



MEMORANDUM

TO: Members of the Authority
FROM: Michele Brown
Chief Executive Officer
DATE: October 8, 2013
SUBJECT: Agenda for Board Meeting of the Authority October 8, 2013

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Bond Projects

Loans/Grants/Guarantees

Incentive Programs

Board Memorandums

Real Estate

Office of Recovery

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

September 12, 2013

MINUTES OF THE MEETING

Members of the Authority present: Al Koepp, Chairman; State Treasurer Andrew Sidamon-Eristoff; Fred Zavaglia representing the Commissioner of the Department of Labor and Workforce Development; Christopher Hughes representing the Commissioner of the Department of Banking and Insurance; Public Members: Joseph McNamara, Vice Chairman; Marjorie Perry, Charles Sarlo, Larry Downes, Brian Nelson, Jerry Langer, Ray Burke, First Alternate Public Member; Harold Imperatore, Third Alternate Public Member.

Present via conference call: Melissa Orsen representing the Executive Branch; Colleen Kokas representing the Commissioner of the Department of Environmental Protection; Elliot M. Kosoffsky, Second Alternate Public Member; and Rodney Sadler, Non-Voting Member.

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

Absent: Richard Tolson, Public Member.

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

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the August 13, 2013 meeting minutes. A motion was made to approve the minutes by Mr. Downes, seconded by Mr. McNamara, and was approved by the 13 voting members present.

The next item of business was the approval of the August 27, 2013 special meeting minutes. A motion was made to approve the minutes by Mr. Downes, seconded by Mr. McNamara, and was approved by the 12 voting members present.

Ms. Perry abstained because she was absent from the meeting.

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

Mr. Sarlo entered the meeting at this time.

AUTHORITY MATTERS

ITEM: Annual Meeting

REQUEST: To approve the recommendations associated with the annual reorganization meeting.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Burke **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

FOR INFORMATION ONLY: The next item is a summary of the resolved executive session items.

BOND PROJECTS

PROJECT: CA Newark 66-78 MA Urban Renewal LLC

APPL.#38387

LOCATION: Newark City/Essex

PROCEEDS FOR: Construction of new building or addition, renovation of existing building, and acquisition of existing building.

FINANCING: \$8,000,000 Taxable Qualified School Construction Bond

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Ms. Perry recused herself because she is familiar with the project.

PROJECT: LEAP Cramer Hill LLC

APPL.#38392

This project was withheld from board consideration.

PROJECT: MPT Facility, Inc.

APPL.#38389

LOCATION: Newark City/Essex

PROCEEDS FOR: Construction of new building or addition, land, and purchase of equipment & machinery

FINANCING: \$35,000,000 Taxable Qualified School Construction Bond

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

Ms. Perry recused herself because she is familiar with the project.

AMENDED BOND RESOLUTIONS

ITEM: Robertet, Inc.
P37148
REQUEST: To approve an allocation of \$2,000,000 from the 2013 Volume Cap for Robertet, Inc. to be used for the purchase of equipment and machinery
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Downes **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: Kent Place School **APPL.#38494**
LOCATION: Summit City/Union
PROCEEDS FOR: Refinancing and purchase of equipment
FINANCING: \$5,000,000 Tax-exempt bond
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Ms. Perry **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Mr. Langer entered the meeting at this time.

PROJECT: NYNJ Link Borrower LLC & NYNJ Link Developer LLC **APPL.#38508**
LOCATION: Elizabeth City/Union
PROCEEDS FOR: Goethals Bridge Replacement project
FINANCING: \$550,000,000 Tax-exempt bonds
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Zavaglia **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Ms. Perry recused herself because she is familiar with the project.

PROJECT: SJF CCRC, Inc. **APPL.#38490**
LOCATION: Voorhees Township/Camden
PROCEEDS FOR: Renovation of existing building
FINANCING: \$3,817,500 Tax-exempt bond
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Nelson **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: SJF CCRC, Inc. **APPL.#38512**
LOCATION: Voorhees Township/Camden
PROCEEDS FOR: Refund of principal amount of bond(s)
FINANCING: \$64,182,500 to be refunded
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Imperatore **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

DIRECT LOANS

PROJECT: Compassionate Care Foundation, Inc. **APPL.#38376**
LOCATION: Egg Harbor City/Atlantic
PROCEEDS FOR: Purchase of equipment & machinery
FINANCING: \$350,000
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Langer **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

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

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

PROJECT: The Estate of Louis Spagnuolo **APPL.#38405**
LOCATION: Newark City/Essex
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: \$319,050 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Zavaglia **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

PROJECT: Stephanie Dryer **APPL.#38439**
LOCATION: Middletown Township/Monmouth
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: \$294,720 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Mr. Nelson **SECOND:** Ms. Kokas **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

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

HAZARDOUS DISCHARGE SITE REMEDIATION FUND

PROJECT: Estate of Dorothy Y. Trombold **APPL.#38309**
LOCATION: Haddonfield Borough/Camden
PROCEEDS FOR: Site Remediation
FINANCING: \$83,566 Hazardous Discharge Site Remediation Fund Loan
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

INCENTIVE PROGRAMS

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

PROJECT: Berlitz Corporation and Subsidiaries **APPL.#38484**
LOCATION: West Windsor Township/Mercer **BUSINESS:** Educational Services
GRANT AWARD: 60% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Mr. Nelson **SECOND:** Ms. Perry **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PROJECT: Berlitz Corporation and Subsidiaries **APPL.# 38485**
LOCATION: West Windsor Township/Mercer **BUSINESS:** Educational Services
GRANT AWARD: \$492,750 **Business Retention and Relocation Assistance grant**, 1 year
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Imperatore **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

PROJECT: Whitney, Danforth & Stark Associates, Inc. **APPL.#38418**
LOCATION: Chester Borough/Morris **BUSINESS:** Advanced Computing
GRANT AWARD: 30% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Nelson **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

GROW NEW JERSEY ASSISTANCE PROGRAM

PROJECT: Destination Maternity Corporation
LOCATION: Florence Township/Burlington **BUSINESS:** Wholesale
Moorestown Township/ Burlington
GRANT AWARD: \$40,000,000 **Grow New Jersey grant**, 10 years
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. McNamara **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

TECHNOLOGY BUSINESS TAX CERTIFICATE TRANSFER PROGRAM

The next item is to approve 51 projects and disapprove 11 projects for the 2013 program cycle which have been evaluated according to the criteria established by the Members of the Board.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Imperatore **AYES:** 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

BOARD MEMORANDUMS

ITEM: 1200 Ferry Avenue Associates, LLC
\$226,583 LDF Loan
P15030

REQUEST: To extend the loan balloon maturity from 08/01/2013 to 08/01/2023 at a fixed rate of 3.0% for the first 5 years, to be reset at 5-year anniversary to the then 5-year Treasury plus 1.0% with a floor of 3.0%

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Zavaglia **AYES:** 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

ITEM: Fountains Applied LWAG, LLC (P # 37381)
Economic Redevelopment and Growth Grant Program

REQUEST: To approve an extension of the date required to sign the ERG agreement from September 4, 2013 to September 4, 2014.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Langer **AYES:** 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

ITEM: Merrill Lynch & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Incorporated and affiliates
Jersey City, New Jersey

This project was withheld from board consideration.

ITEM: Milestone Venture Partners IV, LP

REQUEST: To approve a limited partnership investment in Milestone Venture Partners IV, LP up to \$1.3 million. Funding for the investment will be made from the State Small Business Credit Initiative fund.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

ITEM: Silvia Brodrick, LLC
\$51,789 SLP Participation
P14542

REQUEST: To extend the SLP participation loan maturity for 10 years to 12/01/2022 at a fixed rate of the 5-year Treasury plus 1.00% with a floor of 3.0%, with a rate reset at 5 years.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Langer **AYES:** 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

ITEM: YSC Property Management, LLC
YSC Business Management, LLC
\$50,677 LDFP Loan
P15169

REQUEST: To extend the loan balloon maturity from 09/01/2013 to 09/01/2018 at a fixed rate of the 5-year Treasury plus 0.50% with a floor of 3.0%.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Imperatore **AYES:** 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

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

New Jersey Business Growth Fund: BC Real Estate Holdings LLC (P38493);
Tulip Associates Limited Liability Company (P38444).

NJ Main Street Program: Triangle Realty of NJ, LLC (P38438);
Z2 Technologies, LLC (P38402).

Premier Lender Program: Monopoly Management, LLC (P38462)

Small Business Fund Program: Aurora Multimedia Corp. (P38450 & P38453);
C & L Machining Company, Inc. (P38416); Sire Stakes Holdings, LLC (P3859)

New Jersey Business Growth Fund – Modification: Caspenny, LLC and
International Welding Technologies, Inc. (P38465)

REAL ESTATE

ITEM: Sale of Property
Waterfront Development Tract – Battleship Place
Block 139, Lot 11.03, Camden, NJ

REQUEST: To approve the sale of property located in Camden, New Jersey to The Home Port Alliance for the USS New Jersey, Inc., a New Jersey not-for-profit corporation, for nominal consideration, on terms generally outlined in the Term Sheet.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Nelson **AYES:** 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

OFFICE OF RECOVERY

ITEM: NJDEP MOA for compliance with environmental reviews for Stronger NJ Programs

REQUEST: To approve the Memorandum of Agreement between the Authority and the New Jersey Department of Environmental Protection to ensure the State's compliance with the requirements of the U.S. Housing and Urban Development federal Community Development Block Grant Disaster Recovery Program.

MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Ms. Perry **AYES:** 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion Ms. Perry, and seconded by Mr. Imperatore, 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.



Kim Ehrlich, Assistant Secretary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

September 18, 2013

MINUTES OF THE SPECIAL MEETING

Members of the Authority present: Melissa Orsen representing the Executive Branch; Commissioner Kenneth Kobylowski of Banking and Insurance; Jim Leonard representing the State Treasurer; and Fred Zavaglia representing the Commissioner of the Department of Labor and Workforce Development.

Present via conference call: Al Koepp, Chairman; Colleen Kokas representing the Commissioner of the Department of Environmental Protection; Public Members: Larry Downes, Marjorie Perry, Brian Nelson, Richard Tolson, Jerry Langer, Ray Burke, First Alternate Public Member; Harold Imperatore, Third Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Also present: Michele Brown, Chief Executive Officer of the Authority; Timothy Lizura, President and Chief Operating Officer; Deputy Attorney General Bette Renaud; and staff.

Also present via conference call: Amy Herbold, Governor's Authorities' Unit.

Absent: Joseph McNamara, Vice Chairman; Charles Sarlo, Elliot M. Kosoffsky, Second Alternate Public Member.

Chairman Koepp called the meeting to order at 12 p.m.

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

MINUTES OF AUTHORITY MEETING

OFFICE OF RECOVERY

Chairman Koepp opened the meeting by thanking the Board for coming together quickly to address an emergent situation. He also thanked the staff of the EDA for their hard work.

CEO Michele Brown also acknowledged and thanked the Board for coming together so quickly to help the communities of Seaside Park and Seaside Heights in the wake of the fire last week. She also thanked staff for their support and commitment.

Ms. Brown stated that the fire destroyed dozens of businesses, the boardwalk and other public infrastructure just 11 months after these communities were devastated by Superstorm Sandy. The unsafe conditions and the additional business losses caused by the fire have not only greatly exacerbated the impact from the storm, but have also created a dangerous health and safety hazard which must be addressed immediately.

She continued to state that after a thorough investigation, the cause of the fire was determined to be an electrical malfunction resulting from a combination of the age of the electrical wiring under the boardwalk and corrosion from the ocean following Hurricane Sandy.

Ms. Brown continued by addressing confusion among the press, business owners, and the general public about the aid the EDA will make available to fire-impacted businesses. She stated that:

- Businesses will submit claims to their insurance companies and wait for a determination of benefits before we can offer them any assistance.
- The \$5 million from the NCR program that we are asking the Board to approve today to help with demolition and debris removal was already allocated for projects of this nature.
- The assistance we are offering to Seaside businesses in no way adversely affects our ability to help any business damaged by Hurricane Sandy, nor does it take away from any of the residential assistance programs offered by other agencies. To clarify, these are existing funds for businesses that EDA administers, not funds allocated for residential programs.

She further stated that following through on the Governor's commitment to provide support to these communities, the Board is being asked to approve the allocation of \$5 million from the Stronger NJ Neighborhood and Community Revitalization Program to support Seaside Park and Seaside Heights with debris removal, demolition, and the rebuilding of public areas.

All of those businesses impacted by the fire are encouraged to apply for funds through the Stronger NJ Business Grant and Loan programs. Based on the initial needs identified, the Authority expects to advance approximately \$10 million of funding to these businesses through the grant and loan programs, and possibly more, if needed. This approach has been presented and approved by the U.S. Department of Housing and Urban Development, and we believe it is the most efficient, practical way to get help to the Seaside business community, which has been dealt a second, terrible blow.

Chairman Koeppe asked Ms. Brown to summarize the request:

REQUEST: Approve up to \$5 million from the Stronger NJ Neighborhood and Community Revitalization Program to be utilized for demolition and debris removal of the damaged structures in Seaside Heights and Seaside Park; as well as authorization to the CEO to approve applications and to execute sub-recipient agreements with Seaside Heights and Seaside Park in order for each to undertake procurement and contracting for the work.

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

President and COO Tim Lizura asked that Board consider amending the Board Memo and resolution to include mitigation efforts and the rebuilding of the impacted section of the boardwalk, to the extent allowable by the U.S. Department of Housing and Urban Development.

REQUEST: Approve a change to the resolution and board memo to include mitigation and rebuilding of the boardwalk as eligible uses to the extent approved by HUD.

MOTION TO APPROVE: Ms. Perry **SECOND:** Commissioner Kobyłowski **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT:

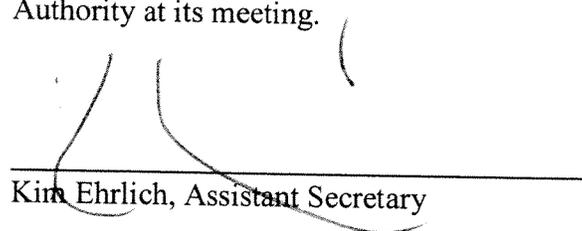
REQUEST: Approve the amended resolution and board memo. **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion by Ms. Perry, seconded by, Ms. Orsen, the meeting was adjourned at 12:30p.m.

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



Kim Ehrlich, Assistant Secretary



MEMORANDUM

TO: Members of the Authority

FROM: Michele A. Brown
Chief Executive Officer

DATE: October 8, 2013

RE: Chief Executive Officer's Report to the Board

GOVERNOR CHRISTIE SIGNS ECONOMIC OPPORTUNITY ACT OF 2013, LANDMARK LAW REVAMPING STATE'S LARGEST BUSINESS INCENTIVES

The New Jersey Economic Opportunity Act of 2013 was signed into law on September 18, 2013. The Act streamlines New Jersey's five existing economic development incentive programs into two. The Grow New Jersey Assistance (Grow NJ) Program will be the State's main job creation and retention incentive program and the Economic Redevelopment and Growth (ERG) program will be New Jersey's key developer incentive program.

The enhanced programs support businesses looking to grow throughout the State, while providing New Jersey with a more effective tool to encourage development and job growth in targeted areas. The Business Employment Incentive Program (BEIP), Business Retention and Relocation Assistance Grant (BRRAG) Program, and Urban Transit Hub Tax Credit (UTHTC) Program will be phased out by December 31, 2013.

Information regarding the Act has been posted to EDA's website, and we are planning proactive outreach to the business community this Fall, as well as participating in scheduled events, to share information on this new streamlined approach to economic development incentives in New Jersey.

SEVERAL LARGE INCENTIVE PROJECTS CELEBRATE GROUNDBREAKINGS AND GRAND OPENINGS IN SEPTEMBER

Several projects that received assistance through EDA's incentive programs celebrated groundbreakings and grand openings in September.

Panasonic Corporation celebrated the grand opening of its new, state-of-the-art headquarters in Newark. Panasonic was considering a relocation outside of New Jersey but instead chose to move to a new, \$128 million facility in Newark that will serve as its North American

Headquarters. By staying and expanding operations, Panasonic will keep 1,000 jobs New Jersey. EDA approved this project for up to \$102.4 million through the UTHTC Program.

Teachers Village in Newark celebrated a ribbon cutting marking the completion of its first two buildings. When finished, Teachers Village will include three charter schools, a day care center, more than 200 apartments pre-marketed to teachers and more than 70,000 square feet of retail space. The project was approved for \$39.4 million through the UTHTC Program and \$20.5 million through the ERG Program.

One Riverview, Newark's first high-rise apartment in more than 50 years, also celebrated a groundbreaking . The \$64 million mixed-use development project near NJPAC includes for sale housing, 6,000 square feet of retail and more than 150 parking spaces. The project was approved for up to \$20.6 million through the UTHTC Program.

In addition to these Newark-based projects, a project that EDA supported through the Public-Private Partnership (P3) Program also broke ground in September. Campus Town at The College of New Jersey is a mixed-used development that will include housing, a bookstore, a fitness and wellness facility for students, retail stores, health facilities and restaurants for the broader community. The \$56.37 million project includes the development of 137 apartments and approximately 78,000 square feet of retail on 1.25 acres in Ewing. The project is expected to create 325 construction jobs.

The College Avenue Redevelopment Initiative at Rutgers University also celebrated a groundbreaking last month. The \$300 million College Avenue Redevelopment Initiative, with more than 750,000 square feet of new construction on the Rutgers College Avenue Campus, is a transformational project representing one of the most significant public-private partnerships in recent New Jersey history. This project will not only provide essential bricks and mortar development for the University, but will also create approximately 1,200 construction jobs as well as unify Rutgers' historic College Avenue Campus. EDA supported this project through the residential component of the UTHTC Program.

EDA EXECUTES LEASE WITH RUTGERS-CAMDEN FOR LABORATORY SPACE IN WATERFRONT TECHNOLOGY CENTER AT CAMDEN

Last month, EDA executed a lease under Delegated Authority with Rutgers University for 5,193 square feet of pre-built laboratory space in the Waterfront Technology Center at Camden.

With assistance through a grant from the U.S. Economic Development Administration, EDA completed construction of 20,000 square feet of lab space on the fifth floor at the end of 2009. Approximately half the floor was immediately leased to Drexel University. The remainder of the floor, which was fit out generically and speculatively, had yet to be leased.

Rutgers University – Camden will utilize the space for approximately twelve faculty and graduate student researchers for special projects such as studying the genetic and molecular mechanisms of quantitative traits in fungi and other biology-related research. The rent over the five year, four month term ranges from \$31 to \$33.50 per square foot, plus tenant electric.

Rutgers will be performing some minor modifications to the space at its expense, such as adding extra ventilation and an autoclave.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY (FMERA) UPDATE

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

FMERA is currently evaluating proposals, in accordance with the Authority's Sale Rules, for four Requests For Offers To Purchase (RFOTPs) - Parcel B in Eatontown, Officers Housing in Oceanport and Parcels C and C1 in Tinton Falls. We hope to have recommendations for the Board of Directors' consideration in the next 60 days. In addition, FMERA recently issued three RFOTPs - for a Veterans Community in Eatontown, for Russel Hall in Oceanport and for the Pinebrook Road Commerce Center (former fabrication shops) in Tinton Falls. Proposals for Russel Hall are due on November 7, 2013, proposals for the Pinebrook Road Commerce Center are due on November 20, 2013 and proposals for the Veterans Community are due on December 6, 2013. At its July meeting the FMERA Board of Directors approved entering into exclusive negotiations, in accordance with the Authority's sales rules, with HovWest Land Acquisition LLC for Howard Commons in Eatontown.

FMERA's next board meeting is scheduled for Wednesday, October 16, 2013 at 7:00 pm and will be held at the FMERA Office, 502 Brewer Avenue, Oceanport.

CLOSED PROJECTS IN SEPTEMBER 2013

Through September 30, 2013, EDA has closed financing and incentives totaling nearly \$600 million for 121 projects that are expected to support the creation of more than 4,500 new jobs, the support of more than 24,800 existing jobs, including more than 3,400 jobs at risk of leaving New Jersey, and involve total public/private investment of more than \$1.4 billion in New Jersey's economy. Among the businesses assisted in September:

Teixeira's Bakery, which closed on \$6 million in tax-exempt bond financing. Teixeira's Bakery is a Newark-based manufacturer of fresh baked products for regional distribution and par-baked frozen products for national distribution. As a result of this assistance, the company expects to create 40 new jobs.

Sunwear Fashion, LLC, which closed on a \$500,000 direct loan under the Main Street Business Assistance Program. Sunwear Fashion is a Carlstadt-based distributor of clothing - primarily T-shirts, sweatshirts and socks. As a result of this assistance, the company expects to create 3 new jobs within two years.

AEON Corporation, which closed on a \$300,000 direct loan under the Small Business Fund. AEON is a West Windsor-based designer, developer, manufacturer and seller of indium phosphate based photonic devices such as semiconductor optical amplifiers and interferometer

devices for telecom, datacom, medical, sensors and test and measurement applications. As a result of this assistance, the company expects to create 3 new jobs.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 42 events in September. These included TechLaunch Demo Day at Montclair State University, the NAIOP - Special Incentives and Policy Update Program in New Brunswick, and several Stronger NJ Grant workshops in Superstorm Sandy-impacted locations including Beach Haven, Seaside Heights and Avalon.



BOND RESOLUTIONS

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

APPLICANT: Newark City & TDAF I Springfield Avenue Holding Urban Renewal P37151

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 188-234 Springfield Avenue Newark City (T/UA) Essex

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

APPLICANT BACKGROUND:

In November 1998, The City of Newark approved a redevelopment plan and a redevelopment area pursuant to the Local Redevelopment and Housing Law (NJSA 40:12A-1) as amended and supplemented. Included in this area is the project site at 188-234 Springfield Avenue and 82-120 South Orange Avenue in Newark that will be developed by TDAF I Springfield Avenue Holding Urban Renewal Company, LLC.

TDAF I Springfield Avenue Holding Urban Renewal Company, LLC is a subsidiary of Tucker Development and Acquisition Fund L.P. (TDAF), a private equity fund established for the purpose of making equity and debt investments in real estate and real estate related assets in the State of New Jersey. TDAF's limited partners consist of the State of New Jersey Common Pension Fund E, Metropolitan Life Insurance Company and The Prudential Insurance Company of America. The general partner of this limited partnership fund is staffed by the individuals that comprise the senior management of Tucker Development Corp.

Tucker Development Corp. is proposing owning and operating a multi-use project for the Northeast corner of Springfield Ave, Jones Street and South Orange Avenue in Newark, known as Springfield Avenue Marketplace. The Springfield Avenue Marketplace is approximately 11.6 acres and was purchased in 2008. The proposed 287,000 sq. ft. mixed-use project will consist of a bank pad, a retail anchor tenant, approx. 40,000 sq. ft. of ancillary small shop and junior anchor retail space as well as a restaurant. Further, a proposed residential apartment complex of approximately 140,000 sq. ft. will be constructed on the site. The project achieves goals set forth in the City's Redevelopment Plan by transforming a vacant, blighted site into a mixed-use designation and will provide local jobs and increased tax revenue for the City.

TDAF I Springfield Avenue is concurrently seeking the Members approval of an Economic Redevelopment Grant (ERG) and an Urban Transit Hub Tax Credit ("UTHTC") for this project.

The Authority has also approved an ERG Grant and Redevelopment Area Bond for a related entity, TDAF I Pru Hotel Urban Renewal Company, LLC for the Marriott Hotel project near the Prudential Center in Newark, NJ.

APPROVAL REQUEST:

At the request of the City of Newark, Authority assistance will enable the applicant to finance a portion of the development of the Springfield Avenue Marketplace project through Redevelopment Area Bonds ("RAB"). The RAB proceeds will also fund capitalized interest, a debt service reserve fund and pay eligible costs of issuance. The bonds will be repaid from Payments-In-Lieu-Of-Taxes ("PILOT" payments) to be made by the developer under a finance agreement with the City of Newark, pursuant to the Redevelopment Area Bond Financing Law. The final Bond Resolution is subject to approval of the Applicant's RAB application by the Local Finance Board expected on October 9, 2013.

Other sources of funds include conventional debt and the Applicant's equity.

FINANCING SUMMARY:

BOND PURCHASER: Prudential Insurance Company of America (Direct Purchase)

AMOUNT OF BOND: \$6,600,000 (Taxable) Redevelopment Area Bond

TERMS OF BOND: 20 years; Interest only for 15 months (subject to issuance of a certificate of occupancy); Fixed interest rate of 4.7%.

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	\$57,405,000
Land	\$15,500,000
Engineering & architectural fees	\$8,635,000
Development Fee	\$3,010,000
Finance fees	\$2,440,000
Legal fees	\$1,580,000
Contingency	\$1,522,219
Interest during construction	\$1,243,336
Debt service reserve fund	\$414,445
TOTAL COSTS	<u><u>\$91,750,000</u></u>

JOBS: At Application 0 Within 2 years 87 Maintained 0 Construction 180

PUBLIC HEARING: N/A

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: M. Abraham

APPROVAL OFFICER: T. Wells

LOANS/GRANTS/GUARANTEES

**PETROLEUM UNDERGROUND STORAGE
TANK PROGRAM**



MEMORANDUM

TO: Members of the Authority

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

DATE: October 8, 2013

SUBJECT: PUST and HDSRF Program Funding Status
(For Informational Purposes Only)

In December, 2012, the members approved a change in the administration of the subject programs as a result of new Treasury guidance for fund transfers. Provided herein is the remaining funding after September approvals and those proposed for October. Treasury has also been notified of the September approvals and will encumber the funds for those approvals.

PUST:

As of August 31, the UST fund held by EDA had approximately \$11.8 million in cash and unfunded appropriations available to fund September approvals of \$906 thousand, which left \$10.9 million to fund the \$151 thousand in approvals requested herein.

HDSRF:

As of August 31, the HD fund held by EDA had approximately \$59.2 million in cash and unfunded appropriations available to fund September approvals of \$126 thousand, which left \$59.1 million to fund future projects (none presented herein).

Prepared by: Kathy Junghans



MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President/Chief Operating Officer
DATE: October 8, 2013
SUBJECT: NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

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

UST Residential Grant:

Gail L. Denber \$ 151,285

Prepared by: Kathy Junghans

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

APPLICANT: Gail L. Denber

P38443

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 118 Lawnside Ave.

Collingswood Borough (N) Camden

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

APPLICANT BACKGROUND:

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

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$151,285 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$15,129 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: \$151,285

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$151,285
NJDEP oversight cost	\$15,129
EDA administrative cost	\$250
TOTAL COSTS	\$166,664

APPROVAL OFFICER: K. Junghans



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: October 08, 2013

SUBJECT: Petroleum Underground Storage Tank Program - Delegated Authority Approvals
(For Informational Purposes Only)

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

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

Below is a summary of the Delegated Authority approvals processed by Finance & Development for the period ~~September 01, 2013 to September 30, 2013~~

Summary:	# of Grants	\$ Amount
Leaking tank grants awarded	18	\$290,923
Non-leaking tank grants awarded	1	\$1,500

Applicant	Description	Grant Amount	Awarded to Date
Alward, Peter (P38501)	Initial grant for upgrade, closure and remediation	\$9,912	\$9,912
Ball, Eleanor (P38500)	Initial grant for upgrade, closure and remediation	\$1,200	\$1,200
Coache, Jason and Ava (P38476)	Initial grant for upgrade, closure and remediation	\$9,034	\$9,034
Curran, Edward J. (P38361)	Partial supplemental grant for upgrade, closure and remediation	\$3,008	\$12,078
Guest, Monte (P38298)	Initial grant for upgrade, closure and remediation	\$16,908	\$16,908
Jackson, Gary (P38482)	Supplemental grant for upgrade, closure and remediation	\$61,859	\$85,267
Jolliffe, Carol (P38417)	Supplemental grant for upgrade, closure and remediation	\$52,267	\$67,353
Kelley, Kelley (P38470)	Initial grant for upgrade, closure and remediation	\$21,346	\$21,346
Kolody, Michael (P38505)	Initial grant for upgrade, closure and remediation	\$5,900	\$5,900
Lisa, John and Frances	Initial grant for upgrade,	\$5,300	\$5,300

Applicant	Description	Grant Amount	Awarded to Date
(P38507)	closure and remediation		
Lopez, Pedro (P38458)	Supplemental grant for upgrade, closure and remediation	\$5,755	\$36,738
Mania, Steven and Kristi (P38475)	Initial grant for upgrade, closure and remediation	\$8,700	\$8,700
Moffa, Samuel (P38474)	Initial grant for upgrade, closure and remediation	\$13,387	\$13,387
O'Donnell, Dave (P38517)	Supplemental grant for upgrade, closure and remediation	\$2,391	\$8,795
Rosky, Terri (P38032)	Initial grant for upgrade, closure and remediation	\$3,578	\$3,578
Rubinich, Lisa (P38457)	Supplemental grant for upgrade, closure and remediation	\$39,587	\$53,220
Vinci, Joseph (P38503)	Initial grant for upgrade, closure and remediation	\$17,785	\$17,785
Witty, Craig and June (P38116)	Initial grant for upgrade, closure and remediation	\$13,006	\$13,006

18 Grants

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

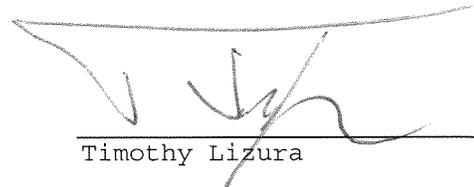
\$290,923

Villani, Mark and Catherine (P36418)	Grant to remove an underground storage tank	\$1,500	\$1,500
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1 Grants

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

\$1,500



Timothy Lizura

**HAZARDOUS DISCHARGE SITE REMEDIATION FUND
PROGRAM**



TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: October 8, 2013

SUBJECT: Hazardous Discharge Site Remediation Fund - Delegated Authority Approvals
(For Informational Purposes Only)

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

Below is a summary of the Delegated Authority approval processed by the Finance & Development for the month of September 2013.

Applicant	Description	Grant
Yong Choi P38396	25% remedial action matching grant	\$ 1,799
West Orange Township (Former Fregans Automotive) P38463	Initial grant to perform site investigation activities.	\$40,910
2 Grants	Total Grant Funding for September 2013	\$42,709

Timothy Lizura

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: EarthCam Incorporated

P38535

PROJECT LOCATION: 650 Crescent Avenue

Upper Saddle River

Bergen County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

EarthCam Incorporated is a global leader in providing webcam content, technology, and services. Founded in 1996 and headquartered in Hackensack, New Jersey, the company's expertise includes delivering millions of images daily and developing technology to manage camera networks worldwide. From entertainment and promotional applications for tourism, to monitoring and documentation for the construction industry, EarthCam provides hosted infrastructure to stream video to public websites and social media outlets, as well as archive high resolution megapixel images for producing cinematic time-lapse movies. The company's website offers real time images of various scenic destinations including Times Square, the Statue of Liberty, Ground Zero, St. Louis Gateway Arch, Seattle Space Needle, and Hollywood Boulevard. The applicant is economically viable.

MATERIAL FACTOR:

EarthCam currently has 80 employees at its 12,000 sq ft facility in Hackensack and has been searching for a larger facility that can accommodate the company's expected growth. The company has identified a 41,544 sq ft facility in Upper Saddle River to purchase and renovate. The alternative is to relocate to Orangeburg, New York. Should the applicant choose to pursue the project in New Jersey it would result in the retention of 80 employees as well as the addition of 80 new full time jobs. The company is requesting a BEIP and BRRAG to provide an incentive to locate the project here. Management has indicated that the grant will be a material factor in the company's decision and the Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate.

APPROVAL REQUEST:

PERCENTAGE: 55%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage EarthCam Incorporated 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: \$ 364,540
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 80

ELIGIBLE BEIP JOBS: Year 1 40 Year 2 40 Base Years Total = 80

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$4,556

ANTICIPATED AVERAGE WAGES: \$42,000

ESTIMATED PROJECT COSTS: \$6,199,542

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$662,800

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$629,660

PROJECT IS: () Expansion (X) Relocation Hackensack

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP:(X) Domestic () Foreign

DEVELOPMENT OFFICER: M. Abraham

APPROVAL OFFICER: K. McCullough

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Upper Saddle River Borough	N/A
2. Job Creation	80	2
	Targeted : _____ Non-Targeted : <u>X</u>	
3. Job at Risk:	80	1
4. Industry:	communications	0
	Designated : _____ Non-Designated : <u>X</u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$6,199,542	2
7. Average Wage:	\$ 42,000	2

TOTAL: **9**

Bonus Increases (up to 80%):

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

Total Bonus Points: 20 %

Total Score :

Total Score per formula:	9 = 30 %
Construction/Renovation :	5 %
Bonus Increases :	20 %
Total Score (not to exceed 80 %):	55 %

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

APPLICANT: EarthCam Incorporated P38520

COMPANY ADDRESS: 84 Kennedy Street Hackensack City Bergen County

PROJECT LOCATION: 650 East Crescent Avenue Upper Saddle River Bergen County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

EarthCam Incorporated is a global leader in providing webcam content, technology, and services. Founded in 1996 and headquartered in Hackensack, New Jersey, the company’s expertise includes delivering millions of images daily and developing technology to manage camera networks worldwide. From entertainment and promotional applications for tourism, to monitoring and documentation for the construction industry, EarthCam provides hosted infrastructure to stream video to public websites and social media outlets, as well as archive high resolution megapixel images for producing cinematic time-lapse movies. The company’s website offers real time images of various scenic destinations including Times Square, the Statue of Liberty, Ground Zero, St. Louis Gateway Arch, Seattle Space Needle, and Hollywood Boulevard.

MATERIAL FACTOR/NET BENEFIT:

EarthCam currently has 80 employees at its 12,000 sq ft facility in Hackensack and has been searching for a larger facility that can accommodate the company’s expected growth. The company has identified a 41,544 sq ft facility in Upper Saddle River to purchase and renovate. The alternative is to relocate to Orangeburg, New York. Should the applicant choose to pursue the project in New Jersey it would result in the retention of 80 employees as well as the addition of 80 new full time jobs. The company is requesting a BEIP and BRRAG to provide an incentive to locate the project here. The applicant has demonstrated that the grant of these tax credits will result in a net benefit to the State of \$5.7 million. Management has indicated that the grants are a material factor in the company’s decision and 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:

TAX CREDIT TERM: 1 year(s)
COMMITMENT DURATION: 6 years

The Members of the Authority are asked to approve the proposed BRRAG benefit to EarthCam Incorporated 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 March 31, 2014 in order to remain eligible for the bonus award.

4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.
5. If the applicant remains in a location at which it currently operates, expenditures totaling at least as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before March 31, 2014.

END OF APPLICANT'S FISCAL YEAR:		December 31
CAPITAL INVESTMENT MUST BE MADE BY:		March 31, 2014
SUBMISSION DATE OF CPA CERTIFICATION:		May 1, 2014
TOTAL ESTIMATED GRANT AWARD OVER TERM:	\$	180,000
APPLICANT TAX PERIOD 1 APPROVAL (2014):	\$	180,000
ELIGIBLE BRRAG JOBS:		80
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	\$	1,500
BONUS AWARD PER EMPLOYEE:	\$	750
TOTAL YEARLY TAX CREDITS INCLUDING BONUS:	\$	2,250
ANTICIPATED AVERAGE WAGES:	\$	62,353
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	\$	4,988,240
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 6 YRS:	\$	814,095
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$	1,214,262
OPERATED IN NEW JERSEY SINCE:		1996
PROJECT IS:	<input type="checkbox"/> Expansion <input checked="" type="checkbox"/> Relocation	
CONSTRUCTION/RENOVATION:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
DEVELOPMENT OFFICER:	M. Abraham	APPROVAL OFFICER: K. McCullough

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

APPLICANT: McGraw-Hill Global Education Holdings, LLC and Affiliates P38487

PROJECT LOCATION: 104 Windsor Center Drive East Windsor Township Mercer County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Headquartered in Manhattan, McGraw-Hill Global Education Holdings, LLC, McGraw-Hill Global Education, LLC and McGraw-Hill School Education LLC ("McGraw-Hill Education") are a part of a digital learning group of companies offering instructional, assessment and reference solutions and school textbooks that empower professionals and students of all ages. The business employs more than 6,000 people in 44 countries and publishes in more than 60 languages. The Applicant is economically viable.

The President and CEO of McGraw-Hill Education is Lloyd G. Waterhouse.

In September 2011, The McGraw-Hill Companies, Inc. (now McGraw Hill Financial, Inc.) announced its intention to spin-off its education division. In March 2013, The McGraw-Hill Companies, Inc.'s education business was sold to Apollo Global Management, LLC, a publicly traded global alternative investment company.

McGraw-Hill Education and McGraw Hill Financial, Inc. currently share office space in East Windsor, New Jersey. The two have agreed to end their space sharing in East Windsor by December 31, 2013. McGraw-Hill Education sees this imminent physical separation not only as an opportunity to have its own independent, stand-alone space but also as an opportunity to reduce overhead and operating costs. To that end, McGraw-Hill Education is seeking a BEIP grant to support creating 40 jobs and a BRRAG grant to retain and relocate 105 existing jobs to a new location. This BEIP project would create 40 highly paid new jobs, mostly IT related positions, through 2015.

MATERIAL FACTOR:

The Applicant is seeking a BEIP grant to support creating 40 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 New York. The company has represented that a favorable decision by the Authority to award the BEIP grant, along with the BRRAG 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.

APPROVAL REQUEST:

PERCENTAGE: 55%

TERM: 10 years

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

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: \$ 1,268,190
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 105

ELIGIBLE BEIP JOBS: Year 1 0 Year 2 40 Base Years Total = 40

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$31,704

ANTICIPATED AVERAGE WAGES: \$129,000

ESTIMATED PROJECT COSTS: \$2,150,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$2,305,800

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$2,190,510

PROJECT IS: (X) Expansion () Relocation _____

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New York

APPLICANT OWNERSHIP:(X) Domestic () Foreign

DEVELOPMENT OFFICER: J. Kenyon

APPROVAL OFFICER: D. Sucsuz

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	East Windsor Township	N/A
2. Job Creation	40	1
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	105	1
4. Industry:	printing and publishing	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$2,150,000	1
7. Average Wage:	\$ 129,000	4

TOTAL: 9

Bonus Increases (up to 80%):

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

Total Bonus Points: **20 %**

Total Score :

Total Score per formula:	9 = 30 %
Construction/Renovation :	5 %
Bonus Increases :	20 %
Total Score (not to exceed 80 %):	55 %

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

APPLICANT: McGraw-Hill Global Education Holdings, LLC and Affiliates P38488

COMPANY ADDRESS: 148 Princeton-Hightstown Rd. East Windsor T. Mercer County

PROJECT LOCATION: 104 Windsor Center Dr. East Windsor T. Mercer County

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

APPLICANT BACKGROUND:

Headquartered in Manhattan, McGraw-Hill Global Education Holdings, LLC, McGraw-Hill Global Education, LLC and McGraw-Hill School Education LLC (“McGraw-Hill Education”) are a part of a digital learning group of companies offering instructional, assessment and reference solutions and school textbooks that empower professionals and students of all ages. The business employs more than 6,000 people in 44 countries and publishes in more than 60 languages.

In September 2011, The McGraw-Hill Companies, Inc. (now McGraw Hill Financial, Inc.) announced its intention to spin-off its education division. In March 2013, The McGraw-Hill Companies, Inc.’s education business was sold to Apollo Global Management, LLC, a publicly traded global alternative investment company.

McGraw-Hill Education and McGraw Hill Financial, Inc. currently share office space in East Windsor, New Jersey. The two have agreed to end their space sharing in East Windsor by December 31, 2013. McGraw-Hill Education sees this imminent physical separation not only as an opportunity to have its own independent, stand-alone space but also as an opportunity to reduce overhead and operating costs. To that end, McGraw-Hill Education is seeking a BRRAG grant to retain and relocate 105 existing jobs to a new location and a BEIP grant to support creating 40 jobs. McGraw-Hill Education employees at East Windsor are involved in back office, IT, and software functions that support its entire business.

MATERIAL FACTOR/NET BENEFIT:

The Applicant is seeking a BRRAG grant to support retaining 105 BRRAG eligible employees located in New Jersey. The company has submitted a cost benefit analysis comparing the cost of comparable facilities in New Jersey and New York. The company has represented that a favorable decision by the Authority to award the BRRAG grant is a material factor in the Applicant's decision to remain within New Jersey and hence not to relocate these jobs outside of the State. 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 model that the EDA uses to determine the net benefit of a BRRAG project to the State of New Jersey determined that the net benefit of this BRRAG project to the State is \$14.5 million. The Authority staff recommends the award of the proposed Business Retention and Relocation Assistance Grant.

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 McGraw-Hill Global Education Holdings, LLC and Affiliates to encourage the company to remain within 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 March 15, 2014 in order to remain eligible for the bonus award.
4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.
5. If the applicant remains in a location at which it currently operates, expenditures totaling at least as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before March 15, 2014.

END OF APPLICANT'S FISCAL YEAR:	December 31
CAPITAL INVESTMENT MUST BE MADE BY:	March 15, 2014
SUBMISSION DATE OF CPA CERTIFICATION:	May 15, 2014
TOTAL ESTIMATED GRANT AWARD OVER TERM:	\$236,250
APPLICANT TAX PERIOD 1 APPROVAL (2014):	\$236,250
ELIGIBLE BRRAG JOBS:	105
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	\$1,500
BONUS AWARD PER EMPLOYEE:	\$750
TOTAL YEARLY TAX CREDITS INCLUDING BONUS:	\$2,250
ANTICIPATED AVERAGE WAGES:	\$97,700
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	\$10,258,500
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS (6 years):	\$2,340,041
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$1,700,000
OPERATED IN NEW JERSEY SINCE:	1957
PROJECT IS: (X) Expansion (X) Relocation	
CONSTRUCTION/RENOVATION: (X) Yes () No	
DEVELOPMENT OFFICER: J. Kenyon	APPROVAL OFFICER: D. Sucsuz

ANGEL INVESTOR TAX CREDIT PROGRAM



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President/Chief Operating Officer
Chief Executive Officer

DATE: October 8, 2013

SUBJECT: Angel Investor Tax Credit Program

As of January 31, 2013, the New Jersey Angel Investor Tax Credit was signed into law with proposed Regulations and approved by the Members of the Board in June 2013. The New Jersey Angel Investor Tax Credit establishes credits against corporate business tax or New Jersey gross income tax in the amount of 10% of a qualified investment made to New Jersey emerging technology business as of January 1, 2012. The program has an annual approval cap of \$25 million per calendar year. The following angel investors are recommended for approval and are described on the attached project summaries:

Angel Investor	NJ Emerging Technology Co.	Qualified Investment	Proposed Tax Credit
John C. Dries	United Silicon Carbide, Inc.	\$1,450,000	\$145,000
GHO Investors, LLC	United Silicon Carbide, Inc.	\$2,750,000	\$275,000
Marshall J. Cohen Family Trust	Princeton Power Systems, Inc.	\$ 50,000	\$ 5,000
Marshall J. Cohen Family Trust	Princeton Power Systems, Inc.	\$ 300,000	\$ 30,000
Marshall J. Cohen Family Trust	Princeton Power Systems, Inc.	\$ 200,000	\$ 20,000
	Total:	\$4,750,000	\$475,000

Prepared By: Teresa Wells

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

APPLICANT(S)/ANGEL INVESTOR:

John C. Dries

P38497

NJ EMERGING TECHNOLOGY BUSINESS:

United Silicon Carbide, Inc.

TECHNOLOGY BUSINESS NJ LOCATION:

7 Deer Park Drive South Brunswick Township Middlesex County

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

TECHNOLOGY BUSINESS BACKGROUND:

Union Silicon Carbide, Inc. was spun out of Rutgers University in 2000 to develop high power transistors and diodes in the silicon carbide materials system. Silicon carbide is a wide bandgap semiconductor ideal for use in high power, high voltage applications. The use of silicon carbide devices in place of silicon in power electronics applications are more energy efficient and can be used in more extreme environments. The properties of silicon carbide devices are perfect for next generation electric cars and trains and in the use of solar and wind power generation, among other uses.

INDUSTRY:

- () **Advanced Computing** () **Information** () **Renewable Energy**
() **Advanced Materials** () **Life Sciences**
() **Biotechnology** () **Medical Device**
(X) **Electronic Device** () **Mobile Communications**

DESCRIPTION OF QUALIFIED INVESTMENT:

The applicant presented a non-refundable investment of cash to United Silicon Carbide, Inc. in exchange for stock in the company.

APPROVAL REQUEST:

The Members of the Authority are asked to approve the proposed Angel Investor Tax Credit to John C. Dries to encourage the investment in a New Jersey emerging technology business.

QUALIFIED INVESTMENT DATE:		02/21/2013
QUALIFIED INVESTMENT:	\$	1,450,000.56
TAXPAYER APPROVAL YEAR: (2013)	\$	145,000.06
TOTAL NUMBER OF EMPLOYEES (Worldwide):		16
NEW JERSEY FULL-TIME EMPLOYMENT AT APPLICATION:		16

DEVELOPMENT OFFICER: D. Ackerman

APPROVAL OFFICER: T. Wells

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

APPLICANT(S)/ANGEL INVESTOR:

GHO Ventures, LLC

P38495

NJ EMERGING TECHNOLOGY BUSINESS:

United Silicon Carbide, Inc.

TECHNOLOGY BUSINESS NJ LOCATION:

7 Deer Park Drive South Brunswick Township Middlesex County

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

TECHNOLOGY BUSINESS BACKGROUND:

Union Silicon Carbide, Inc. was spun out of Rutgers University in 2000 to develop high power transistors and diodes in the silicon carbide materials system. Silicon carbide is a wide bandgap semiconductor ideal for use in high power, high voltage applications. The use of silicon carbide devices in place of silicon in power electronics applications are more energy efficient and can be used in more extreme environments. The properties of silicon carbide devices are perfect for next generation electric cars and trains and in the use of solar and wind power generation, among other uses.

INDUSTRY:

- | | | |
|-------------------------|---------------------------|----------------------|
| () Advanced Computing | () Information | () Renewable Energy |
| () Advanced Materials | () Life Sciences | |
| () Biotechnology | () Medical Device | |
| (X) Electronic Device | () Mobile Communications | |

DESCRIPTION OF QUALIFIED INVESTMENT:

The applicant presented a non-refundable investment of cash to United Silicon Carbide, Inc. in exchange for stock in the company.

APPROVAL REQUEST:

The Members of the Authority are asked to approve the proposed Angel Investor Tax Credit to GHO Ventures, LLC to encourage the investment in a New Jersey emerging technology business.

QUALIFIED INVESTMENT DATE:		10/03/2012
QUALIFIED INVESTMENT:	\$	2,750,000.00
TAXPAYER APPROVAL YEAR: (2013)	\$	275,000.00
TOTAL NUMBER OF EMPLOYEES (Worldwide):		16
NEW JERSEY FULL-TIME EMPLOYMENT AT APPLICATION:		16

DEVELOPMENT OFFICER: D. Ackerman

APPROVAL OFFICER: T. Wells

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

APPLICANT(S)/ANGEL INVESTOR:

Marshall J. Cohen Family Trust

P38536

NJ EMERGING TECHNOLOGY BUSINESS:

Princeton Power Systems, Inc.

TECHNOLOGY BUSINESS NJ LOCATION:

3175 Princeton Pike Lawrence Township (N) Mercer County

GOVERNOR'S INITIATIVES: Urban Edison Core Clean Energy

TECHNOLOGY BUSINESS BACKGROUND:

Princeton Power Systems, Inc. is a developer and manufacturer of intelligent power electronic equipment used for renewable energy projects, including solar powered electric vehicle charging and energy storage systems. The Company's intelligent power inverters range from 10 kW to 500 kW and its energy storage systems range from 100 kW to 2 MW. These systems connect with energy sources including solar photovoltaic, wind turbines, generators, batteries and the Grid.

INDUSTRY:

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

DESCRIPTION OF QUALIFIED INVESTMENT:

The Applicant presented a non-refundable investment of cash to Princeton Power Systems, Inc. in exchange for stock in the company.

APPROVAL REQUEST:

The Members of the Authority are asked to approve the proposed Angel Investor Tax Credit to Marshall J. Cohen Family Trust to encourage the investment in a New Jersey emerging technology business.

QUALIFIED INVESTMENT DATE:		07/02/2012
QUALIFIED INVESTMENT:	\$	50,000.00
TAXPAYER APPROVAL YEAR: (2013)	\$	5,000.00
TOTAL NUMBER OF EMPLOYEES (Worldwide):		32
NEW JERSEY FULL-TIME EMPLOYMENT AT APPLICATION:		30

DEVELOPMENT OFFICER: D. Ackerman

APPROVAL OFFICER: T. Wells

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

APPLICANT(S)/ANGEL INVESTOR:

Marshall J. Cohen Family Trust

P38600

NJ EMERGING TECHNOLOGY BUSINESS:

Princeton Power Systems, Inc.

TECHNOLOGY BUSINESS NJ LOCATION:

3175 Princeton Pike Lawrence Township (N) Mercer County

GOVERNOR'S INITIATIVES: Urban Edison Core Clean Energy

TECHNOLOGY BUSINESS BACKGROUND:

Princeton Power Systems, Inc. is a developer and manufacturer of intelligent power electronic equipment used for renewable energy projects, including solar powered electric vehicle charging and energy storage systems. The Company's intelligent power inverters range from 10 kW to 500 kW and its energy storage systems range from 100 kW to 2 MW. These systems connect with energy sources including solar photovoltaic, wind turbines, generators, batteries and the Grid.

INDUSTRY:

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

DESCRIPTION OF QUALIFIED INVESTMENT:

The Applicant presented a non-refundable investment of cash to Princeton Power Systems, Inc. in exchange for stock in the company.

APPROVAL REQUEST:

The Members of the Authority are asked to approve the proposed Angel Investor Tax Credit to Marshall J. Cohen Family Trust to encourage the investment in a New Jersey emerging technology business.

QUALIFIED INVESTMENT DATE:		10/25/2012
QUALIFIED INVESTMENT:	\$	300,000.00
TAXPAYER APPROVAL YEAR: (2013)	\$	30,000.00
TOTAL NUMBER OF EMPLOYEES (Worldwide):		32
NEW JERSEY FULL-TIME EMPLOYMENT AT APPLICATION:		30

DEVELOPMENT OFFICER: D. Ackerman

APPROVAL OFFICER: T. Wells

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

APPLICANT(S)/ANGEL INVESTOR:

Marshall J. Cohen Family Trust

P38601

NJ EMERGING TECHNOLOGY BUSINESS:

Princeton Power Systems, Inc.

TECHNOLOGY BUSINESS NJ LOCATION:

3175 Princeton Pike Lawrence Township (N) Mercer County

GOVERNOR'S INITIATIVES: Urban Edison Core Clean Energy

TECHNOLOGY BUSINESS BACKGROUND:

Princeton Power Systems, Inc. is a developer and manufacturer of intelligent power electronic equipment used for renewable energy projects, including solar powered electric vehicle charging and energy storage systems. The Company's intelligent power inverters range from 10 kW to 500 kW and its energy storage systems range from 100 kW to 2 MW. These systems connect with energy sources including solar photovoltaic, wind turbines, generators, batteries and the Grid.

INDUSTRY:

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

DESCRIPTION OF QUALIFIED INVESTMENT:

The Applicant presented a non-refundable investment of cash to Princeton Power Systems, Inc. in exchange for stock in the company.

APPROVAL REQUEST:

The Members of the Authority are asked to approve the proposed Angel Investor Tax Credit to Marshall J. Cohen Family Trust to encourage the investment in a New Jersey emerging technology business.

QUALIFIED INVESTMENT DATE:		07/27/2012
QUALIFIED INVESTMENT:	\$	200,000.00
TAXPAYER APPROVAL YEAR: (2013)	\$	20,000.00
TOTAL NUMBER OF EMPLOYEES (Worldwide):		32
NEW JERSEY FULL-TIME EMPLOYMENT AT APPLICATION:		30

DEVELOPMENT OFFICER: D. Ackerman

APPROVAL OFFICER: T. Wells

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



MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: October 8, 2013

RE: **TDAF I Springfield Avenue Holding Urban Renewal Company LLC**
Economic Redevelopment and Growth Grant Program (“ERG”)

Request

The Members are asked to approve the application of TDAF I Springfield Avenue Holding Urban Renewal Company LLC (the “Applicant” or “SAM”) for reimbursement of certain taxes for a Newark, Essex County project under a "state incentive grant" by the EDA pursuant to the ERG program set forth in N.J.S.A. 52:27D-489c (“Act”).

The total costs of the Enterprise are estimated to be \$91,750,000. The total qualified costs of the Project (which excludes certain components and costs of the Enterprise as described hereafter) under the ERG Act are **\$44,164,828** and of this amount \$41,794,443 are eligible costs under the ERG Act. The recommended reimbursement is 20% of eligible project costs, not to exceed **\$8,358,889**.

This Applicant applied for ERG concurrently with their application for Urban Transit Hub Tax Credits (“UTHTC”) under the 2012 Urban Transit HUB Tax Credit Residential Competitive Solicitation (“RS”). As SAM did not comply with all eligibility criteria as outlined in the RS primarily due to their inability to provide a financial commitment for the debt as part of the Enterprise’s capital structure, there was no UTHTC’s awarded to this project when the Members of the Authority approved several other projects on April 9, 2013. Tucker Development and Acquisition Fund, LP (“TDAF”), a private equity fund, is the capital source for this Enterprise which is principally owned by three public entities, Metropolitan Life Insurance Company, Prudential Life Insurance Company of America and the State of New Jersey Common Pension Fund E. TDAF is sponsored by Tucker Development Corporation a privately held real estate developer founded in 1996 by Richard Tucker.

This is a reduction of \$2,869,758 in the amount of ERG that was sought under the Applicant’s existing application which was submitted as part of the RS. There have been minor changes to the Project since the information submitted under the RS as discussed in this memorandum.

It is noted that a portion of this Project is concurrently seeking the Members approval of an Urban Transit Hub Tax Credit as well a Redevelopment Area Bond (“RAB”) to be issued by the Authority for certain specific components of the Project. For specific details of each of the programs kindly refer to their memorandum.

Project Description

The Enterprise consists of seven buildings, which includes a residential building with parking of five stories and six retail buildings with surface parking. The following chart summarizes the Enterprise, which aggregates almost 270,000 square feet of space:

Description	Units	Square Feet	Income (Stabilized)
Residential (Gross)	152	149,526	\$31.00 SF Gross Rent
Anchor Grocer Retail	1	66,806	\$16.50 SF Gross Rent
Junior anchor Retail	1	14,790	\$15.00 SF Gross Rent
Retail Shops	2	24,294	\$25.00 SF Gross Rent
Outparcel Retail	3	13,300	\$38.35 SF Gross Rent

The Project for ERG purposes encompasses 5.48 acres and excludes the costs associated with the land acquisition and the development of the 13,300 square feet of “Outparcel Retail” as well as the residential building. Such excluded costs are estimated at \$10 million (as vertical development incurred by the retail tenants) and \$36 million for the residential. The Outparcel Retail is located on approximately 3.3 acres and the residential is located on 1.6 acres of the 11.55 acres that the overall Enterprise comprises. For ERG purposes, it is estimated that the retail square footage (excluding the Outparcel) will comprise 106,661 square feet and 47.44% of the acreage. The costs associated with the residential component of the Enterprise are excluded from the Project to insure the economics would not be adversely impacted by the requirement of affordable housing units.

The retail stores are anticipated (but not required) to be located in separate buildings dedicated to a retail grocer anchor, junior retail shops, restaurant and a bank along with associated surface parking estimated at 478 spaces. The Enterprise is located with frontage on Springfield Avenue, South Orange Avenue, Prince Street and Jones Street and is currently vacant land.

The Enterprise is located within an area in need of redevelopment known as the University Heights Redevelopment Area. The Enterprise is subject to, and is consistent with, the University Heights Redevelopment Plan. The Central Board of Newark adopted a resolution granting preliminary and final site plan approval for the Project. The Municipal Council of the City of Newark adopted a resolution that there is no need for this Project to set aside any new constructed residential units for occupancy by low or moderate-income households. In addition, the Project site has been conveyed to SAM by the City pursuant to an agreement of sale of land and redevelopment of Springfield Marketplace (Redeveloper Agreement) by which SAM has undertaken to construct the Enterprise. The Enterprise is a critical priority for the City of Newark. Its completion will result in much needed commercial revitalization and market-rate housing opportunities for the City’s Central Ward. The Enterprise will be serviced by public transportation SAM acquired the Enterprise parcel in 2008 for \$15 million.

Insufficient economics have stalled the ability to move forward and the Developer has represented that the ERG, UTHTC and RAB are all necessary to enable the necessary return to be achieved. The Applicant anticipates construction to commence immediately after approval of the ERG, with a construction period of approximately 18 months. SAM has obtained all necessary approvals for the Project and expects to commence construction within 90 days of an approval of the ERG program. Construction is expected to be completed in the 2nd quarter of 2015. The application did not contain any information that contradicts the applicant's representation that the project will be completed within the stated timeframe.

The Project will create approximately 145 construction jobs, 10 new full time jobs associated with retail and an estimated 95 new full time jobs mainly from the grocer (excludes the Outparcel retail tenants which are expected to create an additional 10 new full time jobs).

The Applicant has received a letter of support from the Mayor of Newark and intends to meet green building requirements through sustainable design standards as set forth in the NJBPU Green Building Manual. The vertical costs and sales taxes associated with the Outparcel retail are excluded from eligible costs and therefore prevailing wages and green building standards will not be followed by those tenants in their building activities.

The Applicant is primarily owned by TDAF, which is the primary owner of TDAF I Pru Hotel Urban Renewal Company, LLC which was approved for a \$6.5 million ERG by the Members in October of 2010 (P#37508). This project is in compliance and was completed and opened in November of 2012 with no disbursements of the incentive as of the date of this memorandum.

Project Ownership

The Applicant is owned 90% by TDAF I Springfield Avenue Investor Parcel 1, LLC. ("SIP") with the other 10% held by an affiliate of TDC. SIP is 100% owned by Tucker Development and Acquisition Fund LP ("TDAF") which is sponsored and managed by Tucker Development Corporation ("TDC"). TDAF's limited partners are the State of New Jersey Common Pension Fund E 55%, Metropolitan Life Insurance Company 27.5%, Prudential Insurance Company of America 16.5% and Tucker Investors, LLC 1%.

The Applicant is a single purpose Limited Liability Company established as an Urban Renewal Entity (URE) under the State laws of New Jersey. SIP is a single purpose Limited Liability Company established under the State laws of New Jersey as the Managing Member of the Applicant. TDAF is a private equity fund established for the purpose of making equity and debt investments in real estate and real estate related assets in the State of New Jersey. TDAF is staffed by the individuals that comprise the senior management of Tucker Development Corporation.

Tucker Development Corporation ("TDC") is the sponsor of the Enterprise. Since its founding in 1996, TDC has earned a respected reputation as a successful retail and mixed-use developer. Developing quality projects and managing continued success is TDC's mission and the passion of its President and Chief Executive Officer, Richard H. Tucker, a real estate professional with more than 29 years of experience in real estate. TDC's development, management and leasing portfolio exceeds 4.5 million square feet and continues to grow through its developments and acquisitions. Since 1996, TDC has made 20 opportunistic real estate investments for its principals, partners and

investors. In addition to properties in the greater Chicago area, TDC has developed projects in New Jersey, Wisconsin, Michigan and Pennsylvania. TDC maintains a particular focus on retail, but has investment/development experience in residential, office, hotel, mixed-use and other real estate assets. By consistently producing on time, within budget and offering quality retail and mixed-use environments, TDC builds on an already stable foundation of skill, expertise and professionalism. At its core, TDC's management team consists of seven executives with an average of 22 years of real estate/investment experience. The management team is supported by the entire TDC organization, which consists of 20 employees headquartered in Chicago, Illinois. The members of TDC have extensive experience in all aspects of real estate, including research, acquisitions, investments, redevelopment, development, leasing, financing, management and dispositions.

Significant projects completed by TDC include the TDAF Pru Hotel located in Newark, NJ. This was a \$35 million project, which is at the Prudential Center and consists of a 150 room Marriott Hotel with 15,000 square feet of ground floor retail. In 2009, TDC completed Huntley Grove in Illinois a \$16 million project with a 176,000 square foot Wal-Mart as the anchor along with several other retail stores. In 2007, TDC completed Metropolitan Square in Illinois which is a \$75 million project on 9 acres in included a 40,000 square foot grocer, 60,000 square feet of retail stores, 22,000 square feet of office, 142 condominium units and a public parking garage.

Specific financial information on the Applicant and owners are included in the confidential memorandum, which follows this analysis.

Project Uses

The Applicant proposes the following uses for the Project:

<i>Uses</i>	<i>Total Enterprise Costs</i>	<i>ERG Eligible Amount</i>
Acquisition of Land and Building	\$ 15,000,000	\$ 6,874,762
Construction & Site Improvements	\$ 57,405,000	\$ 28,200,000
Professional Services	\$ 10,715,000	\$ 4,158,681
Financing & Other Costs	\$ 2,440,000	\$ 1,025,000
Contingency	\$ 3,180,000	\$ 1,536,000
Development Fee	\$ 3,010,000	\$ 0
TOTAL USES	\$ 91,750,000	\$ 41,794,443

ERG eligible project costs exclude the Outparcel Retail and Residential portions of the Enterprise including their proportionate professional and finance costs which aggregate \$48 million. Total ERG Project costs are \$44,164,828 and this figure is further reduced by ineligible costs aggregating \$2.4 million which include the proportion of the developer fee \$1.5 million as well as \$890,000 in other ineligible costs under the ERG. The latter includes \$589,076 in predevelopment costs incurred prior to July 28, 2009 which are not eligible in sizing the ERG incentive.

<i>Sources of Financing</i>	<i>Amount</i>
Senior and Subordinated debt	\$ 47,000,000
Redevelopment Area Bond (net)	\$ 5,500,000
UTHTC loan	\$ 14,299,107
New Market Tax Credit Equity	\$ 4,000,000
Equity	\$ 20,950,893
Total	\$ 91,750,000

The Applicant has received a term sheet from Goldman Sachs for a construction loan (interest rate is floating at one month Libor + 4% with 30 months of interest only payments) and a subordinated loan from TRF for \$6 million (noted that there is still \$4 million in subordinated debt whose source has not been identified yet) at an anticipated rate of 6%. The RAB is anticipated to be issued for \$6.6 million in gross proceeds with Local Finance Board approval anticipated on 10/9/13 with the indicative purchaser being Prudential Insurance Company. New Markets Tax Credit Equity based on allocation of \$16 million from Goldman Sachs. UTHTC loan is anticipated from Goldman Sachs based on discounted purchase (with 60% received at closing and remaining 40% at project construction completion). Equity contributions have been made via the unencumbered land acquisition plus \$3.5 million in predevelopment costs incurred (and funded with equity) since November of 2008. Of note, only \$2.2 million of this amount representing predevelopment costs incurred after July 29, 2009 are included in the total Enterprise project costs.

Gap Analysis

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

Without ERG	With ERG
Equity IRR 10.71%	Equity IRR 11.67%

The Project's economics suggest that the ERG benefit will have a material effect on the applicant's decision and ability to advance the Project. **With the benefit of the ERG, the Equity IRR is 11.67%. This is below the maximum market rate of 20% as adopted by the Members of the Authority and as indicated in the RS as well as Hurdle Rate Model provided by our contracted consultant, Jones Lang Lasalle which indicates a maximum IRR of 17.1% for a mixed use project in Newark.**

Net Positive Benefit Analysis

The Authority has conducted the required Net Benefit Analysis for the Project and has found that the present value of the Net Positive Benefits to the State at a 6% discount rate over a 20 year period is \$7.7 million. The total cumulative discounted net benefits after taking into account the 10% cushion and the one-time tax benefits is \$8.9 million.

The following taxes were included in the Net Positive Benefit calculation:

- 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.

Sales taxes are excluded from the calculation, as the project is not deemed a destination; therefore it is assumed that there will be no additional new sales tax benefits to the State. The analysis includes 95 new, full time, retail jobs plus an additional \$3 million in payroll associated with the estimated 300 part time workers projected by the Applicant and 145 construction jobs.

Other Statutory Criteria

In order to be eligible for the program, the Authority is required to consider the following items:

The economic feasibility and the need of the redevelopment incentive grant agreement to the viability of the redevelopment 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 project costs incurred, as provided in the redevelopment incentive grant agreement.

The Project appears to be economically feasible based on the financial strength and prior experience of the Applicant. The progress made with the zoning and other necessary approvals is indicative of the developer's desire to move the Project forward. Additionally, the executed lease with the grocer (Wakefern Food Corp.) will generate \$1 million a year in rent as well as the purported interest in the other retail sites are encouraging positive aspects. The Project is sponsored by a well heeled development firm which owns and manages a large portfolio of mixed use properties (many of which are of similar in scope to the Project) with adequate resources to complete the Enterprise. The Applicant is also funded by three public investors who possess financial strength and investment experience with the majority of the \$21 million in equity already contributed.

The Applicant commissioned a Market Study on the site by a third party consultant who issued their determination of current and future market conditions as of November 2012. This study noted that the proposed uses for the site are feasible, that demand is sufficient in the market area and the Applicant's rent and absorption assumptions seem to be reasonable.

The Enterprise has an anticipated IRR of 10.71% without the ERG and 11.67% with the ERG. Additionally as the Applicant has indicated that the UTHTC is also necessary to move the project forward, the IRR increases to a more respectable 18.19% when both the HUB and ERG incentives are factored in. The ERG incentive grant is needed for the viability of the Enterprise and to encourage the Developer to undertake the capital investment required to complete the proposed development. Based on the expected annual generation of approximately \$600,000 of incremental sales and other eligible taxes by the proposed various retail tenants, there appears to be adequate funds to support the reimbursement of taxes paid to the Project.

The extent of economic and social distress in the municipality and the area to be affected by the redevelopment project. The extent to which the redevelopment project will advance State, regional and local development and planning strategies, promote job creation and economic development and have a relationship to other major projects undertaken within the municipality.

Newark is drastically underserved in several retail categories including grocery, general merchandise, electronics, office supply and full service restaurants. According to ESRI Business

data supplied by InfoUSA, Newark residents spend up to 38% of the categories mentioned previously in dollar purchases outside the City which translates into approximately \$575 million annually. This Enterprise will be well positioned to provide the needed products and services to this underserved community. The Enterprise is located in an urban setting where infrastructure and demand already exist, thereby promoting smart growth principles. The property benefits from multiple bus routes that service the site on a daily basis as well as the Warren Street light rail station located within a half mile of the site.

The Enterprise achieves the goals as set forth in the University Heights Redevelopment Plan as amended which include creation of new businesses, increasing economic activity through commercial development, reduction of underutilized property in an effort to eliminate blighting influences, promotion of existing transit infrastructure and providing a vibrant neighborhood environment with a variety of housing, retail and commercial uses so as to meet all the needs of the citizens of Newark. The Project serves to enhance the quality of life within the City of Newark as the site will be transformed from a vacant, blighted parcel into a destination that will provide local jobs and increase the tax ratable for the City. The Project is consistent with the key provisions under state planning goals required by the New Jersey State Development and Redevelopment Plan as private investment will create new employment opportunities and investment upon an 11 acre parcel which is currently vacant and underutilized. The increase in real estate taxes and positive impact expected on adjacent properties are attributes of the Enterprise.

The City of Newark, which is the largest city in New Jersey in terms of population, has experienced tremendous economic and social distress. In recent reports, Newark's poverty rate has been as high as 30% and the unemployment rate in June of 2013 was 14.4%. The State of New Jersey reported an unemployment rate of 8.5% in August of 2013 which is the lowest level since March of 2009. Recent median household income of Newark was \$36,000 which is dramatically below the average for the state of \$71,000. Newark is also one of the nine cities that are eligible for the UTHTC which is indicative of the level of support needed to be made available to encourage development in the municipality.

The retail tenants (excluding the Outparcel retailers) are projected to create approximately 95 new, full-time, permanent (average salaries of \$28,000) and 300 part-time jobs, providing more than \$5.7 million each year in employee wage compensation. During the construction period of the Project, 145 temporary construction jobs will be created. The job creation associated with this Project will provide important employment opportunities for the State of New Jersey, and the Project will generate an estimated \$101,000 in incremental new real estate tax revenue for Newark on an annual basis.

Recommendation

Authority staff has reviewed the TDAF I Springfield Avenue Holding Urban Renewal LLC application and finds that it is consistent with eligibility requirements of the Act. The Treasury has reviewed the application and has notified the Authority of the adequacy of the project's estimated tax revenues and has been informed of the recommended percentage reimbursement of total project costs. Therefore, it is recommended that the Members approve the application and authorize the CEO of the Authority to execute an Incentive Grant Agreement with the Applicant and the State

Treasurer, subject to final review and approval of the Office of the Attorney General. All disbursements under the ERG program are subject to annual appropriation by the New Jersey State Legislature.

Closing of the Incentive Grant Agreement and the reimbursement of any taxes is contingent upon TDAF I Springfield Avenue Holding Urban Renewal LLC meeting the following conditions regarding the Project:

1. Financing commitments for all funding sources for the Enterprise consistent with the information provided by the Applicant in its application to the Authority for the ERG; and
2. Evidence of site control and site plan approval for the Project; and
3. Copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project.

Reimbursement shall commence upon:

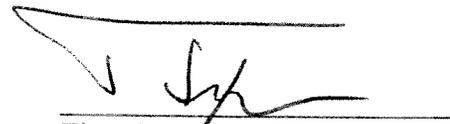
1. Completion of construction and issuance of a permanent certificate of occupancy; and
2. Submission of a detailed list of all eligible costs, which costs shall be certified by a CPA and satisfactory to the NJEDA; and
3. New tax revenues have been paid to the NJ Treasury and appropriated.

The NJ Treasury annually tracks taxes received from job sites and remits reimbursement equal to a percentage of funds collected during the year. It is recommended that the members authorize the CEO of the EDA to execute any assignment agreements necessary to effectuate this transaction.

Total Eligible Project Costs: \$41,794,443

Eligible Taxes for Reimbursement: Sales and other eligible taxes not to exceed 20% of eligible project costs in an amount not to exceed \$8,358,889 over 20 years.

Recommended Grant: Not to exceed 20% of eligible project costs in an amount not to exceed \$8,358,889 to be paid over a maximum period of 20 years.



Timothy Lizura

Prepared by: Michael A. Conte

GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: Maplewood Beverage Packers, Inc. and affiliates

PROJECT LOCATION: King Georges Post Road Woodbridge Township Middlesex County
30 Clearview Road Edison Township Middlesex County

GOVERNOR'S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Maplewood Beverage Packers, Inc. and affiliates, AZ Metro Distributors, F & V Distribution and Hornell Brewing Company, are manufacturers and distributors of Arizona Iced Tea products. Arizona, which is based in Woodbury, New York is a leader in the ready-to-drink beverage industry with a wide range of products including flavored iced tea, juice drinks, energy drinks, and water. The company distributes the well known Arnold Palmer brand of half iced tea and half lemonade. Maplewood Beverage Packers currently operates facilities in Maplewood and Edison, New Jersey. The applicant has demonstrated the financial ability to undertake the project.

In 2009, the Authority approved BEIP & BRRAG awards for Maplewood to relocate its operations to Edison. The applicant purchased a facility at 30 Clearview Road in Edison and relocated employees to the site, but chose not to receive any remuneration under the grant programs.

MATERIAL FACTOR/NET BENEFIT:

The scope of Maplewood's reconfiguration plan has changed considerably since it was approved for the relocation incentives in 2009. The company desires a larger space than it had originally intended and as a result has targeted land in Woodbridge Township that is adjacent to its facility in Edison where it would construct and equip a 559,915 sq ft facility for manufacturing and distribution. The existing building would be renovated to connect to the new one. If Maplewood chooses not to move forward with the project in New Jersey, it would vacate the Edison facility that it acquired in 2009 and relocate its operations to Nassau County, New York. If the company stays in New Jersey it would retain 215 existing jobs while also adding 100 new full time positions.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and as a result the management of Maplewood Beverage Packers 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 \$109.8 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 215 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 Maplewood Beverage Packers 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 \$489,731,293 and the total combined approvals under HUB and Grow New Jersey to \$1,651,116,013.

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.

<u>Grant Calculation</u>	
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:	<u>0</u>
BONUS PER EMPLOYEE:	<u>\$1,000</u>
TOTAL GRANT PER EMPLOYEE:	\$6,000
ELIGIBLE JOBS:	
New Jobs:	100
Retained Jobs:	<u>215</u>
Total:	315
ANNUAL CREDIT AMOUNT (\$4,000,000 max):	\$1,890,000

TOTAL AMOUNT OF AWARD:	\$ 18,900,000
TERM:	10 years
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 40,000,000
QUALIFIED INCENTIVE AREA:	PA-1
MEDIAN WAGES:	\$ 41,000
STATEWIDE BASE EMPLOYMENT:	215
PROJECT IS: () Expansion	(X) Relocation
CONSTRUCTION: (X) Yes	() No
DEVELOPMENT OFFICER: P. Ceppi	APPROVAL OFFICER: K. McCullough

URBAN TRANSIT HUB TAX CREDIT PROGRAM



MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: October 8, 2013

RE: **TDAF I Springfield Avenue Holding Urban Renewal Company LLC**
Urban Transit Hub Tax Credit Program (“UTHTC”)

Request

The Members were asked to approve the Urban Transit Hub Tax Credit (“UTHTC”) program application (under P.L. 2007, c.346, P.L. 2008, as amended on July 26, 2011) for TDAF I Springfield Avenue Holding Urban Renewal Company, LLC (“SAM” or the “Applicant”). Tax credits are available for up to 35% of the total qualified capital investment per project with a maximum of \$33 million, whichever is less. The Applicant applied for UTHTC’s under the 2012 Urban Transit HUB Tax Credit Residential Competitive Solicitation (“RS”). As SAM did not comply with all eligibility criteria as outlined in the RS primarily due to their inability to provide a financial commitment for the debt as part of the Enterprise’s capital structure, there was no UTHTC’s awarded to this project when the Members of the Authority approved several other projects on April 9, 2013. Tucker Development and Acquisition Fund, LP (“TDAF”), a private equity fund, is the capital source for this Enterprise, which is principally owned by three public entities, Metropolitan Life Insurance Company, Prudential Life Insurance Company of America and the State of New Jersey Common Pension Fund E. TDAF is sponsored by Tucker Development Corporation a privately held real estate developer founded in 1996 by Richard Tucker.

Tax credits are available for up to 35% of the total qualified capital investment per project with a maximum of \$33 million, whichever is less. The total cost of the Enterprise (which includes all components of the project from residential to retail and parking) is estimated to be \$91,750,000. The total cost for the Project (which excludes certain components and costs of the Enterprise as described hereafter) under the UTHTC program are \$81,547,287. The eligible costs under the UTHTC program are \$68,090,985 the recommended award of tax credits is 35% of the eligible cost, not to exceed \$23,831,845 or \$2,383,184 annually for 10 years. This is a reduction of \$976,005 in the amount of UTHTC’s that were sought under the RS. There have been minor changes to the Project since the information submitted under the RS as discussed in this memorandum.

It is noted that a portion of this Project is concurrently seeking the Members approval of an Economic Recovery Growth Grant (“ERG”) as well a Redevelopment Area Bond (“RAB”) to be issued by the Authority for certain specific components of the Project. For specific details of each of the programs kindly, refer to their memorandum.

Project Description

The Enterprise consists of seven buildings, which includes a residential building with parking of five stories and six retail buildings with surface parking. The following chart summarizes the Enterprise, which aggregates almost 270,000 square feet of space:

Description	Units	Square Feet	Income (Stabilized)
Residential	152	149,526	\$139 initial room rent
Anchor Grocer Retail	1	66,806	\$16.50 SF Gross Rent
Junior anchor Retail	1	14,790	\$15.00 SF Gross Rent
Retail Shops	2	24,294	\$25.00 SF Gross Rent
Outparcel Retail	3	13,300	\$38.35 SF Gross Rent

The Project for UTHTC purposes encompasses 7.1 acres and excludes the costs associated with the land acquisition and the development of the 13,300 square feet of “Outparcel Retail”. Such excluded costs are estimated at \$10 million with vertical development incurred by the tenants. This Outparcel Retail is located on approximately 3.3 acres (plus another 1.1 acres that is excluded in the UTHTC portion of the Project) of the 11.55 acres that the overall Enterprise comprises. For UTHTC purposes, it is estimated that the residential square footage will account for 55% of the Enterprise’s square footage and 61% of the acreage of the Enterprise. The Outparcel Retail costs are excluded from the UTHTC Project because of the geographic acreage limitation of the UTHTC Statute which stipulates that greater than 50% of the qualified lots must be within ½ mile of a rail station.

In addition to the residential units the retail stores are anticipated (but not required) to be located in six separate buildings dedicated to a retail anchor, junior retail shops, restaurant and a bank along with associated surface parking (135 spaces covered for the residential in a building of five stories with 478 surface spaces associated with the retail). The Enterprise is located with frontage on Springfield Avenue, South Orange Avenue, Prince Street and Jones Street and is currently vacant land.

The Enterprise is located within an area in need of redevelopment known as the University Heights Redevelopment Area. The Enterprise is subject to, and is consistent with, the University Heights Redevelopment Plan. The Central Board of Newark adopted a resolution granting preliminary and final site plan approval for the Project. The Municipal Council of the City of Newark adopted a resolution that there is no need for this Project to set aside any new constructed residential units for occupancy by low or moderate-income households. In addition, the Project site has been conveyed to SAM by the City pursuant to an agreement of sale of land and redevelopment of Springfield Marketplace (Redeveloper Agreement) by which SAM has undertaken to construct the Enterprise. The Enterprise is a critical priority for the City of Newark. Its completion will result in much

needed commercial revitalization and market-rate housing opportunities for the City's Central Ward. The Enterprise will be serviced by public transportation available as portions of the UTHTC Project (representing at least 50.1% of the acreage) are located within ½ mile of the Warren Street light rail station. SAM acquired the Enterprise parcel in 2008 for \$15 million.

Insufficient economics have stalled the ability to move forward and the Developer has represented that the HUB, ERG and RAB are all necessary to enable the necessary return to be achieved. The Applicant anticipates construction to commence immediately after approval of the UTHTC award, with a construction period of approximately 18 months. SAM has obtained all necessary approvals for the Project and expects to commence construction within 90 days of an approval of the UTHTC program. Construction is expected to be completed in the 2nd quarter of 2015. The application did not contain any information that contradicts the applicant's representation that the project will be completed within the stated timeframe.

Although applicants for the residential project portion of the UTHTC program are not required to maintain certain employment levels, it is estimated that this Project will create approximately 240 construction jobs, 2 new jobs associated with the residential facility and an estimated 95 new full time jobs from the retail tenants (excludes the outparcel retail tenants).

The Applicant has received a letter of support from the Mayor of Newark and intends to meet green building requirements through sustainable design standards as set forth in the NJBPU Green Building Manual. In addition, the Applicant has received a resolution from the City of Newark's Municipal Counsel stating that the Project does not have an obligation or requirement to set aside any units for affordable housing.

The Applicant is primarily owned by TDAF, which is the primary owner of TDAF I Pru Hotel Urban Renewal Company, LLC which was approved for a \$6.5 million ERG by the Members in October of 2010 (P#37508). This project is in compliance and was completed and opened in November of 2012 with no disbursements of the incentive as of the date of this memorandum.

Development Team and Capacity

See the attached confidential memorandum of financial analysis for details on the financial resources of the principals involved in this Project. The development team consists of the following:

- ***Tucker Development Company ("TDC") – Sponsor of the Project***
Since its founding in 1996, TDC has earned a respected reputation as a successful retail and mixed-use developer. Developing quality projects and managing continued success is TDC's mission and the passion of its President and Chief Executive Officer, Richard H. Tucker, a real estate professional with more than 29 years of experience in real estate. TDC specializes in developing and redeveloping shopping centers and mixed-use properties. TDC's development, management and leasing portfolio exceeds 4.5 million square feet and continues to grow through its developments and acquisitions. Since 1996, TDC has made 20 opportunistic real estate investments for its principals, partners and investors. In addition to properties in the greater Chicago area, TDC has developed projects in New Jersey,

Wisconsin, Michigan and Pennsylvania. TDC maintains a particular focus on retail, but has investment/development experience in residential, office, hotel, mixed-use and other real estate assets. By consistently producing on time, within budget and offering quality retail and mixed-use environments, TDC builds on an already stable foundation of skill, expertise and professionalism. At its core, TDC's management team consists of seven executives with an average of 22 years of real estate/investment experience. The management team is supported by the entire TDC organization, which consists of 20 employees headquartered in Chicago (Highland Park), Illinois. The members of TDC have extensive experience in all aspects of real estate, including research, acquisitions, investments, redevelopment, development, leasing, financing, management and dispositions.

Significant projects completed by TDC include the TDAF Pru Hotel located in Newark, NJ. This was a \$35 million project, which is at the Prudential Center and consists of a 150 room Marriott Hotel with 15,000 square feet of ground floor retail. In 2009, TDC completed Huntley Grove in Illinois a \$16 million project with a 176,000 square foot Wal-Mart as the anchor along with several other retail stores. In 2007, TDC completed Metropolitan Square in Illinois which is a \$75 million project on 9 acres in included a 40,000 square foot grocer, 60,000 square feet of retail stores, 22,000 square feet of office, 142 condominium units and a public parking garage.

- ***March Associates Construction, Inc. – Construction Services***

Founded in 2003 by Louis March, Jr. who is the owner and President, this firm specializes in construction budgeting, scheduling and oversight to every aspect of a new construction project. Mr. March has ten years of experience in the industry as assistant superintendent for a large New York City contractor after graduating with a BS in Construction Management from the University of Cincinnati. Notable projects include the Shoppes at North Brunswick and, Hudson Point condominiums (with K. Hovnanian) in North Bergen, NJ.

- ***Bohler Engineering – Civil Engineers***

Founded in 1982 by Ludwig Bohler and located in Warren, NJ, this firm has offices in 17 states and is recognized for their high quality projects indicative of the 2013 New Good Neighbor Award given by NJBIA to the BASF project which Bohler. Noteworthy projects include BASF North American headquarters in Florham Park, NJ, Bayer Healthcare Eastern US headquarters in Hanover Township, NJ, Turnersville Auto Mall in Washington Township, NJ and are currently working on Commvault's new corporate headquarters to be built on the vacated Fort Monmouth Army Base in Tinton Falls, NJ.

- ***Streetsense – Architect***

Streetsense is headed by Bruce Leonard and Matt Hopkins who each have over 25 years of industry experience in planning, design and executing mixed use projects throughout the US. Key projects include Crocker Park, Santana Row, Mizner Park (Maryland), the Village of Valley Forge, Maryland East Campus, Park Crest Lofts, Motor City Village, Redland Corporate Center and TDAF Pru Hotel.

Project Ownership

The Applicant is owned by TDAF I Springfield Avenue Investor Parcel 1, LLC. ("SIP"). Springfield Marketplace, LLC is site's prior owner who is owned by an unrelated development group which has a residual interest whereby 10% of cash flow after a 17% IRR is achieved will be paid to this entity. SIP is 100% owned by Tucker Development and Acquisition Fund LP ("TDAF") which is sponsored and managed by Tucker Development Corporation ("TDC"). TDAF's limited partners are the State of New Jersey Common Pension Fund E 55%, Metropolitan Life Insurance Company 27.5%, Prudential Insurance Company of America 16.5% and Tucker Investors, LLC 1%. TDAF's general partner is Tucker Managers, LLC that is an affiliate of TDC.

The Applicant is a single purpose Limited Liability Company established as an Urban Renewal Entity (URE) under the State laws of New Jersey. SIP is a single purpose Limited Liability Company established under the State laws of New Jersey as the Managing Member of the Applicant. TDAF is a private equity fund established for the purpose of making equity and debt investments in real estate and real estate related assets in the State of New Jersey. TDAF is staffed by the individuals that comprise the senior management of Tucker Development Corporation.

Project Uses and Sources

The Applicant proposes the following uses for the Enterprise:

<i>Uses</i>	<i>Total Enterprise Costs</i>	<i>HUB Eligible Amount</i>
Acquisition of Land and Building	\$ 15,000,000	\$ 0
Construction of Building & Site Improvements	\$ 57,405,000	\$ 55,680,000
Professional Services	\$ 10,715,000	\$ 7,166,985
Financing & Other Costs	\$ 2,440,000	\$ 2,200,000
Contingency	\$ 3,180,000	\$ 3,044,000
Development Fee	\$ 3,010,000	\$ 0
TOTAL USES	\$ 91,750,000	\$ 68,090,985

The UTHTC project costs are \$81,547,287 as the costs associated with the Outparcel Retail of approximately \$10.2 million are deducted from the Total Enterprise Costs listed in the chart above. Additionally, HUB eligible costs exclude the \$9.2 million in land costs apportioned to the HUB acreage, \$2,930,000 in apportioned development fee and \$1.28 million pertaining to marketing and other project expenses that do not fit within the UTHTC definition of eligible hard or soft costs. The latter includes \$760,060 in apportioned UTHTC costs incurred prior to July 28, 2009 which are not eligible in terms of the sizing of the UTHTC.

<i>Sources of Financing</i>	<i>Amount</i>
Senior and Subordinated debt	\$ 47,000,000
Redevelopment Area Bond (net)	\$ 5,500,000
UTHTC loan	\$ 14,299,107
New Market Tax Credit Equity	\$ 4,000,000
Equity	\$ 20,950,893
Total	\$ 91,750,000

The Applicant has received a term sheet from Goldman Sachs for a construction loan (interest rate is floating at one month Libor + 4% with 30 months of interest only payments) and a subordinated loan from TRF for \$6 million (noted that there is still \$4 million in subordinated debt whose source has not been identified yet) at an anticipated rate of 6%. The RAB is anticipated to be issued for \$6.6 million in gross proceeds with Local Finance Board approval anticipated on 10/9/13 with the indicative purchaser being Prudential Insurance Company. New Markets Tax Credit Equity based on allocation of \$16 million from Goldman Sachs. UTHTC loan is anticipated from Goldman Sachs based on discounted purchase (with 40% received at construction loan closing and remaining 60% at project construction completion). Equity contributions have been made via the unencumbered land acquisition plus \$3.5 million in predevelopment costs incurred (and funded with equity) since November of 2008. Of note, only \$2.2 million of this amount representing predevelopment costs incurred after July 29, 2009 are included in the total Enterprise costs.

Gap Analysis

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

Without HUB	With HUB*	With HUB* and ERG
Equity IRR 10.71%	Equity IRR 17.11%	Equity IRR 18.19%

* The HUB scenarios are based on the UTHTC’s valued at approximately \$15 million realized in loan proceeds per term sheet from Goldman Sachs.

The Project's economics suggest that the Hub benefit will have a material effect on the Applicant's decision and ability to advance the Project. **With the benefit of the HUB, the Equity IRR is 17.11%. With the benefit of the HUB and the ERG the Equity IRR is 18.19%. This is below the maximum market rate of 20% as adopted by the Members of the Authority and as indicated in the RS.**

Recommendation

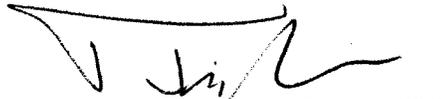
Staff has reviewed the application for consistency with the Act and Rules, as amended, implementing the UTHTC Program and recommends approval of the following:

Application for a tax credit in a maximum amount estimated at \$23,831,845 representing 35% of the eligible capital investment. The NJEDA will provide the Applicant with an approval letter for a tax credit amount that will reflect that the Applicant at a maximum will receive \$23,831,845. In addition, the NJEDA may provide approval of assignment of tax credits by the Applicant, as may be required by the Applicant for financing and completion of the Project.

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

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

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



Timothy Lizura

Prepared by: Michael A. Conte



MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: October 8, 2013

RE: **Harborside Unit A LLC**
Urban Transit Hub Tax Credit Program (“UTHTC”)

Request

The Members are asked to approve the Urban Transit Hub Tax Credit (“UTHTC”) program application (under P.L. 2007, c.346, P.L. 2008, as amended on July 26, 2011) for Harborside Unit A LLC (“Harborside” or the “Applicant”). Tax credits are available for up to 35% of the total qualified capital investment per project with a maximum of \$33 million, whichever is less. The Applicant has complied with all eligibility criteria as outlined in the 2012 Urban Transit HUB Tax Credit Residential Competitive Solicitation (“RS”) and was not awarded any allocation at that time. The Applicant is now applying for \$33 million of UTHTC credits under the Economic Recovery Act of 2013 as recently enacted which is the identical amount of UTHTC’s that were previously sought. The Project scope has changed slightly since the RS (number of residential units the same as are parking spaces) as there is a 2,537 square feet reduction in retail space to 5,204 square feet as the Project has not changed since that submission. Project costs rose by \$45 million since the RS submission due mainly to materials and labor increases over the past nine months along with the new elevations issued as a result of Superstorm Sandy. This Project is defined as Harborside Plaza 7 Project in Jersey City, New Jersey. The owners of the project are Mack-Cali Harborside Unit A LLC and Ironstate Harborside-A LLC and the developer of the Project is Ironstate Development LLC.

Tax credits are available for up to 35% of the total qualified capital investment per project with a maximum of \$33 million, whichever is less. The total costs of the Project are estimated to be \$291,434,024. The total eligible costs under the UTHTC program are \$259,118,101. The recommended award of tax credits is 12.74% of the eligible costs, not to exceed \$33,000,000 or \$3,300,000 annually for 10 years.

Project Description

This Project involves a proposed mixed use development located in Jersey City, New Jersey. The site is located in an urban transit hub within one half mile of several transit stations serving both the Port Authority Trans-Hudson (PATH) rail line and the NJ Transit Hudson-Bergen Light Rail line including the following stations: NJT Harmon Cove Station, PATH Grove Street Station, NJT Exchange Place Station, PATH Exchange Place Station and the NJT Harborside Station. It is also with one half mile of the NY Waterway Paulus Hook Ferry Terminal.

The Project is located in the Harborside West District of the Exchange Place North Redevelopment Plan and received preliminary and final site plan approval in September 2012. The property use is predominantly residential and as such, the application is a qualified residential project as defined by the UTHTC program. The Project consists of a 69-story, 763,666 square foot tower in Exchange Place Plaza and includes the following components:

- Residential – The residential component of the Project will consist of 763 rental units with a mix of studio, 1 bedroom and 2 bedroom units for a combined rentable building area (“RBA”) of 475,300 square feet (98.4% of the total RBA of 483,041 square feet).
- Retail – The retail component will consist of 5,204 square feet of RBA (1.6% of total RBA) which will accommodate up to three tenants.
- Parking – The Project includes an eight-story parking podium under the 61-story residential tower, with retail space on the ground floor and 275 parking spaces on floors 3 through 8 (representing 83,867 square feet of space). An additional 133 surface parking spaces will be provided on an adjacent 68,825 square foot surface lot. The Applicant has represented that nearly all of the 408 parking spaces will be utilized by the residential tenants of the Project.

The building has been designed to provide visually interesting architectural breaks in a staggered vertical pattern to add an iconic landmark to the Jersey City skyline. The Applicant anticipates construction to commence immediately after approval of the UTHTC award, with a construction period of approximately 30 months. Construction is expected to be completed in the 2nd quarter of 2016. The application did not contain any information that contradicts the applicant’s representation that the project will be completed within the stated timeframe.

Although applicants for the residential project portion of the UTHTC program are not required to maintain certain employment levels, it is estimated that this Project will create approximately 700 construction jobs with average salaries of approximately \$75,000 and an estimated 18 permanent jobs with average salaries of approximately \$48,000.

The Applicant has received a letter of support from the Mayor of Jersey City and intends to meet Green Building requirements through pay for performance. In addition, the Applicant has received a letter from the City Clerk stating that the Project does not have an obligation to provide affordable housing.

Developer Capacity

The Project is a joint venture between Mack-Cali Realty LP (“Mack-Cali”) and Ironstate Holdings LLC (“Ironstate”). The development team consists of the following:

- ***Ironstate – Joint Venture Owner of Applicant (15%) and Developer/Project Manager***
Ironstate is a New Jersey Limited Liability Company that was formed in 2002 to hold investments in various real estate projects. The majority of the company’s operation relates to the development and ownership of residential and commercial real estate properties. Ironstate staff involved in the Project includes David Barry and Josiah Wuestneck. David Barry, President of Ironstate and a Director of the Applicant, and Josiah Wuestneck, Senior Vice President of Development at Ironstate and Project Manager for the Project. Each has more than 20 years of experience in real estate development. Ironstate and its principals have been involved in the completion of 27 residential and residential mixed-use projects with individual project costs ranging from \$9 million to \$187 million. Ironstate has been a partner in several projects which were approved for ERG and HUB incentives; namely Grand LHN Urban Renewal (\$42 million HUB), Fountains Applied LWAG, LLC (\$8.4 million ERG) and Harrison Hotel, LLC (\$7.4 million ERG) all of which are in compliance.
- ***Mack-Cali – Joint Venture Owner of Applicant (85%)***
Mack-Cali is the principal subsidiary of Maryland based Mack-Cali Realty Corporation, which has more than \$4.5 billion in assets and whose stock is listed on the NYSE. The Corporation is a fully integrated, self-administered, self-managed real estate investment trust providing leasing, management, acquisition, development, construction and tenant-related services for its properties and third parties. Mack-Cali is a Delaware limited partnership through which Mack-Cali Realty Corporation conducts its real estate activities. The key individual from Mack-Cali involved in the Project is Mitchell Hersh, President/CEO of Mack-Cali and a Director of the Applicant and has more than 30 years of experience in real estate development.
- ***HLW International – Lead Architect***
HLW is an international architecture, interior design and consulting firm founded in 1885. The key staff from HLW involved in the Project includes John Gering, Principal in Charge/Managing Partner, who has more than 30 years of experience in architecture and Edward Shim, Project Director/Senior Associate and Corey Goings, Senior Project Manager, who each have 14 years of experience in architecture.
- ***Concrete – Design Architect***
The key individual from Concrete involved in the Project is Erikjan Vermeulen, Partner, who has more than 15 years of experience in architecture.
- ***Minno & Wasko Architects and Planners – LEEDs/Pay for Performance Commissioning Architect***
The key individual from Minno & Wasko involved in the Project is Glenn Haydu, Principal/Project Director, who has more 19 years of experience as an architect and green building consultant.

- ***InSite Engineering, LLC – Civil Engineering***
The key staff from InSite involved with this Project includes Eric Ballou, Senior Vice President, and Liam Farrar, Associate/Project Manager, who each have 17 and 25 years, respectively of experience in civil engineering and land development.
- ***Potomac Hudson Environmental Inc. (“PHI”) – Environmental Consultant***
The key individual from PHI involved in this Project is David Draper, President, who has more than 40 years of experience in environmental science and engineering.
- ***AJD Construction – General Contractor***
The key individual from AJD involved in this Project is Anthony Diaco, Principal, who has 35 years of experience in general contracting.

Project Ownership

The Applicant is a single purpose entity owned by Mack-Cali Harborside Unit A LLC (85%) and Ironstate Harborside-A LLC (15%). Mack-Cali Harborside Unit A LLC is a wholly owned subsidiary of Mack-Cali. Ironstate Harborside-A LLC is a wholly owned subsidiary of Ironstate. The current owner of the property is M-C Plaza VI & VII L.L.C. (the “Land Owner”), also a wholly owned subsidiary of Mack-Cali. The developer of the Project is Ironstate Development LLC, also wholly owned by Ironstate. Prior to closing of the construction financing, the Land Owner will convey the land to the Applicant as a contribution of capital. Remaining equity in the project will be provided by members of the Applicant in accordance with their respective ownership interests.

Project Uses and Sources

The Applicant proposes the following uses for the Project:

<i>Uses</i>	<i>Total Project Costs</i>	<i>HUB Eligible Amount</i>
Acquisition of Land and Building	\$ 20,261,520	\$ 0
Construction of Building & Site Improvements	\$ 215,391,755	\$ 215,391,175
Professional Services	\$ 23,421,695	\$ 18,843,146
Financing & Other Costs	\$ 16,552,910	\$ 15,911,110
Contingency	\$ 8,535,670	\$ 8,535,670
Development Fee	\$ 7,270,474	\$ 0
TOTAL USES	\$ 291,434,024	\$ 259,118,101

HUB eligible costs exclude land cost, development fee, marketing and other project expenses which do not fit within the UTHTC definition of eligible hard or soft costs.

<i>Sources of Financing during Construction</i>	<i>Amount</i>
Pacific Life Insurance: 7 year interest only followed by principal and interest based on a 30 year amortization. 15 year term. Rate fixed at 5.3% (61%)	\$ 177,000,000
Equity (39%)	\$ 114,434,024
Total	\$ 291,434,024

The Applicant has received a term sheet from Pacific Life Insurance as noted above with the expectation that this loan converts to permanent at \$193 million in year five. Equity contributions have been committed by Mack-Cali (85%) and Ironstate (15%) and include land currently owned by M-C Plaza VI & VII LLC, an affiliate of Mack-Cali, which will be contributed at a value of \$20,261,520, as indicated in the Project budget above. The “As Is” appraised value of the land as of September 20, 2012 was \$37,500,000. Approximately \$5 million was expended at the time of application on pre-development costs and was funded through equity contributions. It is noted that the capital structure since the RS submission reflects the \$45 million cost increase funded by \$10 million in construction borrowings and \$35 million in additional equity from the owners.

Gap Analysis

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

Without HUB	With HUB*
Equity IRR 11.50 %	Equity IRR 13.54 %

* Includes an assumed sale of the UTHTC at \$2.9 million per year for ten years.

The Project's economics suggest that the HUB benefit will have a material effect on the Applicant's decision and ability to advance the project. **With the benefit of the HUB, the Equity IRR is 13.54%. This is below the maximum market rate of 20% as adopted by the Members of the Authority and as indicated in the Competitive Residential Solicitation.**

Recommendation

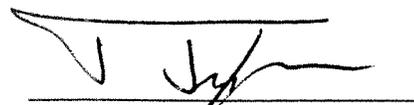
Staff has reviewed the application for consistency with the Act and Rules, as amended, implementing the UTHTC Program and recommends approval of the following:

Application for a tax credit in a maximum amount estimated at \$33,000,000 representing 12.74% of the eligible capital investment. The NJEDA will provide the Applicant with an approval letter for a tax credit amount that will reflect that the Applicant at a maximum will receive \$33,000,000. In addition, the NJEDA may provide approval of assignment of tax credits by the Applicant, as may be required by the Applicant for financing and completion of the Project.

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

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

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



Timothy Lizura

Prepared by: Christine Caruso & Michael Conte



MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: October 8, 2013

RE: **Matrix Upper Lot Urban Renewal, LLC**
Urban Transit Hub Tax Credit Program (“UTHTC”)

Request

The Members are asked to approve the Urban Transit Hub Tax Credit (“UTHTC”) program application (under P.L. 2007, c.346, P.L. 2008, as amended on July 26, 2011) for Matrix Upper Lot Urban Renewal, LLC (“Matrix”, the “Project” or the “Applicant”). Tax credits are available for up to 35% of the total qualified capital investment per project with a maximum of \$33 million, whichever is less. The Applicant applied for UTHTC’s under the 2012 Urban Transit HUB Tax Credit Residential Competitive Solicitation (“RS”). As Matrix did not comply with all eligibility criteria as outlined in the RS primarily due to their inability to provide a financial commitment for the debt as part of the Project’s capital structure, there was no UTHTC’s awarded to this Project when the Members of the Authority approved several other projects on April 9, 2013. The developers of the Project are Matrix Development Group which is principally owned by Joseph Taylor and Donald Epstein.

Tax credits are available for up to 35% of the total qualified capital investment per project with a maximum of \$33 million, whichever is less. The total costs of the Project are estimated to be \$107,988,420. The total eligible costs under the UTHTC program are \$88,296,217. The recommended award of tax credits is 32.197% of the eligible costs, not to exceed \$28,429,000 or \$2,842,900 annually for 10 years. This is the identical amount of UTHTC’s that were sought under the RS. There have been minor changes to the Project since the information submitted under the RS as discussed in this memorandum.

Project Description

This Project involves a proposed mixed use development located in downtown New Brunswick in

Middlesex County. The Project site is located in an urban transit hub within one half mile of New Jersey Transit's New Brunswick Station which is part of their Northeast Corridor Line. The site is bounded by George Street to the west, New Street to the south, Neilson Street to the east and Liberty Street to the north. According to Mayor Cahill, the Project is a critical part of the overall redevelopment of the City and, specifically, the Downtown Development Renewal Area. The development plans for this Project are consistent with the City of New Brunswick's Redevelopment Plan. The Project's downtown location which is near multiple bus routes and larger employers like Johnson and Johnson and Rutgers University encourages Project residents to walk and utilize mass transit which is expected to increase economic spillover in the downtown as well as reduce vehicular traffic. In addition, the office tenants bolster the City's retail market as well as provide employment opportunities for residents. The site was originally acquired by Matrix in 1998 (with a partner who was bought out in 2006) as part of a multi parcel development that has successfully bought market rate residential units and office space with this remaining parcel's development being the last component. Matrix has obtained all necessary approvals for the Project as it stands shovel ready subject to the boost offered by an approval of the UTHTC program as economic conditions have stalled its ability to move forward. The Project includes 393 market rate residential rental units together with improvements to the façade, plaza and streetscape improvements associated with two existing office buildings which are linked in the overall complex.

The Project includes the following components:

- Residential – The residential component of the Project will consist of an eight story building with 393 rental units. Planned mix is 45 studios, 262 one bedroom and 86 two bedroom units for a combined rentable building area (“RBA”) of 316,546 square feet (gross square footage of 415,000 on 2.1 acres). The residential component comprises 60% of the aggregate rentable space of the Project. Rents range from \$1,450 to \$2,650 per month (average is \$1,766) and unit sizes range from 510 square feet to 1,251 square feet (average size is 805 square feet). Amenities include fitness center, rooftop terrace, swimming pool, community room, door attendant/concierge services.
- Office & Plaza – There are two existing office buildings adjacent to the proposed residential tower which aggregate 215,000 square feet on 2.1 acres. \$5 million of the total budget, or less than 6% of the eligible capital investment is for costs associated with this component of the Project.

Currently nearing completion on the overall site (on approximately 1 acre) is a newly constructed seven story parking facility which will accommodate 550 vehicles. Parking for the office buildings consisted of surface parking which will now be replaced by space in the new parking garage. In addition, the residential occupants will have the opportunity to utilize the parking garage (estimated at 393 spots reserved from 7 pm to 7 am). There will also be daily/hourly visitor parking available in the garage. The cost of the parking facility is excluded from the Project budget and this portion of the project is located contiguous to the Residential and Office components mentioned previously.

The Applicant anticipates construction to commence immediately after approval of the UTHTC award, with a construction period of approximately 18 months. Construction is expected to be completed in the 2nd quarter of 2015. The application did not contain any information that

contradicts the applicant's representation that the project will be completed within the stated timeframe.

Although applicants for the residential project portion of the UTHTC program are not required to maintain certain employment levels, it is estimated that this Project will create approximately 450 construction jobs, ten new jobs associated with the residential facility and an estimated 100 new jobs from the office tenants. The Developer reported that the office buildings are currently occupied at 70% with the expectation that once the improvements have been made 90% occupancy will be achieved.

The Applicant has received a letter of support from the Mayor of New Brunswick and intends to meet green building requirements through sustainable design standards as set forth in the NJBPU Green Building Manual. In addition, the Applicant has received a letter from the Department of Planning, Community & Economic Development of the City of New Brunswick stating that the Project does not have an obligation or requirement to set aside any units for affordable housing.

Development Team and Capacity

See the attached confidential memorandum of financial analysis for details on the financial resources of the principals involved in this Project. The development team consists of the following:

- ***Matrix Development Group ("MDG") – Provider of Capital to the Project***
Matrix Development Group is the principal ownership entity that consists of numerous separate limited liability companies and partnerships which own assets valued in excess of \$200 million. For over 30 years MDG has maintained its position as one of the region's most respected real estate development firms. MDG prides itself on being privately owned and managed having developed in excess of 20 million square feet of space. MDG continues to invest in and develop a diversified portfolio of warehouse/distribution, office and residential properties. Since 2000, MDG has placed a significant portion of their resources toward redevelopment opportunities in some of New Jersey's largest cities, such as New Brunswick, Trenton, Elizabeth and Perth Amboy.

Significant projects completed by MDG include Plaza Centre in New Brunswick. This is the existing two office buildings located at 303 George Street (six story 100,000 square feet) and 317 George Street (five story 110,000 square feet) which were originally built in 1960 and 1972, respectively and acquired by Matrix in 1998. Matrix also completed the Highlands project (on property adjacent to the Project site upon which their ownership has since been divested) consisting of 417 residential units a 650 space parking garage and complementary retail. Matrix acquired an 80 acre site with a 13 building park aggregating 342,000 square feet of office, lab and flex space in Cranbury and Monroe in 2010 and has been working to increase occupancy throughout the campus. Lastly, Matrix developed One Riverfront Center ("The Legal Center") a 20 story 412,000 square foot office tower in Newark adjacent to New Jersey Transit's Pennsylvania Station. Recently completed was Two Riverfront Center which is a 337,000 square foot twelve story tower that represents the new home to Panasonic North America's corporate headquarters. Matrix has received

assistance from the Authority (P#17020) in the form of new market tax credit loan with a balance of \$5.26 million under the name of Matrix East Front Street Urban Renewal Associates. This project is in compliance.

- ***Devereaux & Associates – Lead Architect***

Devereaux & Associates is recognized as a frontrunner in the creation of innovative architectural concepts and has produced scores of award winning landplans and architectural designs for residential, commercial and recreational projects. The firm is a member of the U.S. Green Building Council and has experience in design and production of LEED certified projects, as well as LEED accredited staff. Devereaux was founded in 1993 and is headquartered in McLean, Virginia. Devereaux is headed by William Devereaux who founded the firm and has another twenty one years of experience as Division Manager for Berkux Group Architects. Mr. Thomas King is an Associate at Devereaux & Associates with twenty years experience in project design and construction management and the LEED Accredited Professional that will work on this Project.

- ***Belle Associates ,LLC – General Contractor***

Belle is a contractor specializing in building residential units including condominiums, townhouses and apartments. This firm was formed in 2005 by the principals of Belle Construction and Roseland Property for the purpose of providing construction and related services as a general contractor and/or construction manager for affiliates of Roseland Property as well as other residential developers. Belle Construction was formed in 1997 by James Kearney who was the President of Bellemead Construction Corporation a builder with over thirty years of industry experience. Mr. Kearney has over twenty years of experience at Bellemead where he was responsible for the construction of over twelve million square feet of commercial space, including warehouses and mid-rise and high-rise office buildings, an outlet mall, a retail project anchored by a supermarket, luxury townhouses, affordable housing units and a 36 hole golf course.

Project Ownership

The Applicant is owned 100% by Matrix New Brunswick Land, LLC (“MNB”) which is wholly owned by Matrix Partners, LLC (“MP”). MNB is owned 50% by MP and 50% by Taylor/Epstein Investment Fund, LLC (“TEIF”). MP is owned by several Matrix executives, Ken Griffin 13%, Richard Johnson 13%, Alec Taylor 6%, Bob Twomey 1% and several trusts for the benefit of the children of Messrs. Taylor and Epstein.7% with the remaining 60% held by TEIF. TEIF is owned by MDG’s President and CEO Joseph Taylor (58%) and MDG’s Executive Vice President and CFO Donald Epstein (42%). TEIF is the major investor of equity in each of the Matrix controlled entities with the equity provided by Mr. Taylor and Epstein. Currently, the land where the residential building will be constructed is owned by MNB. MNB entity has the contractual obligation to transfer the interest to the Applicant prior to Project’s commencement of construction. The Applicant is contractually obligated to incur the \$5 million in improvement costs associated with the office and plaza which are part of this Project. It is also noted that the office buildings and land are owned by a separate entity called Matrix/AEW NB, LLC (and the land which houses the parking garage is owned by NB George St Parking Associates, LLC). All of these entities are related and controlled by TEIF.

Project Uses and Sources

The Applicant proposes the following uses for the Project:

<i>Uses</i>	<i>Total Project Costs</i>	<i>HUB Eligible Amount</i>
Acquisition of Land and Building	\$ 15,720,000	\$ 0
Construction of Building & Site Improvements	\$ 77,300,000	\$ 77,300,000
Professional Services	\$ 3,773,418	\$ 3,350,000
Financing & Other Costs	\$ 5,151,480	\$ 5,151,480
Contingency	\$ 2,494,737	\$ 2,494,737
Development Fee	\$ 3,548,785	\$ 0
TOTAL USES	\$ 107,988,420	\$ 88,296,217

HUB eligible costs exclude \$15,720,000 in land cost, \$3,548,785 in development fee, and \$423,418 pertaining to marketing and other project expenses which do not fit within the UTHTC definition of eligible hard or soft costs.

<i>Sources of Financing</i>	<i>Amount</i>
Wells Fargo: 3 year interest only (at approximately 4%) followed by a one year term with a 25 year amortization, 6% fixed rate. (80%)	\$ 86,390,736
Equity (20%)	\$ 21,597,684
Total	\$ 107,988,420

The Applicant has received a term sheet from Wells Fargo for a construction loan under the terms listed above. Permanent capitalization reflects the anticipated sale of UTHTC’s for approximately \$21 million which will reduce the construction loan. Equity contributions have been made via the unencumbered land acquisition (based on a current appraisal indicative of a value of \$40,000 for each of the 393 units to be constructed) plus \$1.2 million in predevelopment costs incurred (and funded with equity) since the December 20, 2012 date of application submitted to the Authority during the RS as permitted.

Gap Analysis

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

Without HUB	With HUB*
Equity IRR 4.21 %	Equity IRR 11.03 %

* Includes UTHTC’s valued at approximately \$21 million realized upon sale in year three.

The Project's economics suggest that the Hub benefit will have a material effect on the Applicant's decision and ability to advance the project. **With the benefit of the HUB, the Equity IRR is 11.03%. This is below the maximum market rate of 20% as adopted by the Members of the Authority and as indicated in the RS.**

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:

Application for a tax credit in a maximum amount estimated at \$28,429,000 representing 32.197% of the eligible capital investment. The NJEDA will provide the Applicant with an approval letter for a tax credit amount that will reflect that the Applicant at a maximum will receive \$28,429,000. In addition, the NJEDA may provide approval of assignment of tax credits by the Applicant, as may be required by the Applicant for financing and completion of the Project.

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

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

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



Timothy Lizura

Prepared by: Michael A. Conte

BOARD MEMORANDUMS



MEMORANDUM

TO: Members of the Authority

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

DATE: October 8, 2013

SUBJECT: Atlantic Realty Group, LLC
\$91,019 Statewide Loan Pool (SLP) Participation
P15132

Request:

Extend the Authority's loan maturity to 10/01/2023 at a fixed rate of the 5-year Treasury plus 1.00% with a floor of 3.0%, with a rate reset at 5 years.

Background:

Atlantic Realty Group, LLC is a real estate holding company formed by Dr. James Proodian, a chiropractor, to own a three-story 7,300 square foot medical office building in Long Branch, NJ. The building is leased to Natural Healthcare Center of West End, LLC (also owned by Dr. Proodian) and Natural Medicine and Rehabilitation, PC which is unrelated.

In February 2004, the Authority provided a 25% (\$177,903) participation in a \$711,615 commercial mortgage from Monmouth Community Bank (now Central Jersey Bank). EDA's participation loan matures October 1, 2013. The loan has been paid as agreed. The bank portion of the loan, originally booked as a 25 year amortization, fully matures July 1, 2027.

Presently, the Borrower and the bank have requested renewal of the loan maturity for 10 years to allow time for the Borrower to amortize the balance. Current Delegated Authority allows loan maturity extensions where original term plus extensions does not exceed 10 years. As the Borrower's loan will have a total term of 20 years, the request no longer meets the criteria for Delegated Authority and the extension is being presented for the Members' approval.

Recommendation:

Extend the loan maturity for 10 years to 10/01/2023 at a fixed rate of the 5-year Treasury plus 1.0% with a floor of 3.0%, with a rate reset at 5 years, to permit the borrower to fully amortize the loan.

Prepared by: Katina Tolly



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura,
President and Chief Operating Officer

DATE: October 8, 2013

SUBJECT: Merrill Lynch & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Incorporated and affiliates, (collectively, "Merrill")
Jersey City, New Jersey
\$31,096,800 Business Employment Incentive Program Grant ("BEIP")

Modification Request:

Consent to the acquisition of Merrill by Bank of America Corporation ("BOA").

Background:

Formed in 1973, Merrill is one of the world's premier providers of wealth management, securities trading and sales, corporate finance and investment banking services. Merrill's CEO, Brian T. Moynihan, is also the CEO of BOA.

In December 1997, the members approved an 80%/10 year grant to Merrill Lynch, Pierce, Fenner & Smith Incorporated to aid in its decision to expand its operations in New Jersey by developing a 1 million square-foot facility in Hopewell, New Jersey. Merrill was unable to fulfill the conditions of the grant and subsequently terminated the agreement. No disbursements were made under the grant.

In January 2000, the members approved an 80%/10 year grant to Merrill to encourage the company to relocate its corporate center from New York to Jersey City. To date, \$15.2 million has been disbursed and an additional \$4.9 million is pending payment.

In 2009, BOA, one of the world's largest financial institutions, acquired Merrill. Upon completion of the acquisition, Merrill became a wholly owned subsidiary of BOA and operates as a separate legal entity.

Pursuant to the terms of the BEIP agreement, EDA is required to approve material changes to the grant. As such, staff is seeking the members' approval to retroactively approve the acquisition of Merrill by BOA. In conjunction with the request, staff has reviewed the financial statements of BOA and has determined that the company continues to be economically viable.

With guidance from the attorney general's office, staff has also reviewed the legal matters presented and found no disqualifying issues at this time. EDA will continue to monitor ongoing litigation and the grantee will continued to be required under the terms of its grant agreement to disclose legal issues that arise with the company or its parent to EDA.

Recommendation:

Consent to the acquisition of Merrill by BOA.



Prepared by: Charlene M. Craddock and Tina Tolly



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura, President and Chief Operating Officer

DATE: October 8, 2013

SUBJECT: Delegated Authority Approvals for 3rd Quarter 2013
For Informational Purposes Only

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

Borrower (Operating Company)	EDA Exposure	Action
Loans and Guarantees		
29 Ash Realty, LLC (Star Soap and Candle, LLC)	\$ 891,000	Modify the approval of a Main Street participation to Premier Lender participation with corresponding reduction in interest rate per the risk pricing model.
Shining Schools, Inc.	\$ 511,812	Consent to substitution of the borrower's first mortgage lender from The Reinvestment Fund to Fulton Bank resulting in an interest rate reduction from 8% to approximately 4.4%. EDA's loan and collateral are not changed.
Racoon Creek, LLC (Corporate Facilities Services, LLC)	\$ 301,961	Extend EDA's participation in Fulton Bank's loan for 5 years, based upon remaining 15 year amortization, at a fixed interest rate equal to 5 year Treasury plus 100 b.p. with floor of 3.0%.
Esquires Four, LLC (Zucker, Steinberg & Wixted, PA)	\$ 263,867	Extend a loan maturity from September 1, 2013 to March 1, 2018 (coterminous with EDA's lending partners) at the current rate of 3.0%.
Daron Realty, LLC (Daron Fashions, Inc.)	\$ 252,292	Refinance EDA's participation maturing on August 1, 2013 in TD Bank's loan with a Main Street participation with a 5 year term, 10 year amortization, at a fixed interest rate equal to 5 year Treasury plus 3.0%

Conduit Bonds (EDA has no credit exposure.)	
Bacharach Institute for Rehabilitation, Inc.	Consent to the modification of a \$5.7 million tax exempt bond held by TD Bank changing 1) the fixed interest rate from 1.98% to 2.99% and modifying the amortization schedule to reflect the new interest rate and 2) defined term "Permitted Encumbrances" to include additional easements to be recorded in connection with the expansion of the adjacent Atlantic City Medical Center.
Holy Cross High School, Delran Township	Consent to the modification of a \$2.3 million tax exempt bond held by TD Bank reducing the interest rate from 4.9% to 3.78%.
M.V. Holdings, LLC and Intelco of Delaware Valley, Inc.	Consent to modification of \$666,000 tax exempt bond held by Bank of America amending the minimum tangible net worth financial covenant and extending the maturity date to December 31, 2013.

Prepared by: Daniel Weick





MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: October 8, 2013

SUBJECT: Incentives Modifications
(For Informational Purposes Only)

Since 2001, the Members have approved delegations to the President/Chief Operating Officer for certain BEIP modifications that are ministerial in nature and do not materially change the original approvals of these grants or create unanticipated growth in employment.

More recently in 2010, the Members approved delegations for staff to approve annual renewal extensions of Salem County and UEZ Energy Sales Tax Exemptions for Manufacturers. Under these programs, businesses located in Salem County that employ at least 50 full time employees with 50% of those employees involved in a manufacturing process and companies located in UEZ areas that employ at least 250 full time employees of which at least 50% of the employees are involved in the manufacturing process, are exempt from paying sales tax on their utilities at the manufacturing site.

Attached is a list of the BEIP modifications and Salem/UEZ renewal extensions that were approved in the 3rd quarter ending September 30, 2013.

Prepared by: C. Craddock

MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President and COO
DATE: October 8, 2013
SUBJECT: Projects Approved Under Delegated Authority - **For Informational Purposes Only**

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

NJ Main Street Program:

- 1) Triad Advisory Services, Inc. (P38454), located in Vineland City, Cumberland County, was founded in 1979 as a consulting firm that specializes in urban planning, development and strategic planning, grant writing and program implementation, representing both the public and private sector clients. Capital Bank of New Jersey approved a \$400,000 working capital line of credit with a 6-month, 50% guarantee of principal outstanding, not to exceed \$200,000. Currently, the Company has fourteen employees.

Premier Lender Program:

- 1) Arlington Machine and Tool Company and Titan Technologies (P38486), located in Fairfield Borough, Essex County, was founded in 1963 to manufacture and sell precision machine component parts to the aerospace, computer, optical and medical industries primarily in the eastern United States. M&T Bank approved a \$3,357,000 bank loan contingent upon a 37.2% (\$1,250,000) Authority participation. Proceeds will be used to refinance an existing loan and purchase equipment and machinery. Currently, the Company has 90 employees and plans to create 30 new positions over the next two years.
- 2) Link Burns Manufacturing Company Incorporated (P38518), located in Voorhees Township, Camden County, was formed in 1957 as a metal fabrication shop. M&T Bank approved a \$1,000,000 bank loan contingent upon a 50% (\$500,000) Authority participation. Proceeds will be used to purchase commercial property. Currently, the Company has seventeen employees and plans to create four new positions over the next two years.

Small Business Fund Program:

- 1) Willie James Enterprises, LLC (P38461), located in Pennsauken Township, Camden County, was founded in 1976 to provide exterminating services to commercial customers, primarily residential real estate, apartment complexes and condominium association. The Company is a green certified exterminating company. TD Bank approved a \$500,000 term loan with a 20% (\$100,000) Authority participation. Proceeds will be used to purchase commercial property. The Company currently has 87 employees and plans to create ten additional jobs within the next two years.

A handwritten signature in black ink, appearing to read "D. Lawyer", is written above a horizontal line.

Prepared by: D. Lawyer
DL/gvr

ACTIONS APPROVED UNDER DELEGATED AUTHORITY
 QUARTER ENDING SEPTEMBER 2013

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

Name	Modification
Comag Marketing Group, LLC	Change in parent ownership of grantee
Gain Capital Group, LLC	Addition of related entity to the grant
Infocrossing Inc./Wipro	Approval of grantee's acquisition by new parent company, addition of new parent and related affiliate to the grant
Innopharma, Inc.	Name change from Innopharma, Inc. to Innopharma, LLC
NRT LLC	Project location change from Parsippany to Madison, NJ
Qualcomm Flarion Technologies, Inc.	Addition of related entities to the grant
Tyco International Ltd., Inc.	Name change of subsidiary, Keystone (US) Management, Inc. to Tyco Fire & Security (US) Management, Inc.

Salem/UEZ Energy Sales Tax Exemption

Name	Modification	# of Employees/Involved in Manufacturing	Annualized Benefit
Anheuser-Busch, LLC	Extension to September 3, 2014	338/278	\$745,000
B & B Poultry Co., Inc.	Extension to August 31, 2014	177/166	\$51,000
E.I. du Pont de Nemours and Company	Extension to August 3, 2014	750/623	\$30,000
Mannington Mills, Inc.	Extension to May 11, 2014	531/391	\$443,700
Total			\$1,269,700

REAL ESTATE



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: October 8, 2013

SUBJECT: Real Estate Division Delegated Authority for Leases, CCIT Grants, and Right of Entry (ROE)/Licenses for Third Quarter 2013
For Informational Purposes Only

The following approvals were made pursuant to Delegated Authority for Leases, CCIT Grants and ROE/Licenses through September 2013.

LEASES / CCIT GRANTS

<u>TENANT</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>TERM</u>	<u>S.F.</u>	<u>CCIT GRANT</u>
PDS Biotechnology Corporation	CCIT	New Lease	One Year	1,125	None
Viya Pharmaceuticals	CCIT	Lease Extension	One Year	800	None
Brighter Ideas	CCIT	Lease Extension	One Year	800	None
Ascendia Pharmaceutical	CCIT	Lease Extension	One Year	975	None
TAXIS Pharmaceuticals	CCIT	Lease Renewal	One Year	1,000	None
Rutgers University	WTCC – 5 th Floor labs	New lease	64 months	5,193	N/A

RIGHT OF ENTRY/LICENSES

<u>ENTITY</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>CONSIDERATION</u>
None			


 Timothy J. Lizura
 President/ Chief Operating Officer

Prepared by: Donna T. Sullivan

MAILING ADDRESS: | PO Box 990 | TRENTON, NJ 08625-0990

SHIPPING ADDRESS: | 36 WEST STATE STREET | TRENTON, NJ 08625 | 609.858.6700 | e-mail: njeda@njeda.com | www.njeda.com

OFFICE OF RECOVERY



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: October 8, 2013

SUBJECT: **Stronger NJ Neighborhood and Community Revitalization Program – Intersect Fund Corporation**

Request

Approval is requested for a \$500,000 grant under the Stronger NJ Neighborhood and Community Revitalization program as proposed. Grant will be subject to periodic site visits by EDA. IFC will send each loan package record, including full underwriting file, to EDA. To drawdown, IFC must provide supporting documents from borrower, such as cancelled checks, paid invoices, executed contracts, among others.

Project

Intersect Fund Corporation d/b/a The Intersect Fund (“IFC” or “Company”) is a 501(c)(3) not-for-profit formed in 2008 to empower entrepreneurs to start businesses, generate income, build assets and spark dramatic social change. IFC is a Certified Development Financial Institution (“CDFI”) and a micro-lender. IFC provides coaching and micro-loans to low-income, minority and women-owned businesses throughout New Jersey. Since inception, IFC has provided more than 375 loans totaling in excess of \$1,200,000 making it one of the largest and fastest growing micro-lenders in the State. Its average loan size is \$3,200 and although over half of its borrowers have no credit score or a score under 600, its loan loss rate was just 2.49% in 2012.

The proceeds of this grant will be used to fund a second Hurricane Sandy Disaster Relief Fund. In November of 2012, IFC expanded its lending to include Disaster Relief loans at reduced interest rates to businesses throughout New Jersey devastated by the storm. This program is targeted at small

businesses that were not eligible for FEMA or SBA funding. This Disaster Relief Fund has received \$600,000 in contributions for disaster relief from the Hurricane Sandy New Jersey Relief Fund, The Robin Hood Foundation, The Catholic Campaign for Human Development, Capital One Bank and Barclays Bank. To date, IFC has provided 45 disaster relief loans totaling over \$300,000.

The proposed \$500,000 NCR Fund will target only businesses within the nine (9) counties most impacted by the storm. Each entity funded by a CDFI loan must meet one of the National Objectives and all reimbursable business costs must be vetted for “Cost Reasonableness.” Loans up to \$50,000 will be available at an interest rate of 5%. Repayment terms shall be interest only for the first six (6) months followed by 36 monthly principal and interest payments. IFC currently has 7 new loan requests for funding under its disaster relief program totaling \$90,000.

Source of Funds

<u>Source</u>	<u>Amount</u>
NJEDA: Grant, no repayment terms	\$500,000
Total	\$500,000

Use of Funds

<u>Description</u>	<u>Amount</u>
Non-Revolving Loan Fund	\$500,000
Total	\$500,000

Loan Underwriting/Portfolio Management

A copy of IFC’s Credit Policy and Procedures Manual was provided for review. The manual outlines all the underwriting, portfolio management and collection processes and the following provides highlights:

The approval process involves two steps, the initial prescreening phase and the document submission phase. IFC has a tiered approval process wherein the Loan Officer has a credit limit of \$1,000, the Underwriter \$2,500, the CEO/CLO \$10,000 and the Loan Committee up to 10% of the Fund’s net assets. The Intersect Fund uses the Minimum Performance Standards (MPS) set y the Community Development Financial Institutions Fund (CDFI Fund) as benchmarks for its portfolio fund. The CDFI Fund is the IFC’s largest funder and these standards are well-known and respected within the industry.

The Loan Officer is responsible for ongoing monitoring of the portfolio.

Loans are considered in a non-accrual status when management believes the financial condition of the borrower has deteriorated that repayment is unlikely or a loan has been past due for over 60 days.

Loans are classified as a Charge-Off when a loan is over 180 days in arrears, a loan where the capacity for repayment by the borrower is deemed unlikely and the current market value of the collateral has decreased to a value less than the outstanding balance.

Federal Grant Management

IFC over the past 3 years has been granted by the U.S. Treasury's Community Development Financial Institutions Fund ("CDFI Fund") three (3) Financial Assistance and Technical Assistance awards totaling \$699,840. Prior to the 2013 award in the amount of \$300,000, IFC underwent a "yellow book" audit by its accounting firm in accordance with government auditing standards. Beginning with its 12/31/2013 financial statement, IFC will undergo an A133 audit by its accounting firm as required by the Single Audit Act of 1984 by the Office of Federal Financial Management of all recipients having received awards in excess of \$500,000.

Products/Services

Intersect Fund Corporation d/b/a The Intersect Fund is a not for profit CDFI, that provides business coaching and micro-loans to low-income, minority and women-owned businesses. The Intersect Fund's mission is to help working people build strong businesses through coaching on how to find customers, manage cash flow, secure financing, and stand out in a crowded marketplace. By helping to emphasize their strengths and overcome their weaknesses, IFC seeks to grow a profitable, satisfying, and socially responsible business. Currently, IFC processes approximately 100 applications and closes an average of 26 loans each month. Based on its current growth trajectory, IFC estimates that they will surpass \$2 million in lending and will reach more than 500 borrowers in the first quarter 2014 since its inception. To meet the individual needs of a wide variety of entrepreneurs, IFC offers loans from as low as \$100 up to \$25,000. The interest rate under its Business Loan program, loans from \$500 to \$25,000, is 15% per annum with a term from six to 36 months. Its Credit Builder Loan program which is offered to individuals/businesses that have a blemished credit history carries a zero interest rate with a term of 12 months.

Management

Rohan Mathew, Executive Director, founded IFC in 2008. Prior to starting IFC, Mr. Mathew worked as a Senior Field Analyst for the "Obama for America" campaign from the Fall of 2007 until President Obama's election in the Fall of 2008. Mr. Mathew graduated from Rutgers University in the spring of 2009 with a B.S. degree in Mathematics having achieved a cumulative GPA 3.4. While at Rutgers, Rohan was managing editor of Targum Publishing Company, the Rutgers student newspaper, a financially-independent, multimillion-dollar publication. During summer 2007, Mr. Mathew worked in the Mergers and Acquisition group of Credit Suisse as an Analyst. Mr. Mathew is responsible for all of the day-to-day operations of Intersect as well as its fundraising.

Luis De La Hoz, Vice President of Lending, joined IFC in May 2011 as Senior Loan Officer. In August 2013, Mr. De La Hoz assumed his current position and is responsible for oversight of all loan activity.

Nancy Finn, Director of Advancement, joined IFC in 2012. Mr. Finn is responsible for the creation and implementation of the organization's fundraising strategy. She has over 18 years experience in fundraising for various not-for-profits and religious organizations.

Vanessa Carter, Underwriter/Executive Director of IFC's "Lend for America", joined IFC in 2011. Her prior work experience includes relationship management at Credit Builders Alliance, a national alliance serving microfinance and affordable housing nonprofits to help underbanked individuals build credit as an asset. She also was employed as Director of Finance and Programs for ThinkImpact in Washington, DC. ThinkImpact is a social enterprise that connects American college students with developing countries to alleviate poverty through entrepreneurship.

Jill Emerson, Controller. Jill is a CPA employed at Your Part-Time Controller, LLC, an accounting and financial reporting consulting firm for not-for-profits in the Greater Philadelphia, Washington, DC and New York City areas. Ms. Emerson spends 2 days a week at IFC in the capacity of Controller.

Board of Directors

David Finegold, Board Chairman, is the Chief Academic Officer of American Honors. Before taking this position, he was Senior Vice President of Lifelong Learning and Strategic Growth Initiatives at Rutgers University. Prior to this position, he served as Dean of Rutgers School of Management and Labor Relations. Before joining Rutgers, Mr. Finegold was a professor at the Keck Graduate Institute in Claremont, CA and at USC's Marshall School of Business. Finegold graduated summa cum laude from Harvard University and studied as a Rhodes Scholar at Oxford University.

Alan Dolnick, Vice Chair, is a Vice President and Commercial Loan Fund Officer at Magyar Bank. Dolnick serves on the board of South Brunswick Citizens for Independent Living and for the past 15 years has served as a Trustee of the South Brunswick Family YMCA. Dolnick graduated from Rutgers University.

David Verderami, Treasurer, is a Senior Manager at Ernst & Young, L.L.P. He joined the firm in 2000 as a staff accountant and has since acquired nine years of assurance and advisory business experience. He specializes in distribution and manufacturing companies, as well as a waste-to-energy company. In addition, Verderami has specialized in audits of S.E.C. registrants that have been acquisitive and completed initial public offerings. Verderami graduated from Rutgers University.

Ross E. Cohen, is a Senior Director of Small Business Card Marketing Strategy for Capital One Financial, heading digital marketing, value proposition development and customer communications.

In addition to his work with Capital One, Cohen also founded Triumph Dining, a media and e-commerce business focused on the gluten-free market. He has a M.B.A. from the Wharton School, a J.D. from Harvard Law and a B.A. in Economics from Amherst College.

Fred Hoffman, is Managing Director of Citi Credit Strategies, Citi Capital Advisors. Hoffman directs an alternative credit business consisting of both proprietary and third-party assets totaling over \$4.5 billion of credit assets. Hoffman holds a B.A. in Computer Science/Economics from Rutgers University and a M.A. in Financial Economics from Fairleigh Dickinson University.

Joan Barry McCormick, is the President of Joan McCormick Fundraising, LLC. A development professional, McCormick has led fundraising efforts at organizations in Florida, New Jersey and New York. Before founding McCormick Fundraising, McCormick served as Director of Principal Gifts at Rutgers University Foundation and Vice President of Special Initiatives at Saint Peter's Healthcare System. McCormick is married to Dr. Richard L. McCormick, the 19th President of Rutgers University. She holds a B.A. from Rutgers University and a M.P.A. from Kean University.

Kim D. Osterhoudt is a specialty food entrepreneur and owner of Jams by Kim. She was the 2010 winner of the National Association of women Business Owners SEED Business Plan Competition. Osterhoudt was also The Intersect Fund's 2011 Entrepreneur of the Year. Prior to starting her jam business, Osterhoudt was the Director of Community Resources for Prudential Financial in Newark. He holds an MBA from Rutgers School of Management and a B.A. from College of the Holy Cross, in Worcester, MA.

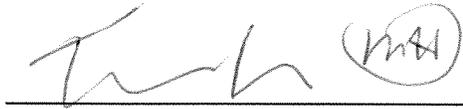
Carlos A. Medina, Esq. is the President of Robinson Aerial, a Hispanic-owned engineering and survey firm. He is a graduate of Rutgers School of Law-Newark and member of the New Jersey Bar. He has served on the boards of the Hispanic Bar Association of New Jersey and the New Jersey Economic Development Authority. He is currently the President of Statewide Hispanic Chamber of Commerce of New Jersey.

Conditions

- Certification that IFC is either a qualified Community Based Development Organization ("CBDO") or qualifies under Section 105(a)(15) of the National Development and Community Act of 1974, whichever is required by HUD for Stronger NJ Neighborhood and Community Revitalization program.
- Requirement for IFC that all loans must comply with the requirements of CDBG-DR funding including, but not limited to, satisfaction of a National Objective, Duplication of Benefits, Cost Reasonableness and Environmental and Historic Review. In addition, all funds must be disbursed by December 31, 2015.

Recommendation

Approval of the \$500,000 grant to lender is recommended based on its sound financial condition and its mission to empower entrepreneurs to start businesses, generate income, build assets and spark dramatic social change with particular attention to LMI entrepreneurs.



Timothy Lizura
President and Chief Operating Officer

Prepared by: Ted Bossert



MEMORANDUM

TO: Members of the Authority
FROM: Timothy Lizura
President/Chief Operating Officer
DATE: October 8, 2013
SUBJECT: Stronger NJ Business Grant and Stronger NJ Business Loan program modifications

Request:

The Board is requested to approve modifications to the Stronger NJ Business Grant Program to extend the application deadline from October 31, 2013 to December 31, 2013. The Board is also requested to approve modifications to the parameters of the Stronger NJ Business Loan Program.

Background:

In April of 2013, the Members approved the creation of Stronger NJ Business Grants and later in June approved the creation of Stronger NJ Business Loans, in response to Superstorm Sandy which occurred in October of 2012. Following the Storm, President Obama declared all twenty-one counties of the state major disaster areas, which was followed by a commitment by the federal legislature and the President of \$60 billion to New Jersey and its neighboring states. Immediately after receiving federal regulations regarding the first tranche of this funding for New Jersey of \$1.83 billion, EDA launched its Grant Program for small businesses, followed by its Loan Program.

At the April Board Meeting, the Members approved an October 31, 2013 deadline for small businesses to submit their Stronger New Jersey Business. As that deadline approaches, staff recommends extending it to December 31, 2013 in order to allow the maximum number of impacted businesses to apply for funding.

Also to accommodate the needs of many small businesses, staff recommends modifying the maximum amount of working capital available to small businesses through the Stronger NJ Business Loan program. Presently, working capital is allowed up to \$500,000, while loans for renovation, new construction, and equipment are available up to \$5,000,000. Staff recommends raising the limit on working capital loans to \$5,000,000 to mirror the amount available for other uses. This change in policy regarding the size of working capital loans is requested to accommodate larger than originally anticipated working capital needs of businesses impacted by the storm including but not limited to the replacement of lost inventory assets. All loan requests up to \$2 million will be approved under delegated authority provided certain credit criteria as described in the Board's original approval are met. Loan requests exceeding \$2 million will be presented to the Board for approval.

In addition, staff recommends clarifying when a portion of funding under the Stronger NJ Loan Program may be forgiven. Previously the Board approved criteria that allowed for the first \$50,000 of a loan to a project that meets all of the Stronger NJ Grant eligibility criteria and conditions to be forgivable. The criteria should be amended to read that this portion of the loan will be forgiven one year after loan closing provided that, in addition to other conditions, the following are met:

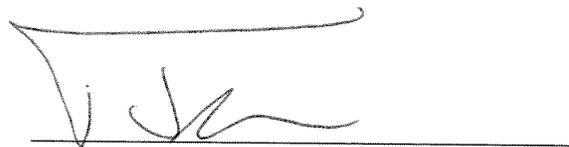
- Any entity located in a Special Flood Hazard Areas and utilizing funding for construction, renovation or purchase of equipment, machinery, or fixtures greater than \$5,000 (including installation), will be required to have or purchase flood insurance. For any forgivable loan awarded, flood insurance is mandatory for the term of the loan (i.e., one year).
- Applicants have 12 months from approval to file with the NJEDA all documents needed for disbursement of funding. Extensions may be granted for construction-related work and extenuating circumstances, but will not exceed 24 months from approval of the Action Plan.

This revision to the board approval is being made to clarify at what point in time the forgivable loan is forgiven. The original intent of forgivable loan treatment was to be consistent with how this financing is structured under the grant program

Finally, staff recommends removing the eligibility requirement listed in the Stronger NJ Business Loan Program memo approved by the Board on June 11, 2013 which requires that an "Entity have at least one impacted location in New Jersey." This requirement is covered more completely and correctly in the eligibility requirement that states, "Projects located within the nine most impacted counties must be able to demonstrate that the project will positively impact the economy of the community and/or evidence a minimum of \$5,000 in physical damage to the entity's real property and/or loss or damage of non-perishable and non-consumable inventory. Projects located outside of the nine most impacted counties must have sustained a minimum of \$5,000 of physical damage to the entity's real property and/or loss or damage of non-perishable and non-consumable inventory."

Recommendation:

The Members of the Board are asked to approve the following proposed modifications to the Stronger NJ Business Grant Program and the Stronger NJ Business Loan Program: 1) Extend the application deadline for the Stronger NJ Business Grant Program to December 31, 2013; 2) Increase the maximum amount allowable for working capital under the Stronger NJ Business Loan Program to \$5,000,000; 3) Clarify the conditions under which the forgivable portion of a Stronger NJ Business Loan can be forgiven 4) Clarify location requirements for eligibility under the Stronger NJ Business Loan Program.

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



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: October 8, 2013

RE: Stronger NJ Neighborhood and Community Revitalization Program
Streetscape Revitalization Program - Guide to Program Funds

Request:

The Members are requested to approve the recommendation for the Guide to Program Funds for the Streetscape Revitalization Program established as part of the Stronger NJ Neighborhood and Community Revitalization Program.

Background:

In April of 2013, the Members approved the creation of Stronger NJ Business Grants and later in June approved the creation of Stronger NJ Business Loans, in response to Superstorm Sandy which occurred in October of 2012. Following the Storm, President Obama declared all twenty-one counties of the state major disaster areas, which was followed by a commitment by the federal legislature and the President of \$60 billion to New Jersey and its neighboring states. Immediately after receiving federal regulations regarding the first tranche of this funding for New Jersey of \$1.83 billion, NJEDA launched its Grant Program for small businesses, followed by its Loan Program.

In August of 2013, the Members approved the creation of the Stronger NJ Neighborhood and Community Revitalization Program, the fourth and final program outlined in the State of New Jersey's Action Plan and allocated to the Authority. A total of \$75 million was allocated to this program, which may be used to fund several general activities – building development and public improvement projects, assisting Community Development Financial Institutions (CDFIs) in lending to businesses in the nine most impacted counties, and “Main Street” revitalization.

To assist in the rebuilding and to support the recovery of economic activity in commercial corridors in impacted towns and cities throughout the State, NJEDA will provide \$10 million to support “Main Street” revitalization projects. This segment will provide financial assistance to support improvements such as, but not limited to, streetscapes, lighting, sidewalks, façade enhancements, code-related and other physical upgrades to commercial areas in a minimum amount of \$125,000 and a maximum amount of \$1.5MM per project.

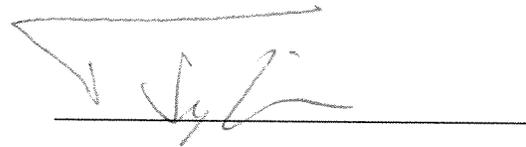
Applications will be accepted on a rolling basis and will be reviewed comparatively in regular review cycles. All complete applications will be reviewed by an evaluation committee comprised of NJEDA employees and scored. A minimum threshold score will be required for the project to proceed. Projects will be evaluated on the following criteria:

1. Sandy Impacted Communities - Projects located in one of the nine (9) most impacted counties (Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean and Union) will receive priority scoring and consideration.
2. Readiness to Proceed and Succeed – Projects with earlier completion dates will be given priority scoring in order to ensure that all awarded funds are disbursed by December 31, 2015.
3. Low or Moderate Income Communities - Projects will be prioritized based on their location in a low or moderate income community as HUD defines low and moderate incomes by census tract. Should the NJEDA be in the position of considering more than one project that meets the program requirements and insufficient funding to assist all, NJEDA will consider primarily the community in which the project is located with the greater impact from Superstorm Sandy as the basis for determining which project to fund.
4. Experience - Applicant’s experience on successfully completing projects of similar size and scope.
5. Adherence with Plan – Documentation that the project improvements are integral to implementing a comprehensive revitalization strategy or plan.
6. Extent to which the project will enhance the neighborhood and community at large as documented in the submission package.

The attached Guide to Program Funds outlines the general parameters and requirements of the Streetscape Revitalization Program.

Recommendation:

The Members are requested to: (1) approve the attached Streetscape Revitalization Program - Guide to Program Funds established as part of the Stronger NJ Neighborhood and Community Revitalization Program; (2) delegate authority to approve projects under the Streetscape Revitalization program to staff; and (3) extend the project completion date to December 31, 2015 for the Neighborhood and Community Revitalization Program, including the program elements approved by the Board at its August 27 Special Board Meeting.

A handwritten signature in black ink, appearing to be "D. Sullivan", is written over a horizontal line.

Attachment:

Streetscape Revitalization Guide to Program Funds

Prepared by: Donna T. Sullivan

STRONGER NJ

NEIGHBORHOOD AND COMMUNITY REVITALIZATION

STREETScape REVITALIZATION PROGRAM

GUIDE TO PROGRAM FUNDS

October 2013

STRONGER NJ
NEIGHBORHOOD AND COMMUNITY REVITALIZATION
STREETSCAPE REVITALIZATION PROGRAM
GUIDE TO PROGRAM FUNDS

PREFACE

To assist in the recovery from Superstorm Sandy, New Jersey received from the U.S. Department of Housing and Urban Development (HUD) an initial allocation of approximately \$1.8 billion of Community Development Block Grant Disaster Recovery (CDBG-DR) funds to be used to satisfy needs arising from Superstorm Sandy that are not satisfied by other funding sources. Governor Chris Christie tasked the New Jersey Economic Development Authority (NJEDA) to administer \$460 million of these funds to support the recovery of Superstorm Sandy impacted businesses. Of this total, \$75 million will fund the Neighborhood and Community Revitalization (NCR) program.

Because of the severe damage to the economies of affected areas, NJEDA will support activities tied to economic growth and revitalization. The NCR program will support the long-term recovery of small businesses and communities by funding economic revitalization priorities. It will also support projects that retain or hire new employees thus contributing to the State's economy.

The NCR program has three chief components: 1) Streetscape Revitalization, 2) Development and Public Improvement Projects, and 3) Community Development Financial Institution (CDFI) assistance. The following are the guidelines for the Streetscape Revitalization Program.

STREETSCAPE REVITALIZATION – Funding Allocation \$10 million

To assist in rebuilding and to support the recovery of economic activity in commercial corridors in impacted towns and cities throughout the State, NJEDA will provide financial assistance to support improvements such as, but not limited to, streetscapes, lighting, sidewalks, façade enhancements, and code-related and other physical upgrades to commercial areas.

In general, funding under the NCR program is intended to assist projects located throughout New Jersey, with specific focus on those located in one of the nine (9) "most impacted" counties as determined by HUD (Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean, and Union). Applications for funding will be accepted on a rolling basis and considered for funding as they are ready, based on identified scoring criteria and the availability of funds. Per federal requirements, project applicants also must be able to demonstrate that the project applicant or project itself has been damaged by Superstorm Sandy, or within the 9 most impacted counties, that the project is contributing to the revitalization of an area damaged by Superstorm Sandy. As a federal requirement, projects also must serve Low or Moderate Income

(LMI) areas, create or maintain LMI jobs, remove slum or blight, or address an urgent need related to Superstorm Sandy.

Eligible Applicants

Eligible applicants include any Sandy-impacted New Jersey municipality with one or more established traditional business districts. A ‘main street’ district is defined as a commercial, neighborhood retail, or mixed-use zoned area with a concentration of older or historic buildings within its boundaries. Projects located in one of the nine (9) most impacted counties (Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean and Union) will receive priority scoring and consideration.

Projects

Projects must be targeted within a commercial, neighborhood retail, or mixed-use district. Projects should result in a public benefit to the municipality as a result of the improvement project. The eligible uses of funds include, but are not limited to, the following:

- Building façade and building enhancement/revitalization efforts;
- Streetscape enhancement/revitalization efforts; and
- District wayfinding and image enhancements/revitalization efforts.

A project must be capable of expending the awarded funding under this program by December 31, 2015. Funds allocated to a revitalization project that do not meet the time requirement may be recaptured and may be reprogrammed by NJEDA. Projects must present a credible financial and development plan for completion and meet the criteria listed in the Threshold Criteria section below.

Product Descriptions and Terms

The following parameters and terms apply to the Streetscape Revitalization Program:

- 1) Grant award per project:
 - a. minimum amount: \$125,000
 - b. maximum amount: \$1.5 million

Assistance is subject to availability of funds.

- 2) Funds may be provided during the design and construction of a project or upon project completion. Federal environmental and historical reviews will be required for all funding provided under this program.

- 3) Funds will be disbursed upon the review and approval of a complete payment request which shall include invoices or other such substantiating documents to verify work completion for the requested disbursement. Costs already incurred between the date of Superstorm Sandy and the date of application may be reimbursed as “pre-application” expenses if they met the CDBG-DR funding requirements when they were incurred. Per HUD requirements, all amounts to be reimbursed must be cost reasonable and eligible.
- 4) All funds requested for a project must be applied for at the same time; partial funding requests are prohibited.
- 5) To the extent practicable, funds will be disbursed on a pro rata basis with other funding provided to the project.

Eligible Costs

Eligible costs for the program may include, but are not limited to, the following:

- Restoration, rehabilitation and improvement of building exteriors, parking and other public improvements.
- Construction or rehabilitation of public realm infrastructure, including but not limited to water, sewer, drainage, utilities, roads, sidewalks, streetscape, signage, landscaping, paving, greenspace, and other such enhancements that support the project.
- Pre-development costs such as architectural and engineering services, feasibility studies, appraisals, site preparation, construction management services, and other soft costs such as accounting, legal, and financing costs performed in support of the project.

Projects that include routine or deferred maintenance are not eligible under this program.

Criteria

Threshold Criteria - Projects must meet the following criteria.

- 1) Projects located in one of the nine (9) “most impacted” counties must demonstrate that either (i) they are contributing to the revitalization of an area damaged by Superstorm Sandy, or (ii) they have themselves been physically damaged by Superstorm Sandy. A project located outside the nine (9) counties must demonstrate that it has been physically damaged by Superstorm Sandy.
- 2) The project meets one of the following CDBG National Objectives:
 - a. Low and Moderate Income (LMI) Employment Creation
 - b. Low and Moderate Income Area Benefit where the area is primarily residential
 - c. Slum and Blight Reduction
 - d. Urgent Need

NOTE: “LMI” refers to the HUD definition of low and moderate incomes based upon median incomes by census tract; “Slum and Blight” refers to Areas in Need of Redevelopment or Rehabilitation, as defined by the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq. and other conditions such as vacant property.

- 3) The project must provide revitalization to buildings or infrastructure in the project area.
- 4) The project must show the ability to disburse the awarded funding to the subrecipient’s contractors/subcontractors for the project by December 31, 2015.

Application Process

- 1) The project Application will be available on NJEDA’s website, www.njeda.com, which gathers specific information about the applicant and project responsive to program requirements. Once completed and submitted, NJEDA will review the project application and accompanying documentation to determine if it falls within the program parameters and is eligible. If the project is determined, at NJEDA’s sole discretion, to meet the parameters of the program, the project applicant will be notified and may be requested to provide additional information and submit further details regarding the project for review and funding consideration. Only applications that satisfy the program requirements and are being considered for funding will be brought to NJEDA’s Board for action.
- 2) Applications that evidence that they can be completed by December 31, 2015 will be accepted on a rolling basis until all funds are committed.
- 3) Applications that include any private ownership must include letters of support from the private parties that indicate that they will grant rights of access and comply with the requirements of the program.
- 4) All applications will be evaluated for completeness and accuracy.
- 5) Complete applications will be reviewed by the evaluation committee on a first completed, first served basis.
- 6) Incomplete applications will not be submitted for review to the evaluation committee. Applicants will have thirty (30) calendar days to submit all required documentation in order to be eligible for review.

Application Approval Process

All projects must undergo an application review that will include, but will not be limited to, the items listed below.

- 1) Financial feasibility for public improvement projects undertaken by local and county governments will be reviewed as part of the application approval process. For those potential projects where the costs of completion exceed costs that may be committed to the project under this program, the applicant must show a credible mechanism for funding the entire project through completion, including the identification of other funding sources addressing the funding gap.
- 2) The project schedule provided by the applicant must demonstrate the ability to disburse the awarded funding to the subrecipient's contractors/subcontractors for the project by the approved project completion date. This will be determined by the applicant's project development schedule which must show the project milestones durations to complete the project within the December 31, 2015 deadline.
- 3) The award sought under this program would not create a duplication of benefits with other recovery resources received as captured within the federal duplication of benefits analysis.
- 4) Costs associated with the project must be demonstrated to be reasonable and will undergo cost reasonableness testing. Estimated costs presented in the preliminary project budget will be evaluated. Actual costs incurred will be evaluated against the approved project budget prior to each disbursement of funds for the project
- 5) Applications will be reviewed comparatively in regular review cycles. All complete applications will be reviewed by an evaluation committee comprised of EDA employees and scored. A minimum threshold score will be required for the project to proceed.

Evaluation Criteria

Projects will be evaluated on the following criteria:

- 1) Sandy Impacted Communities - Projects located in one of the nine (9) most impacted counties (Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean and Union) will receive priority scoring and consideration.
- 2) Readiness to Proceed and Succeed – Projects with earlier completion dates will be given priority scoring in order to ensure that all awarded funds are disbursed by December 31, 2015.

- 3) Low or Moderate Income Communities - Projects will be prioritized based on their location in a low or moderate income community as HUD defines low and moderate incomes by census tract. Should the NJEDA be in the position of considering more than one project that meets the program requirements and insufficient funding to assist all, NJEDA will consider primarily the community in which the project is located with the greater impact from Superstorm Sandy as the basis for determining which project to fund.
- 6) Experience - Applicant's experience on successfully completing projects of similar size and scope.
- 7) Adherence with Plan – Documentation that the project improvements are integral to implementing a comprehensive revitalization strategy or plan.
- 8) Extent to which the project will enhance the neighborhood and community at large as documented in the submission package

Project applications will be evaluated against the stated criteria in order to ensure that available funding is provided to those projects which will have the greatest effect on Superstorm Sandy impacted communities.

Conditions

- 1) The project must undergo federally required environmental and/or historical reviews. (**Note:** All construction and ground-disturbing work must cease until the environmental review is completed.)
- 2) The subrecipient and its contractors/subcontractors must comply with federal Davis Bacon and State Prevailing Wage requirements for labor, as applicable.
- 3) The subrecipient and its contractors/subcontractors must comply with Affirmative Action requirements for labor, as applicable.
- 4) The subrecipient and its contractors/subcontractors shall take affirmative steps to assure that minority and women's businesses are used when possible as sources of supplies, equipment, construction, and services, as detailed in the federal requirements relating to minority and women's business enterprises.
- 5) The work to be performed under a contract awarded pursuant to this program will use funds provided by HUD and, as applicable, is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u.

- 6) As applicable, the subrecipient and its contractors/subcontractors must comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.
- 7) The subrecipient and its contractors/subcontractors must comply with all Federal and state statutes and/or regulations relating to nondiscrimination.
- 8) As applicable, the subrecipient and its contractors/subcontractors must assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
- 9) As applicable, the subrecipient and its contractors/subcontractors must assist the awarding agency in assuring compliance with the National Environmental Protection Act, and specifically Part 85.
- 10) The subrecipient and its contractors/subcontractors must comply with all applicable requirements of all other State and Federal laws, executive orders, regulations, procurement requirements, and policies governing the program.
- 11) The subrecipient must comply with 24 CFR Part 85.36 when hiring a contractor or procuring goods and/or professional services.

Restrictions

- 1) Under federal regulations, casinos and gambling facilities are not eligible.
- 2) Under federal regulations, projects located in Coastal Barrier Resource Areas (CBRAs) are not eligible.
- 3) Applicants located within the 100-year flood plain who receive funding received in the form of a grant will be required to carry flood insurance for the life of the asset. This requirement applies to all applicants for this funding.
- 4) The municipality must be registered with Dun and Bradstreet, and have a DUNS number.

Appeal Process

An applicant may appeal NJEDA's decision by submitting in writing to NJEDA no later than 20 calendar days from the date of the denial, an explanation as to how the applicant has met the

program criteria. Such challenges are not contested cases subject to the requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1. The CEO of NJEDA shall designate an employee of NJEDA to serve as a hearing officer for the challenge and to make a recommendation on the merits of the challenge to the Board according to the attached process.

Reporting Requirements

Approved projects will be subject to all reporting required by the CDBG-DR program, including, but not limited to: National Objectives, labor requirements, procurement requirements, and environmental requirements. To the extent other reporting requirements may apply, the entity will be made aware of those requirements and will have to provide information sufficient to satisfy those requirements.