Disease (ESRD) and correctional healthcare. Spectra also partners with pharmaceutical, biotechnology, research, government and academic organizations to supply central laboratory services for a variety of clinical trials worldwide. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Spectra currently operates out of a leased facility in Rockleigh, New Jersey, however, the company has outgrown the functionality of this facility and as a result is seeking to relocate. Spectra's requirement of a site that can accommodate both a state of the art laboratory and a corporate headquarters has caused the search process to continue for nearly two years. In May of 2011, the Authority approved Spectra for a BEIP and BRRAG to provide an incentive to locate the project in New Jersey. Unfortunately, each of the finalist locations presented in that application became unavailable and the company was forced to restart its search. During this process, the company's estimated project costs changed materially and Spectra's management determined that the company would not be able to commit to New Jersey based on the BEIP and BRRAG incentives that were offered.

At present, Spectra has narrowed the selection to two final scenarios. One option under consideration is leasing 245,945 sq ft of a 433,945 sq ft facility in Roseland, New Jersey. The other option is to relocate its operations to Pearl River, New York. The applicant is requesting assistance under the Grow NJ and Sales Tax Exemption programs to provide an incentive to locate the project in New Jersey. Should the applicant accept the awards, it would commit to relocating 302 jobs to the project site and retaining 80% of its statewide base employment of 460. In addition to the job commitments made by accepting the award, Spectra also has plans to create as many as 56 new jobs at the site. Because Spectra would be a tenant in the facility, the estimated eligible capital investment for the Grow NJ grant is calculated based on the portion of the available space leased by the applicant relative to the total eligible capital investment made by the landlord.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and as a result the management of Spectra East, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate. It is estimated that the project would have a net benefit to the State of $74.99 million over the 15 years that the company would be committed to keep the jobs here.

FINDING OF JOBS AT RISK:
The applicant has certified that the 302 New Jersey jobs listed in the application are at risk of being located outside the State. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

APPROVAL REQUEST:
The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey; 2) approve the proposed Grow New Jersey grant to encourage Spectra East, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

After the approval of this project and other projects for consideration by the Authority today, the total amount of tax credits approved under the Grow New Jersey Assistance Program will increase to $389,680,000 and the total combined approvals under HUB and Grow New Jersey to $1,417,110,438.

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

Grant Calculation

BASE GRANT PER EMPLOYEE:		$5,000	
BONUS INCREASES:			
($1,000 per item with a max of $3,000)			
INDUSTRY:	1,000		
PUBLIC TRANSIT:	0		
HIGH SALARIES:	0		
AFFECTED SITE:	0		
BONUS PER EMPLOYEE:		$1,000	
TOTAL GRANT PER EMPLOYEE:		$6,000	
ELIGIBLE JOBS:			
New Jobs:	0		
Retained Jobs:	302		
Total:	302		
ANNUAL CREDIT AMOUNT ($4,000,000 max):			$1,812,000

TOTAL AMOUNT OF AWARD: $ 18,120,000
TERM: 10 years
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: $ 31,028,968
QUALIFIED INCENTIVE AREA: PA-1
MEDIAN WAGES: $ 45,265
STATEWIDE BASE EMPLOYMENT: 460
PROJECT IS: ( ) Expansion (X) Relocation
CONSTRUCTION: (X) Yes ( ) No
DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** K. McCullough

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – SALES & USE TAX EXEMPTION (STX)

APPLICANT: Spectra East, Inc.

COMPANY ADDRESS: 8 King Road Rockleigh Borough Bergen County

PROJECT LOCATION: 76 Livingston Avenue Roseland Borough Essex County

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

APPLICANT BACKGROUND:
Spectra East, Inc. is a wholly-owned subsidiary of Fresenius Medical Care, the world's largest vertically integrated dialysis service provider. Spectra was established in 1982 and is a leading provider of clinical laboratory services, utilizing state-of-the-art analytical equipment, automated specimen processing and reporting applications to deliver rapid and reliable test results. The company performs more than 54 million tests each year serving a variety of markets, such as End-Stage Renal Disease (ESRD) and correctional healthcare. Spectra also partners with pharmaceutical, biotechnology, research, government and academic organizations to supply central laboratory services for a variety of clinical trials worldwide.

PROJECT DESCRIPTION:
Spectra currently operates out of a leased facility in Rockleigh, New Jersey, however, the company has outgrown the functionality of this facility and as a result is seeking to relocate. Spectra's requirement of a site that can accommodate both a state of the art laboratory and a corporate headquarters has caused the search process to continue for nearly two years. In May of 2011, the Authority approved Spectra for a BEIP and BRRAG to provide an incentive to locate the project in New Jersey. Unfortunately, each of the finalist locations presented in that application became unavailable and the company was forced to restart its search. During this process, the company's estimated project costs changed materially and Spectra's management determined that the company would not be able to commit to New Jersey based on the BEIP and BRRAG incentives that were offered.

At present, Spectra has narrowed the selection to two final scenarios. One option under consideration is leasing 245,945 sq ft of a 433,945 sq ft facility in Roseland, New Jersey. The other option is to relocate its operations to Pearl River, New York. The applicant is requesting assistance under the Grow NJ and Sales Tax Exemption programs to provide an incentive to locate the project in New Jersey. Should the applicant accept the awards, it would commit to relocating 302 jobs to the project site and retaining 80% of its statewide base employment of 460. 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.

SCOPE OF STX BENEFITS:
Authority assistance will induce the applicant to relocate its operations within New Jersey by leasing 245,945 sq ft in a facility in Roseland Borough. The business will be exempt from sales and use tax for eligible property located or placed at the eligible business location(s) for the renovation project pursuant to the terms and conditions of a project agreement. The sales tax exemption certificate applies only to property purchased for installation at the approved project site(s) and will allow the business to purchase machinery, equipment, furniture and furnishings, fixtures, and building materials, other than tools and supplies, without the imposition of sales and use tax. The sales tax exemption (STX) is administered pro rata to reflect the eligible scope of the project, based on the number of retained STX eligible full-time jobs, increased no more than 20 percent, relative to the sum of all of jobs/employees located at the approved project site(s) during the commitment duration period, subject to the Act, Regulations, and the terms of the Project Agreement. The recommended benefit is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate

the recommended benefit amount. If the criteria met by the company differs from that shown herein, the benefit amount will be lowered to reflect the benefit amount that corresponds to the actual criteria that have been met.

APPROVAL REQUEST: **STX COMMITMENT DURATION:** 5 years

The Applicant has represented that the availability of this financial assistance will be an important inducement to undertake this project and to relocate full-time jobs within the State. The Authority staff recommends the award of the proposed Sales and Use Tax Exemption benefit.

ESTIMATED ELIGIBLE EXPENSES:	$	26,638,465
ESTIMATED VALUE OF STX:	$	1,864,693
STX ELIGIBLE EMPLOYEES:		302
TOTAL JOBS TO BE LOCATED AT THE PROJECT SITE:		302
MEDIAN WAGES:	$	45,265
PROJECT LOCATION IN PLANNING AREA 1 OR 2:		PA-1
OPERATED IN NEW JERSEY SINCE:		1985

PROJECT IS: ( ) Expansion (X) Relocation

CONSTRUCTION/RENOVATION: (X) Yes ( ) No

DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER**: K. McCullough

STX benefit calculation formula:

Estimated Eligible Property x Sales Tax Rate = Estimated Gross Sales Tax Liability	$26,638,465 x 0.07 = $1,864,693
(Retained Full-Time Jobs (STX Eligible Jobs) / Estimated Total Occupants of the Facility) x Regulatory 20% Automatic Increase for All STX Projects = Proportionate Value (Pro Rata Eligible Scope) with 20% Increase	302/302 = 1.00 x 1.2 = 1.2 (max = 1.00)
Adjusted Proportionate Value x Estimated Gross Sales Tax Liability = Estimated Amount of the Sales and Use Tax Exemption Certificate	1.00 x $1,864,693 = $1,864,693

TECHNOLOGY BUSINESS TAX CERTIFICATE TRANSFER PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: September 13, 2012

SUBJECT: Technology Business Tax Certificate Transfer Program

BACKGROUND

The 1998 Technology Business Tax Certificate Transfer Program allows technology and biotechnology companies with fewer than 225 employees in the U.S. to sell their net operating losses and/or research and development tax credits to profitable corporate entities. Proceeds from those sales are required to be re-invested in the seller's business.

The "New Jersey Economic Stimulus Act of 2009", P.L. 2009, c. 90, enacted into law on July 27, 2009, included amendments to the statute establishing the Technology Business Tax Certificate Transfer Program. The amendments were intended to streamline current eligibility and allocation requirements to enable more companies to participate in the program.

2012 PROGRAM CYCLE

Last year, the thirteenth year of the program, $60 million was provided to 72 technology and biotechnology companies in need of capital and liquidity. This year, $60 million is available to be distributed in State fiscal year 2013. Of the $60 million, $10 million is reserved for the surrender of transferable tax benefits exclusively by eligible companies that operate within the boundaries of the State's three (3) Innovation Zones (technology clusters fostering business-university collaboration) during State fiscal year 2013.

In the 2012 Program cycle, 72 applications were received; 2 of which have been withdrawn at the request of the applicant. Of the 70 remaining applications, 7 benefit requests (10%) failed to meet one or more of the eligibility criteria. The 63 applicants recommended for approval are estimated to receive, on average, approximately $952,000 this year, approximately 14% more than last year's average.

Based on evaluations by Authority staff, the attached list identifies the applicants recommended for approval.

The following are the applicants being recommended for disapproval for not meeting one or more eligibility requirements of the Program along with a brief description of the reason the eligibility requirement(s) wasn't met.

Celator Pharmaceuticals – The applicant did not have the required minimum number of Full-Time employees (10) on June 30, 2012.

Genta, Inc. – The applicant is liquidating its assets and is no longer operating as a Biotechnology Business.

Globalprivateequity.com – The applicant did not have the required minimum number of Full-Time employees (10) on June 30, 2012. The applicant did not have healthcare coverage for its employees on June 30, 2012. The applicant is not operating as a Technology Business.

Midawi Holdings – The applicant did not have the required minimum number of Full-Time employees (5) on June 30, 2012. The applicant is not operating as a Technology Business. The applicant does not have any Protected, Proprietary Intellectual Property (PPIP).

PTC Therapeutics – The applicant had Net Operating Income on its most recent year's Statement of Operations.

Sunlight Photonics – The applicant did not have the required minimum number of Full-Time employees (5) on June 30, 2012. The applicant did not submit the independent CPA prepared GAAP financial statements of its parent company for either of the last 2 years.

Svelte Medical – The applicant did not have the required minimum number of Full-Time employees (10) on June 30, 2012.

<u>RECOMMENDATION:</u>

Based on the above, approval is recommended for a total of 63 projects which have been evaluated according to the criteria established by the Members of the Board and met the criteria for approval. Disapproval is recommended for the 7 projects that failed any of the eligibility criteria. These companies have not met the criteria for approval as described above.

Prepared by: J. Rosenfeld

2012 APPLICANTS	
	RECOMMENDED FOR APPROVAL
1	Advaxis, Inc.
2	Aerie Pharmaceuticals
3	Agennix USA Incorporated
4	Agilence, Inc.
5	Akers Biosciences, Inc.
6	Alphion Corporation
7	Amicus Therapeutics, Inc.
8	Angel Medical Systems, Inc.
9	Antenna Software, Inc.
10	Argyle Therapeutics, Inc.
11	Black Light Power, Inc.
12	BlackStratus, Inc. (f/k/a NetForensics, Inc.)
13	Cancer Genetics, Inc.
14	Celldex Research Corporation
15	Connotate Acquisition Corporation
16	Conolog Corporation
17	CytoSorbents, Inc.
18	DataMotion Inc.
19	Drais Pharmaceuticals, Inc.
20	DvTel, Inc.
21	Eagle Pharmaceuticals, Inc.
22	Electromagentic Technologies Industries, Inc.
23	Elite Laboratories, Inc.
24	Emisphere Technologies, Inc
25	Enpirion, Inc.
26	Enzon Pharmaceuticals, Inc
27	Hemispherx Biopharma, Inc.
28	I.D. Systems, Inc.
29	iBiquity Digital Corporation
30	Immunogenetics, Inc.
31	Innopharma Inc.
32	Insmed Incorporated
33	IntegriChain, Inc.
34	Kirusa, Inc.
35	Liquid Light, Inc.
36	Lux Biosciences, Inc.
37	ManageIQ, Inc.
38	MDx Medical, Inc. dba Vitals Inc.
39	Milestone Scientific, Inc.
40	Millenium Biotechnologies
41	Ocean Power Technologies, Inc.

42	Orthobond
43	Pacira Pharmaceuticals
44	Pan Optica
45	Palatin Technologies, Inc.
46	Princeton Lightwave, Inc.
47	Princeton Optronics, Inc.
48	Replication Medical
49	Rive Technology, Inc.
50	Roka Bioscience, Inc.
51	Sanpulse Technologies, Inc.
52	Savient Pharmaceuticals, Inc
53	SightLogix, Inc.
54	Signum Biosciences
55	Solidia Technologies, Inc
56	Soligenix
57	Starboard Storage Systems, Inc. (f/k/a Reldata, Inc.)
58	Tyrx, Inc.
59	Unigene Laboratories, Inc.
60	Vaxinnate Corporation
61	Vidyo, Inc.
62	Voxware, Inc.
63	VPIsystems

BOARD MEMORANDUMS

New Jersey Economic Development Authority

MEMORANDUM

To: Members of the Authority

From: Caren S. Franzini
Chief Executive Officer

Date: September 13, 2012

Subject: Transfer of Business Retention and Relocation Assistance Grant ("BRRAG") tax credits from IDL TechniEdge, LLC ("IDL") to GTE Wireless, Inc.

Request:
Consent to the transfer of unused BRRAG tax credits from IDL to GTE Wireless, Inc.

Background:
In October 2009, the Members approved a BRRAG tax credit incentive in the amount of $102,000 to IDL to support the retention and relocation of 85 jobs in New Jersey. As of 3/1/2012, the company continues to retain those 85 full-time jobs at the project site. IDL received tax credits valued at $78,600 from the New Jersey Division of Taxation to offset relocation expenses. However, the company has certified that it is unable to use these credits, and as a result, IDL is seeking approval to sell these credits as permitted under the Transfer Program.

IDL and GTE Wireless have successfully completed all of the requirements of the Transfer Program, a copy of which will be shared with the New Jersey Division of Taxation pending approval. IDL has arranged to sell its unused tax credits to GTE Wireless, Inc. for $73,884 which represents a sale price of ninety-four cents on the dollar.

Recommendation:
Consent to the transfer and sale of unused BRRAG tax credits from IDL to GTE Wireless, Inc. for ninety-four cents on the dollar. Approval will support a NJ manufacturer with 85 jobs.

Prepared by: Tyshon Lee

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: September 11, 2012

SUBJECT: ImClone Systems Incorporated/ImClone Systems Corporation
BEIP Grants: P10891, P13670, P21401

Purpose:

This memorandum addresses the legal matters of the applicant, ImClone Systems Incorporated (ImClone), related to the company's application for a modification of existing Business Employment Incentive Program grants.

Background:

ImClone Systems was formed in 1984 with the mission to advance oncology care by developing and commercializing a portfolio of targeted treatments designed to address the medical needs of patients with cancer. ImClone Systems has been awarded three (3) BEIP grants to expand its operations in New Jersey.

The business activities of ImClone and its affiliates are regulated by a number of federal, state, and international laws; and also self regulatory organization rules. From time to time and as is the case with entities of the applicant's size and industry, ImClone has been involved in litigation and become the subject of examinations, inquiries and investigations.

Analysis of Litigation as Grounds for Possible Disqualification:

Pursuant to the Authority's regulations on disqualification (N.J.A.C. 19:30-2.1 et seq.), the Authority may decline to give financial assistance, or approval as a tenant in any Authority financed project, or contract with any persons for certain reasons which include: commission of an offense indicating a lack of business integrity; violation of any law governing the occupations or professions of regulated industries; and violation of any law which may bear upon a lack of responsibility or moral integrity.

Listed below are the facts of the actions to which they are related and the fines assessed and paid as reviewed by the Attorney General's Office:

2009 Zyprexa Matter:

Eli Lilly and Company, the parent of ImClone, pleaded guilty and paid $1.415 billion for promoting its drug Zyprexa from September 1999 through at least November 2003, for uses not approved by the Food and Drug Administration (FDA). The resolution included a criminal fine of $515 million and $100 million in civil forfeiture. Additionally, $800 million went toward a civil settlement with the federal government and the states with the federal government receiving $438 million and the states receiving $361 million. Such unapproved uses are also known as "off-label" uses because they are not included in the drug's FDA approved product label.

In signing the plea agreement the company admitted its guilt to the misdemeanor criminal charge. Eli Lilly also signed the civil settlement, brought under the qui tam provisions of the False Claims Act, to resolve civil claims that by marketing Zyprexa for off-label uses, it caused false claims to be submitted to federal insurance programs such as Medicaid, TRICARE and the Federal Employee Health Benefits Program.

Under the Food, Drug, and Cosmetic Act (FDCA), a company must specify the intended uses of a product in its new drug application to the FDA. Before approval of a drug, the FDA must determine that the drug is safe and effective for the use proposed by the company. Once approved for specified conditions, the drug may not be marketed or promoted for off-label uses. Zyprexa, which was approved for many uses over the years, was never approved for the treatment of dementia, Alzheimer's dementia and other diseases for which the company was charged with off-label promotion.

Specifically, according to the government, Eli Lilly's management created marketing materials promoting Zyprexa and directed its sales personnel to promote Zyprexa for off-label uses. Eli Lilly also trained its sales representatives on how to respond to doctors' concerns about off-label uses and how to continue to promote the drug for off-label conditions. In addition, Eli Lilly retained medical professionals to speak to doctors during peer-to-peer sessions about off-label uses.

This global resolution also includes a Corporate Integrity Agreement (CIA) between Eli Lilly and the Office of Inspector General of the Department of Health and Human Services. The five-year CIA requires: a Board of Directors committee annually review the company's compliance program and certify its effectiveness; that certain managers annually certify that their departments or functional areas are compliant; that Eli Lilly send doctors a letter notifying them about the global settlement; and that the company post on its website information about payments to doctors, such as honoraria, travel or lodging. Eli Lilly is subject to exclusion from Federal health care programs, including Medicare and Medicaid, for a material breach of the CIA and subject to monetary penalties for less significant breaches.

Zyprexa was also subject to State Attorney General Investigations and a multistate settlement involving a consortium of States, including New Jersey, which investigated allegations that Lilly promoted Zyprexa for off label uses, and alleged this conduct violated State, civil, Consumer Protection laws. The resolution of the Multistate Settlement included a payment of $62 Million, and the entry of a Consent Decree enjoining specific marketing practices in the future.

2006 Evista Matter:

Eli Lilly pleaded guilty and paid $36 million in connection with its illegal promotion of its pharmaceutical drug Evista from May 1998 to December 1998. The company was charged following an investigation by the Food and Drug Administration's (FDA) Office of Criminal Investigations.

In pleading guilty to a criminal count of violating the Food, Drug, and Cosmetic Act (FDCA) by misbranding its drug Evista, the company agreed to pay a $6 million criminal fine and forfeit to the United States an additional $6 million. In addition to the criminal plea, Lilly has agreed to settle civil FDCA liabilities by entering into a consent decree of permanent injunction and paying the United States $24 million in equitable disgorgement.

At the time, Evista was approved by the FDA for the prevention and treatment of osteoporosis in post-menopausal women. As alleged by the government, under the FDCA, a company must specify in its new drug application to the FDA labeling for all proposed intended uses for the drug. Once approved by the FDA, the drug cannot be marketed or promoted for off-label uses.

The information alleged that Lilly's strategic marketing plans and promotion presented Evista as effective in preventing and reducing the risk of diseases for which the drug's labeling lacked adequate directions for use. According to the government, Evista was misbranded when its labeling did not bear adequate directions for each of these intended uses. According to the information, Lilly promoted Evista as effective for reducing the risk of breast cancer, even after Lilly's proposed labeling for this use was specifically rejected by the FDA.

The consent decree of permanent injunction, which dissolved in 2009, required payment to the United States of $24 million in equitable disgorgement. Additionally, under the consent decree, Lilly agreed to comply with the terms of a permanent injunction, which requiring the company to implement effective training and supervision of its marketing and sales staff for Evista, and ensure that any future off-label marketing conduct is detected and corrected. Lilly agreed to be permanently enjoined from directly or indirectly promoting Evista for use in preventing or reducing the risk of breast cancer, reducing the risk of cardiovascular disease, or for any other unapproved use in a manner that violates the FDCA without FDA approval of such uses.

Also as part of the consent decree, Lilly agreed to hire and utilize an independent organization to conduct reviews to assist Lilly in assessing and evaluating Lilly's systems, processes, policies, and procedures relating to the promotion of Evista and the company's compliance with the consent decree.

Mitigating Factors:

The company presented several mitigating factors to EDA detailed below. The company also requests that, when assessing whether the described conduct qualifies as a disqualifying cause or whether there are mitigating factors, that EDA consider the significant controls in place after the conduct, which reflect Lilly's ongoing commitment to compliance.

Federal Pleas

In considering the above matters, the company requests that the Authority consider the following as presented by the applicant:

- The pleas involved misdemeanor violations of the FDCA, which is a strict liability offense
- The conduct subject to the Evista plea ended in 1998 and the Zypresta plea in 2003.
- Lilly actively cooperated with the government during its investigations.
- Currently, Lilly has a comprehensive compliance program that is designed to ensure that the company's global business practices fully comply with all applicable laws and regulations. Lilly's compliance program, which the company claims it is committed to continuously improving and enhancing, includes each of the elements of compliance guidelines issued by the Department of Health and Human Services, Office of Inspector General, for the pharmaceutical industry. The company has a vice president and chief compliance officer, who reports directly to Lilly's chief executive officer; a corporate compliance committee; a code of conduct; policies and procedures specific to promotion and marketing; extensive training; auditing, monitoring and reporting programs, including a compliance hotline; and processes for disciplinary and corrective action.
- As part of the Zyprexa resolution, Lilly entered into a CIA with the Office of Inspector General of the U.S. Department of Health and Human Services, which contains an Addendum covering Evista. The agreement requires Lilly to maintain its compliance program and to undertake a set of defined corporate integrity obligations for five years. The terms of the CIA also provide for an independent third-party review organization to assess and report on the company's systems, processes, policies and practices.
- Pursuant to the terms of the agreement, Lilly is required to provide specific certifications of its compliance with the terms of the CIA, and has done so each year since its entry in 2009.

Conclusion:

Staff has performed a review of this action with guidance from the Attorney General's Office. Staff has weighed the seriousness of the offenses in conjunction with the mitigating factors presented by ImClone and staff does not believe disqualification is warranted. It is recommended, however, that the applicant supply the Authority with evidence of its filings under the CIA so that the Authority can monitor the applicant's compliance.

Caren S. Franzini, CEO

Prepared by: Marcus Saldutti

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: September 13, 2012

SUBJECT: ImClone Systems Incorporated/ImClone Systems Corporation
BEIP Grants: P10891, P13670, P21401
Project Locations: Branchburg Campus and Bridgewater Campus

Modification Request:

1. Consent to the acquisition of ImClone Systems Incorporated by Eli Lilly and Company ("Lilly"), and subsequent name change to ImClone Systems Corporation ("ImClone Systems") on its three (3) incentive grants; and

2. Consent to the following administrative changes to the grant:
   - Remove 300 Somerset Corporate Boulevard, Bridgewater as a project location and replace it with 440 Route 22 East, Bridgewater; and
   - Approve ImClone LLC as an interim taxpaying entity prior to the newly formed ImClone Systems.

As a result of the acquisition by Lilly, the cap will be imposed on the two uncapped grants.

Background

ImClone was formed in 1984 with the mission to advance oncology care by developing and commercializing a portfolio of targeted treatments designed to address the medical needs of patients with cancer.

ImClone Systems has been awarded three (3) BEIP grants to expand its operations in New Jersey. During the initial construction phase, employees were temporarily located at a swing site in Somerville, Somerset County. Upon completion of the expansion, employees were transferred to the permanent site in Branchburg Township as detailed below:

In June 1999, the members approved an 80%/10 year grant to ImClone Systems Incorporated to assist the company in building ImClone's first manufacturing facility in New Jersey adjoining its present facility. The company committed to 102 new jobs. In 2011, the company reported 87 jobs. $1.8 million has been awarded on this grant and to date an additional $1 million is pending disbursement. This grant is not capped.

In October 2001, the members approved a second 80%/10 year grant for additional job growth at its Branchburg Township facility. The company committed to create 300 jobs and reported 157 jobs on its 2011 annual report. This drop in employment was due to a companywide reduction in headcount. $526,000 has been awarded on this grant to date and an additional $2.9 million is pending disbursement. The grant is not capped.

In March 2008, a third 80%/10 year grant was approved for the expansion of the company's existing Branchburg operations as well as a potential relocation of its R&D operations from New York City. The company committed to creating 907 jobs at its "Branchburg Campus" facility in Branchburg, Somerset County. In 2011, the company reported 374 jobs. The grant is capped and no disbursements have been made to date.

While ImClone did not create the number of new jobs anticipated at the time of application due to a companywide reduction in headcount, the company remains committed to job creation in New Jersey, as evidenced by the company's employment numbers at the Branchburg campus, which today totals 876, of which 374 are eligible under the BEIP and 502 additional jobs that are not covered under the grant.

Staff has reviewed the acquisition and subsequent name change along with the legal matters presented and found no disqualifying issues. Staff has also reviewed the financial condition of the applicant and the parent company and has determined that they are economically viable.

This modification requests the member's approval to consent to the acquisition of ImClone Systems by Lilly and the administrative name and location changes.

As a result of the acquisition by Lilly and in exchange for approving the changes outlined above, the grants will be capped.

Economic Viability:
The financial statement of ImClone Systems has been reviewed by staff and support that the company continues to be economically viable.

Recommendation:
Consent to the acquisition of ImClone Systems Incorporated by Eli Lilly and Company and subsequent name change to ImClone Systems Corporation on its three (3) incentive grants and approval of administrative changes summarized above. These changes will not substantially impact the company's job numbers as we will require these grants to be capped.

Prepared by: Karen Gallagher and Tejinder Gill

New Jersey Economic Development Authority

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: September 13, 2012

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

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

NJ Main Street Program:

1) Garton's Rigging Inc. (P37484), located in Vineland City, Cumberland County, has been in business for over 30 years as a provider of rigging and crane services to residential and commercial customers throughout Southern NJ. Newfield National Bank and the applicant have requested that the Authority provide a five-year, $240,380 direct loan under the Main Street Loan program. Currently, the company has 15 employees and plans to create two new jobs over the next two years.

PNC Business Growth Fund – Modification:

1) Northforty, LLC (P37689), located in Pitman Borough, Gloucester County is a real estate holding company that was formed in 2007 to purchase the project property. The companies that operate out of this location are Premier Accounting Services PC, and the law practice of Bernard Michael Borelli d/b/a B. Michael Borelli. PNC Bank approved an extension of a $245,391 term loan with a five-year, 25% guarantee of principal outstanding, not to exceed $61,348. Original loan proceeds were used to purchase commercial real estate. The company continues to meet program requirements.

Prepared by: D. Lawyer
DL/gvr

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REAL ESTATE

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Directors and Officers of Bergen New Jersey, Inc. and
Aegis Camden Partners, Inc.
L-3 Project (formerly known as the Camden Aerospace Center)

DATE: September 13, 2012

Summary

I am requesting the Members' approval of the designation of Directors and Officers for Bergen of New Jersey, Inc. and Aegis Camden Partners, Inc. to incorporate additional staff and titles effective October 1, 2012.

Background

Since 1991, the Authority has owned the L-3 project which consists of 21 acres of land and two buildings, an Administration Building and a Manufacturing Building, totaling 575,000 square feet near the Camden waterfront. The land is ground-leased to Camden County Urban Renewal Limited Partnership (CCURLP), a NJ limited-partnership which is 100% owned by the Authority, and the property is subleased to L-3 Communications Corporation (L-3), a New York-based national defense and aerospace company.

In 2002, the project was refinanced and the Members approved the acquisition of the stock in the holding companies which form the Camden Center Urban Renewal Limited Partnership. The two holding corporations are Bergen of New Jersey, Inc. and Aegis Camden Partners, Inc. This corporate structure must remain in effect until the debt service is paid or the property is sold.

To satisfy corporate requirements, Directors and Officers were previously designated by the Members. In order to reflect additional staff and titles, it is requested that effective October 1, 2012, the following staff be designated as Directors for each corporation:

- NJEDA Chief Executive Officer
- NJEDA President/Chief Operating Officer
- NJEDA Director of Real Estate

It is further requested that effective October 1, 2012, the following staff be designated as the Officers of each corporation:

- President: NJEDA Chief Executive Officer
- Vice President: NJEDA President/Chief Operating Officer
- Vice President and Treasurer: NJEDA Senior Vice President
- Vice President and Secretary: NJEDA Director of Real Estate

Actions of these Directors and Officers will either be within the Authority's Administrative Operating Authorities or approved by the Members. All required corporate filings and reporting are performed by Authority staff.

Recommendation

In summary, I am requesting the Members' approval to: (1) designate the Chief Executive Officer, President/Chief Operating Officer, and the Director of Real Estate as the Directors of Bergen of New Jersey, Inc. and Aegis Camden Partners, Inc.; (2) designate the Chief Executive Officer, President/Chief Operating Officer, Senior Vice President, and Director of Real Estate, and other individual staff members, at the discretion of the Chief Executive Officer and President/Chief Operating Officer, as the Officers of Bergen of New Jersey, Inc. and Aegis Camden Partners, Inc.; and (3) to execute any and all other documents required to effectuate this transaction, on final terms acceptable to the Attorney General's Office and the Chief Executive Officer or the President/COO.

Caren S. Franzini
Chief Executive Officer

Prepared by: Donna T. Sullivan

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Update to Operating Authority – Real Estate Development Division

DATE: September 13, 2012

Summary

I am requesting that the Members modify the Real Estate Development Operating Authority to delegate authority to staff to select tenants and execute the Authority's standard form of lease agreement for lab and office space up to 8,000 square feet in accordance with the attached guidelines.

Background

Currently, all leases must be approved by the Authority's Board of Directors before they are executed, with the exception of leases up to 6,000 square feet of lab space and 1,500 square feet of office space at the Commercialization Center for Innovative Technologies (CCIT), which was most recently approved by the Board on February 8, 2005.

For more efficient operations, to enhance responsiveness to prospective small business tenants, and to escalate the timing of rent receipts, delegated authority for approval of non-CCIT leases for spaces owned or leased by the Authority up to 8,000 square feet, within the attached guidelines, is requested. The delegation will be effective October 1, 2012, and is intended for use at the Waterfront Technology Center at Camden, and the Biotechnology Development Center at the Technology Centre of New Jersey in North Brunswick.

The Authority's standard form of lease agreement will be used, which includes a definition of permitted uses for each property. Final terms of the document are subject to the approval of the Chief Executive Officer or the President/Chief Operating Officer, and the Attorney General's Office. Any actions under delegated authority will be reported at the following Real Estate Committee meeting, and quarterly to the full Board of Directors.

Recommendation

In summary, I am requesting the Members' approval to authorize the delegation of authority to staff for approval and execution of the Authority's standard form of lease agreement for lab and office space up to 8,000 square feet in accordance with the attached guidelines, subject to the approval of the Chief Executive Officer or the President/Chief Operating Officer, and the Attorney General's Office.

Caren S. Franzini
Chief Executive Officer

Prepared by: Christine Roberts

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
GUIDELINES FOR DELEGATED AUTHORITY FOR LEASES

LANDLORD:	NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
SIZE:	Up to 8,000 rentable square feet
TERM:	Up to five years
RENT and ESCALATIONS:	Market rate based on the Authority's listing broker recommendation.
TENANT IMPROVEMENT ALLOWANCE:	Market rate based on the Authority's listing broker recommendation.
RENEWALS:	Market rate based on the Authority's listing broker recommendation.
FINANCIAL STATEMENTS:	Review of financial statements and/or tax returns will be performed by staff. Annual statements required to be submitted during lease term.
JOB CREATION:	Satisfactory review by staff of the tenant's projected job creation for the leased space.
SECURITY DEPOSIT:	Based on financial review.
BROKERAGE COMMISSION:	To be paid in accordance with listing brokerage contract.
LEASE AGREEMENT TERMS and CONDITIONS:	The Authority's standard form of lease agreement, including permitted uses therein.