



MEMORANDUM

TO: Members of the Authority
FROM: Michele A. Brown
Chief Executive Officer
DATE: October 9, 2012
SUBJECT: Agenda for Board Meeting of the Authority October 9, 2012

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

Executive Session – OPMA Exemption N.J.S.A. 10:4-12b(7)

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

September 13, 2012

MINUTES OF THE MEETING

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

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

Absent from the meeting: Public Member Richard Tolson, and Rodney Sadler, Non-Voting Member.

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

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the August 14, 2012 regular meeting minutes, the August 21, 2012 strategic planning meeting minutes, and the August 22, 2012 special meeting minutes. A motion was made to approve the minutes by Ms. Perry, seconded by Ms. Graves, and was approved by the 14 voting members present.

The next item was a proclamation presented to Caren Franzini by Chairman Koepp commemorating her 21 years of service at the EDA and her dedicated service to the Board. Chairman Koepp read the proclamation aloud which noted that Ms. Franzini's diplomatic and affirmative leadership and innovative ideas have resulted in numerous award-winning economic development projects and programs that have attracted national acclaim. The proclamation also noted that she has led the Authority as the State's primary economic engine without parallel nationally, influenced hundreds of her colleagues, created and nurtured an unshakable culture of professionalism and fiscal responsibility at the Authority, anchored in her respect for the people she leads and the State she serves.

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

AUTHORITY MATTERS

ITEM: EDA By-Law Changes

REQUEST: To approve amendments to the Authority's by-laws.

MOTION TO APPROVE: Mr. McNamara **SECOND:** Ms. Perry **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: Annual Meeting

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

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McDermott **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

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

BOND PROJECTS

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: Bet Yaakov of the Jersey Shore, Inc.

APPL.#37632

LOCATION: West Long Branch Borough/Monmouth

PROCEEDS FOR: Building Acquisition

FINANCING: \$2,900,000 Tax-Exempt Bond

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

PROJECT: Hudson Community Enterprises Inc. **APPL.#37666**
LOCATION: Jersey City/Hudson
PROCEEDS FOR: Equipment and Machinery Purchase
FINANCING: \$760,000 est. (*Part of a \$1,520,000 Tax-Exempt Bond with P37700*)
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Hudson Community Enterprises Inc. **APPL.#37700**
LOCATION: Jersey City/Hudson
PROCEEDS FOR: Refund
FINANCING: \$760,000 est. (*Part of a \$1,520,000 Tax-Exempt Bond with P37666*)
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Nelson **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Pingry Corporation **APPL.#37686**
LOCATION: Bernards Township/Somerset
PROCEEDS FOR: Refinancing
FINANCING: \$2,800,000 Tax-Exempt Bond (*Part of a \$8,320,000 bond issue with P37688*)
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Pingry Corporation **APPL.#37688**
LOCATION: Bernards Township/Somerset
PROCEEDS FOR: Refund
FINANCING: \$5,520,000 Tax-Exempt Bond (*Part of a \$8,320,000 bond issue with P37686*)
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Nelson **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PRELIMINARY RESOLUTIONS

PROJECT: BWP School Partners LLC **APPL.#37648**
LOCATION: Newark City/Essex
PROCEEDS FOR: Building or Addition Construction
MOTION TO APPROVE: Mr. Nelson **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

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

PUBLIC HEARING ONLY

PROJECT: Dakota Properties, Inc.
LOCATION: Statewide/Multi County
PROCEEDS FOR: Refinancing

APPL.#37676

PROJECT: Twin Oaks Community Services, Inc.
LOCATION: Statewide/Multi County
PROCEEDS FOR: Refinancing

APPL.#37675

LOANS/GRANTS/GUARANTEES

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

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

MOTION TO APPROVE: Ms. Perry **SECOND:** Ms. Graves **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PROJECT: Pastor Enterprises
LOCATION: Middlesex Borough/Middlesex
PROCEEDS FOR: Remedial Investigation
FINANCING: \$164,730 Hazardous Discharge Site Remediation Fund Grant

APPL.#37431

PROJECT: Township of Bridgewater (Dept Public Works Muni Garage)
LOCATION: Bridgewater Township/Somerset
PROCEEDS FOR: Remedial Action
FINANCING: \$115,526 Hazardous Discharge Site Remediation Fund Grant

APPL.#37684

PROJECT: Township of Haddon (Dy Dee Redevelopment Project)
LOCATION: Haddon Township/Camden
PROCEEDS FOR: Remedial Action
FINANCING: \$677,814 Hazardous Discharge Site Remediation Fund Grant

APPL.#37542

EDISON INNOVATION FUND

ITEM: Edison Innovation Venture Capital Growth Fund- Product Enhancement
REQUEST: To approve amendments to the rules implementing the Edison Innovation Venture Capital Growth Fund program to raise the funding limit from \$500,000 to \$1 million.
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Nelson **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PROJECT: Phone.com, Inc. **APPL.#37701**
LOCATION: Livingston Township/Essex
FINANCING: \$600,000 Venture Capital Growth Fund Loan
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McDermott **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

INCENTIVE PROGRAMS

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

PROJECT: Celldex Therapeutics, Inc./Celldex Research Corp. (Celldex) **APPL.#37665**
LOCATION: Clinton Township/Hunterdon **BUSINESS:** Biotechnology
GRANT AWARD: 65% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Downes **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PROJECT: Everite Machine Products Co and Affiliates **APPL.#37673**
LOCATION: To be determined **BUSINESS:** Industrial/Electrical Equipment
GRANT AWARD: 35% **Business Employment Incentive grant**; 10 years
MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Mr. Nelson **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PROJECT: Real Estate Mortgage Network, Inc. **APPL.#37668**
LOCATION: To be determined **BUSINESS:** Financial Services
GRANT AWARD: 45% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McDermott **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PROJECT: Real Estate Mortgage Network, Inc. **APPL.#37669**
LOCATION: To be determined **BUSINESS:** Financial Services
GRANT AWARD: \$459,000 (est.), **Business Retention and Relocation Assistance grant**, 1 year
MOTION TO APPROVE: Mr. Nelson **SECOND:** Mr. McNamara **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PROJECT: Spectrum Laboratory Products, Inc. **APPL.#37678**
LOCATION: New Brunswick City/Middlesex **BUSINESS:** Other Manufacturing
GRANT AWARD: 80% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Mr. McDermott **SECOND:** Ms. Perry **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

ECONOMIC REDEVELOPMENT AND GROWTH PROGRAM

Mr. McDermott left the room at this time.

PROJECT: DGMB Casino, LLC

LOCATION: Lacey/Ocean

REIMBURSEMENT GRANT: Up to \$5,055,556

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

Mr. Imperatore recused himself because a relative was involved with the project.

URBAN TRANSIT HUB TAX CREDIT PROGRAM

Mr. McDermott reentered the room at this time.

ITEM: Haddon Avenue UTH Limited Liability Company

REQUEST: To approve the Urban Transit Hub Tax Credit program application for Haddon Avenue UTH Limited Liability Company under P.L. 2007, c.346, P.L. 2008, as amended on July 26, 2011, for the amount of up to \$50,306,363 or \$5,030,636 annually for 10 years.

MOTION TO APPROVE: Mr. Burke **SECOND:** Ms. Perry **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

ITEM: Urban Transit Hub Tax Credit Program GROW NJ Program – Report on Activity and Program Recommendations

REQUEST: To approve the \$100 million UTHTC competitive residential solicitation and the recommendation to accept UTHTC and GROW NJ applications to exhaust the remaining balance.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

ITEM: Urban Transit Hub Tax Credit Program
\$100 Million Residential Competitive Solicitation

REQUEST: To approve the \$100 million UTHTC competitive residential solicitation, and threshold and scoring criteria.

MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Mr. McDermott **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

GROW NEW JERSEY ASSISTANCE PROGRAM

PROJECT: .com Distribution

LOCATION: Edison Township/Middlesex

REQUEST: To agree with the finding that jobs are at risk as represented in the CEO certification

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Downes **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

PROJECT: .com Distribution

LOCATION: Edison Township/Middlesex

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

MOTION TO APPROVE: Mr. Nelson **SECOND:** Mr. McNamara **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

ITEM: Honeywell International, Inc.

REQUEST: Discussion and action on staff's recommendation not disqualify Honeywell International, Inc. after the review of legal matters.

MOTION TO APPROVE: Mr. Nelson **SECOND:** Mr. Kosoffsky **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

Ms. Perry left the room.

PROJECT: Honeywell International, Inc.

LOCATION: Morris Township/Morris

REQUEST: To agree with the finding that jobs are at risk as represented in the CEO certification

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

Ms. Perry reentered the room

PROJECT: Honeywell International, Inc.

LOCATION: Morris Township/Morris

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

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

PROJECT: Spectra East, Inc.
LOCATION: Roseland Borough/Essex
REQUEST: To agree with the finding that jobs are at risk as represented in the CEO certification
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

PROJECT: Spectra East, Inc.
LOCATION: Roseland Borough/Essex
REQUEST: To approve the \$18,120,000 Grow New Jersey award
MOTION TO APPROVE: Mr. Nelson **SECOND:** Mr. Burke **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

PROJECT: Spectra East, Inc.
LOCATION: Roseland Borough/Essex
GRANT AWARD: \$1,864,693, **Sales Tax Exemption Program**, 5 years
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. McDermott **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

TECHNOLOGY BUSINESS TAX CERTIFICATE TRANSFER PROGRAM

The next item is to approve 63 projects and disapprove 7 projects for the 2012 program cycle which have been evaluated according to the criteria established by the Members of the Board.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McDermott **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

BOARD MEMORANDUMS

ITEM: Transfer of Business Retention and Relocation Assistance Grant tax credits from IDL TechniEdge, LLC to GTE Wireless, Inc.

REQUEST: To approve the transfer of unused tax credits from IDL TechniEdge, LLC to GTE Wireless, Inc.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Kosoffsky **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

ITEM: ImClone Systems Incorporated/ImClone Systems Corporation

BEIP Grants: P10891, P13670, P21401

REQUEST: Discussion and action on staff's recommendation not disqualify ImClone Systems Corporation after the review of legal matters.

MOTION TO APPROVE: Mr. Nelson **SECOND:** Mr. McNamara **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

ITEM: ImClone Systems Incorporated/ImClone Systems Corporation

BEIP Grants: P10891, P13670, P21401

Project Locations: Branchburg Campus and Bridgewater Campus

REQUEST: Consent to the acquisition of ImClone Systems Incorporated by Eli Lilly and Company and subsequent name change to ImClone Systems Corporation on its three incentive grants, and consent to remove 300 Somerset Corporate Boulevard, Bridgewater as a project location and replace it with 440 Route 22 East, Bridgewater; and approve ImClone LLC as an interim taxpaying entity prior to the newly formed ImClone Systems.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

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

New Jersey Main Street Program: Garton's Rigging Inc.

PNC Business Growth Fund – Modification: Northforty, LLC

REAL ESTATE

ITEM: Directors and Officers of Bergen New Jersey, Inc. and

Aegis Camden Partners, Inc.

L-3 Project (formerly known as the Camden Aerospace Center)

REQUEST: To approve the designation of Directors and Officers for Bergen of New Jersey, Inc. and Aegis Camden Partners, Inc. to incorporate additional staff and titles effective October 1, 2012.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 26

ITEM: Update to Operating Authority – Real Estate Development Division

REQUEST: To approve the modification of the Real Estate Development Operating Authority to delegate authority to staff to select tenants and execute the Authority's standard form of lease agreement for lab and office space up to 8,000 square feet.

MOTION TO APPROVE: Mr. Burke **SECOND:** Ms. Perry **AYES:** 14

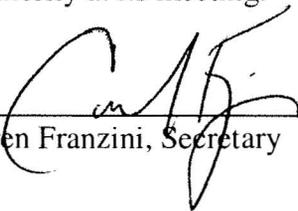
RESOLUTION ATTACHED AND MARKED EXHIBIT: 27

PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion Ms. Perry, and seconded by Mr. McNamara, the meeting was adjourned at 12:10 pm.

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



Caren Franzini, Secretary



MEMORANDUM

TO: Members of the Authority

FROM: Michele A. Brown
Chief Executive Officer

DATE: October 9, 2012

RE: Chief Executive Officer's Report to the Board

GOYA FOODS BREAKS GROUND ON NEW HEADQUARTERS IN JERSEY CITY

Last month, Governor Chris Christie joined state and local officials and representatives from Goya Foods to celebrate a groundbreaking for the company's new, \$127 million warehouse and headquarters facility in Jersey City. In October 2011, EDA approved Goya Foods for nearly \$82 million in tax credits through the Urban Transit Hub Tax Credit Program to support this project, which will result in the retention of 500 existing jobs and the creation of 80 estimated permanent jobs and 750 construction jobs.

Goya Foods, a family-owned business since 1936 and the nation's largest Hispanic-owned food company, provides authentic Latino and Caribbean cuisine in the United States and globally. The new facility, which is expected to open in 2014, will enable Goya to consolidate its distribution center in Bethpage, N.Y., and its existing headquarters and warehouse in Secaucus, which will become a manufacturing facility.

EDA-ASSISTED HEALTH CARE COMPANY OPENS NEW RESEARCH & DEVELOPMENT CENTER

Also in September, Lt. Governor Kim Guadagno joined officials from Allergan Sales LLC to officially open the company's new research and development center in Bridgewater. Allergan's decision to locate its new facility in New Jersey, supported by a Business Employment Incentive Program (BEIP) grant of nearly \$15 million, will result in the creation of as many as 400 new jobs in the state.

Allergan is a multi-specialty health care company, with headquarters in California, a presence in more than 100 countries and approximately 10,500 employees worldwide. The company originally opened a small office in Bedminster, NJ, and this new R&D Center, which will be specifically focused on clinical development, represents a significant expansion of the company's footprint in New Jersey.

WATSON PHARMACEUTICALS COMPLETES PHASE I OF NEW GLOBAL R&D TECHNOLOGY CENTER IN NORTH BRUNSWICK

In September, Watson Pharmaceuticals completed Phase I of its new Global R&D Technology Center, which will be located at the EDA's Technology Centre of New Jersey - a 50-acre complex consisting of lab, production and office space in North Brunswick. Earlier this year, Watson Pharmaceuticals signed a lease for a 32,000-square-foot facility at the Tech Centre, and Phase I of the project consisted of retrofitting approximately 19,000 square feet of space for product development and analytical laboratories. The facility, when complete, will employ approximately 50 scientists, chemists, engineers and support staff. A BEIP grant worth an estimated \$569,910 over three years, as well as advocacy from the New Jersey Partnership for Action, helped encourage Watson Pharmaceuticals to locate its new Global R&D Center at the Technology Centre.

In early 2010 Watson relocated its global corporate headquarters to Parsippany, NJ, in a facility designed to support its global expansion and ultimately employ as many as 500 people. In the new, 149,000-square-foot Parsippany facility, Watson combined senior management and global generics and brands administrative functions previously in separate facilities in the Morristown and Parsippany, NJ area, as well as relocated remaining corporate leadership functions including Finance and Legal functions that had previously been located at Watson's Corona, California site, into a larger space that enabled the company to more efficiently manage its growing global generic and brand pharmaceutical and biologics businesses around the world.

CHRISTIE ADMINISTRATION ANNOUNCES NEW STATEWIDE PROGRAM TO EXPAND EXPORT OPPORTUNITIES AND CREATE JOBS FOR NEW JERSEY SMALL BUSINESSES

Recognizing the role New Jersey's export industry plays in advancing the state's economy and creating jobs, Lt. Governor Kim Guadagno announced in late September a new statewide program to help small exporters gain better access to foreign markets. The New Jersey State Trade and Export Promotion (STEP) program, funded through a \$204,000 grant from the Small Business Administration's (SBA) STEP program along with state resources, will provide training and export assistance to eligible small businesses that are new to export, as well as those already selling their goods and services to other countries. The program will be administered by the New Jersey Business Action Center's (BAC) Office of International Business Development and Protocol over a one-year period.

The STEP initiative is designed to increase the number of new small business exporters, increase the value of exports by existing small business exporters, and expand job creation and retention through export activity. Program funding will be available for training and assistance services to help bolster export opportunities for New Jersey companies including participation in international trade events, webinars and market identification projects. To be eligible for the program, a New Jersey small business must be owned or controlled by socially and economically disadvantaged individuals, women, veterans and/or, service-connected disabled veterans or rural small businesses. Small business enterprises that are new to the market of the People's Republic of China are also eligible.

UCEDC OFFERS START-UP AND EARLY STAGE ENTREPRENEURIAL TRAINING IN MONMOUTH AND MERCER COUNTIES

UCEDC, a statewide non-profit economic development corporation and strategic partner of NJEDA, has developed an intensive six-week workshop for early stage entrepreneurs, giving them the knowledge and tools they need to succeed.

Entrepreneurship 101 guides participants through a real-world assessment of their business idea and market feasibility as well as their own ability to handle the demands of business ownership. The steps to opening a business in New Jersey, choosing a legal structure, developing a business plan and establishing cost, revenue and cash-flow projections are addressed in a variety of interactive exercises.

UCEDC works with local partners throughout the state to bring the workshop to the widest audience possible. An upcoming session (October 4 – November 14, 2012) will be held in Hamilton, NJ in partnership with the Mercer County Office of Economic Development at its community outreach center, Mercer County Connection. Interfaith Neighbors, a local economic development organization, is co-sponsoring another session (October 9 – November 13) at its new Business Development Center/Incubator in Asbury Park, NJ.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY (FMERA) UPDATE

The Fort Monmouth Economic Revitalization Authority (FMERA) continues to move the redevelopment of the former Post forward. The FMERA staff has begun discussions with the U.S. Army on the Phase 2 Economic Development Conveyance (EDC), which will outline the key points for the transfer of the balance of the former Fort Monmouth Main Post property. U.S. Army representatives are expected to meet with FMERA staff at the Post this month to further the Phase 2 EDC discussions.

In addition, the FMERA staff has been working with the New Jersey Attorney General's Office, outside counsel and Phillips Preiss Grygiel (PPG), the Authority's professional planners, on finalizing land use regulations for the former Post. It is anticipated that the Board of Directors will be asked to approve PPG's draft of the land use regulations at the October meeting of the Authority and approve for publication for public comments at the November meeting. The regulations will serve as the zoning document that implements the Reuse Plan for the Fort, and will be used by the planning boards of the three host municipalities, and by the Authority, in evaluating proposed development projects.

FINANCING ACTIVITY

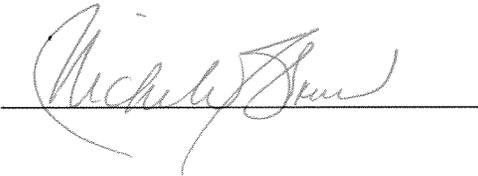
Through September 2012, EDA has closed financing and incentives totaling over \$420 million for over 110 projects that are expected to support the creation of over 3,000 new jobs, the retention of over 8,500 existing jobs at risk of leaving New Jersey, and involve total

public/private investment of over \$1 billion in New Jersey's economy. Among the businesses assisted by EDA in September include:

Sparta Systems, Inc., which executed a Business Employment Incentive Program (BEIP) grant for just over \$2 million and a Business Retention and Relocation Assistance Grant (BRRAG) for \$184,500 to support the creation of 60 new jobs and the retention of 82 existing jobs. Sparta Systems is a Hamilton Township-based provider of enterprise quality management software that helps customers manage, track, and trend a vast number of business processes. This assistance will enable the company to relocate their headquarters from Holmdel to Hamilton, keeping the company in New Jersey as opposed to a competing location in Yardley, PA. EDA's assistance to this company will leverage an estimated \$1.3 million in capital investment.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 14 events in September. These events included the Camden County Improvement Authority's 7th Annual Tri-County Economic Development Summit in Mt. Laurel, the North Jersey Biz Expo 2012 in Whippany, and the Morris County Economic Development Corporation's 8th Annual Business Growth Forum in Florham Park.



BOND RESOLUTIONS

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

APPLICANT: BWP School Partners LLC

P37648

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

* - indicates relation to applicant

PROJECT LOCATION: 746 Sandford Avenue

Newark City (T/UA)

Essex County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

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

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

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

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

APPROVAL REQUEST:

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

The bonds are expected to be rated BBB-.

FINANCING SUMMARY:

BOND PURCHASER: RBC Capital Markets, LLC (Underwriter)

AMOUNT OF BOND: Series A

\$10,700,000 (est.) Tax-Exempt Bond

The total amount of the bond issue not to exceed \$11,000,000.

Series B

\$300,000 (est.) Taxable Bond

The total amount of the bond issue not to exceed \$11,000,000.

TERMS OF BOND:	Series A	Series B
	Up to 35 years terms; serial and/or term bonds; fixed rate of interest not to exceed 8.50%; estimated t/e rates as of September 19, 2012 are 4.875% to 6.50%.	Up to 5 years term; fixed rate of interest not to exceed 8.50%; estimated taxable rate as of September 19, 2012 is 6.50%.

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	\$5,745,000
Renovation of existing building	\$840,000
Debt service reserve fund	\$800,000
Interest during construction	\$800,000
Contingency	\$780,000
Engineering & architectural fees	\$770,000
Developer's Fee	\$750,000
Finance fees	\$385,000
Legal fees	\$80,000
Accounting fees	\$50,000
TOTAL COSTS	\$11,000,000

JOBS: At Application 78 Within 2 years 2 Maintained 0 Construction 55

PUBLIC HEARING: 10/09/12 (Published 09/25/12) **BOND COUNSEL** Wolff & Samson

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

AMENDED BOND RESOLUTIONS

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

APPLICANT: Middlesex Water Company

P37667

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: Various

Single County - Multi City ()

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

APPLICANT BACKGROUND:

Middlesex Water Company (Middlesex), a public company listed on the NASDAQ, was incorporated as a water utility company in 1897 and owns and operates regulated water utility and wastewater systems in New Jersey, Delaware and Pennsylvania. The applicant provides a full range of regulated and non-regulated water, wastewater utility and related services to a population of over 60,000 people, primarily located in eastern Middlesex County. Middlesex engages in collecting, treating, distributing and selling water for domestic, commercial, municipal industrial and fire protection purposes. The applicant also operates water and waste water systems under contract for ten distinct business operating units on behalf of municipal and private clients serving approximately 303,000 people in New Jersey and Delaware. Through affiliated companies the applicant delivers technical and management capabilities that creatively address challenges such as aging infrastructure and increasing regulatory pressures faced by municipalities, developers and small system owners. In 2009, Middlesex Water Company was named one of America's Fastest Growing Publicly Traded Small Companies. Dennis W. Doll is Chairman of the Board.

Middlesex has been a long-standing EDA applicant since 1979 with over \$88 million in tax-exempt bond financing. The outstanding bond financings which are the subject of this refunding were issued for the purpose of financing the acquisition, construction, and installation of certain water transmission, distribution and storage facilities and functionally related and ancillary equipment and the costs of issuing the original bonds.

Application	Bond Series	Closed	Amount
P06812	1993-B S	3/01/1993	\$12,000,000
P06811	1993-C T	9/29/1993	\$ 6,500,000
P07493	1994-A V	2/01/1994	\$10,000,000
P08160	1998 W	3/31/1998	\$23,000,000
P13645	2002 DD	2/06/2001	\$ 6,000,000

This project qualifies for Authority assistance as an Exempt Public Facility (water furnishing) under Section 142(a)(4) of the Internal Revenue Code of 1986 as amended and is exempt from the \$20 million capital expenditure limitation.

REFUNDING REQUEST:

Authority assistance will enable the Applicant to refund the outstanding balance of one or more of the existing Middlesex Water Facilities Bonds (the "Prior Bonds") to reduce the annual interest expense with a projected savings of \$7.2 million over the remaining life of the bonds. The 2012 Bond Series is expected to be rated "A" by Standard & Poors.

The bonds will be sold in three tranches, each with a different Underwriter and maturity, to appeal to specific buyer goals.

Series A Bonds with a maturity of 2023 will be sold to indirect retail buyers, such as professional retail, money managers and high net worth individuals.

Series B Bonds with a maturity of 2038 will be marketed to retail buyers.

Series C bonds with a maturity of 2047 will be sold to institutional buyers such as bond funds, pension funds, insurance companies and money managers.

FINANCING SUMMARY:**BOND PURCHASER:** Series A

PNC Capital Markets LLC (Underwriter)

Series B

Edward D. Jones & Co., L.P. (Underwriter)

Series C

Bank of America Merrill Lynch Global Markets (Underwriter)

AMOUNT OF BOND: Series A

\$12,000,000 Tax-Exempt Bonds

Series B

\$22,500,000 Tax-Exempt Bonds

Series C

\$23,000,000 Tax-Exempt Bonds

Amount not to exceed \$57,500,000 Tax-Exempt Bonds

TERMS OF BOND: Series A

11 years; fixed interest rate not to exceed 5%.

Series B

26 years; fixed interest rate not to exceed 4%.

Series C

35 years; fixed interest rate not to exceed 5%.

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond(s) to be refund	\$57,500,000
Original Issue Discount	\$1,000,000
Finance fees	\$350,000
Legal fees	\$150,000
Accounting fees	\$5,000
TOTAL COSTS	\$59,005,000

PUBLIC HEARING: 10/09/12 (Published 09/25/12) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: L. Wallick

APPROVAL OFFICER: M. Krug

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

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

APPLICANT: Dwight-Englewood School

P37721

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 315 E. Palisade Avenue

Englewood City (N)

Bergen

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

APPLICANT BACKGROUND:

Dwight-Englewood School ("Dwight-Englewood"), a 501(c)(3) not-for-profit entity, is a coeducational, independent school of approximately 900 students, serving students in preschool through Grade 12. Dwight-Englewood is the product of a 1973 merger between the Dwight School for Girls founded in 1889 and the Englewood School for Girls, founded in 1928. Comprised of three divisions, the Lower, Middle, and Upper Schools, the school is situated on 40 acres with 10 buildings. The school is accredited by the Middle States Association of Colleges and Schools and the New Jersey Association of Independent Schools. Dr. Rodney V. DeJarnett is the Head of School.

In 2004, Authority assistance enabled the applicant to (i) refund prior Authority tax-exempt bonds issued in 1995 (used to construct the elementary school), (ii) construct a 37,000 sq. ft. addition to an existing auditorium and (iii) make improvements to the campus. The 2004 Bonds were purchased by Fleet Bank, now Bank of America, in three series for a total tax exempt financing of \$11,000,000. The 2004 Series Bonds were issued as variable rate bonds with the Series A Bond swapped to a fixed rate of 3.82% and the Series B bond to a fixed rate of 4.32%. The Series C Bond is reset based on the tax-exempt equivalent of the 30-day LIBOR plus 90 basis points, currently .90%. The final maturity of the 2004 Bonds is November 2029. The 2004 Bonds are in compliance.

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

APPROVAL REQUEST:

Authority assistance will enable the applicant to construct an approximately 30,000 sq. ft. science, technology, engineering and mathematics facility and an approximately 7,000 sq. ft. business operations building. Project planning began in June 2012 and should be completed in August 2015. Any difference between the project costs and the amount of the bond will be paid with applicant's equity.

This application is being presented in conjunction with Appl. P37722, to refund the outstanding balance of the 2004 Bond, for total tax-exempt bond financing of \$20,000,000.

FINANCING SUMMARY:

BOND PURCHASER: Union Center National Bank (Direct Purchase)

AMOUNT OF BOND: \$10,800,000 Est. (Part of \$20 million Tax-exempt Bond with Appl. P37722)

TERMS OF BOND: 30 years; Fixed interest rate of 2.65% for 15 years; interest only for the first 3 years; subject to call options and rate resets, based on the tax-exempt equivalent of the 5-year Federal Home Loan Bank rate plus 2.25%, on the 15th, 20th and 25th anniversary dates of the bond.

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	\$15,000,000
Engineering & architectural fees	\$5,000,000
Legal fees	\$75,000
Finance fees	\$75,000
TOTAL COSTS	\$20,150,000

JOBS: At Application 218 Within 2 years 3 Maintained 0 Construction 131

PUBLIC HEARING: 10/09/12 (Published 09/21/12) **BOND COUNSEL:** McCarter & English, LLP

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

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

APPLICANT: Dwight-Englewood School

P37722

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION 315 East Palisade Ave

Englewood City (N)

Bergen

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

APPLICANT BACKGROUND:

Dwight-Englewood School ("Dwight-Englewood"), a 501(c)(3) not-for-profit entity, is a coeducational, independent school serving students in preschool through Grade 12, on 40 acres located in Englewood, Bergen County. Dwight-Englewood is the product of a 1973 merger between the Dwight School for Girls founded in 1889 and the Englewood School for Girls, founded in 1928. Enrolling approx. 900 students, Dwight-Englewood is comprised of three divisions, the Lower, Middle, and Upper Schools. The school is accredited by the Middle States Association of Colleges and Schools and the New Jersey Association of Independent Schools. Dr. Rodney V. DeJarnett is the Head of School.

In 2004, Authority assistance enabled the applicant to (i) refund prior Authority tax-exempt bonds issued in 1995 (used to construct the elementary school), (ii) construct a 37,000 sq. ft. addition to an existing auditorium and (iii) make improvements to the campus. The 2004 Bonds were purchased by Fleet Bank, now Bank of America, in three series, for a total tax-exempt financing of \$11,000,000. The 2004 Series Bonds were issued as variable rate bonds with the Series A Bond swapped to a fixed rate of 3.82% and the Series B bond to a fixed rate of 4.32%. The Series C Bond is reset monthly based on the tax-exempt equivalent of the 30-day LIBOR plus 90 basis points, currently 0.90%. The final maturity of the 2004 Bonds is November 2029. The 2004 Bonds are in compliance.

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

REFUNDING REQUEST:

Authority assistance will enable the applicant to refund the outstanding balance of the 2004 Bond plus pay a portion of the costs of issuance.

This application is being presented in conjunction with Appl. P37721, to construct two new facilities, for a total tax-exempt bond financing of \$20,000,000.

FINANCING SUMMARY:

BOND PURCHASER: Twin Bridge Investment Co. (wholly owned subsidiary of Union Center National Bank) (Direct Purchase)

AMOUNT OF BOND: \$9,200,000 est. (Part of \$20 million Tax-exempt Bond with Appl. P37721)

TERMS OF BOND: 30 years; Fixed interest rate of 2.65% for 15 years; interest only for the first 3 years; subject to call options and rate resets, based on the tax-exempt equivalent of 5-year Federal Home Loan Bank rate plus 2.25%, on the 15th, 20th and 25th anniversary dates of the bond.

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond(s) to be refund	\$9,200,000
Swap Termination	\$500,000
Legal fees	\$75,000
Finance fees	\$75,000
TOTAL COSTS	\$9,850,000

PUBLIC HEARING: 10/09/12 (Published 09/21/12) **BOND COUNSEL:** McCarter & English, LLP
DEVELOPMENT OFFICER: D. Johnson **APPROVAL OFFICER:** T. Wells

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

APPLICANT: Yeshiva Toras Chaim, Inc.

P37690

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION 999 Ridge Avenue

Lakewood Township (T/UA) Ocean

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

APPLICANT BACKGROUND:

Yeshiva Toras Chaim, Inc., founded in 1997, is a boys high school and post high school program, with current enrollment of 300 students. The Yeshiva's mission is to develop independent learners, and cater to individual learning styles, allowing students to reach their greatest potential. The principal is Rabbi Mendel Slomowitz. The project has been reviewed and approved by the Attorney General's Office relating to the First Amendment's Establishment Clause.

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

APPROVAL REQUEST:

Authority assistance will enable the applicant to refinance conventional debt and personal loans used to acquire and renovate two buildings, with 53,000 s. f. aggregate space, on 1.83 acres in Lakewood. One building is used for classrooms and the 2nd building is a dormitory with a kitchen and dining room. The acquisition and renovations took place in 2005.

FINANCING SUMMARY:

BOND PURCHASER: Fulton Bank of New Jersey (Direct Purchase)

AMOUNT OF BOND: \$3,000,000 Tax-Exempt Bond

TERMS OF BOND: 20 years; 3.67% fixed rate for the first 5 years; subject to call options and rate reset every 5 years; rate resets will be based on the tax-exempt equivalent of 42 basis points over the Wall Street Journal Prime, currently 3.25%, with a floor of 3.67%.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	\$2,920,000
Legal fees	\$40,000
Finance fees	\$40,000
TOTAL COSTS	<hr/> \$3,000,000 <hr/>

JOBS: At Application 27 Within 2 years 2 Maintained 0 Construction 0

PUBLIC HEARING: 10/09/12 (Published 09/25/12) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: H. Friedberg

APPROVAL OFFICER: M. Krug

LOAN TO LENDERS PROGRAM

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - LOAN TO LENDERS PROGRAM**

APPLICANT: Millville Urban Redevelopment Corporation

P37570

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION 321 North High Street

Millville City (T/UA)

Cumberland

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

APPLICANT BACKGROUND:

Millville Urban Redevelopment Corporation ("MURC" or "Company") is a not-for-profit corporation that was formed in 2011. Their mission is to help improve the economic well-being of the City of Millville by providing and promoting collaborative partnerships. MURC works closely with the City of Millville and its UEZ program. The company will further the economic development of the City of Millville by promoting and assisting growth and development of the businesses within the geographic area of the City of Millville and the greater Millville economic community.

MURC is seeking a \$200,000 loan through the Loans to Lenders program to help capitalize their small business loan fund. Proceeds from this loan, as well as additional leveraged funds will be used to assist small businesses with loans ranging from \$10,000 to \$50,000 within the city of Millville. At an average loan size of \$24,000, with a \$400,000 total fund, approximately 16 loans are anticipated to be approved and funded. These loans will carry a minimum interest rate of 5%, and an average term of seven years.

APPROVAL REQUEST:

Approval is requested for a \$200,000 loan under the Loan to Lenders program as proposed.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: \$200,000

TERMS OF LOAN: 15-Year Term, Fixed interest rate of 2%. Quarterly interest only payments for the initial five years. Fully amortizing quarterly P&I payments for the remainder of the loan. The loan will be disbursed in three equal tranches. The first tranche will be disbursed at closing. The two remaining tranches will be disbursed once 75% of the previous tranche is committed. Finally, all three tranches must be fully disbursed within two years after loan closing.

PROJECT COSTS:

Revolving Loan Fund	\$400,000
Finance fees	\$4,575
TOTAL COSTS	<u><u>\$404,575</u></u>

JOBS: At Application 1 Within 2 years 65 Maintained 0 Construction 0

DEVELOPMENT OFFICER: D. Bennis

APPROVAL OFFICER: K. Tolly

**PETROLEUM UNDERGROUND STORAGE TANK
PROGRAM**

MEMORANDUM

TO: Members of the Authority
FROM: Timothy Lizura
President/Chief Operating Officer
DATE: October 9, 2012

SUBJECT: NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

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

Private Grants:

Acropolis Service Center.....	\$ 203,835
Martin Berlin	\$ 381,305
My Way Pizza.....	\$ 780,000

Total UST funding for October 2012..... \$ 1,365,140



Prepared by: Lisa Petrizzi

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

APPLICANT: Acropolis Service Center

P37280

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION 441 Broad Ave

Leonia Borough (N)

Bergen

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

APPLICANT BACKGROUND:

In October 2006 through November 2009, Acropolis Service Center, owned by George Vathianakis, received grants totaling \$236,429 under P17311, P21383 and P27636 to perform groundwater remediation for the closure of the former underground storage tanks (USTs) at the project site. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

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 \$203,835 to perform the approved scope of work at the project site, for a total funding to date of \$431,035.

The NJDEP oversight fee of \$20,384 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 \$203,835

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

PROJECT COSTS:

Upgrade, Closure, Remediation	\$203,835
NJDEP oversight cost	\$20,384
EDA administrative cost	\$500
TOTAL COSTS	<hr/> <hr/> \$224,719

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Martin Berlin

P36941

PROJECT USER(S): Dana Motors *

* - indicates relation to applicant

PROJECT LOCATION 945 Cedarbridge Ave Brick Township (T/UA) Ocean

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

APPLICANT BACKGROUND:

In September 2009, Martin Berlin received a grant in the amount of \$118,695 under P26728 to remove six leaking underground storage tanks (USTs) and perform the required remediation. The tanks were decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

The applicant is requesting supplemental funding to perform additional site remediation and ground water remediation due to extensive contamination. The NJDEP has determined that the supplemental project costs are technically eligible.

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

APPROVAL REQUEST:

The applicant is requesting a supplemental grant in the amount of \$381,305 to fund these costs, for a total funding to date of \$500,000.

The NJDEP oversight fee of \$38,131 is the customary 10% of the grant amount. This estimate 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 \$381,305

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

PROJECT COSTS:

Upgrade, Closure, Remediation	\$381,305
NJDEP oversight cost	\$38,131
EDA administrative cost	\$500
TOTAL COSTS	<hr/> <hr/> \$419,936

APPROVAL OFFICER: K. Junghans

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

APPLICANT: My Way Pizza

P37375

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 13 Washington Street

Dumont Borough (N)

Bergen

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

APPLICANT BACKGROUND:

In January 2006 through May 2010, My Way Pizza received grants totaling \$188,252 under P16777, P16777s and P29132 to perform extensive soil excavation and disposal and groundwater investigation activities as the result of the closure of two underground storage tanks (USTs). The NJDEP has determined that the supplemental project costs are technically eligible, to perform additional remedial activities.

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 supplemental grant funding in the amount of \$780,000 for a total funding to date of \$968,252. The project site is located with planning area one which allows for up to \$1,000,000 of grant funding.

The NJDEP oversight fee of \$78,000 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: \$780,000

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

PROJECT COSTS:

Upgrade, Closure, Remediation	\$780,000
NJDEP oversight cost	\$78,000
EDA administrative cost	\$500
TOTAL COSTS	\$858,500

APPROVAL OFFICER: K. Junghans

**HAZARDOUS DISCHARGE SITE REMEDIATION FUND
PROGRAM**



MEMORANDUM

TO: Members of the Authority
FROM: Timothy Lizura
President/Chief Operating Officer
DATE: October 9, 2012
SUBJECT: Hazardous Discharge Site Remediation Fund Program

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

Municipal Grants:

Camden Redevelopment Agency (BDA-Harrison Avenue).....\$860,323

Total HDSRF funding for October 2012.....\$860,323

Prepared by: Lisa Petrizzi

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

APPLICANT: Camden Redevelopment Agency (BDA - Harrison Avenue P37760
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: Harrison Avenue & State Street Camden City (T/UA) Camden
GOVERNOR'S INITIATIVES: (X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

Camden Redevelopment Agency received grants totaling \$22,358,565 between 2005 and 2012 to perform Remedial Investigation (RI) and Remedial Action (RA) activities at the Harrison Avenue Landfill project site. The project site, identified as Blocks 809; 809.01; 810 and Lots 7-12; 18; 4, 5, 6, 18, located in a Brownfield Development Area (BDA), is a former landfill which has potential environmental areas of concern (AOCs). The City of Camden currently owns the project site and has satisfied proof of site control. It is the City's intent, upon completion of the environmental investigation activities, to redevelop the project site into a recreation center.

NJDEP has approved this request for supplemental RA grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A. The grant has been calculated off 75% of the RA costs (\$860,323). According to the Legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of RA for projects within a BDA. The total annual amount allowed for a municipality, county or redevelopment entity that contains a BDA is \$5,000,000 per calendar year. This grant will not exceed this limit for Camden Redevelopment Agency for 2012.

APPROVAL REQUEST:

The applicant is requesting additional grant funding in the amount of \$860,323 for the approved project costs at the Harrison Avenue Landfill project site, for a total funding to date of \$23,218,888.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$860,323

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	\$1,147,098
EDA administrative cost	\$500
TOTAL COSTS	\$1,147,598

APPROVAL OFFICER: K. Junghans

INCENTIVES

URBAN TRANSIT HUB TAX CREDIT PROGRAM



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura, President/Chief Operating Officer

DATE: October 9, 2012

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

At the September Board meeting, the Members approved a \$100 million competitive residential Urban Transit Hub Tax Credit (UTHTC) solicitation, as well as award criteria that would permit funding of projects of up to \$33 million, or 20% maximum credit, whichever is less. This policy was based on the following reasoning:

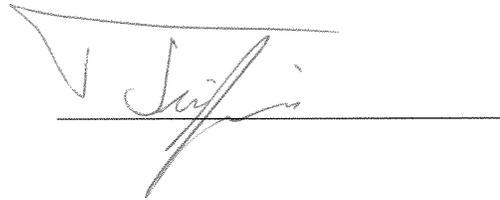
1. In order to best leverage the allocation, a 20% credit was based on the initial legislative authorization as well as achieving the maximum leverage, i.e., \$100 million allocation would leverage \$500 million of private investment.
2. The reduced credit (current legislation allows for up to 35%) was in recognition of a strengthening rental residential market, with strong rates of return achievable both nationally and within the region.
3. Decision on both factors was done without project specific information as the pipeline of residential applications was returned without review or analysis in February when the Board acted to stop accepting applications for residential due to the strong commercial demand.

Subsequent to the Board action of last week, the EDA has had outreach from both developers and city representatives working in the nine cities. In these conversations, it became clear that the financial structures around several of projects that have been developed in the last year had relied on the statutory allowance of 35%. For projects in neighborhoods not experiencing rebounding rental markets, the lower credit would likely prohibit the project from proceeding in the timeframe required by statute and the solicitation. As staff and the Chair weighed the additional information supplied by this outreach, the unintended consequence of the 20% credit policy appears to threaten the very projects in distressed neighborhoods that may have the greatest physical and economic impact to the cities in which they are located.

As a result and with the advice of the Incentives Committee, staff is now recommending modifying the award by eliminating the 20% cap and allowing credits of up to 35%, consistent with the statute and further governed by the Authority's policies regarding rate of return, as previously adopted by the Members. The actual amount will be determined by the rate of return (gap) analysis and other program parameters, including the scoring criteria. The staff also is recommending an additional criterion with scoring tied to renovation and adaptive reuse projects, which support green practices, but are often more costly to complete and may need the additional support of the UTHTC. With these changes, it is anticipated that the solicitation will be released in late October, 2012.

Recommendation

Staff recommends modifying the UTHTC award percentage by eliminating the 20% cap and allowing credits of up to 35%, consistent with the statute and further governed by the Authority's policies regarding rate of return, as previously adopted by the Members. Staff also is recommending an additional criterion be included in the scoring section to support renovation and adaptive reuse projects.

A handwritten signature in cursive script, appearing to read "J. J. [unclear]", is written over a horizontal line. The signature is positioned to the right of the main text block.

Prepared by: Maureen Hassett and Gina Behnfeldt

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

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

APPLICANT: Acupac Packaging, Inc. P37679

COMPANY ADDRESS: 55 Ramapo Valley Road Mahwah Township Bergen County

PROJECT LOCATION: Same

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

APPLICANT BACKGROUND:

Originally founded in 1979, Acupac Packaging, Inc., now a subsidiary of New York-based Kolmar Labs Group, Inc., is a contract manufacturer of single use, specialty products for medical applications, and for the personal care, cosmetics and home care industries.

From formulation to packaging, Acupac Packaging, Inc. is the custom maker and packager of dissolvable films, dosed non-wovens, dry-coated non-wovens, wipes, packettes, and many other custom formats. Acupac Packaging is an FDA-registered business for drug products and medical devices.

In New Jersey, the company currently has 50 employees in a leased facility. The company is considering a cost savings plan. With a BRRAG, the company will retain its current headcount at its current facility in Mahwah, New Jersey and also anticipates the creation of 5 new positions.

MATERIAL FACTOR/NET BENEFIT:

The Applicant is seeking a BRRAG grant to support retaining 50 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 \$4.6 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 Acupac Packaging, Inc. 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, 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 August 6, 2013 in order to remain eligible for the bonus award.
4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.
5. If the applicant remains in a location at which it currently operates, expenditures totaling at least as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before August 6, 2013.
6. The applicant will provide satisfactory documentation that it has achieved its stated key goal of obtaining a 20% overall net rent concession versus its current lease, the driving force in its relocation consideration, for at least the next 5 years.

END OF APPLICANT'S FISCAL YEAR:	December 31
CAPITAL INVESTMENT MUST BE MADE BY:	August 6, 2013
SUBMISSION DATE OF CPA CERTIFICATION:	September 1, 2013
TOTAL ESTIMATED GRANT AWARD OVER TERM:	\$112,500
APPLICANT TAX PERIOD 1 APPROVAL (2013):	\$112,500
ELIGIBLE BRRAG JOBS:	50
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	\$1,500
BONUS AWARD PER EMPLOYEE:	\$750
TOTAL YEARLY TAX CREDITS INCLUDING BONUS:	\$2,250
ANTICIPATED AVERAGE WAGES:	\$43,000
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	\$2,150,000
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS (6 years):	\$260,700
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$370,000
OPERATED IN NEW JERSEY SINCE:	1979
PROJECT IS: <input type="checkbox"/> Expansion <input type="checkbox"/> Relocation	
CONSTRUCTION/RENOVATION: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
DEVELOPMENT OFFICER: M. Abraham	APPROVAL OFFICER: D. Sucsuz

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

APPLICANT: Cellco Partnership (d/b/a Verizon Wireless)

P37421

PROJECT LOCATION: 201 Centennial Avenue

Piscataway (T)

Middlesex County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Headquartered in Basking Ridge, New Jersey, Cellco Partnership, doing business as Verizon Wireless, is a joint venture of Verizon Communications Inc. (NYSE, NASDAQ:VZ) and Vodafone Group Plc (London SE, NASDAQ: VOD). The Applicant is economically viable.

Cellco Partnership operates the nation's largest cellular voice and data services network. With 80,000 employees nationwide, Cellco Partnership serves 93 million retail customers.

Verizon Communications Inc. and its subsidiaries has one active BEIP grant with the EDA. This BEIP grant was approved in 2005 for their Basking Ridge location and is in good standing. In addition, Cellco Partnership received a structured finance benefit in 2005 for a site in Morristown, which is in good standing.

Cellco Partnership is considering several growth initiatives in the next two years. The bulk of the growth would focus on information technology, marketing and other administrative support operations. In order to accommodate the planned growth, the company has identified two facilities with similar excess capacities, one in Ashburn, Virginia, the other in Piscataway, New Jersey. The company indicates that they have been in touch with both states for the site selection for this project.

MATERIAL FACTOR:

Cellco Partnership is seeking a BEIP grant to support creating 300 jobs at an existing site in New Jersey. The company has submitted a cost benefit analysis comparing the cost of similar facilities in New Jersey and Virginia. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate. The Authority staff recommends the award of the proposed BEIP grant.

APPROVAL REQUEST:

PERCENTAGE: 80%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Cellco Partnership (d/b/a Verizon Wireless) 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: \$ 5,478,000
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 8,110

ELIGIBLE BEIP JOBS: Year 1 150 Year 2 150 Base Years Total = 300

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$18,260

ANTICIPATED AVERAGE WAGES: \$75,000

ESTIMATED PROJECT COSTS: \$4,000,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$6,847,500

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$4,793,250

PROJECT IS: (X) Expansion () Relocation _____

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: (X) Domestic () Foreign

DEVELOPMENT OFFICER: M. Abraham

APPROVAL OFFICER: D. Sucsuz

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Piscataway	N/A
2. Job Creation	300	4
	Targeted : <u> X </u> Non-Targeted : _____	
3. Job at Risk:	0	0
4. Industry:	Electronic device technology	2
	Designated : <u> X </u> Non-Designated : _____	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$4,000,000	2
7. Average Wage:	\$ 75,000	3

TOTAL: 13

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%	_____
Designated industry business, creating jobs within an Innovation Zone	30%	<u> 30% </u>

Total Bonus Points: 50 %

Total Score :

Total Score per formula:	13 = 40 %
Construction/Renovation :	5 %
Bonus Increases :	50 %
Total Score (not to exceed 80 %):	80 %

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

APPLICANT: Home Dynamix, LLC P37702
COMPANY ADDRESS 1 Carol Place Moonachie Bergen County
PROJECT LOCATION: To Be Determined

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

APPLICANT BACKGROUND:
Home Dynamix, LLC ("Home Dynamix"), was formed in 2000 as a subsidiary of Emeren Trading Company (Emeren), with its headquarters and warehouse in Moonachie. The applicant is an importer/distributor of area rugs, mats, tiles and other decorative home products. In addition, Home Dynamix owns a textile mill in Bulgaria which manufactures the area rugs. Emeren, formed in 1986 and owned by the three Evar brothers, owns 85% of the applicant with the balance owned by family trusts. Approximately 50% of the applicant’s sales are rugs to customers such as Bed, Bath & Beyond, Lowes, and Home Depot. Home Dynamix sells globally and continues to expand its offering of various textile and other decorative home products.

MATERIAL FACTOR/NET BENEFIT:
Home Dynamix is seeking a BRRAG to retain 252 jobs in NJ. As a result of significant growth in revenues over the past two years, and an interest to control costs, the applicant is evaluating moving to a larger warehouse facility in nearby Wood-Ridge, upgrading its existing facility and taking more space on the same block, or moving the warehouse operation to Dalton, Georgia, the home to many of the nation's floor covering manufacturers. The benefits of moving to Dalton include lower shipping costs to the West Coast, tax preferences for the flooring industry, lower warehouse heating costs in the winter, and lower labor costs. Should they move to Dalton, the three owners and two administrative support people would maintain an office in NJ or move to their NYC showroom. The applicant is estimating project costs would be \$2.5 million. Management has indicated that the grant will be a material factor in the company’s decision to go forward with the project. The Authority is in receipt of an executed CEO certification that states the application has been reviewed and the information submitted and representations contained therein are accurate. The applicant has demonstrated that the grant of these tax credits will result in a net benefit to the State of \$18.3 million.

APPROVAL REQUEST: **TAX CREDIT TERM:** 2 years
COMMITMENT DURATION: 7 years

The Members of the Authority are asked to approve the proposed BRRAG benefit to Home Dynamix, LLC 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 May 31, 2013 in order to remain eligible for the bonus award.
4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.
5. If the applicant remains in a location at which it currently operates, expenditures totaling at least as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before May 31, 2013.

END OF APPLICANT'S FISCAL YEAR:	December 31
CAPITAL INVESTMENT MUST BE MADE BY:	May 31, 2013
SUBMISSION DATE OF CPA CERTIFICATION:	August 31, 2013
TOTAL ESTIMATED GRANT AWARD OVER TERM:	\$ 1,134,000
APPLICANT TAX PERIOD 1 APPROVAL (2013):	\$ 567,000
APPLICANT TAX PERIOD 2 APPROVAL (2014):	\$ 567,000
ELIGIBLE BRRAG JOBS:	252
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	\$ 1,500
BONUS AWARD PER EMPLOYEE:	\$ 750
TOTAL YEARLY TAX CREDITS INCLUDING BONUS:	\$ 2,250
ANTICIPATED AVERAGE WAGES:	\$ 41,435
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	\$ 10,441,620
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 7 YRS:	\$ 1,421,109
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 2,500,000
OPERATED IN NEW JERSEY SINCE:	2000
PROJECT IS: (X) Expansion (X) Relocation	
CONSTRUCTION/RENOVATION: (X) Yes () No	
DEVELOPMENT OFFICER: M. Abraham APPROVAL OFFICER: M.Krug	

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

APPLICANT: Precision Custom Coatings LLC

P37725

PROJECT LOCATION:TBD

Locations Unknown (N) Unknown County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Established in 1987, Precision Custom Coatings LLC, is a manufacturer of industrial textile products. The company manufactures coated and uncoated, non-woven and knitted fabrics (interlinings) used in automotive, bedding, filtration and apparel applications. These applications include trunk liners, hood liners, drapery liners, carpet linings, cellular shades, household cleaning pads, and medical gowns. The company's facility has been ISO 9001 certified since 2001. The Applicant is economically viable.

Precision Custom Coatings LLC is currently operating out of a 210,000 sf facility in Totowa, New Jersey. The company is considering moving to a new space, and it has applied to both the BEIP and BRRAG programs for assistance. With the BRRAG, the company will maintain its existing staff of 225 in New Jersey, and additionally anticipates the creation of 50 new positions (BEIP).

In the event that this Applicant chooses a location that is eligible for bonus scoring, the BEIP score may increase up to 80%, at which percentage an estimated amount of the grant would be \$307,100 over the term of the grant.

MATERIAL FACTOR:

The Applicant is seeking a BEIP grant to support creating 50 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 Virginia. The company has represented that a favorable decision by the Authority to award the BEIP, along with the BRRAG, 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: 35%

TERM: 10 years

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

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: \$ 134,356
 (not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 225

ELIGIBLE BEIP JOBS: Year 1 25 Year 2 25 Base Years Total = 50

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$2,687

ANTICIPATED AVERAGE WAGES: \$40,500

ESTIMATED PROJECT COSTS: \$4,250,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$383,875

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$441,456

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

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP:(X) Domestic () Foreign

DEVELOPMENT OFFICER: P. Ceppi

APPROVAL OFFICER: D. Sucsuz

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Locations Unknown	N/A
2. Job Creation	50	1
	Targeted : _____ Non-Targeted : <u>X</u>	
3. Job at Risk:	225	2
4. Industry:	apparel/textile products	0
	Designated : _____ Non-Designated : <u>X</u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$4,250,000	2
7. Average Wage:	\$ 40,500	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%	_____
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs, or, existing building(s) that have been 100% vacant for 12 months.	30%	_____
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	_____
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	_____
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	_____
10% or more of the employees of the business receive a qualified transportation fringe of \$ 30.00 or greater.	15%	_____
Located in an area designated by the locality as an "area in need of redevelopment"	10%	_____
Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site	10%	_____
Company is working cooperatively with a public or non-profit university on research and development	10%	_____
Project is located within Federally-owned land approved from closure under a Federal Base Realignment And Closing Commission or military installations allowing private business activity.	15%	_____

Total Bonus Points: 0 %

Total Score :

Total Score per formula:	9 = 30 %
Construction/Renovation :	5 %
Bonus Increases :	0 %
Total Score (not to exceed 80 %):	35 %

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

APPLICANT: Precision Custom Coatings LLC P37726

COMPANY ADDRESS: 200 Maltese Drive Totowa Boro. Passaic County

PROJECT LOCATION: TBD

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

APPLICANT BACKGROUND:

Established in 1987, Precision Custom Coatings LLC, is a manufacturer of industrial textile products. The company manufactures coated and uncoated, non-woven and knitted fabrics (interlinings) used in automotive, bedding, filtration and apparel applications. These applications include trunk liners, hood liners, drapery liners, carpet linings, cellular shades, household cleaning pads, and medical gowns. The company’s facility has been ISO 9001 certified since 2001.

Precision Custom Coatings LLC is currently operating out of a 210,000 sf facility in Totowa, New Jersey. The company is considering moving to a new space, and it has applied to both the BEIP and BRRAG programs for assistance. With the BRRAG, the company will maintain its existing staff of 225 in New Jersey, and additionally anticipates the creation of 50 new positions (BEIP).

MATERIAL FACTOR/NET BENEFIT:

The Applicant is seeking a BRRAG grant to support retaining 225 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 Virginia. 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 \$31 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 Precision Custom Coatings LLC 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 September 30, 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 September 30, 2014.

END OF APPLICANT'S FISCAL YEAR:	December 31
CAPITAL INVESTMENT MUST BE MADE BY:	September 30, 2014
SUBMISSION DATE OF CPA CERTIFICATION:	December 31, 2014
TOTAL ESTIMATED GRANT AWARD OVER TERM:	\$506,250
APPLICANT TAX PERIOD 1 APPROVAL (2015):	\$506,250
ELIGIBLE BRRAG JOBS:	225
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	\$1,500
BONUS AWARD PER EMPLOYEE:	\$750
TOTAL YEARLY TAX CREDITS INCLUDING BONUS:	\$2,250
ANTICIPATED AVERAGE WAGES:	\$50,000
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	\$11,250,000
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS (6 years):	\$1,555,875
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$4,250,000
OPERATED IN NEW JERSEY SINCE:	1987
PROJECT IS: (X) Expansion (X) Relocation	
CONSTRUCTION/RENOVATION: (X) Yes () No	
DEVELOPMENT OFFICER: P. Ceppi	APPROVAL OFFICER: D. Sucsuz

GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: DSM Food Specialties USA, Inc.

PROJECT LOCATION: 206 Macks Island Blvd Belvidere Town Warren County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

DSM Food Specialties USA, Inc. is a manufacturer of food enzymes and cultures that has operated in New Jersey since 1999. The company’s ingredients enhance the taste, texture, quality, nutritional value and success of popular food, beverage and dietary supplement brands. DSM’s portfolio of food ingredients is used in everything from dairy, baking, fruit juice, beer, wine, savory and functional food segments. The applicant has demonstrated the financial ability to undertake the project.

The Authority previously approved DSM for a \$2,671,258 loan and a \$690,315 grant under the Clean Energy Solutions Capital Investment Fund (“CESCI”) as well as an ARRA CHP grant in the amount of \$4,047,120. The assistance was used to partially finance the purchase and installation of a 9.5 megawatt cogeneration unit at the company’s facility in Belvidere.

MATERIAL FACTOR/NET BENEFIT:

The company plans on expanding capacity for its enzyme production business in North America and is currently in the process of evaluating potential locations. Under consideration is expanding at a site owned by DSM adjacent to its current facility in Belvidere. The project would result in the capital investment of over \$181 million and would mean the creation of 165 new positions. The alternative is to locate the new plant in Loudon, Tennessee.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and as a result the management of DSM 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 \$43.7 million over the 15 years that the company would be committed to keep the jobs here.

APPROVAL REQUEST:

The Members of the Authority are asked to approve the proposed Grow New Jersey grant to encourage DSM 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 \$374,470,000 and the total combined approvals under HUB and Grow New Jersey to \$1,401,900,238.

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:	1,000
AFFECTED SITE:	<u>0</u>
BONUS PER EMPLOYEE:	<u>\$2,000</u>
TOTAL GRANT PER EMPLOYEE:	\$7,000
ELIGIBLE JOBS:	
New Jobs:	165
Retained Jobs:	<u>0</u>
Total:	165
ANNUAL CREDIT AMOUNT (\$4,000,000 max):	\$1,155,000

TOTAL AMOUNT OF AWARD: \$ 11,550,000
TERM: 10 years
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 181,376,000
QUALIFIED INCENTIVE AREA: Highlands
MEDIAN WAGES: \$ 75,000
STATEWIDE BASE EMPLOYMENT: 655
PROJECT IS: (X) Expansion () Relocation
CONSTRUCTION: (X) Yes () No
DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** K. McCullough

UEZ/ENERGY SALES TAX EXEMPTION



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: October 9, 2012

SUBJECT: Nu-World Corporation (“NWC”)
\$28,000 UEZ Energy Sales Tax Exemption (“U-STX”)

Approval Request:

Consent to the approval of NWC’s application to participate in the U-STX program.

Background

NWC, founded in 1991 and based in Carteret, is a contract manufacturer of cosmetics, skin and hair care products. NWC also provides product development services for several of the larger named brands and markets products under their own label. NWC is currently an Urban Enterprise Zone (“UEZ”) program participant and was most recently re-certified in June 2012.

To participate in the U-STX program, a company must be a UEZ-certified manufacturer with at least 250 full-time employees, at least 50% of whom are involved in the manufacturing process. NWC has 350 full-time employees in a UEZ certified facility in Carteret, of which 57% are involved in the manufacturing process. In addition, the company has certified that it is not in default with any other State program.

The Department of Labor and Workforce Development has confirmed that the company is in good standing. The last requirement is the receipt of a valid Tax Clearance Certificate from the Division of Taxation, which NWC has received as of September 2012.

The estimated annualized U-STX benefit to NWC is \$28,000, which is based on the prior twelve months electric and gas usage multiplied by 7% sales tax.

Recommendation

Consent to the approval of NWC’s application to participate in the U-STX program. NWC has met all of the program requirements, and the approval would be valid through October 9, 2013.

Prepared by: Tyshon Lee

BOARD MEMORANDUMS



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: October 9, 2012

SUBJECT: Morristown-Beard School, Inc.
Morristown Township, Morris County, NJ
\$3,875,000 Tax Exempt Bond (P19395)

Request:

Consent to modifying the existing Bond to: (i) extend the term and set a fixed rate of interest for 20 years for \$2,250,000 of the outstanding bonds (approximately 3.75%); (ii) extend the term for 5 years and increase the floating rate to 67% of Libor plus 225 basis points (initially 2.48%) for \$750,000 of the outstanding bonds and (iii) amend the financial covenants on both series of the bonds.

Background:

The Morristown-Beard School is a 501(c) (3) organization founded in 1891 as Morristown School (for boys). The school merged with Miss Beard's School (for girls) in 1971 to form this co-ed facility. Morristown-Beard School provides a college-preparatory program with a curriculum which emphasizes teamwork, integrity, commitment service and respect.

In 2007, the members approved a \$14,500,000 tax exempt Bond for the construction of a new building, the expansion of its middle school, and the construction of and equipment purchases for a performing arts center on the school campus. The Bonds were purchased by Brown Brothers Harriman and structured with a floating rate of interest equal to the 67% of LIBOR plus 85 basis points. The Bonds have a five year call at the option of Brown Brothers Harriman. This is a conduit financing; the Authority has no credit exposure.

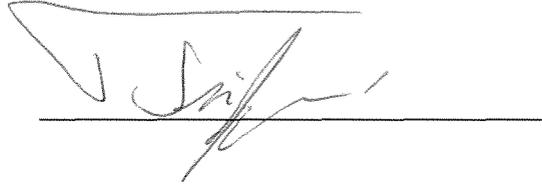
Brown Brothers Harriman has agreed to modify and extend the Bonds upon the five year call. The outstanding balance of the bonds is \$3,875,000 of which the Borrower will retire \$875,000 prior to closing of the modification.

The \$3,000,000 balance will be restructured in two parts: 1) \$2,250,000 will be extended and the interest rate will be fixed at the Bank's cost of Funds for twenty years (estimated to be approximately 3.75%); 2) \$750,000 will be extended for five years at a floating rate of 67% of 90-day LIBOR plus 225 basis points, (initially 2.48%) with interest only payments until maturity when balance is due. Covenant changes will be made as follows: a) replace a leverage covenant with a requirement for the Borrower to maintain \$7,500,000 in the endowment fund; and b) modify the debt service coverage ratio calculation from interest only to principal plus interest.

Archer & Greiner, Bond Counsel to the Authority, has reviewed this request and has opined that the tax-exempt status of the Bond will not be adversely affected as a result of this modification.

Recommendation:

Consent to the change in rate, terms and accompanying provisions as described above to assist Borrower to extend the bond and obtain stable debt service payments.

A handwritten signature in black ink, appearing to read "J. J. [unclear]", is written over a horizontal line. The signature is stylized and cursive.

Prepared By: Nancy C. Meyers

MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President and COO
DATE: October 9, 2012
SUBJECT: Projects Approved Under Delegated Authority - **For Informational Purposes Only**

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

New Jersey Business Growth Fund:

- 1) Guzzo 365, LLC (P37718), located in Vineland City, Cumberland County, is a real estate holding company formed to purchase the project property. The operating company, Guzzo Masonry, Inc. is a masonry contractor that was formed in 1954 and has been under the control of the current owner, Jerry Guzzo, since 1997. PNC Bank approved a \$360,000 loan contingent upon a five-year, 25% Authority guarantee initially, not to exceed \$90,000. Proceeds will be used to purchase commercial real estate. The company currently has 20 employees and plans to create 4 new positions within the next two years.

Community Economic Development Program:

- 1) City of Burlington (P37438), located in Burlington Township, Burlington County, is a municipality in Burlington County that is proposing to redevelop a currently contaminated property into a usable commercial facility. The Township was approved for a Community Economic Development Program recoverable loan in the amount of \$50,000. Loan proceeds will be used to conduct an environmental site investigation and site analysis, complete a feasibility study and fund other costs incurred in the initial redevelopment planning stages of the former PSE&G Wall Street substation property.



Prepared by: D. Lawyer
DL/gvr

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura, President and Chief Operating Officer

DATE: October 9, 2012

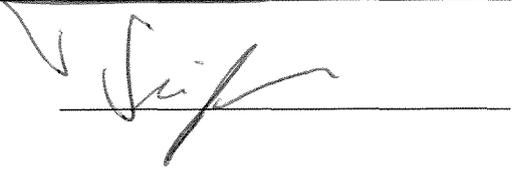
SUBJECT: Delegated Authority Approvals for 3rd Quarter 2012.
For Informational Purposes Only

The following post-closing actions were approved under delegated authority during the third quarter of 2012:

Name	EDA Exposure	Action
Semprae Labs, Inc.	\$ 689,170	Restructure the principal payments of this technology loan from monthly payments of principal and interest to annual payments based on increasing percentage of revenue and extend maturity date for five years from January 2014 to January 2019 in exchange for additional warrants.
SRSB Holdings, LLC/Procedyne Corporation	\$ 608,113	Extend loan maturity for five years from September 2012 to September 2017 to support this manufacturing company with 36 employees.
X-Factor Communications, LLC	\$ 369,318	Restructure the principal payments of this technology loan from monthly payments of principal and interest to annual payments based on increasing percentage of revenue and extend maturity date of the loan for two years from August, 2014 to August 2016 in exchange for additional warrants.
1413 Chappan, LLC/Royal Candy Company, Inc.	\$ 218,330	Consent to the substitution of the senior lender from Capital One Bank to Rumson-Fair Haven Bank & Trust and the subordination of our loan to the new 1 st mortgage.
Advance Healthcare Services, Inc.	\$ 122,160	Consent to re-amortize the loan to reduce payments in exchange for a principal pay down from cash collateral.
Urovalve, Inc.	\$ 106,765	Accept \$98,000 as settlement in full of this technology loan. The remaining loan balance will be written off without recourse, subject to DAG approval. The Company is closed and collateral (intellectual property) has no verifiable value.
Hounds on the Hudson, LLC	\$ 55,299	Extend the loan maturity for 43 months at the current interest rate of 5.5% to permit time to either refinance or amortization of the loan balance in full.

Conroy, Joan C.	\$ 11,579	Extend the defaulted HSDRF loan five years from June 2012 to June 2017 due to borrower's inability to refinance or pay-off the loan.
-----------------	-----------	--

Prepared by: Daniel Weick



A handwritten signature in black ink, appearing to read 'D. Weick', is written over a horizontal line.



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: October 9, 2012

SUBJECT: Incentives Modifications
(For Informational Purposes Only)

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

Attached is a list of the BEIP modifications that were approved in the 3rd quarter ending September 30, 2012.

A handwritten signature in black ink, appearing to read 'Timothy Lizura', is written over a solid horizontal line. The signature is fluid and cursive in style.

Prepared by: C. Craddock

**ACTIONS APPROVED UNDER DELEGATED AUTHORITY
 QUARTER ENDING SEPTEMBER 2012**

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

Name	Action	Modification
Calyon/Calyon America Services, Inc./Calyon Securities (USA) Inc.	Name Change	1) Name Change from Calyon to Credit Agricole Corporate & Investment Bank. 2) Name Change from Calyon America Services, Inc. to Credit Agricole America Services, Inc. 3) Name Change from Calyon Securities (USA) Inc. to Credit Agricole Securities (USA) Inc.
Corporate Synergies Group, Inc.	Name Change	Name change from Corporate Synergies Group, Inc. to Corporate Synergies Group, LLC.
Knight Equity Markets, LP (Grants I & II)	Name Change	Name change from Knight Equity Markets, LP to Knight Capital Americas LLC.
Proximo Spirits, Inc.	Addition of Grantee and Transfer Employees	1) Addition of Proximo Marketing, Inc. to the grant. 2) Transfer of the majority of Proximo Marketing, Inc. employees to Proximo Spirits, Inc.
XO Communications Services, Inc.	Name Change	Name change from XO Communications Services, Inc. to XO Communications Services, LLC.

UEZ Energy Sales Tax Exemption for Manufacturers

B & B Poultry Co., Inc.	Salem/UEZ Annual Extension	Extension to August 31, 2013
Church & Dwight Co., Inc.	Salem/UEZ Annual Extension	Extension to September 4, 2013
E.I. du Pont de Nemours and Company	Salem/UEZ Annual Extension	Extension to August 3, 2013

REAL ESTATE



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: Aviation Research & Technology Park
Add Richard Stockton College of New Jersey as Co-Grantee to the \$2.5 Million
USED A Public Works Grant

DATE: October 9, 2012

Summary

I am requesting that the Members approve the addition of The Richard Stockton College of New Jersey (“Stockton”) as a co-grantee with the Authority on the \$2.5 million grant dated March 3, 2008, Investment No. 01-01-08559, from the United States Department of Commerce, Economic Development Administration (“USED A”), under its Public Works Grant Program. Stockton and the Aviation Research Technology Park, Inc. (“ARTP”) will become lead co-grantees on the USED A grant and the Authority will remain the required governmental sponsor.

Background

In 2007, ARTP completed the master plan study that the Authority partially funded with \$50,000. ARTP’s eleven-member board includes five ex-officio public members representing the South Jersey Transportation Authority, the Casino Reinvestment Development Authority (“CRDA”), The Richard Stockton College of New Jersey, the County of Atlantic, and the New Jersey Economic Development Authority.

The master plan envisions the development of a technology park on approximately 58 acres adjacent to the Atlantic City International Airport and the Federal Aviation Administration’s William J. Hughes Technical Center in Egg Harbor Township. The Technical Center has a workforce of 3,000 employees on its 5,000-acre campus. The tech park site is currently leased from the Federal Aviation Administration (“FAA”) to the SJEDD, with ARTP providing marketing and management services for the life of the project. The original master plan provided for the development of approximately 12 building sites that would be leased to or developed by industries that complement the Technical Center’s aviation mission; the current plan includes 7 buildings sites. When the park is complete it will generate an estimated 1,000 jobs. Development of the park required new infrastructure improvements on the 58 acres that included, but was not limited to, utility (e.g., water, sewer, gas electric, and communications) and road improvements to serve the building pad sites. The infrastructure improvements cost approximately \$7.5 million.

In 2007, because the Public Works Grant Program required that a public state, county or local governmental entity serve as an application co-sponsor, SJEDD requested that the Authority serve as the public entity co-sponsor for the \$2.5 million USEDA grant application for infrastructure improvements. In March 2008, USEDA awarded the infrastructure grant for the project to the Authority and SJEDD jointly, and in April 2008, the Members authorized the Authority to serve as USEDA co-grantee with SJEDD.

Since April 2008, SJEDD completed the infrastructure design, obtained the required approvals, bid the project, and, in 2011, completed most of the infrastructure improvements which included new infrastructure, roadway, sewer and water utilities for the park's development. During this period, SJEDD administered the grant and was responsible for complying with USEDA's requirements. SJEDD is currently in the process of closing out the infrastructure project. Except for \$250,000, the USEDA has disbursed the grant for the infrastructure improvements. Release of the balance of the USEDA grant proceeds is dependent upon SJEDD finishing any work necessary under the grant agreement and paying any balances due contractors or vendors for the infrastructure work. SJEDD's estimated liability, for the infrastructure improvements and the plans for the development of the first building, is between \$863,000± and \$979,000± (depending upon the resolution of a payment dispute with one vendor).

In July 2011, the Members approved adding ARTP to the grant agreement based on the mutual decision by ARTP and SJEDD, and with FAA's consent, that SJEDD no longer serve as lessee and Master Developer for the park. At that time, upon completion of the USEDA funded infrastructure, SJEDD would have assigned its leasehold interest in the land to ARTP. However, as required by USEDA, SJEDD would continue to be named co-grantee of the USEDA Public Works Grant.

Also in summer and fall of 2011, because the ARTP Board believed that a private sector master developer was needed to invest equity and bring technology development expertise to the project, ARTP issued a request for qualifications and proposal (RFQ/P) to select a development partner for the site. Through the RFQ/P process, ARTP selected New Vistas Corporation ("New Vistas") as the conditionally designated master development partner. ARTP and New Vistas are currently in the process of negotiating the development agreement.

Earlier this year, ARTP and Stockton agreed that a partnership between them will assist in the administration of the park's mission and permit ARTP to accomplish its organizational objectives "to support the development, oversight, operation and management of an aviation research and technology park." Under this arrangement, ARTP and Stockton will assume responsibility for compliance with those USEDA grant conditions that survive beyond USEDA's certificate of completion for the infrastructure work, and will work to become co-lessees under the FAA lease with the ARTP.

This fall, to satisfy the amounts due for the infrastructure and work related to the development of the first building which SJEDD incurred, it is anticipated the following funding requests will be presented to the CRDA board and the Authority's Members to approve:

1. CRDA Grant. This month the CRDA board will be asked to approve a \$396,000± grant to ARTP which will permit ARTP to purchase the architectural plans for the first building from SJEDD and pay for legal work related to the master development agreement, transfer of the lease, and the partnership with Stockton. In turn, SJEDD will use proceeds from the sale of the architectural plans to pay off the leasehold mortgage held by Fulton Bank; this loan was used for the infrastructure improvements and work for the first building development.
2. Authority Loan. Staff will seek Members' approval for a loan to SJEDD in an amount not to exceed \$650,000, which will be guaranteed by SJEDD's county members (Atlantic, Cape May, Cumberland and Salem Counties). These funds will be used by SJEDD to satisfy all claims by contractors or vendors for infrastructure and other work related to the first building. This loan request will be reviewed separately at the Authority's Loan Review Committee at an upcoming meeting. The \$250,000 held by USED A, which will be disbursed to SJEDD upon closing out the grant, will be used to partially repay the Authority's loan.

Payment of Fulton Bank and SJEDD's contractors and vendors will permit SJEDD to transfer an unencumbered leasehold interest to ARTP and Stockton and will facilitate closing out the USED A grant.

With respect to the USED A grant, ARTP and Stockton's responsibilities will be limited to monitoring and reporting on post-construction grant compliance. ARTP has professional staff to perform this role. NJEDA will require ARTP to provide reports for its review prior to submission to USED A.

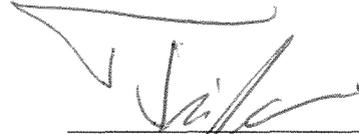
For Stockton to be added to the USED A grant, the Authority's approval is required. The Authority's approval of adding Stockton to the grant will include the following conditions:

1. USED A's approval of Stockton's addition to the grant agreement.
2. SJEDD complete the construction funded by the USED A grant and provide documentation that demonstrates completion of infrastructure improvements by SJEDD as set out in the USED A grant.
3. Transfer of the lease from SJEDD to ARTP and Stockton.
4. ARTP and Stockton's indemnification of the Authority for ARTP and Stockton's role in receiving and administering the grant funds.

Recommendation

In summary, I am requesting the Members' approval to add The Richard Stockton College of New Jersey as co-grantee with ARTP to assume SJEDD's lead co-grantee responsibilities under the grant agreement for the \$2.5 million USED A Public Works Grant, under the conditions provided in this memo, and for the Chief Executive Officer or the President and Chief Operating

Officer to execute the standard form of USEDA grant agreement and other documents necessary to complete the transaction, all in a form acceptable to the Authority's Chief Executive Officer, President and Chief Operating Officer, and the Attorney General's Office.

A handwritten signature in black ink, appearing to read 'Timothy J. Lizura', written over a horizontal line.

Timothy J. Lizura
President/Chief Operating Officer

Prepared by: Juan Burgos

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: October 9, 2012

RE: Sale of Property
2099 Center Square Road, Logan Township

Summary

The Members are requested to approve the negotiation and execution of the Authority’s standard Agreement for Sale of Property with Miller Auto Leasing, Co., a New Jersey corporation (the “Purchaser”), for the sale of 2099 Center Square Road, Logan Township, Gloucester County, New Jersey (the “Property/Site”) for the sales price of \$165,000, on terms generally outlined on the attached Term Sheet.

Background

The Authority holds title ownership to the former Logan Circuits Site as a result of a 1977 financing of an installment sales agreement in which the Authority held title to the Property during the term of the financing. When the bonds were paid in 1987 both the original borrower, Metropolitan Circuits, Inc. and Logan Circuits, Inc., their successor, had filed for Chapter 7 bankruptcy and did not take title to the Property, instead abandoning the Site in 1985.

Authority staff advertised the property for sale and received an offer to purchase the Property. An appraisal was prepared for the Authority by Molinari & Associates, P.C. and the property was valued at \$180,000. The parties negotiated and agreed upon a \$165,000 sales price, which is in accordance with the Authority’s disposition guidelines. The Purchaser intends to use the Property to construct an 8,000± s.f. building to conduct truck rental, leasing and maintenance services. Closing on the Property will be scheduled upon completion of the Purchaser’s due diligence and satisfaction of all contingencies and compliance requirements. The Property has several environmental and title issues that have been negotiated with the Purchaser.

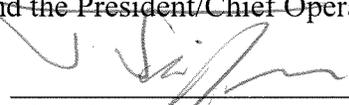
Environmental: The Authority has completed building demolition and all remedial actions associated with soil contamination. We are currently conducting groundwater monitoring and have completed six of a minimum of eight quarterly rounds of groundwater sampling necessary demonstrate natural attenuation and to establish a Classification Exemption Area (CEA) for groundwater. The results of the completed rounds of the groundwater sampling are encouraging. Laboratory results indicate that some metals marginally exceed the NJDEP Groundwater Quality Standard. The final remedial outcome report for soils will be submitted to NJDEP by December and the groundwater report will be submitted in 2013 to complete the remediation of the property. Due to the presence of chlorinated solvents in ground water, a sub-slab vapor intrusion barrier may be necessary, pending the outcome of additional studies at the site. This would be similar in construction to commonly installed radon mitigation systems.

Due to the environmental condition of the Property, the Agreement for Sale of Property includes provisions requiring the Authority to perform groundwater monitoring and maintenance of monitoring wells for as long as required by NJDEP. If a sub-slab vapor intrusion barrier is determined necessary by the T&M Associates, the Authority's Licensed Site Remediation Professional, then the Authority will reimburse the Purchaser up to a maximum not to exceed amount of \$25,000 which will be escrowed at closing. In addition, the Authority and the Purchaser have agreed to split the cost of a Pollution Legal Liability policy to insure the property against future environmental costs.

Title: Since the Authority acquired title to the property based on the aforementioned Installment Sale Agreement, not through a standard deed, an affirmative title insurance endorsement will be required to protect the Purchaser over the enforceability of any title claims related to the Installment Sale Agreement. The installment sale purchaser has never requested title to the Property and attempts by Authority staff to contact the installment sale purchaser have been unsuccessful. Staff is not aware of anyone or any entity that is entitled to ownership of the Property. Pursuant to N.J.S.A. 2A:14-7, the 20-year statute of limitations for real estate matters has lapsed and expired and the Installment Sale Agreement is no longer legally enforceable. The Authority will pay any additional premium or surcharge for such affirmative title insurance coverage. The closing will be contingent upon the Authority's ability to obtain such affirmative title insurance coverage.

Recommendation

In summary, I am requesting the Members' approval to: 1) negotiate and execute the Authority's standard form of Agreement for Sale of Property with Miller Auto Leasing, Co. for the sales price of \$165,000 generally consistent with the attached Term Sheet; and 2) execute any and all other documents required to effectuate this transaction, on final terms acceptable to the Attorney General's Office and the Chief Executive Officer and the President/Chief Operating Officer.



Timothy J. Lizura
President/Chief Operating Officer

Att.

Prepared by: Donna T. Sullivan

SELLER: New Jersey Economic Development Authority

PURCHASER: Miller Auto Leasing, Co., a New Jersey corporation, or its assignee or nominee

PROPERTY: 2099 Center Square Road, Logan Township, NJ
Block 2903, Lot 7 [3.29± acres – vacant land]

PURCHASE PRICE: \$165,000

PURCHASER'S DEPOSITS: \$10,000 upon execution of Agreement
\$10,000 upon expiration of due diligence period
Balance at closing

PURCHASER'S DUE DILIGENCE PERIOD: 120 days from execution of Agreement

PURCHASER'S PERMIT AND APPROVAL PERIOD: 180 days from the end of the Due Diligence Period

PURCHASER'S PERMIT AND APPROVAL EXTENSION & PAYMENT: 180 day extension upon payment of \$5,000 at expiration of the Permit and Approval Period

PURCHASER'S FINANCING PERIOD: 90 days from the end of the Due Diligence Period

TITLE INSURANCE: Purchaser pays for its title insurance and Seller pays for any additional premium or surcharge for affirmative title insurance coverage

ENVIRONMENTAL: Seller performs groundwater monitoring and maintenance of monitoring wells for as long as required by NJDEP and Purchaser performs and pays for its investigation and due diligence

SELLER'S ENVIRONMENTAL ESCROW: \$25,000 at closing for sub-slab vapor intrusion barrier if determined necessary by LSRP

POLLUTION LEGAL LIABILITY POLICY: At closing, Seller to reimburse Purchaser for one-half of policy cost

ADJUSTMENTS AT CLOSING: Association fees and other items subject to adjustment

BROKERAGE COMMISSIONS: None

CLOSING: Upon expiration of the Permit and Approval Period



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: October 9, 2012

SUBJECT: Real Estate Division Delegated Authority for Leases and Right of Entry (ROE)/
Licenses for 3rd Quarter 2012
For Informational Purposes Only

The following approvals were made pursuant to Delegated Authority for Leases and ROE/
Licenses in the third quarter of 2012.

LEASES

<u>TENANT</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>TERM</u>
Ascendia Pharmaceuticals, LLC	CCIT	New Lease	One year
Brighter Ideas, Inc.	CCIT	Lease extension	One year
Nanion Technologies, Inc.	CCIT	Lease extension	One year
Orthobond, Inc.	CCIT	Lease extension	One year
Pcasso Diagnostics, LLC	CCIT	Lease extension	One year
TAXIS Pharmaceuticals, Inc.	CCIT	Lease extension	One year
Viya Pharma, LLC	CCIT	Lease extension	One year

RIGHT OF ENTRY/LICENSES

<u>ENTITY</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>CONSIDERATION</u>
Thomas Edison State College	Barnes Street Lot	ROE Extension	\$384.00
Thomas Edison State College	Barnes Street Lot	ROE Extension	\$2448.00
NJ HMFA	CCIT Space for Disaster Recovery Services – Tech Ctr.	Intergovernmental Agreement	\$3600.00

Timothy J. Lizura
President/Chief Operating Officer

Prepared by: Christine Roberts

EDISON INNOVATION FUND



MEMORANDUM

TO: Members of the Authority

FROM: Tim Lizura
President and COO

DATE: October 9, 2012

SUBJECT: Edison Innovation Venture Capital Growth Fund – Revised Rule Amendments

Request:

The Members of the Board are requested to approve clarifying language to rule amendments implementing the Edison Innovation Venture Capital Growth Fund program approved last month that increased the funding limit from \$500,000 to \$1 million.

Background:

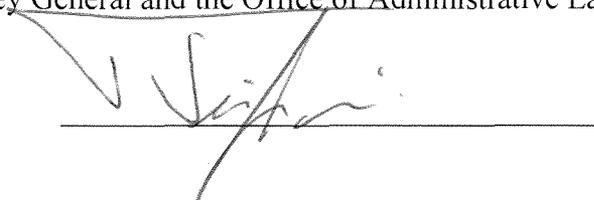
On September 13, 2012, the Members of the Board approved a proposed amendment to the rules implementing the Edison Innovation Venture Capital Growth Fund program to increase the funding limit from \$500,000 to \$1 million.

In preparing the proposed amendments for transmittal to the Office of Administrative Law, staff determined that the existing provisions limiting the amount of total assistance available under the Edison Innovation Fund, or similar assistance provided by any other State agency, at not more than \$1 million, could preclude full-funding to businesses eligible for assistance under the Edison Innovation Growth Stars Fund, which supports high performing Edison Innovation Fund portfolio companies. Also, the existing provisions establishing the \$1 million funding limit, do not address assistance provided under the Edison Innovation Clean Energy Manufacturing Fund (CEMF) and Edison Innovation Green Growth Fund (EIGGF), which utilize funds provided by the New Jersey Board of Public Utilities, at higher levels – CEMF \$3.3 million and EIGGF \$2 million – than regular assistance provided under the Edison Innovation Fund Program for technology businesses, intended to stimulate investments in clean energy.

The proposed amendments, therefore, have been revised to clarify that businesses receiving assistance under the Edison Innovation Growth Stars Fund, Edison Innovation Clean Energy Manufacturing Fund (CEMF) and Edison Innovation Green Growth Fund (EIGGF) are exempt from the \$1 million total funding limit.

Recommendation:

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

A handwritten signature in black ink is written over a horizontal line. The signature is cursive and appears to be "V. Vignone".

Prepared by: Jacob Genovay

Attachment

D R A F T

OTHER AGENCIES NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Authority Assistance Programs; Direct Loan Program Proposed Amendments: N.J.A.C. 19:31-3.1 and 3.2

Authorized By: New Jersey Economic Development Authority, Michele Brown, Chief Executive Officer.

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

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

Proposal Number: PRN 2012- .

Submit written comments by January 4, 2013 to:

Maureen Hassett, Senior Vice President
New Jersey Economic Development Authority
PO Box 990
Trenton, NJ 08625-0990

The agency proposal follows:

Summary

The New Jersey Economic Development Authority (“EDA” or “Authority”) is proposing an amendment to its rules, at N.J.A.C. 19:31-3.1(b)6, to increase the funding limit under the Edison Innovation VC Growth Fund from \$500,000 to \$1 million.

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

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

In addition, the EDA's rules, at N.J.A.C. 19:31-3.2(g)2ii, currently limit assistance under the Edison Innovation Angel Growth Fund, Edison Innovation VC Growth Fund, or the Edison Innovation Growth Stars Fund, in instances wherein the total amount of assistance to be received under the fund(s) or similar assistance provided by any other State agency, exceeds \$1 million. Under the proposal, the provisions of N.J.A.C. 19:31-3.2(g)2ii are relocated to N.J.A.C. 19:31-3.1(b)6, which pertains to maximum/total amount of loans/assistance and, revised to clarify that the funding limit, shall apply to any assistance provided to businesses under the Edison Innovation Fund, except as follows: businesses receiving assistance under the Edison Innovation Growth Stars Fund, which supports high performing Edison Innovation Fund portfolio companies and assistance provided under the Edison Innovation Clean Energy Manufacturing Fund (CEMF) and Edison Innovation Green Growth Fund (EIGGF), which utilize funds provided by the New Jersey Board of Public Utilities, at higher levels – CEMF \$3.3 million and EIGGF \$2 million – than regular assistance provided under the Edison Innovation Fund Program for technology businesses, intended to stimulate investments in clean energy.

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

Social Impact

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

Economic Impact

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

Federal Standards Statement

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

Jobs Impact

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

Agriculture Industry Impact

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

Regulatory Flexibility Analysis

The proposed amendments, which increase the funding limit under the Edison Innovation VC Growth Fund and total available assistance to eligible businesses under the Edison Innovation Growth Stars Fund, do not impose any additional reporting, recordkeeping, or other compliance requirements on small business, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq.

Housing Affordability Impact Analysis

The proposed amendments will not impact the amount or cost of housing units, including multi-family rental housing and for sale housing in the State. The proposed amendments increase the funding limit under the Edison Innovation VC Growth Fund and total assistance available to eligible businesses under the Edison Innovation Growth Stars Fund.

Smart Growth Development Impact Analysis

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

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

AUTHORITY ASSISTANCE PROGRAMS

SUBCHAPTER 3. DIRECT LOAN PROGRAM

19:31-3.1 Program description

(a) (No change.)

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

1. – 5. (No change.)

6. For the Edison Innovation Angel Growth Fund, the Authority may award up to \$250,000 in convertible debt financing to leverage private angel investments, on a two to one angel matching fund requirement, to a business that has generated a minimum of \$500,000 in prior 12-month commercial revenues; for the Edison Innovation VC Growth Fund, the Authority may award up to [\$500,000] **\$1 million** in convertible debt financing to leverage institutional venture backed investments, on a one to one matching fund requirement, to a business that has generated a minimum of \$500,000 in prior 12-month commercial revenues; and, for the Edison Innovation Growth Stars Fund, the Authority may award up to \$500,000 in convertible debt financing, on a one to one matching fund requirement, to a business that has generated a minimum of \$2 million in prior 12-month commercial revenues. **Except as otherwise provided, the total amount of assistance that a business may receive under the various programs funded by the Edison Innovation Fund, or any similar assistance provided by any other State agency, shall not exceed \$1 million dollars. Notwithstanding the forgoing, any amount received by a business under the Edison Innovation Growth Stars Fund, Edison Innovation Clean Energy Manufacturing Fund and Edison Innovation Green Growth Fund, shall not be considered in the \$1 million dollar limit.**

7. (No change.)

(c) – (m) (No change.)

19:31-3.2 Eligibility standards

(a) – (f) (No change.)

(g) For Edison Innovation Fund loans, a business shall not be eligible as follows:

1. (No change.)

2. A business shall not be eligible for assistance under the Edison Innovation Angel Growth Fund, the Edison Innovation VC Growth Fund, or the Edison Innovation Growth Stars Fund, if [:

i. The] **the** business has received assistance under the New Jersey Board of Public Utilities' Edison Clean Energy Manufacturing Fund and/or the Edison Innovation Green Growth Fund. [; or

ii. The total amount of assistance to be received from the fund(s), when combined with all total assistance received under the Edison Innovation Fund from the Authority or similar assistance provided by any other State agency, exceeds \$ 1 million.]