NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Michele Brown
Chief Executive Officer

DATE: October 14, 2014

SUBJECT: Agenda for Board Meeting of the Authority October 14, 2014

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

Office of Recovery

Edison Innovation Fund

Incentive Programs

Board Memorandums

Real Estate

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

September 11, 2014

MINUTES OF THE ANNUAL MEETING

Members of the Authority present: Al Koeppe, Chairman; State Treasurer Andrew Sidamon–Eristoff; Commissioner Hal Wirths of the Department of Labor and Workforce Development; Christopher Hughes representing the Commissioner of the Department of Banking and Insurance; Colleen Kokas representing the Commissioner of the Department of Environmental Protection Public Members: Joseph McNamara, Vice Chairman; Larry Downes, Charles Sarlo, Massiel Medina Ferrara, Philip B. Alagia, William J. Albanese, Sr., Second Alternate Public Member; and Harold Imperatore, Third Alternate Public Member.

Present via conference call: Public Members Fred B. Dumont, Jerry Langer, and Rodney Sadler, Non-Voting Member.

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

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

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

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

MINUTES OF AUTHORITY MEETING

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

The next item of business was the approval of the August 12, 2014 meeting minutes. A motion was made to approve the minutes by Mr. McNamara, seconded by Ms. Kokas, and was approved by the 13 voting members present.

AUTHORITY MATTERS

ITEM: Annual Meeting
REQUEST: To approve the recommendations associated with the annual reorganization meeting.
MOTION TO APPROVE: Mr. McNamara **SECOND:** Ms. Kokas **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

Mr. Sarlo entered the meeting at this time.

BOND PROJECTS

Bond Resolutions

ITEM: NJEDA/ School Facilities Construction Bonds and Refunding Notes
REQUEST: To approve (i) the adoption of the Thirty-Third Supplemental Resolution authorizing the issuance of the 2014 New Money Obligations and 2014 Refunding Notes in the total aggregate principal amount not to exceed $675,000,000, as well as other matters in connection with the issuance and sale thereof and otherwise described above; (ii) approve several actions and delegation of actions to Authorized Officers as may be necessary or advisable in order to issue the 2014 Series Obligations and to undertake the other transactions described in (i) above on terms which are in the best interest of the State; (iii) authorize the use of the aforementioned professionals; (iv) reduce the Authority's closing fee to $250,000; and (v) authorize Authority staff to take all necessary actions incidental to the issuance of the 2014 Series Obligations; subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General's Office.
MOTION TO APPROVE: Mr. Downes **SECOND:** Ms. Kokas **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT:2

Amended Bond Resolutions

ITEM: 52 Green Pond Road, LLC **APPL.**#39696
LOCATION: Rockaway Borough/Morris
PROCEEDS FOR: Refinancing
FINANCING: Up to $7,705,596 Tax-exempt Bond
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. McNamara **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

ITEM: 690 Union Blvd. Assoc, L.L.C **APPL.**#39695
LOCATION: Totowa Borough/Passaic
PROCEEDS FOR: Refinancing
FINANCING: $7,912,787 Tax-exempt Bonds
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Langer **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

ITEM: Blair Academy **APPL.**#39764
LOCATION: Blairstown Township/Warren
PROCEEDS FOR: Refinancing
FINANCING: $14,500,000 (estimated) Series A Tax-exempt bond; $6,000,000 (estimated) Series B Tax-exempt bond
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Imperatore **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT:5
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Public Hearing Only

ITEM: Vieira's Bakery, Inc. **APPL.**#39631
LOCATION: Newark/Essex
PROCEEDS FOR: Purchase of equipment and machinery
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

Fund for Community Economic Development

PROJECT: Union County Economic Development Corporation **APPL.**#39634
LOCATION: Cranford Township/Union
PROCEEDS FOR: Revolving Loan Fund
FINANCING: $250,000 loan, 15- Year Term, Fixed interest rate of 2% Loan to Lenders Program
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. McNamara **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

Petroleum Underground Storage Tank Program

ITEM: Summary of Petroleum UST Remediation, Upgrade & Closure Fund Program projects approved by the Department of Environmental Protection.

PROJECT: Warren Isaacs **APPL.**#39402
LOCATION: Linden City/Union
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $214,609 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Imperatore **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PROJECT: Kammerman's Marine, Inc. **APPL.**#39398
LOCATION: Atlantic City/Atlantic
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $117,000 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. McNamara **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PROJECT: Katherine Stratos **APPL.#**39355
LOCATION: Totowa Borough/Passaic
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $231,579 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. Downes **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

Hazardous Discharge Site Remediation

FOR INFORMATION ONLY: Summary of Petroleum Underground Storage Tank and Hazardous Discharge Site Remediation Fund funding availability as of second quarter ending on June 30, 2014.

ITEM: Summary of Hazardous Discharge Site Remediation
Fund Program projects approved by the Department of Environmental Protection.

PROJECT: Bergen County (Area 1&2 Overpeck Park) **APPL.**#20210
LOCATION: Teaneck Township/Bergen
PROCEEDS FOR: Hazardous Discharge Site Remediation
FINANCING: $159,172
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

INCENTIVE PROGRAMS

Economic Redevelopment and Growth Program

ITEM: Tropicana Atlantic City Corporation
REQUEST: To approve the application of Tropicana Atlantic City Corporation for reimbursement of certain taxes for an Atlantic City, Atlantic County project under a "state incentive grant" by the EDA pursuant to the Economic Redevelopment and Growth Grant ("ERG") program set forth in N.J.S.A 52:27D-489c ("Act"). Since this award is limited to the net benefit to the State, the recommended award amounts to 14.5% of eligible cost not to exceed $4,849,075.
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Alagia **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

Grow New Jersey Assistance Program

PROJECT: Accurate Box Company, Inc. APPL.#39724
LOCATION: Paterson City/Passaic
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Downes **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PROJECT: Accurate Box Company, Inc. APPL.#39724
LOCATION: Paterson City/Passaic
ANNUAL GRANT AWARD: $3,987,500, 10-year term
MOTION TO APPROVE: Mr. McNamara **SECOND:** Ms. Ferrara **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PROJECT: Allied Specialty Foods, Inc. APPL.#39706
LOCATION: Vineland City/Cumberland
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. Downes **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

PROJECT: Allied Specialty Foods, Inc. APPL.#39706
LOCATION: Vineland City/Cumberland
ANNUAL GRANT AWARD: $1,377,000, 10-year term
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Downes **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: Coperion K-Tron Pitman, Inc. APPL.#39716
LOCATION: Mantua Township/Gloucester
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. McNamara **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

PROJECT: Coperion K-Tron Pitman, Inc. APPL.#39716
LOCATION: Mantua Township/Gloucester
ANNUAL GRANT AWARD: $528,000, 10-year term
MOTION TO APPROVE: Commissioner Wirths **SECOND:** Mr. Downes **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: D'Artagnan, Inc. APPL.#39728
LOCATION: Union Township/Union
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Imperatore **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

PROJECT: D'Artagnan, Inc. APPL.#39728
LOCATION: Union Township/Union
ANNUAL GRANT AWARD: $547,500, 10-year term
MOTION TO APPROVE: Commissioner Wirths **SECOND:** Mr. Downes **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

PROJECT: HNTB Corporation APPL.#39705
LOCATION: Newark City/Essex
ANNUAL GRANT AWARD: $332,500, 3-year term
MOTION TO APPROVE: Mr. Albanese **SECOND:** Ms. Ferrara **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

PROJECT: Plastics Consulting and Manufacturing Company Inc. APPL.#39697
LOCATION: Camden City/Camden
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

PROJECT: Plastics Consulting and Manufacturing Company Inc. APPL.#39697
LOCATION: Camden City/Camden
ANNUAL GRANT AWARD: $392,000, 10-year term
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. McNamara **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

Camden Mayor Dana Redd thanked the board for its approval of Plastics Consulting and Manufacturing Company Inc., stating that her administration supports all Camden businesses including small and midsize.

PROJECT: RAB Lighting Inc. APPL.#39725
LOCATION: Northvale Borough/Bergen
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Alagia **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

PROJECT: RAB Lighting Inc. APPL.#39725
LOCATION: Northvale Borough/Bergen
ANNUAL GRANT AWARD: $2,465,000, 10-year term
MOTION TO APPROVE: Mr. Imperatore **SECOND:** Mr. Alagia **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Summary of projects approved under Delegated Authority in August 2014:

Small Business Fund Program: Adagio Teas, Inc. (P39570); F&M Realty, LLC (P39578)

Stronger NJ Loan Program: AFW 500, LLC (P39476 & P39757); Coin Castle Amusements Cimorelli Storino & Storino (P39475& P39745); JC Pasacreta, LLC dba Il Giardinello Beach Grill (P39189)

Chairman Koeppe noted the Authority's excellent handling of the Sandy Recovery Programs under the leadership of CEO Michele Brown. He added that it was an especially strong performance when the program was new to this agency with few federal rules for guidance.

ITEM: 1655 Imperial Realty LLC
REQUEST: To approve a modification to permit the 100% LTV and increase our participation to 34.84% is recommended.
MOTION TO APPROVE: Ms. Kokas **SECOND**: Mr. McNamara **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

REAL ESTATE

ITEM: Real Estate Impact Fund
REQUEST: To approve the establishment of a new pilot Real Estate Impact Fund, (2) the utilization of $10 million any eligible Authority funds for the initial capitalization of the Impact fund; and , (3) the attached draft Notice of Proposal implementing amendments to the Authority's rules to establish certain terms and eligibility requirements for the Real Este Impact fund. The members are also asked to authorize staff to submit program rules for promulgation in the New Jersey Register, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law.
MOTION TO APPROVE: Mr. McNamara **SECOND** Ms. Kokas **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

OFFICE OF RECOVERY

ITEM: Compounding Engineering Solutions Inc. APPL.#39192
LOCATION: Clifton City/Passaic
PROCEEDS FOR: Working Capital
AMOUNT OF LOAN: $191,396 Stronger NJ Business Loan
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

ITEM: Compounding Engineering Solutions Inc. APPL.#39192
LOCATION: Clifton City/Passaic
PROCEEDS FOR: Working Capital
AMOUNT OF LOAN: $50,000 Stronger NJ Business Loan - Forgivable
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

ITEM: Stronger NJ Business Grant Program Appeal – Ocean's Four
REQUEST: To approve the Hearing Officer's recommendation to uphold the declination of the Stronger NJ Business Grants for Ocean's Four.
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Downes **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 26

ITEM: Stronger NJ Neighborhood & Community Revitalization – Development and Public Improvement Projects – Round One Appeal for Community Asset Preservation

REQUEST: To approve the Hearing Officer's recommendation to uphold the declination of the Stronger NJ Neighborhood & Community Revitalization – Development and Public Improvement Projects – Round One Appeal for Community Asset Preservation

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 27

ITEM: Stronger NJ Neighborhood & Community Revitalization – Development and Public Improvement Projects – Round One Appeal for the Borough of Lavallette

REQUEST: To approve the Hearing Officer's recommendation to uphold the declination of the Stronger NJ Neighborhood & Community Revitalization – Development and Public Improvement Projects – Round One Appeal for the Borough of Lavallette

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 28

ITEM: Stronger NJ Neighborhood & Community Revitalization – Development and Public Improvement Projects – Round One Appeal for the Borough of Carlstadt

REQUEST: To approve the Hearing Officer's recommendation to uphold the declination of the Stronger NJ Neighborhood & Community Revitalization – Development and Public Improvement Projects – Round One Appeal for the Borough of Carlstadt

MOTION TO APPROVE: Ms. Kokas **SECOND:** Ms. Ferrara **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 29

ITEM: Retail Fuel Station–Energy Resiliency Program
To consent to i, the form of the Sub-Grant agreement between NJOEM and EDA; and, ii, delegate approval to staff (Level 2: SVP – Finance & Development) to execute Sub-Grantee agreements for each funding round of projects under this program.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 30

PUBLIC COMMENT

There was no comment from the public.

EXECUTIVE SESSION

The next item was to adjourn the public session of the meeting and enter into Executive Session to discuss a Real Estate transaction. The minutes will be made public when the need for confidentiality no longer exists.
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Downes **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 31

The next item was to vote on the terms discussed in Executive Session.
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Downes **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 32

There being no further business, on a motion by Mr. McNamara, and seconded by Mr. Downes, the meeting was adjourned at11:50 am.

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

Kim Ehrlich, Sr. Governance & Outreach Officer
Assistant Secretary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Michele A. Brown
Chief Executive Officer

DATE: October 14, 2014

RE: Chief Executive Officer's Report to the Board

GRAND OPENINGS CELEBRATED IN MIDDLETOWN AND CAMDEN

On September 18, Lt. Governor Kim Guadagno joined executives from the Memorial Sloan Kettering (MSK) Cancer Center to celebrate its new facility in Middletown. The New Jersey Partnership for Action helped to bring this project to fruition, including the EDA's approval of a legacy Grow New Jersey award.

MSK, a premiere cancer care and research center, purchased the 40-acre former Alcatel-Lucent property in Middletown that was vacated in 2003. Current plans have clinical operations occupying about half of the three-story building, while the other half will house a new state-of-the-art data center. The facility is expected to be fully operational by late 2016 and will offer comprehensive cancer treatment, including outpatient surgery and clinical trials to study new and effective cancer treatments.

Prior to announcing its intention to remain and grow in New Jersey, MSK considered locations in New York. The $7.9 million Grow NJ award encouraged the company to purchase 200,000 square feet of office space and create more than 160 jobs, while retaining 100 jobs. The company expects to invest approximately $217 million on the purchase and outfit of the facility.

On October 3, New Jersey Department of Environmental Protection (DEP) Commissioner Bob Martin joined Camden and Salvation Army officials to announce the completion of the multimillion-dollar Ray and Joan Kroc Community Center. The estate of philanthropist Joan Kroc provided the Camden Chapter of the Salvation Army with a $59 million grant to help build and operate the 120,000-square-foot community center on the former Harrison Avenue Landfill. The Center offers a range of amenities and services, including a Town Plaza, technology center, culinary arts teaching kitchen, and classrooms for after-school and job-training programs. The remainder of the campus will include outdoor athletic facilities, including little league baseball fields, walking and running trails, and playgrounds.

Working with the Camden Redevelopment Agency, the DEP and EDA have provided a total of $22 million in Hazardous Discharge Site Remediation Fund grants for landfill investigation and remediation efforts. The DEP's Publicly Funded Cleanup Program provided an additional $4.1

million. Through the Economic Recovery Board for Camden, the EDA provided a $4 million non-recoverable infrastructure grant and a $1 million public purpose grant to fund a portion of the permanent financing.

The Center expects to have approximately 160 full-time, part-time and adjunct staff. The project also created an estimated 300 construction jobs.

EDA CONTINUES COMMITMENT TO TECHNOLOGY INDUSTRY

On September 17, EDA hosted its second New Jersey Founders & Funders event at the Commercialization Center for Innovative Technologies (CCIT) in North Brunswick. The event served to introduce 30 startup companies to more than 15 prospective investors. Businesses that participated included Warren-based Chromis Fiberoptics, a manufacturer of low cost, high performance polymer optical fibers; Epi-Gen Pharmaceuticals, a startup pharmaceutical company located in Princeton developing innovative, proprietary drugs for unmet medical needs; and, Atlantic Highlands-based Hulafrog, an Internet startup company that developed a website to connect parents to events, destinations and deals for kids in local communities. Participating investors included ff Venture Capital, Milestone Ventures, NewSpring Capital, Osage Venture Partners, and NextStage Capital.

In an effort to highlight the continuum of assistance the State offers to grow the technology industry in New Jersey, as well as to provide a resource to portfolio companies interested in gaining or enhancing exposure, the EDA recently established a presence on Twitter and LinkedIn focused exclusively on our technology-related efforts. Follow us on both social platforms @NJEDATech.

FMERA RENEWS PLAN FOR VETERANS COMMUNITY, HOLDS FIRST AUCTION

At its September Board meeting, FMERA approved the issuance of a new Request for Offers to Purchase (RFOTP) with the goal of establishing a residential community for veterans. The parcel includes approximately 15 acres along Satellite Drive in the Tinton Falls portion of the former base. At the meeting, FMERA Executive Director Bruce Steadman emphasized that including a veterans community in the redevelopment of the Fort is a top priority for the Board and staff.

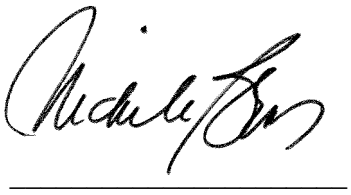
On October 1, the first public auction to liquidate the surplus equipment, furniture and fixtures at Fort Monmouth was held by The Auctioneers Group. The auction included the 20,000-square-foot sports dome, as well as contents of the FBI Building. Subsequent auctions are scheduled for October 15 and October 29. These auctions will include property from the Military Prep School buildings, Administrative Office buildings and outdoor equipment.

2014 CLOSED PROJECTS

To date in 2014, the EDA has closed financing and incentives totaling more than $380 million for 149 projects that are expected to support the creation of over 3,400 new jobs and involve total public/private investment of more than $794 million in New Jersey's economy.

EVENTS

EDA representatives participated as speakers, attendees or exhibitors at 18 events in September. These included the 2014 Governor's Conference on Housing & Economic Development in Atlantic City and the Union County Mayor's Round Table on Economic Development in Kenilworth.



AMENDED BOND RESOLUTIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - REFUNDING BOND PROGRAM

APPLICANT: Bacharach Institute for Rehabilitation, Inc. P39784

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

PROJECT LOCATION: 61 West Jimmie Leeds Road Galloway Township (N) Atlantic

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

APPLICANT BACKGROUND:

Bacharach Institute for Rehabilitation, Inc., (Bacharach) is an independent not-for-profit entity established in 1924 providing rehabilitation services to adults and children. The applicant originally provided services for children with polio. With the advent of the polio vaccine, the applicant changed its focus to providing care for the rehabilitation needs of adults as well as children. Bacharach operates an 80 bed facility and is currently located adjacent to the Atlantic City Medical Center.

The applicant received an $8,000,000 tax exempt bond (P15002) in June 2003 from the Authority to begin the initial construction phase to construct a 2-story 22,595 sq. ft. ambulatory care facility as well as a 5,500 sq. ft. aquatic therapeutic pool facility adjacent to its current facility in Galloway Township. The ambulatory care facility will allow for expansion of childrens' services including physical therapy, audiology, speech and language therapy, as well as focus on getting injured employees back to work, and preventing on the job injuries. Additionally, the facility's telephone system will be upgraded. The president of Bacharach is Richard Kathrins.

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

REFUNDING REQUEST:

Authority assistance will enable the applicant to refund the outstanding balance of its 2003 bond issue at a lower interest rate. Any difference between the project costs and the bond amount will be paid by the applicant.

FINANCING SUMMARY:

BOND PURCHASER: Cape Bank (Direct Purchase)

AMOUNT OF BOND: $5,278,000 (Tax-Exempt bond)

TERMS OF BOND: 14 years; Fixed rate equal to the tax-exempt equivalent of the 5-Year Treasury Rate + 1.10% having a floor rate of 2.7% and a ceiling rate of 2.8%; the rate will reset in years 6 and 11 at the same index.

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond(s) to be refund	$5,381,000
Legal fees	$79,000
Finance fees	$50,000
TOTAL COSTS	$5,510,000

PUBLIC HEARING: 10/14/14 (Published 09/30/14) **BOND COUNSEL:** McManimon,Scotland & Bauman

DEVELOPMENT OFFICER: M. Piliere **APPROVAL OFFICER:** J. Horezga

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - REFUNDING BOND PROGRAM

APPLICANT: The Order of St. Benedict of New Jersey P39976

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

PROJECT LOCATION: 230 Mendham Road Morristown Town (N) Morris

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

APPLICANT BACKGROUND:

The Order of St. Benedict of New Jersey, a/k/a Delbarton School, established in 1939, is a not-for-profit 501(c)(3) college-preparatory school for boys grades 7 through 12, with a current enrollment of 556 students. The Delbarton School strives to support each boy's efforts toward intellectual development and to reinforce his commitment to help build a community of responsible individuals. The campus is located on 400 acres which includes four academic buildings, a science pavilion, a Fine Arts Center, six computer labs, a library and several athletic buildings and fields. Rev. Richard Cronin is the President.

The Authority previously issued a $17.87 million tax-exempt bond in 2005 for various campus improvements, including the construction of a fine arts building. The 2005 Bond was originally privately placed by Wachovia Bank with a term of 20 years at a variable interest rate, resetting weekly and swapped to fixed interest rates of 3.785% and 3.12%. Wachovia Bank, now known as Wells Fargo, provided a letter of credit for 10 years.

In addition, the Authority issued a $17 million tax-exempt bond in 2008 for various renovations to the main buildings, as well as additions to the School's athletic fields. The 2008 Bond was originally underwritten by Wachovia Bank for 20 years as multi-modal bonds, initially issued with a variable interest rate, resetting weekly and secured by a Wells Fargo (formerly Wachovia Bank) letter of credit. In 2010, the 2008 Bonds were amended allowing Wells Fargo to directly purchase the 2008 Bond, eliminating the letter of credit and converting the bonds to a new LIBOR based interest rate mode, which was subject to the Bank's initial purchase date (call date) of 12/1/13. The Authority, via delegated authority, along with Wells Fargo, approved the extension of the purchase date to 12/1/14, to allow the School to finalize the proposed 2014 bond financing.

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.

REFUNDING REQUEST:

Authority assistance will enable the Applicant to refund the outstanding balance of the 2005 and 2008 Bonds, plus pay costs of issuance.

This Application is being presented in conjunction with Appl. P39975 to finance various campus renovations, for a total tax-exempt bond financing not to exceed $29,000,000.

FINANCING SUMMARY:

BOND PURCHASER: TD Bank, N.A. (Direct Purchase)

AMOUNT OF BOND: $26,100,000 (est.) (Part of a $29,000,000 tax-exempt bond with Appl. P39975)

TERMS OF BOND: 15 years; Fixed interest rate estimated at 3.26% (as of 8/11/14)

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond(s) to be refund	$25,450,000
Contingency	$300,000
Finance fees	$200,000
Legal fees	$110,000
Accrued interest to redemption date	$40,000
TOTAL COSTS	$26,100,000

PUBLIC HEARING: 10/14/14 (Published 09/29/14) **BOND COUNSEL:** McManimon,Scotland & Bauman

DEVELOPMENT OFFICER: M. Piliere **APPROVAL OFFICER:** T. Wells

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

APPLICANT: The Order of St. Benedict of New Jersey P39975

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

PROJECT LOCATION: 230 Mendham Road Morristown Town (N) Morris

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

APPLICANT BACKGROUND:

The Order of St. Benedict of New Jersey, a/k/a Delbarton School, established in 1939, is a not-for-profit 501(c)(3) college-preparatory school for boys grades 7 through 12, with a current enrollment of 556 students. The Delbarton School strives to support each boy's efforts toward intellectual development and to reinforce his commitment to help build a community of responsible individuals. The campus is located on 400 acres which includes four academic buildings, a science pavilion, a Fine Arts Center, six computer labs, a library and several athletic buildings and fields. Rev. Richard Cronin is the President.

The Authority previously issued a $17.87 million tax-exempt bond in 2005 for various campus improvements, including the construction of a fine arts building. The 2005 Bond was originally privately placed by Wachovia Bank with a term of 20 years at a variable interest rate, resetting weekly and swapped to fixed interest rates of 3.785% and 3.12%. Wachovia Bank, now known as Wells Fargo, provided a letter of credit for 10 years.

In addition, the Authority issued a $17 million tax-exempt bond in 2008 for various renovations to the main buildings, as well as additions to the School's athletic fields. The 2008 Bond was originally underwritten by Wachovia Bank for 20 years as multi-modal bonds, initially issued with a variable interest rate, resetting weekly and secured by a Wells Fargo (formerly Wachovia Bank) letter of credit. In 2010, the 2008 Bonds were amended allowing Wells Fargo to directly purchase the 2008 Bond, eliminating the letter of credit and converting the bonds to a new LIBOR based interest rate mode, which was subject to the Bank's initial purchase date (call date) of 12/1/13. The Authority, via delegated authority, along with Wells Fargo, approved the extension of the purchase date to 12/1/14, to allow the School to finalize the proposed 2014 bond financing.

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 pay a portion of the costs to renovate and modernize Trinity Hall, the main classroom building built in 1959. Renovations include a HVAC system, replacement of all exterior windows, bathroom renovations and replacement of the roof and asbestos abatements. New construction will include the expansion of the library by 10,000 sq. ft. Other sources of funds to complete the renovation project include donations and equity.

The project is being presented in conjunction with Appl. P39976 to refund the prior bonds for a total tax-exempt bond financing not to exceed $29,000,000.

FINANCING SUMMARY:

BOND PURCHASER: TD Bank, N.A. (Direct Purchase)

AMOUNT OF BOND: $2,900,000 (est.) (Part of a $29,000,000 tax-exempt bond with Appl. P39976)

TERMS OF BOND: 15 years; Fixed interest rate estimated at 3.26% (as of 8/11/14)

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	$6,000,000
Construction of new building or addition	$3,700,000
Engineering & architectural fees	$1,300,000
Purchase of equipment & machinery	$900,000
TOTAL COSTS	$11,900,000

JOBS: At Application 150 Within 2 years 2 Maintained 0 Construction 79

PUBLIC HEARING: 10/14/14 (Published 09/30/14) **BOND COUNSEL:** McManimon,Scotland & Bauman

DEVELOPMENT OFFICER: M. Athwal **APPROVAL OFFICER:** T. Wells

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

APPLICANT: The Arc, Ocean County Chapter, Inc. P39680

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

PROJECT LOCATION: Various Single County - Multi City ( ) Ocean

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

APPLICANT BACKGROUND:

The Arc, Ocean County Chapter, Inc., a 501(c)(3) not-for-profit entity established in 1955, provides a wide range of services to individuals with developmental disabilities and their families. The applicant operates a number of group homes, apartments, adult training centers, vocational workshops, after school and recreation programs, and a primary care center.

The Arc has purchased and renovated two commercial properties to serve as employment training programs for individuals with disabilities. Each building is 6,000 square feet with one building located in Toms River, NJ and the other located in Tuckerton, NJ.

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

APPROVAL REQUEST:

Authority assistance will enable the applicant to refinance the two recently purchased properties and pay cost of issuance.

FINANCING SUMMARY:

BOND PURCHASER: OceanFirst Bank (Direct Purchase)

AMOUNT OF BOND: $1,185,000 (Tax-exempt bond)

TERMS OF BOND: 20 years; Fixed rate for the first 7 years equal to the tax exempt equivalent of the 7 year U.S. Treasury having a floor interest rate of 3.00% with rate resets after years 7 and 14 at the same index.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	$1,163,800
Closing Costs	$21,200
TOTAL COSTS	$1,185,000

JOBS: At Application 30 Within 2 years 14 Maintained 0 Construction 0

PUBLIC HEARING: 10/14/14 (Published 09/30/14) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: T. Gill **APPROVAL OFFICER:** J. Horezga

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

APPLICANT: Yeshivas Ohr Hatorah, Inc. P39466

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

PROJECT LOCATION: 780 Vasser Avenue Lakewood Township (T/UA) Ocean

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

APPLICANT BACKGROUND:

Yeshivas Ohr Hatorah, Inc., a 501(c)(3) not-for-profit organization established in 2006, is an elementary school including grades kindergarten through sixth grade. The School includes over 365 boys in a 41,000 sq. ft., 2 story facility on Vasser Avenue, in Lakewood. The School has recently purchased the facility, made improvements and intends to add grades 7 and 8 in the next two years. Nachum Londinski is the President of the organization. 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 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 existing debt on the project property plus pay costs of issuance.

FINANCING SUMMARY:

BOND PURCHASER: The Bank of Princeton (Direct Purchase)

AMOUNT OF BOND: $3,800,000 (Tax-exempt Bond)

TERMS OF BOND: 25 years; Fixed interest rate of 3.75% for the first 5 years; thereafter the interest rate shall adjust every 5 years on the anniversary date of closing, based on the tax-exempt equivalent of the 5 yr. U.S. Treasury Note plus 3%, with floor of 3.75%.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	$3,735,000
Finance fees	$60,000
Legal fees	$30,000
TOTAL COSTS	$3,825,000

JOBS: At Application 29 Within 2 years 10 Maintained 0 Construction 0

PUBLIC HEARING: 10/14/14 (Published 09/30/14) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: T. Gill **APPROVAL OFFICER:** T. Wells

PRELIMINARY RESOLUTIONS

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

APPLICANT: AP&G Co. Inc. P39892

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

PROJECT LOCATION: 74 Lexington Ave Bayonne City (T/UA) Hudson

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

APPLICANT BACKGROUND:

Founded in the early 1950s as a specialty adhesives business, today AP&G Co., Inc. is a manufacturer and distributor of pest management solutions. In 1977, AP&G introduced the Catchmaster brand and began to focus on developing adhesives and glues for pest management applications. Since then, the company has been manufacturing and marketing rodent and insect control products, such as insect traps, mouse boards, and fly sticks in North America and globally.

AP&G will be moving its manufacturing operations and headquarters from Brooklyn, NY to Bayonne, NJ. This project will entail the purchase of a building, machinery, equipment and renovations. The applicant is a recent recipient of an $11M Grow NJ award (P39523).

APPROVAL REQUEST:

Authority assistance will enable the applicant to purchase and renovate a building, acquire machinery and equipment and pay cost of issuance.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	$13,500,000
Renovation of existing building	$2,000,000
Purchase of equipment & machinery	$1,350,000
Legal fees	$50,000
Finance fees	$50,000
Accounting fees	$50,000
TOTAL COSTS	$17,000,000

JOBS: At Application 0 Within 2 years 150 Maintained 0 Construction 16

PUBLIC HEARING:

DEVELOPMENT OFFICER: T. Gill

BOND COUNSEL: Wolff & Samson

APPROVAL OFFICER: J. Horezga

LOANS/GRANTS/GUARANTEES

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

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

DATE: October 14, 2014

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

The following residential, not for profit and commercial 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:

UST Residential Grants:	
Joseph Dolock	$144,712
Marian Hare	$470,918
James Thoma	$ 30,507
	$646,137
UST Not-for-Profit Grant:	
St. Joseph Church	**$209,986**
UST Commercial Grants:	
Croitor Feed	$ 86,007
Fouad Nouri	$216,934
	$302,941
Total UST for October 2014	**$1,159,064**

Prepared by: Kathy Junghans

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

APPLICANT: Joseph Dolock P39409

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

PROJECT LOCATION: 485 Lake Shore Dr. Parsippany-Troy Hills Towns Morris

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

APPLICANT BACKGROUND:

In May 2013, Joseph Dolock received a grant in the amount of $67,838 under P38147 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible 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 a supplemental grant in the amount of $144,712 to perform the approved scope of work at the project site. Because the supplemental funding request exceeds the maximum aggregate staff delegation approval of $100,000, it requires EDA's board approval. Total grant funding to date for this project is $212,550.

The NJDEP oversight fee of $14,471 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: $144,712

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade,Closure,Remediation	$144,712
NJDEP oversight cost	$14,471
EDA administrative cost	$250
TOTAL COSTS	$159,433

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Marian Hare P39605

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

PROJECT LOCATION: 726 Haddon Ave. Garwood Borough (N) Union

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

APPLICANT BACKGROUND:

Between June 2008 and May 2011, Marian Hare received an initial grant in the amount of $54,188 under P22061 and supplemental grants totaling $382,100 under P28697 and P34041 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation and site restoration. The tank was decommissioned and removed in accordance with NJDEP requirements. The project site is used as the applicant's residence with a commercial component. The NJDEP has determined that the supplemental project costs are technically eligible to perform extensive and pervasive remediation at the project site.

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 an additional supplemental grant in the amount of $470,918 to perform the approved scope of work at the project site. Because the aggregate supplemental funding including this request is $835,018, it exceeds the maximum aggregate staff delegation approval of $100,000 and therefore requires EDA's board approval. Total grant funding to date for this project is $907,206, which is permitted under the $1,000,000 limit for projects within a State Urban Planning Area.

The NJDEP oversight fee of $47,092 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: $470,918

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade,Closure,Remediation	$470,918
NJDEP oversight cost	$47,092
EDA administrative cost	$250
TOTAL COSTS	$518,260

APPROVAL OFFICER: K. Junghans

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

APPLICANT: James Thoma P39530

PROJECT USER(S): Andy & Son Service Station * - indicates relation to applicant

PROJECT LOCATION: 200 Hoboken Road East Rutherford Borough (N)Bergen

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

APPLICANT BACKGROUND:

Between September 1998 and August 1999, James Thoma, owner of the project site, received an initial grant in the amount of $147,440 under P10283 and a supplemental grant in the amount of $94,740 under P11064 to remove the underground storage tanks (USTs) and perform the required remediation. The NJDEP has determined that the supplemental project costs are technically eligible perform additional remedial activities the project site. The applicant has been working continuously with the consultant and the NJDEP on the remediation of the project site.

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

APPROVAL REQUEST:

The applicant is requesting an additional supplemental grant in the amount of $30,507 to perform the approved scope of work at the project site. Because the aggregate supplemental funding including this request is $125,247, it exceeds the maximum aggregate staff delegation approval of $100,000 and therefore requires EDA's board approval. Total grant funding to date for this project is $272,687.

The NJDEP oversight fee of $3,051 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: $30,507

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	$30,507
NJDEP oversight cost	$3,051
EDA administrative cost	$500
TOTAL COSTS	$34,058

APPROVAL OFFICER: K. Junghans

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

APPLICANT: St. Joseph Church P39407

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

PROJECT LOCATION: 110 Telford St. East Orange City (T/UA) Essex

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

APPLICANT BACKGROUND:

In March 2011, St. Joseph Church, which is a 501(c)(3) not-for-profit organization, received a grant in the amount of $301,705 under P32378 to remove a leaking underground storage tank (UST) and perform the required remediation. The tank was decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional groundwater remediation in a Metropolitan Planning area.

Certifications provided by the 501(c)(3) not-for-profit applicant meets the requirements for a conditional hardship grant.

APPROVAL REQUEST:

The applicant is requesting a supplemental grant in the amount of $209,986 to perform the approved scope of work at the project site. Because the aggregate supplemental funding exceeds the maximum aggregate staff delegation approval of $100,000, it requires EDA's board approval. Total grant funding to date for this project is $511,691, which is permitted under the $1,000,000 limit for projects within a Metropolitan Planning Area.

The NJDEP oversight fee of $20,999 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: $209,986

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	$209,986
NJDEP oversight cost	$20,999
EDA administrative cost	$250
TOTAL COSTS	$231,235

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Croitor Feed P39435

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

PROJECT LOCATION: 201 Schoolhouse Lane Middle Township (T) Cape May

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

APPLICANT BACKGROUND:

Between September 2011 and July 2013, Croitor Feed, an agriculture supply store, received an initial grant in the amount of $49,505 under P36831 and a supplemental grant in the amount of $32,634 under P37379 to remove a regulated heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional groundwater remediation.

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

APPROVAL REQUEST:

The applicant is requesting an additional supplemental grant in the amount of $86,007 to perform the approved scope of work at the project site. Because the aggregate supplemental funding including this request is $118,641, it exceeds the maximum aggregate staff delegation approval of $100,000 and therefore requires EDA's board approval. The total grant funding to date for this project is $168,146.

The NJDEP oversight fee of $8,601 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: $86,007

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	$86,007
NJDEP oversight cost	$8,601
EDA administrative cost	$500
TOTAL COSTS	$95,108

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Fouad Nouri P38575

PROJECT USER(S): Nouri's Auto Repair * * - indicates relation to applicant

PROJECT LOCATION: 503 21st. Ave. Paterson City (T/UA) Passaic

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

APPLICANT BACKGROUND:

Between October 2000 and August 2010, Nouri's Auto Repair Inc., owned by Fouad Nouri, received an initial grant in the amount of $65,700 under P11263 and supplemental grants totaling $379,786 under P12509, P14189, P16423, P20764 and P30527 to remove a leaking underground storage tank. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform extensive groundwater remediation.

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

APPROVAL REQUEST:

The applicant is requesting an additional supplemental grant in the amount of $216,934 to perform the approved scope of work at the project site. Because the aggregate supplemental funding including this request is $596,720, it exceeds the maximum aggregate staff delegation approval of $100,000 and therefore requires EDA's board approval. Total grant funding to date for this project is $662,420, which is permitted under the $1,000,000 limit for projects within a Metropolitan Planning Area.

The NJDEP oversight fee of $21,693 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: $216,934

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	$216,934
NJDEP oversight cost	$21,693
EDA administrative cost	$500
TOTAL COSTS	$239,127

APPROVAL OFFICER: K. Junghans

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: October 14, 2014

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

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

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

Below is a summary of the Delegated Authority approvals processed by Finance & Development for the period July 01, 2014 to September 30, 2014

Summary:

	# of Grants	$ Amount
Leaking tank grants awarded	14	$259,579
Non-leaking tank grants awarded	0	$0

Applicant	Description	Grant Amount	Awarded to Date
Bailey, Shirley (P39397)	Supplemental grant for upgrade, closure and remediation	$10,848	$31,649
Belfiore, John (P39058)	Supplemental grant for upgrade, closure and remediation	$6,034	$29,157
DeZerga, Kathleen (P39485)	Supplemental grant for upgrade, closure and remediation	$791	$10,541
Faulkingham, Jeannette (P39039)	Initial grant for upgrade, closure and remediation	$14,842	$14,842
Harms, Eric (P39463)	Supplemental grant for upgrade, closure and remediation	$4,154	$58,198
Hildago, Juan (P38587)	Initial grant for upgrade, closure and remediation	$10,447	$10,447
Kawula, Robert (P39025)	Initial grant for upgrade, closure and remediation	$19,044	$19,044
Parker, Sharon (P38728)	Initial grant for upgrade, closure and remediation	$28,434	$28,434
Reynolds, James (P39442)	Supplemental grant for upgrade, closure and remediation	$38,739	$47,514
Robinson, Huey and Brandon	Supplemental grant for upgrade,	$4,388	$46,050

Applicant	Description	Grant Amount	Awarded to Date
(P39482)	closure and remediation		
Roddy, Robert (P38936)	Initial grant for upgrade, closure and remediation	$22,504	$22,504
Rottino, Frances (P38759)	Initial grant for upgrade, closure and remediation	$3,429	$3,429
St. Benedict Church (P39480)	Supplemental grant for upgrade, closure and remediation	$12,212	$257,928*
St. Cecilia Church (P39481)	Supplemental grant for upgrade, closure and remediation	$83,713	$262,968*
14 Grants	**Total Delegated Authority funding for Leaking applications.**	**$259,579**	

*This amount includes grants approved previously by the Board and this award does not exceed the $100,000 aggregate supplemental limit for staff delegation.

Timothy Lizura

Prepared by: Kathy Junghans, Finance Officer

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: October 14, 2014

SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

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

HDSRF Municipal Grants:

Harrison Redevelopment Agency (Hartz Mountain Corp.)	$ 4,694,888
Jersey City Redevelopment Agency (Hudson County Chromate)	$ 258,407
Jersey City Redevelopment Agency (Pittsburgh Metal & Graphic)	$ 201,455
	$ 5,154,750

Prepared by: Kathy Junghans

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

APPLICANT: Harrison Redevelopment Agency (BDA-Frm Hartz Mount P39598

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

PROJECT LOCATION: 700 Frank E. Rogers Blvd. Harrison Town (T) Hudson

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

APPLICANT BACKGROUND:

Between January 2008 and December 2010, Harrison Redevelopment Agency (HRA) received an initial grant in the amount of $134,014 under P19199 and supplemental grants totaling $4,245,108 under P21428 and P29784 to perform Remedial Investigation (RI) and Remedial Action (RA) activities. The project site, identified as Blocks 133; 134; 135; and 152A, Lots 1-41; 1-41 is a vacant 10 acre parcel previously used for industrial purposes since the late 1890's, which has potential environmental areas of concern (AOCs). The project site is located within a Brownfield Development Area (BDA). HRA intends to acquire the project site and has satisfied proof of site control. It is the Agency's intent, upon completion of the environmental investigation activities to redevelop the project site for mixed-use.

According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects within a BDA and has a maximum annual limit of grant funding in the amount of $5,000,000. The grant has been calculated as 75% of the RA costs ($4,607,450) and adding the RI costs ($87,438) for a total funding of $4,694,888. This grant does not exceed the maximum annual approval limit under the Program.

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

APPROVAL REQUEST:

HRA is requesting aggregate supplemental grant funding to perform RI and RA in the amount of $4,694,888 at the Former Hartz Mountain Facility project site, for a total funding to date is $9,074,010.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $4,694,888

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	$6,143,266
Remedial investigation	$87,438
EDA administrative cost	$500
TOTAL COSTS	$6,231,204

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Jersey City Redevelopment Agency (BDA Hudson County P39535

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

PROJECT LOCATION: 7-33 Aetna Ave. Jersey City (T/UA) Hudson

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

APPLICANT BACKGROUND:

Jersey City Redevelopment Agency (JCRA) is requesting a grant for the project site, identified as Block 15801, Lots 73 & 77. The project site has been historically used for industrial and commercial purposes, which has potential environmental areas of concern (AOCs). The City of Jersey City owns the project site, which is located in a Brownfield Development Area (BDA), and has satisfied proof of site control. It is the JCRA's intent, upon completion of the environmental investigation activities to redevelop the project site for mixed use.

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

According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects within a BDA. The grant has been calculated as 75% of the RA costs ($1,798) and adding the RI costs ($256,609) for a total funding of $258,407.

APPROVAL REQUEST:

The JCRA is requesting grant funding to perform RI and RA in the amount of $258,407 at the Hudson County Chromate project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $258,407

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	$256,609
Remedial Action	$2,397
EDA administrative cost	$500
TOTAL COSTS	$259,506

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Jersey City Redevelopment Agency (BDA-Pittsburgh Metal & P39536

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

PROJECT LOCATION: 41-63 Aetna Ave. Jersey City (T/UA) Hudson

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

APPLICANT BACKGROUND:

Jersey City Redevelopment Agency (JCRA) is requesting a grant for the project site, identified as Block 15801, Lot 78. The project site is a former waterproofing and insulating manufacturer which has potential environmental areas of concern (AOCs). The City of Jersey City owns the project site, which is located in a Brownfields Development Area (BDA), and has satisfied proof of site control. It is the JCRA's intent, upon completion of the environmental investigation activities to redevelop the project site for mixed use.

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

According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects within a BDA. The grant has been calculated as 75% of the RA costs ($12,501) and adding the RI costs ($188,954) for a total funding of $201,455.

APPROVAL REQUEST:

The JCRA is requesting grant funding to perform RI and RA in the amount of $201,455 at the Pittsburgh Metal & Graphic project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $201,455

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	$188,954
Remedial Action	$16,668
EDA administrative cost	$500
TOTAL COSTS	$206,122

APPROVAL OFFICER: K. Junghans

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: October 14, 2014

SUBJECT: Hazardous Discharge Site Remediation Fund - Delegated Authority Approvals third quarter 2014 (For Informational Purposes Only)

Pursuant to the delegations approved by the Board in May 2006, staff may approve new grants under the Hazardous Discharge Site Remediation Fund (HDSRF) up to $100,000 and may approve supplemental awards for existing grants (of any size) up to an aggregate of $100,000, provided that the aggregate amount of the supplemental delegated authority awards do not exceed $100,000.

Below is a summary of the Delegated Authority approval processed by staff for the third quarter of 2014.

Applicant	Description	Grant Amount	Cumulative award to Date
Millville City (Shones Auto Body) P39603	Supplemental grant to perform Site Investigation activities.	$53,668	$59,678
The Newark Museum (Local 617 Service) P38833	Initial grant to perform Site Investigation and Remedial Investigation activities.	$64,732	$64,732
Woodbridge Township (Alibani Property) P39391	Supplemental grant to perform Remedial Investigation activities.	$98,762	$249,582
Woodbridge Township (Industrial Highway) P39479	Supplemental grant to perform Remedial Investigation activities	$20,701	$110,149
4 Grants	**Total Grant Funding for Third Quarter 2014**	**$237,863**	**$484,141**

Timothy Lizura

Prepared by: Kathy Junghans

EDISON INNOVATION FUND

TECHNOLOGY BUSINESS TAX CERTIFICATE TRANSFER PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

RE: Clarification of approval for Tax Certificate Transfer Program Applicant

DATE: October 14, 2014

Request:
The Members are requested to approve clarifying that the August 12, 2014 approval for participation in the Tax Certificate Transfer program for the holding company "Matinas BioPharma Holdings Inc." is for the operating company "Matinas BioPharma Inc."

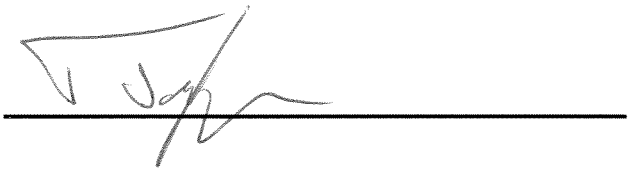
Background:
Applicant applied to the program under their holding company "Matinas BioPharma Holdings Inc." (with its FEIN). The holding company is a shell that owns 100% of the operating company "Matinas BioPharma Inc." (with a different FEIN) based in Bedminster Township. The applicant was approved by the Board on August 12, 2014 under the holding company's name.

The confusion between the companies was noticed when the Division of Taxation reviewed the filed tax returns and found tax returns solely for the operating company. After Division of Taxation brought this to the applicant's attention, the applicant requested a clarification to its approval so that the approved entity would be the operating company, consistent with their tax filing.

Staff has reviewed the applicant's request and concludes that the clarification regarding the name and FEIN of the approved company does not modify the prior review of the timely application and information. Additionally, staff has verified that the separate financials for the operating company complies with the program requirements. Taxation has advised that they will be able to issue an allocation letter once the name of the applicant entity on the tax transfer application is consistent with the name of the entity on the tax return.

Recommendation:
Staff recommends approval of applicant's request to clarify the August 12, 2014 approval of its Tax

Transfer application to facilitate the issuance of their Tax Transfer allocation from Division of Taxation to identify the name and FEIN of the operating company in place of the holding company.



Prepared by Kamran Hashmi

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Timothy Lizura, President and Chief Operating Officer

DATE: October 14, 2014

SUBJECT: PortaScience Incorporated Springboard Recoverable Grant restructure request (P16001)

Request:
Consent to restructure PortaScience Inc.'s ("PS" or "the Company") outstanding Springboard Recoverable Grant ("SPB") to support a NJ life sciences company, while protecting the NJ Economic Development Authority's ("EDA" or "the Authority") best interests and increasing potential for repayments.

Background:
The NJ Commission on Science and Technology ("CST") funded 63 companies via the SPB program during the years of 1999 to 2003. CST established the program in the science and technology fields to stimulate economic growth and job creation in the State. The program offered companies up to $250,000 in the form of a recoverable grant. Award recipients are required to make annual payments based on a percentage of revenue for nine years. After the tenth year, the balance of the recoverable grant is due in full.

As per MOU signed by CST and the Authority in March 2004, EDA assumed responsibility for servicing the outstanding recoverable grants, and for creating and managing a second SPB loan pool, known as SPB II. The Authority awarded an additional 18 companies under this program. Per the delegation memo from August 2013, there were 30 active SPB grants totaling to $5.2 million.

Although the awards were granted ten years ago, the majority of these companies are unable to repay the grants when due. In August 2013, to improve recovery for the EDA over the longer term, the members of the Authority granted delegated authority to restructure these grants under a formal restructure program. Companies that are operating and demonstrate potential to make future payments would continue to pay 5% of revenue for an additional 5 years. At maturity, unpaid balances would be discharged without recourse.

PS, located in Moorestown, was awarded $247,500 to help the Company develop a portable blood testing device to measure prothrombin time and help prevent hemorrhagic and thromboembolic complications. The Company has gone on to further develop easy-to-use, accurate and portable testing solutions for both human and animal applications. PS currently has 15 employees. The Company's grant was due in full February 1, 2011 but has yet to repay the balance due, and has not made any payments in more than two years. Due to cash constraints the Company would not be good fit for the formal restructure program because it is unable to make the required 5% of revenue payments. PS proposed a graduated payment schedule that would allow for full repayment over the course of a similar five year period, and give the company confidence that it can repay the grant and still stay in business. Current balance is $169,962.

Recommendation:
Consent to restructure the Company's outstanding SPB and agree to the proposed graduated payment schedule.

Prepared by: David Ackerman, Venture Officer

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura, President and Chief Operating Officer

DATE: October 14, 2014

SUBJECT: Technology & Life Sciences - Delegated Authority Approvals for 3rd Quarter 2014
For Informational Purposes Only

The following Angel Investor Tax Credit applications were approved under delegated authority during the third quarter of 2014:

Investor	Technology Company	Investment amount	Tax Credit amount	Approval Year
Delaware Crossing – Edge, LLC	Edge Therapeutics, Inc.	$ 105,000	$ 10,500	2014
Oakwood Capital, LLC	Edge Therapeutics, Inc.	$ 1,000,000	$ 100,000	2014
John DeWees	Midawi Holdings, Inc.	$ 100,000	$ 10,000	2014
Paul Heltzer	Endomedix, Inc.	$ 100,000	$ 10,000	2014
Benjamin and Diana Rosenberg	VectraCor, Inc.	$ 50,000	$ 5,000	2014
Yung-Lung Ho	Kiswe Mobile, Inc.	$ 450,000	$ 45,000	2014
Harry J. D'Andrea Irrevocable Trust dtd. 8/3/2009	Kiswe Mobile, Inc.	$ 75,000	$ 7,500	2014
Theodore J. Leonsis Revocable Trust	Kiswe Mobile, Inc.	$ 200,000	$ 20,000	2014
Raul Fernandez	Kiswe Mobile, Inc.	$ 200,000	$ 20,000	2014
Total		**$ 2,280,000**	**$ 228,000**	

Post-closing actions approved under delegated authority during the third quarter of 2014:

Borrower (Operating Company)	EDA Exposure	Action
Loans and Guarantees		
Compact Power, Inc.	$ 96,791.73	Approved a six-month moratorium on principal and interest payments due under Edison Innovation Research and Development Wraparound loan

Clarification regarding the Edison Innovation Growth Fund:
On March 8, 2011 the Board approved the Edison Innovation Growth Fund, with the requirement that applicant company is structured as a C-Corporation. The sole purpose of this requirement was to enable the EDA to receive stock warrants in approved entities. Please note that there are certain LLC structures that allow for issuance of unit warrants, and that these entities would be eligible for the funding program.

Prepared by:
Kathleen Coviello
David Ackerman

ANGEL INVESTOR TAX CREDIT PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: October 14, 2014

SUBJECT: Angel Investor Tax Credit Program

On January 31, 2013, the New Jersey Angel Investor Tax Credit Act was signed into law with Regulations approved by the Members of the Board in June 2013. The New Jersey Angel Investor Tax Credit Program establishes credits against corporate business tax or New Jersey gross income tax in the amount of 10% of a qualified investment made into New Jersey emerging technology businesses as of January 1, 2012. The program has an annual approval cap of $25 million in tax credits per calendar year. Year-to-date 2014 there have been 30 investments approved for $1,043,757.60 in tax credits, representing the injection of $10,437,756 of capital into New Jersey emerging technology and life sciences companies. The following investor is recommended for approval and is described on the attached project summary:

Application Number	Investor	NJ Emerging Technology Company	Qualified Investment	Proposed Tax Credit
P39588	Weiliam Chen	Endomedix, Inc.	$50,000	$5,000

Prepared By: Clark Smith

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

APPLICANT(S)/ANGEL INVESTOR:
Weiliam Chen P39588

APPLICANT(S)/ANGEL INVESTOR LOCATION:
Mount Sinai, NY

NJ EMERGING TECHNOLOGY BUSINESS:
Endomedix, Inc.

TECHNOLOGY BUSINESS NJ LOCATION:
211 Warren Street Newark City (T/UA) Essex County

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

TECHNOLOGY BUSINESS BACKGROUND:
Endomedix is commercializing two patented bio-polymers that when combined and sprayed in a custom-designed instrument become a hydrogel that is highly biocompatible and competes with all current biomaterials – collagen, gelatin, fibrin glue, etc.

INDUSTRY:

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

DESCRIPTION OF QUALIFIED INVESTMENT:
The applicant made 3 unsecured loans to Endomedix, Inc. in 2013. In one transaction on Feb. 19, 2014, the 3 unsecured loans were converted to common stock in the company.

APPROVAL REQUEST:
The Members of the Authority are asked to approve the proposed Angel Investor Tax Credit to Weiliam Chen to encourage the investment in a New Jersey emerging technology business.

QUALIFIED INVESTMENT DATE:		02/19/2014
QUALIFIED INVESTMENT:	**$**	50,000.00
TAXPAYER APPROVAL YEAR: (2014)	**$**	5,000.00
TOTAL NUMBER OF EMPLOYEES (Worldwide):		2
NEW JERSEY FULL-TIME EMPLOYMENT AT APPLICATION:		2

DEVELOPMENT OFFICER: C. Smith **APPROVAL OFFICER:** C. Smith

OFFICE OF RECOVERY

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: October 14, 2014

RE: Stronger NJ Neighborhood & Community Revitalization Program (NCR) – Development and Public Improvement (D&I) Projects - Round Two and Three Recommendations

Summary

The Members are requested to approve five (5) applications from Round Two and seven (7) applications from Round Three for a total of twelve (12) applications to the next phase of review under the Stronger NJ Neighborhood & Community Revitalization Program, Development and Public Improvement (NCR D&I). The members are also requested to reject three (3) applications that did not meet federal Community Block Grant-Disaster Assistance (CDBG-DR) or NCR D&I program requirements.

Background

On August 27, 2013 the Members approved the Stronger NJ Neighborhood and Community Revitalization (NCR) Program, utilizing $65 Million in CDBG-DR funds. The program is comprised of three funding components; $2.5 million for Community Development Financial Institution (CDFI) projects, $10 million for Streetscape Improvement projects and $52.5 million for Development and Public Improvement (D&I) projects.

The NCR D&I component launched September 1, 2013, funds four (4) types of projects - Catalytic, Transformative Neighborhood, Recreation, Culture and Park Land Amenities, and Innovation.

Approved projects are eligible for awards up to $10 Million in combined grants, loans and forgivable loans as outlined in the Guide to Program Funds ("NCR Guide").

On September 18, 2013 the members allocated $5 Million to Seaside Heights and Seaside Park to aid in the demolition of the fire-damaged boardwalk. This left $47.5 Million in available funding.

On February 24, 2014 the members approved the EDA's request to clarify the D&I review process and to incorporate scoring in response to the overwhelming unanticipated program interest; as of February 24, 2014 over 80 Intake Forms requesting in excess of $280 Million had been received. In accordance with the NCR Guide and further detailed in the February 24, 2014 Board Memo, projects with Intake Forms submitted during the initial six-week period and that were located in a Low Moderate Income "LMI" census tract or satisfied a National Objective of LMI Area Benefit or LMI Employment were given priority consideration for the first round of funding.

During the Round One evaluation, staff reviewed the project types, and associated funding mechanisms outlined in the NCR Guide, and determined into which categories - Catalytic, Transformative Neighborhood, Recreation, Culture and Park Land Amenities, and Innovation – each project best fit for the purposes of this program. Because the description of a Catalytic project in the NCR Guide explicitly references health and safety services, and contributing to neighborhood stability, public facilities that provide municipal services have been determined to meet the requirements of the Catalytic project category. Because the description of a Recreation, Cultural and Park Land Amenities project in the NCR Guide explicitly references recreational structures and community facilities used by the public, public projects which provide facilities for a variety of community uses have been determined to meet the requirements of the Neighborhood, Recreation, Culture and Park Land Amenities project category.

In the February 24 board memorandum, there was also a requirement that public applicants in a municipality work together to prioritize all projects that they have submitted under NCR, including Streetscape, with the understanding that EDA will not award more than two projects to all public applicants in any single municipality. Staff has determined, for the purpose of ensuring the fair distribution of limited funds, that public applicants are defined as a municipality or public redevelopment agency, or any other applicant which will transfer the project to a municipal entity upon completion. In these instances, as approved by the Board, the public applicants have been requested to select no more than two (2) projects to move forward for consideration.

Pursuant to the evaluation process outlined in the February 24, 2014 memo, applicants who provided Intake Forms during the initial six weeks and that represented that the project met LMI requirements were asked to submit an application packet and supporting documentation. Of the 44 applicants noticed, 19 responded with application packets by the March 12, 2014 deadline. The other 24 dropped out of the program because they did not respond.

On June 10, 2014, the Board approved staff's recommendation to advance seven (7) projects, totaling $26,190,629, to the next phase of the review process which is the CDBG-DR required environmental historical reviews, and have been submitted to the NJ Department of Environmental Protection (NJDEP), along with one project from Round One that was automatically a candidate for Round Two as it scored enough points, but was not located in an LMI eligible community. Pending funding availability, seven other Round One applicants were advanced to Round Three, as they did not meet the minimum score of 65 that was required for Round One and Round Two.

As illustrated in the attached matrix, five (5) projects were determined by the evaluation committee to have met all threshold criteria and are potentially eligible for funding under Round Two and given the current funding availability, up to seven (7) projects are potentially eligible under Round Three.

The five (5) projects eligible for Round Two funding, briefly described below, submitted requests totaling $9,368,245 and satisfied the following criteria: 1) received a minimum required score of 65 under the evaluative criteria; and 2) underwent an underwriting evaluation to confirm financial viability. They were additionally deemed compliant with all requirements outlined in the NCR Guide to Program Funding and also meet the technical requirements of the federal CDBG-DR. This allows these projects to move into the next phase of the approval process, which will include environmental and historical review by the NJDEP.

Point Pleasant Packaging, Inc- Fisherman's Landing, Point Pleasant
Project Type: Catalytic
Funding Type: 25% Forgivable Loan
Award Amount: $2,874,130
The Fisherman's Landing Project will redevelop and rebrand an entire working neighborhood for the benefit of the local community while providing a year-round tourism destination that will serve the entire region. There are more than 3.5 million residents who live within a 60 minute drive of this project and millions of additional summer visitors from New York, Philadelphia and beyond. Specifically, this project will contribute to the economic growth of Point Pleasant Beach and the entire Ocean County and Monmouth County area by providing a new year-round destination for the public. After this initial phase is completed, it is projected that when completed, this multi-phased project will create a total of more than 325 long term employment opportunities, along with at least 100 construction jobs for skilled trained workers. Given the nature of the work planned, many of the long-term jobs to be created will be available for low and moderate income people.

Brigantine Beach Access, Brigantine
Project Type: Recreation, Cultural and Park Land Amenities
Funding Type: Grant
Award Amount: $805,000
The project includes dune path restoration to include ten walkways from Vernon Place to 10th Street South inclusive. The scope will include the installation of gravel and split rail fencing to delineate the path and protect the dune system. This work will provide easier ADA accessible paths for the general public as well as fortify the dune system for greater protection from coastal storms. In addition, drainage improvements will be completed at 4th Street South and the beach. The scope includes the installation of perforated pipe and inlets.

Brigantine Boat Ramp, Brigantine
Project Type: Recreation, Cultural and Park Land Amenities
Funding Type: Grant
Award Amount: $689,115
This project includes the improvement of the Brigantine Boat Ramp, elevating the boat ramp apron and Bayshore Avenue and supportive drainage infrastructure. More specifically, included is water proofing of the boat ramp by installing flood gates to protect this important recreational amenity. The floating dock that was damaged by Superstorm Sandy will also be replaced. A pump station and emergency generator to service the stormwater needs of this low and moderate income qualified neighborhood is also included along with associated drainage improvements. Finally, drainage improvements are also planned at 8th Street South from West Beach Avenue to Georgia Place.

Cape May- Lafayette Park, Cape May
Project Type: Recreation, Cultural and Park Land Amenities
Funding Type: Grant
Award Amount: $1,500,000
The Lafayette Street Park site is located adjacent to tidal wetlands of Cape Island Creek. The site is subject to flooding during storm events. The conceptual design for this park takes into account the adjacent tidal wetlands and creates an aesthetically pleasing, comprehensive recreation complex that incorporates sustainable practices and highlights the unique ecological areas of the site. Since Cape May Elementary School forms the north boundary of the park, a goal of this project is to infuse environmental education and an idea of stewardship into the design that can be built upon by the children and year-round residents, as well as visitors. Phase 1 includes 13 acres of active recreational space on Block 1061, Lot 54. Phase 1 focuses on the reconstruction and modification of the Dellas Little League Baseball/Softball Field; installation of a picnic grove area; and design and construction of a multi-purpose athletic field and practice baseball field with lighting and irrigation systems. The Dellas Little League Baseball/Softball field will be redesigned to accommodate youth and adult baseball/softball activities with the provision of updated dugouts, refreshment stand, bleacher seating, lighting system, water fountain, and a grassy incline beyond the outfield which will accommodate relaxing fans and disguise the entire

park's storage areas underneath the incline. The picnic grove area will be situated between the rejuvenated and expanded Dellas Field and the new multipurpose athletic field and practice baseball field.

Beach Haven- Town Hall, Beach Haven
Project Type: Catalytic
Funding Type: 25% Forgivable Loan
Award Amount: $3,500,000
This project did not meet the priority Round One criteria of being located in a Low Moderate Income "LMI" census tract or of satisfying a National Objective of LMI Area Benefit or LMI Employment, but did meet the minimum score of 65 required to move forward into Round Two. The purpose of this project is to demolish and reconstruct the storm damaged Borough Hall and add the Police Department to this more resilient structure located at 300 Engleside Avenue in Beach Haven. The building is approximately 6,780 SF, employs 30 people and is the cornerstone for the downtown area. The total project cost is $5 million dollars and the Borough is seeking NCR funding in the amount of $3.5 million dollars. The existing building is a multi-level brick and mortar structure which was built in 1974/1975. The site is fully developed and is also the site of the Borough's Water Treatment Plant, elevated water tank and Police Department. Minimal Public Works parking is available onsite and the majority of employees utilize the abundant number of on-street parking spaces. Since this location is in the core of the downtown area, many residents walk to this location.

As previously stated, there are currently sufficient funds available in the amount of $11,941,126, to participate in the funding of up to seven (7) projects for Round Three. The seventh project is a project that has the ability to be phased which could utilize the remaining funding up to the full project costs of $4,503,135. If there are excess funds available after the seventh project is fully funded or if other applicants rescind their funding request, the next ranking project(s) would be offered funding, pending continued eligibility. The seven projects eligible for Round Three funding, briefly described below underwent an underwriting evaluation to confirm financial viability. They were additionally deemed compliant with all requirements outlined in the NCR Guide to Program Funding and also meet the technical requirements of the federal CDBG-DR. This allows these projects to move into the next phase of the approval process, which will include environmental and historical reviews by NJDEP.

Township of Lacey- Beach Bayfront Park, Lacey Township
Project Type: Recreation, Cultural and Park Land Amenities
Funding Type: Grant
Award Amount: $1,411,101
The Township of Lacey proposes the repair and reconstruction of municipally owned Forked River Beach Bayfront Park, located at Block 200, Lot 1, on Beach Boulevard. Superstorm Sandy caused significant damage to the Park, including totally removing the Park's gazebo, damaging

the Park's playground and benches, displacing rip rap, and spreading debris across the Park's lawns. Since the storm, Lacey has removed most of the debris and the damaged playground. The proposed project would involve redesigning the Park layout and installing a new playground, gazebo, parking lot, and pedestrian paths.

Somers Point- Gateway Playhouse, Somers Point
Project Type: Recreational, Cultural and Park Land Amenities
Funding Type: Grant
Award Amount: $400,000
In 2006, the City purchased The Gateway Playhouse and Theater Collaborative of South Jersey, a non-profit, was formed to rebuild and eventually managed the theater. Funding was requested to complete essential renovations to this existing theater and to make improvements that will make the building more resilient from future storms. This building was inundated with water during Superstorm Sandy. When completed the theater will be used for performing arts, musicals, concerts, hospital and school assemblies and community events.

Borough of Tuckerton- South Green Street Playground, Tuckerton
Project Type: Recreational, Cultural and Park Land Amenities
Funding Type: Grant
Award Amount: $1,444,987
The South Green Street Playground was flooded and the equipment was destroyed. The restroom sustained 3 feet of interior flood water, the frame was damaged and high winds damaged the roof. Shingles on the roof of the gazebos were torn off. Moving flood waters destroyed guide rail fencing surrounding the park and all of the park lighting and signage were destroyed by high winds. This Recreation, Cultural and Parkland Amenities project will rebuild, reinforce and revitalize the South Green Street Park following its destruction by Hurricane Sandy. The land is owned by the Borough of Tuckerton. Tuckerton Public Works controls the site and the Tuckerton Police Department will handle security during construction. The new park will incorporate recycled material into the playground equipment and the new garbage system will feature an improved recycling program. The principal resiliency components of this project include new mobile public restrooms, including one male, one female, and one handicap accessible restroom, to replace the former permanent restrooms destroyed in the storm, and a new vinyl non-polluting bulkhead to reinforce and harden the waterfront of the park and protect the new boat ramp. Several other repairs and improved public amenities are planned for the park and surrounding bulkhead area.

Beach Haven- Emergency Operations Center, Beach Haven
Project Type: Catalytic
Funding Type: 25% Forgivable Loan
Award Amount: $1,500,000

The Emergency Operations Center/Coast Guard Building is located on Long Beach Island and situated on a lagoon front parcel of land. The building suffered flood damage from Sandy on the first level. Due to extensive damage to other critical infrastructure in town, such as the Municipal Building, all Borough Services have been moved to this building until funding is obtained for the restoration of those other structures. At the current time, this building is functioning in the capacity of Emergency Operations Center, Coast Guard Building and Borough Hall. The proposed rehabilitation of this building is critical in reestablishing the community service base and also ensuring the health and safety of residents and employees that use this building each day. The building is located in an area of town that is centrally located and since Beach Haven is a walking and biking friendly town, the center is frequented often by residents for neighborhood events, meetings, etc. The planned improvements include new siding, windows, flood proof entry doors, re-grading of the parking lot, demolition of the existing wooden staircases and construction of new entry stairs and platform on the north and west sides of the building as well as the installation of an elevator so ensure the building is ADA compliant.

Carlstadt Drainage & Infrastructure Improvements, Carlstadt
Project Type: Catalytic
Funding Type: 100% Forgivable Loan
Award Amount: $4,987,790
The Borough of Carlstadt suffered severe flooding of the industrial area due to the storm and various roadways have been identified that will require reconstruction. The Borough owned drainage system was also substantially damaged due to storm surcharge and flooding. Stormwater runoff surcharged the stormwater conveyance system, which damage is irreparable. The Borough must reconstruct various outfalls and install backflow preventers/check valves in order to mitigate future occurrences.

Keyport Historical Society, Keyport
Project Type: Recreational, Cultural and Park Land Amenities
Funding Type: Grant
Award Amount: $323,000
The Keyport Historical Society's museum sustained total destruction from the Superstorm and the land that the museum stood on is no longer able to permit the building of a new facility on that site. The acquisition of a property will become the Keyport Historical Society's new Museum. There will be construction required in order to bring the structure in compliance with the Americans with Disabilities Act.

City of Elizabeth- Bridge Street to Broad Street, Elizabeth
Project Type: Recreational, Cultural and Park Land Amenities
Funding Type: Grant
Award Amount: up to $4,503,135, pending availability- currently estimated to be $1,874,248
Elizabeth River Trail combines active and passive components into a unique recreational and transportation throughway along the Elizabeth River. This space encourages physical activities such as biking, walking and running. The trail will include benches, lighting, signs and garbage receptacles along the proposed paved route. Project components support Elizabeth's Go Green initiatives, preserve open space and incorporate eco-friendly components. Green standards, such as sustainable plants, materials, efficient lighting and rain catchment/harvesting systems are also anticipated to be included in the project. Installation of bike racks will enable residents and visitors to also integrate modes of transportation. (NOTE: Project will be phased as funding is available)

Of the remaining applicants, the following were not recommended to proceed to the next phase of review for the following reasons:

1. City of Irvington was outranked in the scoring process.
2. Borough of Ridgefield was outranked in the scoring process.
3. Belleville was outranked in the scoring process.
4. Borough of Wood-Ridge was outranked in the scoring process.
5. Four J Developers was deemed ineligible because it does not meet credit underwriting requirements.
6. Cape May County Wayfinding was declared ineligible because it does not meet a CDBG-DR National Objective as the project is the placement of new signs which did not exist prior to the storm and there was no damage to existing signs, and the placement of the signs does not provide a significant contribution to the economic revitalization to the area.
7. Camden Hotel Development was deemed non-responsive

If approved by the members, notification will be sent to the twelve (12) applicants whose projects are proceeding to the next phase of review. If these applicants continue to meet all the CDBG-DR requirements they will be deemed approved and will be required to execute a Subrecipient Agreement, Grant or Loan Agreement (as appropriate for applicant type) which outlines the continuing obligations of the applicant.

The one (1) applicant deemed non-responsive, the two (2) applicants that did not meet federal program requirements, and the four (4) projects that were outranked will be notified of the Board's action and have the right to appeal pursuant to the process adopted by the Board on August 27, 2013.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

NEIGHBORHOOD AND COMMUNITY REDEVELOPMENT PROGRAM - DEVELOPMENT AND PUBLIC IMPROVEMENT (DI) - ROUND TWO and THREE PROJECT EVALUATION SHEET

Development & Improvement (DI&I) Evaluation Criteria	Weight in Points	ROUND TWO: Point Pleasant Packaging, Inc. aka Atlantic Cape Fisheries	Brigantine - Boat Ramp	Brigantine Beach Access	Cape May	Beach Haven - Town Hall (Remaining after Round 1)	ELIGIBLE FOR ROUND TWO REMAINING FUNDS (Round 1): Township of Lacey	Somers Point	Borough of Tuckerton	Beach Haven - OC	Carteret	Keyport Historical Society	Bridge Street to Broad Street	Belleville	Irvington	Borough of Wood-Ridge	Borough of Ridgefield	Four J Developers (Loan declined)	Camden Naval Development Corp.	Cape May County Wayfinding
Requested Amount		$2,874,130	$689,115	$805,000	$1,500,000	$3,500,000	$1,411,101	$400,000	$1,444,987	$1,500,000	$4,987,790	$321,000	$4,503,135	$3,457,500	$371,655	$1,087,000	$900,000	$600,750	$500,000	$341,202
Overall Project Cost		$11,873,630	$771,808	$901,600	$2,800,000	$5,000,000	$1,411,101	$950,000	$1,481,900	$1,500,000	$4,987,790	$364,000	$4,503,135	$3,600,000	$371,655	$1,813,000	$950,000	$3,268,743	$500,000	$341,202
Superstorm Sandy Impacted Community: Level of damage to community in which project is located according to the Joint Field Office, New Jersey Damage to Essential Functions assessment dated January 24, 2013. **20 points for projects in "red" towns; 10 points for projects in "orange" towns; 0 points for projects in yellow or green towns.**	20	20	20	20	20	20	20	10	20	20	0	0	10	0	10	0	0	20	0	3.33
Physical Damage to Project Site: Based on dollar value of cost estimates for repair and replacement, and other quantifying information. **20 points for damage > $2M; 15 points for damage of $1 M - $2 M; 10 points for damage of $500,000 - $999,999; 5 points for damage up to $499,000; 0 points for projects with no damage.**	20	15	10	5	5	20	5	10	15	5	20	5	0	0	0	0	5	5	0	0
LMI National Objective: Meets HUD LMI National Objective of Employment Creation and/or Retention OR LMI Area Benefit. **15 points for projects that meet one of these two LMI National Objectives; 0 points for projects that do not meet a LMI National Objective.**	15	0	0	0	0	0	0	0	0	0	0	0	15	15	15	0	0	0	15	0
Earlier Completion: Projects with earlier completion dates will receive higher scoring in order to ensure that all awarded funds are disbursed by December 31, 2015. The following points will be assigned: **15 points for completion date before or on June 30, 2015; 10 points for completion date of July 1, 2015 - August 31, 2015; 5 points for completion date of September 1, 2015 - October 31, 2015; and 0 points for completion date of November 1, 2015 - December 31, 2015.**	15	15	15	15	15	0	15	10	0	0	0	15	0	0	0	0	0	10	0	15
Location: Project is located in one of the federally declared nine (9) most impacted counties. (Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean, and Union). **10 points for projects located in one of the nine counties; 0 points for projects outside the nine counties.**	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	0	10
Applicant Experience: Applicant's experience completing projects of similar size and scope within the last 5 years. **5 points for experience of 3 or more projects; 3 points for experience of 1 or 2 projects; 0 points for applicants with no experience.**	5	5	5	5	0	5	0	5	3	5	5	0	3	0	0	5	3	5	0	5
Leverage: Extent to which project leverages other sources of funds as a percentage of project cost. **5 points for projects leveraging more than 40% of project costs; 4 points for projects leveraging between 30% and 40%; 3 points for projects leveraging between 20% and up to 29%; 2 points for projects leveraging between 10% and up to 19%; 1 point for projects leveraging over 0% and up to 9%; 0 points for projects with no leverage.**	5	2	2	2	5	0	0	5	1	0	0	2	0	1	0	4	1	4	0	0
Revitalization: Project will contribute to revitalization of an area damaged by the storm. **5 points for projects that contribute to revitalization; 0 points for projects that will not contribute to revitalization.**	5	5	5	5	5	5	5	5	5	5	5	5	0	5	0	0	0	5	0	0
Resiliency: Increase in resiliency of project and/or surrounding community to rebound from future weather-related disasters. **5 points for projects that incorporate resiliency; 0 points for projects that do not incorporate resiliency.**	5	5	5	5	5	5	5	5	5	5	5	5	0	5	0	5	5	5	0	5
SUB-TOTAL	100	77	72	67	65	65	60	60	59	50	45	42	38	36	35	29	24	64	15	38.33

$26,880,287
$31,405,993

$47,500,000 — $2,874,130 — $3,563,245 — $4,368,245 — $5,868,245 — $9,368,245 — $1,411,101 — $1,811,101 — $3,256,088 — $4,756,088 — $9,743,878 — $10,066,878 — $14,570,013

$26,190,629 Round 1 — $10,530,025 — $10,130,025 — $8,685,038 — $7,185,038 — $2,197,248 — $1,874,248 — -$2,628,887

$21,309,371 **Remaining for Round 2**. Note: Round 2 projects have been submitted to DEP. **$11,941,126** Remaining after Round 2

Recommendation

The Board is requested to approve five (5) applications from Round Two and seven (7) applications from Round Three for a total of twelve (12) projects to advance to the next phase of the NCR D&I process, which includes, but is not limited to, compliance with environmental and final NCR D&I and CDBG-DR eligibility determinations. The members are also requested to reject the one (1) non-responsive application and two (2) applications that did not meet NCR D&I and CDBG-DR requirements.

Timothy J. Lizura
President/Chief Operating Officer

Attachment
Prepared by: Paul Ceppi

STRONGER NJ BUSINESS LOAN PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STRONGER NJ BUSINESS LOAN PROGRAM PROGRAM

APPLICANT: Point Pleasant Packing Inc. P39381

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

PROJECT LOCATION: 205-301 Channel Dr Point Pleasant Beach Borough Ocean

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

APPLICANT BACKGROUND:

Point Pleasant Packing Inc. ("PPP") is a leading harvester and marketer of fine seafood. The Company specializes in wild caught scallops along with Chinese farm raised bay, oysters, clams, squid, mackerels and other Mid-Atlantic species. PPP is projected to independently produce and market over 10 million pounds of scallops from their integrated fleet. PPP is responsible for 20% of the domestic scallops in the United States.

APPROVAL REQUEST:

Approval of a $5,000,000 working capital loan is requested under the Stronger NJ Business Loan Program. This loan request is submitted concurrent with a $2,874,130 loan request under the Stronger NJ Neighborhood and Community Revitalization Program (P#39812).

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $5,000,000

TERMS OF LOAN: Thirty year term. The first 24 months consisting of 0% interest followed by 336 months of interest payments based on the 5 year US Treasury rate. Rate reset at each 10 year anniversary. During the first 18 months of the loan no principal payments are due followed by 342 months of principal payments in an amount adequate to fully amortize the loan.

PROJECT COSTS:

Working capital	$5,000,000
Renovation of existing building	$2,874,130
TOTAL COSTS	$7,874,130

JOBS: At Application 28 Within 2 years 31 Maintained 0 Construction 31

DEVELOPMENT OFFICER: T. Gill **APPROVAL OFFICER:** J. Johnson

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - NEIGHBORHOOD COMMUNITY REVITALIZATION - CATALYTIC

APPLICANT: Point Pleasant Packing Inc. P39812

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

PROJECT LOCATION: 117-301 Channel Drive Point Pleasant Beach Borough Ocean

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

APPLICANT BACKGROUND:

Point Pleasant Packing Inc. ("PPP") is a leading harvester and marketer of fine seafood. The Company specializes in wild caught scallops along with Chinese farm raised bay, oysters, clams, squid, mackerels and other Mid-Atlantic species. PPP is projected to independently produce and market over 10 million pounds of scallops from their integrated fleet. PPP is responsible for 20% of the domestic scallops in the United States.

APPROVAL REQUEST:

Approval of a $2,874,130 loan under the Stronger NJ Neighborhood and Community Revitalization Program is requested. Twenty five percent (25%) of the principal amount of the loan will be forgiven upon completion of the project and issuance of a permanent Certificate of Occupancy.

This loan request is being submitted concurrent with a $5,000,000 loan request under the Stronger NJ Business Loan Program (P#39381).

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $2,874,130

TERMS OF LOAN: Thirty year term. The first 24 months consisting of 0% interest followed by 336 months interest payments based on the 5 year US Treasury rate. Rate reset at each 10 year anniversary. During the first 24 months of the loan or until a Temporary Certificate of Occupancy is issued, whichever occurs first, no principal payments are due. Thereafter, equal monthly payments of principal in an amount adequate to fully amortize the loan over the remaining term.

PROJECT COSTS:

TOTAL COSTS	$0 *

* - Indicates that there are project costs reported on a related application.

JOBS: At Application	28	Within 2 years	31	Maintained	0	Construction	0
Jobs on Related P039381	28		31		0		31

DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** J. Johnson

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: October 14, 2014

RE: Stronger NJ Neighborhood & Community Revitalization Program (NCR) – Development and Public Improvement (D&I) Projects - Round Two and Three Recommendations

Summary

The Members are requested to approve five (5) applications from Round Two and seven (7) applications from Round Three for a total of twelve (12) applications to the next phase of review under the Stronger NJ Neighborhood & Community Revitalization Program, Development and Public Improvement (NCR D&I). The members are also requested to reject three (3) applications that did not meet federal Community Block Grant-Disaster Assistance (CDBG-DR) or NCR D&I program requirements.

Background

On August 27, 2013 the Members approved the Stronger NJ Neighborhood and Community Revitalization (NCR) Program, utilizing $65 Million in CDBG-DR funds. The program is comprised of three funding components; $2.5 million for Community Development Financial Institution (CDFI) projects, $10 million for Streetscape Improvement projects and $52.5 million for Development and Public Improvement (D&I) projects.

The NCR D&I component launched September 1, 2013, funds four (4) types of projects - Catalytic, Transformative Neighborhood, Recreation, Culture and Park Land Amenities, and Innovation.

Approved projects are eligible for awards up to $10 Million in combined grants, loans and forgivable loans as outlined in the Guide to Program Funds ("NCR Guide").

On September 18, 2013 the members allocated $5 Million to Seaside Heights and Seaside Park to aid in the demolition of the fire-damaged boardwalk. This left $47.5 Million in available funding.

On February 24, 2014 the members approved the EDA's request to clarify the D&I review process and to incorporate scoring in response to the overwhelming unanticipated program interest; as of February 24, 2014 over 80 Intake Forms requesting in excess of $280 Million had been received. In accordance with the NCR Guide and further detailed in the February 24, 2014 Board Memo, projects with Intake Forms submitted during the initial six-week period and that were located in a Low Moderate Income "LMI" census tract or satisfied a National Objective of LMI Area Benefit or LMI Employment were given priority consideration for the first round of funding.

During the Round One evaluation, staff reviewed the project types, and associated funding mechanisms outlined in the NCR Guide, and determined into which categories - Catalytic, Transformative Neighborhood, Recreation, Culture and Park Land Amenities, and Innovation – each project best fit for the purposes of this program. Because the description of a Catalytic project in the NCR Guide explicitly references health and safety services, and contributing to neighborhood stability, public facilities that provide municipal services have been determined to meet the requirements of the Catalytic project category. Because the description of a Recreation, Cultural and Park Land Amenities project in the NCR Guide explicitly references recreational structures and community facilities used by the public, public projects which provide facilities for a variety of community uses have been determined to meet the requirements of the Neighborhood, Recreation, Culture and Park Land Amenities project category.

In the February 24 board memorandum, there was also a requirement that public applicants in a municipality work together to prioritize all projects that they have submitted under NCR, including Streetscape, with the understanding that EDA will not award more than two projects to all public applicants in any single municipality. Staff has determined, for the purpose of ensuring the fair distribution of limited funds, that public applicants are defined as a municipality or public redevelopment agency, or any other applicant which will transfer the project to a municipal entity upon completion. In these instances, as approved by the Board, the public applicants have been requested to select no more than two (2) projects to move forward for consideration.

Pursuant to the evaluation process outlined in the February 24, 2014 memo, applicants who provided Intake Forms during the initial six weeks and that represented that the project met LMI requirements were asked to submit an application packet and supporting documentation. Of the 44 applicants noticed, 19 responded with application packets by the March 12, 2014 deadline. The other 24 dropped out of the program because they did not respond.

On June 10, 2014, the Board approved staff's recommendation to advance seven (7) projects, totaling $26,190,629, to the next phase of the review process which is the CDBG-DR required environmental historical reviews, and have been submitted to the NJ Department of Environmental Protection (NJDEP), along with one project from Round One that was automatically a candidate for Round Two as it scored enough points, but was not located in an LMI eligible community. Pending funding availability, seven other Round One applicants were advanced to Round Three, as they did not meet the minimum score of 65 that was required for Round One and Round Two.

As illustrated in the attached matrix, five (5) projects were determined by the evaluation committee to have met all threshold criteria and are potentially eligible for funding under Round Two and given the current funding availability, up to seven (7) projects are potentially eligible under Round Three.

The five (5) projects eligible for Round Two funding, briefly described below, submitted requests totaling $9,368,245 and satisfied the following criteria: 1) received a minimum required score of 65 under the evaluative criteria; and 2) underwent an underwriting evaluation to confirm financial viability. They were additionally deemed compliant with all requirements outlined in the NCR Guide to Program Funding and also meet the technical requirements of the federal CDBG-DR. This allows these projects to move into the next phase of the approval process, which will include environmental and historical review by the NJDEP.

Point Pleasant Packaging, Inc- Fisherman's Landing, Point Pleasant
Project Type: Catalytic
Funding Type: 25% Forgivable Loan
Award Amount: $2,874,130
The Fisherman's Landing Project will redevelop and rebrand an entire working neighborhood for the benefit of the local community while providing a year-round tourism destination that will serve the entire region. There are more than 3.5 million residents who live within a 60 minute drive of this project and millions of additional summer visitors from New York, Philadelphia and beyond. Specifically, this project will contribute to the economic growth of Point Pleasant Beach and the entire Ocean County and Monmouth County area by providing a new year-round destination for the public. After this initial phase is completed, it is projected that when completed, this multi-phased project will create a total of more than 325 long term employment opportunities, along with at least 100 construction jobs for skilled trained workers. Given the nature of the work planned, many of the long-term jobs to be created will be available for low and moderate income people.

Brigantine Beach Access, Brigantine
Project Type: Recreation, Cultural and Park Land Amenities
Funding Type: Grant
Award Amount: $805,000
The project includes dune path restoration to include ten walkways from Vernon Place to 10th Street South inclusive. The scope will include the installation of gravel and split rail fencing to delineate the path and protect the dune system. This work will provide easier ADA accessible paths for the general public as well as fortify the dune system for greater protection from coastal storms. In addition, drainage improvements will be completed at 4th Street South and the beach. The scope includes the installation of perforated pipe and inlets.

Brigantine Boat Ramp, Brigantine
Project Type: Recreation, Cultural and Park Land Amenities
Funding Type: Grant
Award Amount: $689,115
This project includes the improvement of the Brigantine Boat Ramp, elevating the boat ramp apron and Bayshore Avenue and supportive drainage infrastructure. More specifically, included is water proofing of the boat ramp by installing flood gates to protect this important recreational amenity. The floating dock that was damaged by Superstorm Sandy will also be replaced. A pump station and emergency generator to service the stormwater needs of this low and moderate income qualified neighborhood is also included along with associated drainage improvements. Finally, drainage improvements are also planned at 8th Street South from West Beach Avenue to Georgia Place.

Cape May- Lafayette Park, Cape May
Project Type: Recreation, Cultural and Park Land Amenities
Funding Type: Grant
Award Amount: $1,500,000
The Lafayette Street Park site is located adjacent to tidal wetlands of Cape Island Creek. The site is subject to flooding during storm events. The conceptual design for this park takes into account the adjacent tidal wetlands and creates an aesthetically pleasing, comprehensive recreation complex that incorporates sustainable practices and highlights the unique ecological areas of the site. Since Cape May Elementary School forms the north boundary of the park, a goal of this project is to infuse environmental education and an idea of stewardship into the design that can be built upon by the children and year-round residents, as well as visitors. Phase 1 includes 13 acres of active recreational space on Block 1061, Lot 54. Phase 1 focuses on the reconstruction and modification of the Dellas Little League Baseball/Softball Field; installation of a picnic grove area; and design and construction of a multi-purpose athletic field and practice baseball field with lighting and irrigation systems. The Dellas Little League Baseball/Softball field will be redesigned to accommodate youth and adult baseball/softball activities with the provision of updated dugouts, refreshment stand, bleacher seating, lighting system, water fountain, and a grassy incline beyond the outfield which will accommodate relaxing fans and disguise the entire

park's storage areas underneath the incline. The picnic grove area will be situated between the rejuvenated and expanded Dellas Field and the new multipurpose athletic field and practice baseball field.

Beach Haven- Town Hall, Beach Haven
Project Type: Catalytic
Funding Type: 25% Forgivable Loan
Award Amount: $3,500,000
This project did not meet the priority Round One criteria of being located in a Low Moderate Income "LMI" census tract or of satisfying a National Objective of LMI Area Benefit or LMI Employment, but did meet the minimum score of 65 required to move forward into Round Two. The purpose of this project is to demolish and reconstruct the storm damaged Borough Hall and add the Police Department to this more resilient structure located at 300 Engleside Avenue in Beach Haven. The building is approximately 6,780 SF, employs 30 people and is the cornerstone for the downtown area. The total project cost is $5 million dollars and the Borough is seeking NCR funding in the amount of $3.5 million dollars. The existing building is a multi-level brick and mortar structure which was built in 1974/1975. The site is fully developed and is also the site of the Borough's Water Treatment Plant, elevated water tank and Police Department. Minimal Public Works parking is available onsite and the majority of employees utilize the abundant number of on-street parking spaces. Since this location is in the core of the downtown area, many residents walk to this location.

As previously stated, there are currently sufficient funds available in the amount of $11,941,126, to participate in the funding of up to seven (7) projects for Round Three. The seventh project is a project that has the ability to be phased which could utilize the remaining funding up to the full project costs of $4,503,135. If there are excess funds available after the seventh project is fully funded or if other applicants rescind their funding request, the next ranking project(s) would be offered funding, pending continued eligibility. The seven projects eligible for Round Three funding, briefly described below underwent an underwriting evaluation to confirm financial viability. They were additionally deemed compliant with all requirements outlined in the NCR Guide to Program Funding and also meet the technical requirements of the federal CDBG-DR. This allows these projects to move into the next phase of the approval process, which will include environmental and historical reviews by NJDEP.

Township of Lacey- Beach Bayfront Park, Lacey Township
Project Type: Recreation, Cultural and Park Land Amenities
Funding Type: Grant
Award Amount: $1,411,101
The Township of Lacey proposes the repair and reconstruction of municipally owned Forked River Beach Bayfront Park, located at Block 200, Lot 1, on Beach Boulevard. Superstorm Sandy caused significant damage to the Park, including totally removing the Park's gazebo, damaging

the Park's playground and benches, displacing rip rap, and spreading debris across the Park's lawns. Since the storm, Lacey has removed most of the debris and the damaged playground. The proposed project would involve redesigning the Park layout and installing a new playground, gazebo, parking lot, and pedestrian paths.

Somers Point- Gateway Playhouse, Somers Point
Project Type: Recreational, Cultural and Park Land Amenities
Funding Type: Grant
Award Amount: $400,000
In 2006, the City purchased The Gateway Playhouse and Theater Collaborative of South Jersey, a non-profit, was formed to rebuild and eventually managed the theater. Funding was requested to complete essential renovations to this existing theater and to make improvements that will make the building more resilient from future storms. This building was inundated with water during Superstorm Sandy. When completed the theater will be used for performing arts, musicals, concerts, hospital and school assemblies and community events.

Borough of Tuckerton- South Green Street Playground, Tuckerton
Project Type: Recreational, Cultural and Park Land Amenities
Funding Type: Grant
Award Amount: $1,444,987
The South Green Street Playground was flooded and the equipment was destroyed. The restroom sustained 3 feet of interior flood water, the frame was damaged and high winds damaged the roof. Shingles on the roof of the gazebos were torn off. Moving flood waters destroyed guide rail fencing surrounding the park and all of the park lighting and signage were destroyed by high winds. This Recreation, Cultural and Parkland Amenities project will rebuild, reinforce and revitalize the South Green Street Park following its destruction by Hurricane Sandy. The land is owned by the Borough of Tuckerton. Tuckerton Public Works controls the site and the Tuckerton Police Department will handle security during construction. The new park will incorporate recycled material into the playground equipment and the new garbage system will feature an improved recycling program. The principal resiliency components of this project include new mobile public restrooms, including one male, one female, and one handicap accessible restroom, to replace the former permanent restrooms destroyed in the storm, and a new vinyl non-polluting bulkhead to reinforce and harden the waterfront of the park and protect the new boat ramp. Several other repairs and improved public amenities are planned for the park and surrounding bulkhead area.

Beach Haven- Emergency Operations Center, Beach Haven
Project Type: Catalytic
Funding Type: 25% Forgivable Loan
Award Amount: $1,500,000

The Emergency Operations Center/Coast Guard Building is located on Long Beach Island and situated on a lagoon front parcel of land. The building suffered flood damage from Sandy on the first level. Due to extensive damage to other critical infrastructure in town, such as the Municipal Building, all Borough Services have been moved to this building until funding is obtained for the restoration of those other structures. At the current time, this building is functioning in the capacity of Emergency Operations Center, Coast Guard Building and Borough Hall. The proposed rehabilitation of this building is critical in reestablishing the community service base and also ensuring the health and safety of residents and employees that use this building each day. The building is located in an area of town that is centrally located and since Beach Haven is a walking and biking friendly town, the center is frequented often by residents for neighborhood events, meetings, etc. The planned improvements include new siding, windows, flood proof entry doors, re-grading of the parking lot, demolition of the existing wooden staircases and construction of new entry stairs and platform on the north and west sides of the building as well as the installation of an elevator so ensure the building is ADA compliant.

Carlstadt Drainage & Infrastructure Improvements, Carlstadt
Project Type: Catalytic
Funding Type: 100% Forgivable Loan
Award Amount: $4,987,790
The Borough of Carlstadt suffered severe flooding of the industrial area due to the storm and various roadways have been identified that will require reconstruction. The Borough owned drainage system was also substantially damaged due to storm surcharge and flooding. Stormwater runoff surcharged the stormwater conveyance system, which damage is irreparable. The Borough must reconstruct various outfalls and install backflow preventers/check valves in order to mitigate future occurrences.

Keyport Historical Society, Keyport
Project Type: Recreational, Cultural and Park Land Amenities
Funding Type: Grant
Award Amount: $323,000
The Keyport Historical Society's museum sustained total destruction from the Superstorm and the land that the museum stood on is no longer able to permit the building of a new facility on that site. The acquisition of a property will become the Keyport Historical Society's new Museum. There will be construction required in order to bring the structure in compliance with the Americans with Disabilities Act.

City of Elizabeth- Bridge Street to Broad Street, Elizabeth
Project Type: Recreational, Cultural and Park Land Amenities
Funding Type: Grant
Award Amount: up to $4,503,135, pending availability- currently estimated to be $1,874,248
Elizabeth River Trail combines active and passive components into a unique recreational and transportation throughway along the Elizabeth River. This space encourages physical activities such as biking, walking and running. The trail will include benches, lighting, signs and garbage receptacles along the proposed paved route. Project components support Elizabeth's Go Green initiatives, preserve open space and incorporate eco-friendly components. Green standards, such as sustainable plants, materials, efficient lighting and rain catchment/harvesting systems are also anticipated to be included in the project. Installation of bike racks will enable residents and visitors to also integrate modes of transportation. (NOTE: Project will be phased as funding is available)

Of the remaining applicants, the following were not recommended to proceed to the next phase of review for the following reasons:

1. City of Irvington was outranked in the scoring process.
2. Borough of Ridgefield was outranked in the scoring process.
3. Belleville was outranked in the scoring process.
4. Borough of Wood-Ridge was outranked in the scoring process.
5. Four J Developers was deemed ineligible because it does not meet credit underwriting requirements.
6. Cape May County Wayfinding was declared ineligible because it does not meet a CDBG-DR National Objective as the project is the placement of new signs which did not exist prior to the storm and there was no damage to existing signs, and the placement of the signs does not provide a significant contribution to the economic revitalization to the area.
7. Camden Hotel Development was deemed non-responsive

If approved by the members, notification will be sent to the twelve (12) applicants whose projects are proceeding to the next phase of review. If these applicants continue to meet all the CDBG-DR requirements they will be deemed approved and will be required to execute a Subrecipient Agreement, Grant or Loan Agreement (as appropriate for applicant type) which outlines the continuing obligations of the applicant.

The one (1) applicant deemed non-responsive, the two (2) applicants that did not meet federal program requirements, and the four (4) projects that were outranked will be notified of the Board's action and have the right to appeal pursuant to the process adopted by the Board on August 27, 2013.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

NEIGHBORHOOD AND COMMUNITY REDEVELOPMENT PROGRAM - DEVELOPMENT AND PUBLIC IMPROVEMENT (DI) - ROUND TWO and THREE PROJECT EVALUATION SHEET

Development & Improvement (DI&I) Evaluation Criteria	Weight in Points	ROUND TWO: Point Pleasant Packaging, Inc. aka Atlantic Cape Fisheries	Brigantine - Boat Ramp	Brigantine Beach Access	Cape May	Beach Haven - Town Hall (Remaining after Round 1)	ELIGIBLE FOR ROUND TWO REMAINING FUNDS (Round 1): Township of Lacey	Somers Point	Borough of Tuckerton	Beach Haven - OC	Carteret	Keyport Historical Society	Bridge Street to Broad Street	Belleville	Irvington	Borough of Wood-Ridge	Borough of Ridgefield	Four J Developers (Loan declined)	Camden Naval Development Corp.	Cape May County Wayfinding
Requested Amount		$2,874,130	$689,115	$805,000	$1,500,000	$3,500,000	$1,411,101	$400,000	$1,444,987	$1,500,000	$4,987,790	$321,000	$4,503,135	$3,457,500	$371,655	$1,087,000	$900,000	$600,750	$500,000	$341,202
Overall Project Cost		$11,873,630	$771,808	$901,600	$2,800,000	$5,000,000	$1,411,101	$950,000	$1,481,900	$1,500,000	$4,987,790	$364,000	$4,503,135	$3,600,000	$371,655	$1,813,000	$950,000	$3,268,743	$500,000	$341,202
Superstorm Sandy Impacted Community: Level of damage to community in which project is located according to the Joint Field Office, New Jersey Damage to Essential Functions assessment dated January 24, 2013. **20 points for projects in "red" towns; 10 points for projects in "orange" towns; 0 points for projects in yellow or green towns.**	20	20	20	20	20	20	20	10	20	20	0	0	10	0	10	0	0	20	0	3.33
Physical Damage to Project Site: Based on dollar value of cost estimates for repair and replacement, and other quantifying information. **20 points for damage > $2M; 15 points for damage of $1 M - $2 M; 10 points for damage of $500,000 - $999,999; 5 points for damage up to $499,000; 0 points for projects with no damage.**	20	15	10	5	5	20	5	10	15	5	20	5	0	0	0	0	5	5	0	0
LMI National Objective: Meets HUD LMI National Objective of Employment Creation and/or Retention OR LMI Area Benefit. **15 points for projects that meet one of these two LMI National Objectives; 0 points for projects that do not meet a LMI National Objective.**	15	0	0	0	0	0	0	0	0	0	0	0	15	15	15	0	0	0	15	0
Earlier Completion: Projects with earlier completion dates will receive higher scoring in order to ensure that all awarded funds are disbursed by December 31, 2015. The following points will be assigned: **15 points for completion date before or on June 30, 2015; 10 points for completion date of July 1, 2015 - August 31, 2015; 5 points for completion date of September 1, 2015 - October 31, 2015; and 0 points for completion date of November 1, 2015 - December 31, 2015.**	15	15	15	15	15	0	15	10	0	0	0	15	0	0	0	0	0	10	0	15
Location: Project is located in one of the federally declared nine (9) most impacted counties. (Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean, and Union). **10 points for projects located in one of the nine counties; 0 points for projects outside the nine counties.**	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	0	10
Applicant Experience: Applicant's experience completing projects of similar size and scope within the last 5 years. **5 points for experience of 3 or more projects; 3 points for experience of 1 or 2 projects; 0 points for applicants with no experience.**	5	5	5	5	0	5	0	5	3	5	5	0	3	0	0	5	3	5	0	5
Leverage: Extent to which project leverages other sources of funds as a percentage of project cost. **5 points for projects leveraging more than 40% of project costs; 4 points for projects leveraging between 30% and 40%; 3 points for projects leveraging between 20% and up to 29%; 2 points for projects leveraging between 10% and up to 19%; 1 point for projects leveraging over 0% and up to 9%; 0 points for projects with no leverage.**	5	2	2	2	5	0	0	5	1	0	0	2	0	1	0	4	1	4	0	0
Revitalization: Project will contribute to revitalization of an area damaged by the storm. **5 points for projects that contribute to revitalization; 0 points for projects that will not contribute to revitalization.**	5	5	5	5	5	5	5	5	5	5	5	5	0	5	0	0	0	5	0	0
Resiliency: Increase in resiliency of project and/or surrounding community to rebound from future weather-related disasters. **5 points for projects that incorporate resiliency; 0 points for projects that do not incorporate resiliency.**	5	5	5	5	5	5	5	5	5	5	5	5	0	5	0	5	5	5	0	5
SUB-TOTAL	100	77	72	67	65	65	60	60	59	50	45	42	38	36	35	29	24	64	15	38.33

$26,880,287
$31,405,993

$47,500,000 — $2,874,130 — $3,563,245 — $4,368,245 — $5,868,245 — $9,368,245 — $1,411,101 — $1,811,101 — $3,256,088 — $4,756,088 — $9,743,878 — $10,066,878 — $14,570,013

$26,190,629 Round 1 — $10,530,025 — $10,130,025 — $8,685,038 — $7,185,038 — $2,197,248 — $1,874,248 — -$2,628,887

$21,309,371 **Remaining for Round 2**. Note: Round 2 projects have been submitted to DEP. **$11,941,126** Remaining after Round 2

Recommendation

The Board is requested to approve five (5) applications from Round Two and seven (7) applications from Round Three for a total of twelve (12) projects to advance to the next phase of the NCR D&I process, which includes, but is not limited to, compliance with environmental and final NCR D&I and CDBG-DR eligibility determinations. The members are also requested to reject the one (1) non-responsive application and two (2) applications that did not meet NCR D&I and CDBG-DR requirements.

Timothy J. Lizura
President/Chief Operating Officer

Attachment
Prepared by: Paul Ceppi

ENERGY RESILIENCE BANK (ERB)

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: October 14, 2014

RE: Energy Resilience Bank – ERB Launch of First Funding Product for Water and Wastewater Treatment Facilities

Request:

The Members are requested to review and approve the Grant and Loan Financing Program Guide and the Round I Product Guide for Water and Wastewater Treatment Facilities related to the creation of the Energy Resilience Bank ("ERB"), proposed under the Substantial Amendment for the Second Allocation of Community Development Block Grant – Disaster Recovery ("CDBG-DR") Funds ("Second Action Plan"). The attached ERB Grant and Loan Financing Program Guide, in substantially final form, allows for the official launch of the ERB with the first product for Wastewater Treatment Facilities and Water Treatment Facilities. In addition, Members are requested to approve the Challenge Process (attached).

Background:

To address the recovery needs and future resilience of wastewater treatment facilities and water treatment facilities, in March of this year, NJDCA submitted the proposed Second Action Plan to HUD which laid out, among other programs, the creation and administration of ERB as a partnership with the New Jersey Board of Public Utilities (BPU). The Second Action Plan, which was approved by US Department of Housing and Urban Development (HUD) in May of this year, provides a total of $200 million to ERB which EDA and BPU will co-administer to fund islanding of distributive generation projects at critical facilities to ensure a highly reliable power supply during future weather events and electrical grid failures.

A total of $65 million of CDBG-DR funding is being allocated toward the Waste Water and Water Treatment Plant sector in this first round of funding. Of this amount, up to 15% may be used to support program delivery expenses and up to 5% may be used for administrative expenses, together to support the costs associated with administering the program including the related work of

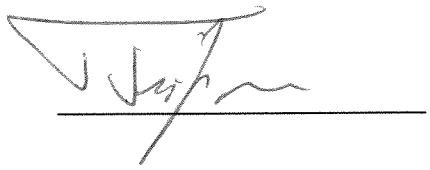
approximately 18 staff members, including full-time and part-time positions, when fully ramped up. An Organizational Chart for ERB is attached for informational purposes to provide an outline of the initial staffing structure of ERB. This may be modified over time.

To establish the framework for ERB, at its July 10, 2014 meeting the Members approved in substantially final form the first amendment to EDA's Subrecipient Agreement with DCA and the a Subrecipient Agreement with BPU. The Members also authorized the CEO to execute these agreements which occurred in August of 2014. The Members are now being requested to approve the ERB Grant and Loan Financing Program Guide, outlining the program parameters through which grants and loans will be provided to the initial group of critical facilities, wastewater treatment facilities and water treatment facilities. BPU approved the ERB Grant and Loan Financing Program Guide at their September 30, 2014 Board meeting. It is anticipated that the initial ERB program launch will be in the Fall of 2014 and may yield its first project approval by year end or early next year. Both EDA and BPU Board approvals will be required for projects funded under the ERB Program. Loan and grant funding will be made available for other types of facilities following this initial launch.

The members are also requested to approve the Challenge Process to be used to govern appeals of board decisions related to ERB. (See attached).

Recommendation:

The Members are requested to approve the ERB Grant and Loan Financing Program Guide, the Round I Product Guide for Water and Wastewater Treatment Facilities and the Challenge Process as attached in substantially final form related to the creation of ERB, under DCA's HUD-approved Second Action Plan.

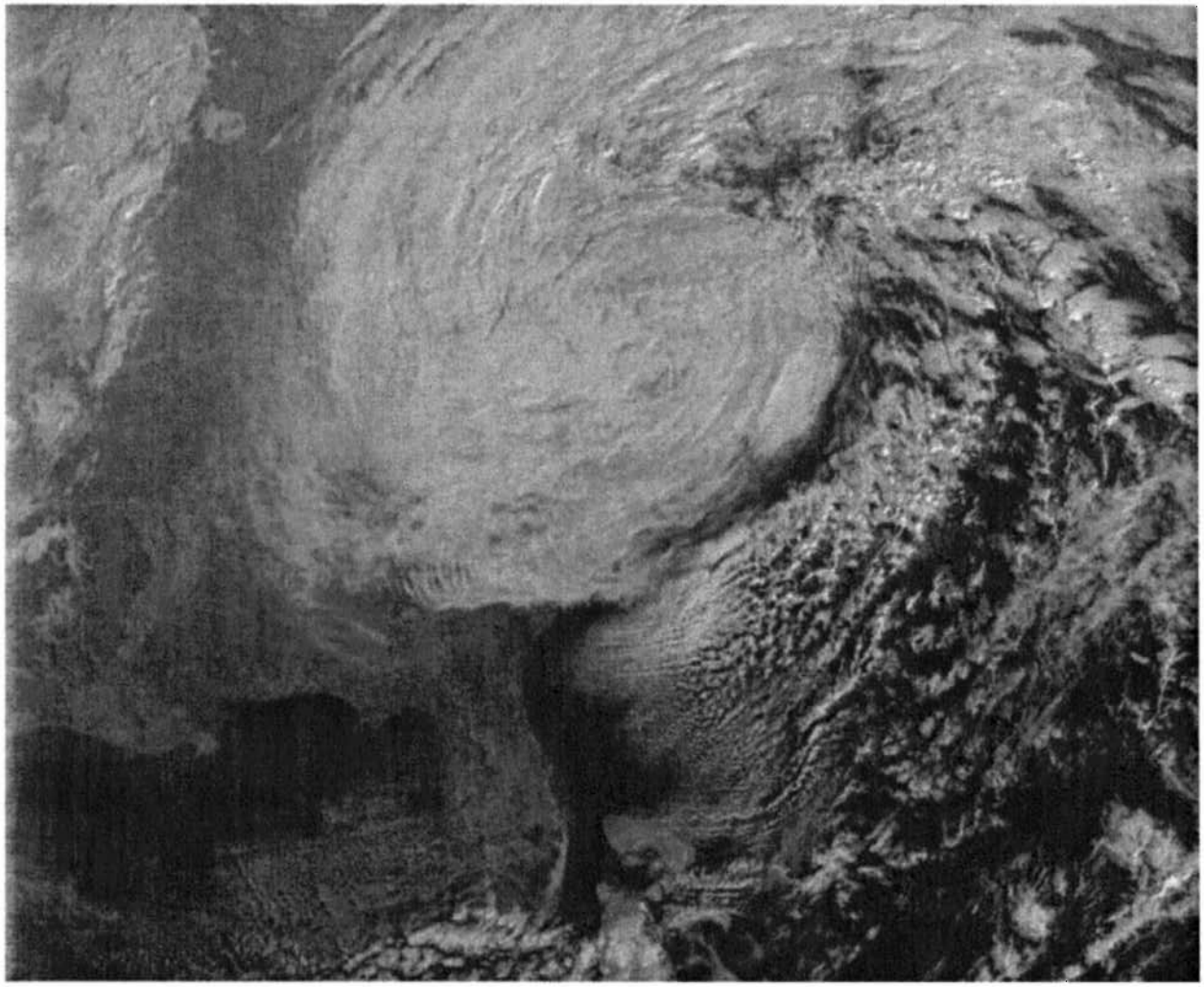


Attached:

- ERB Grant and Loan Financing Program Guide
- ERB Funding Round 1: Water and Wastewater Treatment Facilities
- Challenge Process
- Organizational Chart

Prepared by: Sandy Zeglarski

New Jersey Energy Resilience Bank
Grant and Loan Financing Program Guide



Date: October 14, 2014

Revisions:

SECTION 1: INTRODUCTION

As part of New Jersey's ongoing efforts to minimize the potential impacts of future major power outages and increase energy resiliency, the State has established the New Jersey Energy Resilience Bank ("ERB" or the "Bank"), a first-of-its-kind in the nation energy recovery and resilience financing initiative. The Bank is a new, direct and innovative approach to addressing significant energy infrastructure vulnerabilities arising in the aftermath of Superstorm Sandy.

New Jersey took various steps to assess Superstorm Sandy's impact on the State's energy infrastructure in order to develop long-term recovery strategies focused on hardening critical facilities and enhancing energy resilience. As one example, the State partnered with the U.S. Department of Energy (USDOE), the USDOE's National Renewable Energy Laboratory (NREL), and the Federal Emergency Management Agency (FEMA) to study opportunities to expand energy resilience for critical infrastructure and assets. The State also has engaged electric distribution companies regarding their recovery and resiliency plans. Additionally, the State has undertaken a cross-agency initiative to enhance the State's mapping capabilities to more easily identify practical opportunities to incorporate cost-effective resilient energy technologies. New Jersey also partnered with President Obama's Hurricane Sandy Rebuilding Task Force, USDOE, and Sandia National Laboratories to study energy resilience through expanded use of microgrid networks to protect critical facilities in urban centers as well as transportation networks. These and other efforts have directly informed the State's holistic approach to enhancing energy infrastructure resiliency following Superstorm Sandy. The Bank is a central component of that broader effort.

Financing through the Bank will be used to develop or enhance distributed energy resource ("DER") technologies at critical facilities that were directly or indirectly impacted by Superstorm Sandy or other eligible disasters. DER technologies with islanding and blackstart capabilities, described below, proved extremely resilient in the aftermath of Superstorm Sandy, allowing facilities equipped with them to continue to operate despite failures of the larger power grid. By contrast, other facilities not equipped with resilient energy resources could not operate effectively with the larger power grid down for an extended period of time, resulting in various, severe community and environmental impacts. Discharges of untreated wastewater into New Jersey waterways and numerous boil water advisories following Superstorm Sandy are just two examples of these impacts.

While DER technologies are generally more cost effective over time as compared to other resilient power options, the initial costs of installation at critical facilities are considerable. For this reason, many facilities in the past have opted to pursue less expensive diesel-powered generators, despite the fact that DER technologies are less reliant on liquid fuel supply and availability, have longer continuous run times, and have less environmental impacts. The ERB was created to assist eligible facilities with the substantial upfront costs in order to encourage wider adoption of resilient DER technologies. Utilizing $200 million of second round Community Development Block Grant-Disaster Recovery ("CDBG-DR") funds allocated to New Jersey by the U.S. Department of Housing and Urban Development ("HUD"), ERB funds will allow critical

facilities to invest in new or retrofitted DER technologies that will allow the facilities to operate when the larger power grid goes down ("islanding") and provide electrical start-up capabilities in the absence of a direct connection to the electric grid ("blackstart").

The Bank will be jointly administered by the New Jersey Board of Public Utilities ("BPU") and the New Jersey Economic Development Authority ("NJEDA"). This arrangement was memorialized in an agreement executed by the Boards of both agencies in July 2014. At the same time, both agencies have been directing resources to effectively develop and administer this initiative.

This Program Guide marks the next step in developing and implementing the ERB. It is intended to:

- Summarize the energy-related vulnerabilities at critical facilities arising after Sandy;
- Provide information about the DER technologies that will be funded through the ERB;
- Set forth eligibility and funding requirements applicable to all ERB financial products across all market sectors, as well as eligible product costs; and
- Describe the ERB project application and funding process.

Additionally, along with this Guide, BPU and NJEDA have provided proposed guidance regarding the first financial product that will be made available through the ERB -- up to $65 million in funding for public, not-for-profit or certain eligible for-profit water and wastewater treatment plant operators. Current federal regulatory requirements restrict the ERB from offering financial products to critical facilities in certain other market sectors, as explained in detail below. BPU and NJEDA plan to develop products specifically for these sectors as regulatory impediments are addressed, and will roll out additional products in future ERB finance rounds.

SECTION 2: ENERGY INFRASTRUCTURE AND NEW JERSEY CRITICAL FACILITIES

Following Sandy, the State commissioned a study by Rutgers' Center for Energy, Economics and Environmental Policy ("CEEEP") regarding energy vulnerabilities and resiliency needs. Utilizing New Jersey storm electric outage data from the National Oceanic and Atmospheric Administration ("NOAA") in addition to New Jersey electric distribution companies' annual reports, the study found, among other things, that New Jersey experienced 143 events that caused a sustained power outage (i.e., an outage greater than five minutes) between 1985 and 2013.These events include tropical storms, hurricanes, wind and rain storms, ice storms, tornados, and winter storms/nor'easters. More important, of those 143 sustained outages, 27 qualified as "major outages" (i.e., an outage that impacts more than 100,000 electric customers for a period that extends beyond one day). This equates to almost one "major outage" in New Jersey every calendar year.

Superstorm Sandy was unique for New Jersey in terms of the extent of the damage and challenges resulting from power outages at critical facilities caused by the storm, but major outages are not uncommon for New Jersey. **As a result, it is crucial for the State to assist critical facilities with securing resilient energy technologies that will make them – and, by extension, the communities they serve – less vulnerable to future severe weather events and other emergencies.**

2.1 Superstorm Sandy's Impact on New Jersey Critical Facilities

Superstorm Sandy caused extensive damage to New Jersey's energy infrastructure. As a result, New Jersey's critical infrastructure and assets experienced significant disruption in service that brought everyday operations to a standstill and had significant and, in some cases, life-threatening community impacts.

Ninety-four wastewater treatment plants across all twenty-one counties lost power and were flooded. Failed pumps allowed salt water intrusion into the systems, destroying electrical equipment. It is estimated that between three and five billion gallons of untreated wastewater were discharged into New Jersey waterways. Two hundred and sixty-seven of the 604 water systems across the State were without power, and thirty-seven of those systems issued boil water advisories following the storm. One month after Sandy made landfall, seven drinking water systems were still subject to boil water advisories.

Hospitals, nursing homes, long-term care facilities, domestic violence shelters, foster homes, mental health facilities, and other critical social service providers throughout the State were forced to contemplate evacuation in light of prolonged power outages. Low-lying facilities in flood hazard areas could not operate pumping stations without power, causing direct and

significant long-term damage to facilities. Police stations, fire stations, 9-1-1 call centers, and other buildings were also severely hindered in their efforts to provide emergency services.

After Sandy, New Jersey took various steps to assess the storm's impact on the State's energy infrastructure in order to develop long-term recovery strategies focused on hardening critical infrastructure and enhancing energy resilience. Some examples of these efforts include:

- Partnering with USDOE, NREL and FEMA to study opportunities to expand energy resilience for the State's critical infrastructure and assets. As a part of this partnership, NREL conducted a comprehensive analysis of energy needs at various critical facilities and identified opportunities for communities to enhance energy resilience by pursuing innovative and cost-effective energy solutions;
- Increasing funding to the New Jersey Clean Energy Program to provide increased rebates for recovery and resilience projects that incorporate clean energy and Energy Star standards and reduce grid demand in Sandy-affected areas;
- Undertaking a cross-agency initiative to enhance the State's mapping capabilities so the State can more easily identify practical opportunities to incorporate cost-effective distributed generation technologies; and
- Partnering with President Obama's Hurricane Sandy Rebuilding Task Force, the USDOE, and Sandia National Laboratories to study energy resilience through expanded use of microgrid networks to protect critical facilities in urban centers and transportation networks.

The State also has been working actively with electric distribution companies ("EDCs") regarding their plans for hardening energy infrastructure. Most New Jersey EDCs are privately owned, and as a result, by federal regulation are not eligible for a variety of federal recovery assistance grants. Per current HUD regulations, a privately owned utility cannot be an ERB applicant.

Superstorm Sandy also demonstrated the value of having more resilient energy technologies at critical facilities. Despite widespread failure of the electric distribution system, there were several entities throughout New Jersey in storm-impacted areas that maintained full power despite prolonged and diffuse failures of the larger electric grid. These "islands of power" had distributed generation units, which allowed the facilities to operate as microgrids while the electric grid was down. For example, Princeton University's combined heat and power (CHP) microgrid operated for a week when the larger grid failed, saving the University millions in avoided losses of irreplaceable research projects. The College of New Jersey's CHP microgrid provided heat, power, hot food and hot showers to 2,000 mutual aid workers from other states that helped to restore power after the storm. Several medical facilities also were able to maintain power through CHP microgrids, becoming larger shelters as well as accepting patients from other facilities. President Obama's Hurricane Sandy Rebuilding Task Force described the Bergen County Utilities Authority in Little Ferry, New Jersey, as a model for the region and nation because it was able to use a "biogas-powered [combined heat and power] system to

keep its sewage treatment facilities working during and after the storm" in the face of a prolonged power outage.

The resilience of these facilities highlighted opportunities to protect certain critical infrastructure by pursuing commercially available technologies that allow facilities to operate independently from the grid. These technologies bring the added benefit of being more cost-effective, energy efficient and cleaner power options. HUD, USDOE, and the U.S. Environmental Protection Agency all have recognized that DER technologies, in addition to providing resilience, can reduce monthly energy costs, reduce emissions, provide stability in the face of uncertain electrical prices and increase overall efficiency.

For some time, New Jersey has encouraged the use and deployment of DER technologies. For example, the Christie Administration's Energy Master Plan calls for a 17% reduction of the electrical energy usage through energy efficiency measures from 2010 levels by 2021, and the development of 1,500 megawatts of new distributed generation resources where net economic and environmental benefits can be demonstrated. The Energy Master Plan also emphasizes the need to develop new, clean, cost-effective sources of electricity that reduce the State's reliance on older plants that have more emissions and environmental impacts. New Jersey's Clean Energy Program offers several incentive programs to advance DER through the use of CHP, fuel cells, and other renewable technologies.

Nevertheless, the up-front costs of installation have kept some critical facilities from pursuing DER technologies despite the longer-term cost effectiveness and enhanced resiliency generated by such investments. Additionally, Sandy highlighted the fact that a significant number of DER systems that are currently installed and operating in New Jersey did not operate during or after the storm because they lacked "islanding" and "blackstart" capabilities. Even the installation of equipment to provide this additional functionality to existing systems (i.e., retrofitting) is generally quite expensive.

ERB financing incentives will help critical facilities overcome this financial hurdle for installing cleaner, more efficient resilient energy technologies. This will make critical facilities, and the communities they serve, more resilient to future severe weather events and other emergencies.

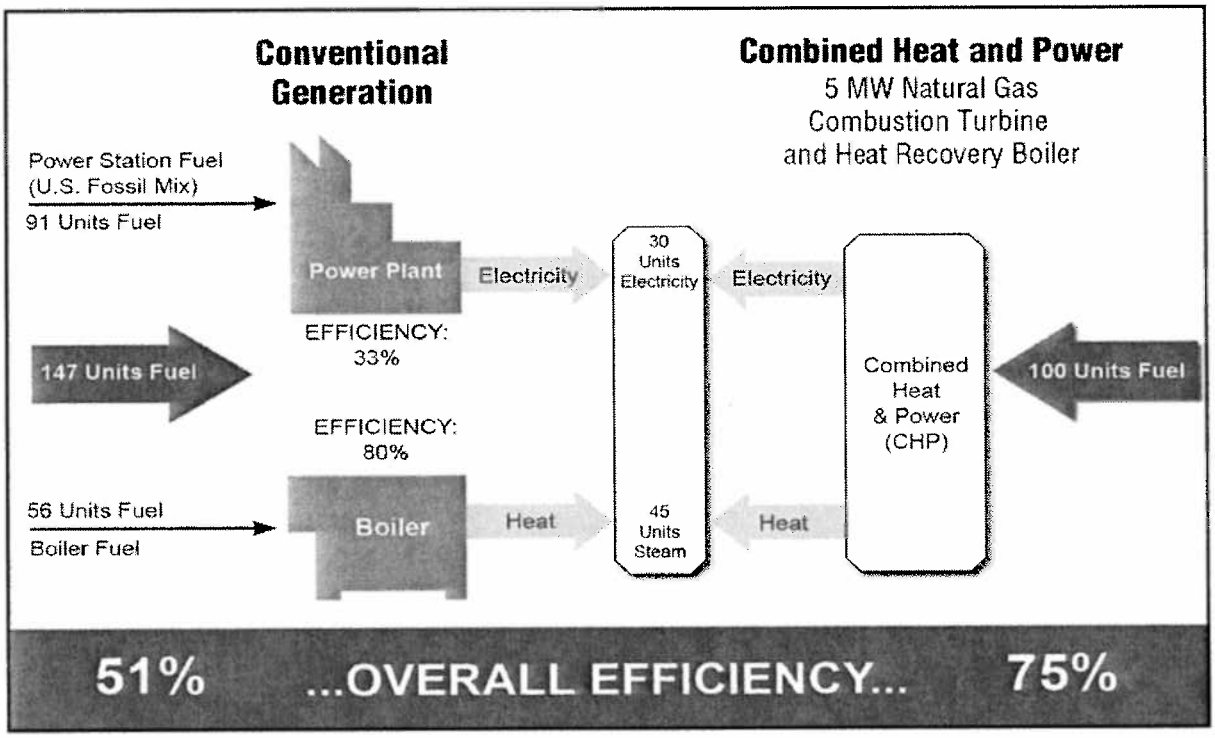
SECTION 3: DISTRIBUTED ENERGY RESOURCE TECHNOLOGIES

The intent of the ERB is to finance the installation or retrofitting of commercially available and cost effective resilient energy technologies at critical facilities. In this way, the ERB is technology neutral. Presently, the ERB is focusing on existing commercially available and cost effective DER technologies, including combined heat and power, fuel cells, and renewable technologies. However, the ERB can adapt with the emergence of new markets and new technologies that are practical, offer the same or greater resiliency benefits as current DER technologies, and are cost effective.

DER technologies include energy systems, equipment or processes that are small, modular and decentralized, and are either located on-site or very near the location where energy is to be used. A DER system can include, energy efficiency (EE), distributed generation (DG) and technology that allows the facility to voluntarily adjust the amount or timing of its energy consumption ("Demand Response" or "DR"). DER systems can also include engines, turbines, combined heat and power (CHP), fuel cells (FC) and renewables such as solar panels with off-grid inverters and battery storage. DER systems can be designed to function in "island" mode, isolated from the grid during a power outage or other event. During normal, non-island mode, the DER system is operating in synchronization with the grid. A system with islanding capabilities would be defined as a microgrid within the larger electric distribution system if it was capable of starting up without connection to the electric grid. This is typically accomplished through utilizing a small diesel generator or battery system.

DER systems are generally understood to be energy efficient technologies. They generate power at the point of use including both electricity and thermal energy for heating and cooling. Because of this dual operation at the point of use, DER systems are more efficient than the conventional, large, and centralized electric generating facilities. Typically, because the DER generating equipment is more modern than the equipment used in the older centralized power plants, it will also be more efficient. Efficiency also is achieved, in part, by the fact that centralized power plants must transmit power over long distances through transmission and distribution, which results in line losses of the power that those systems generate.

Additionally, DER systems utilize waste heat produced from the electric generation system to heat and cool the facility, including the production of hot water. Compared to larger, centralized power plants – which simply emit this waste heat – the DER system's reuse of this thermal energy adds to the system's overall efficiencies. In other words, facilities receiving their electricity through the transmission and distribution systems associated with centralized power plants must have a separate thermal energy system to provide the same level of heating and cooling provided by DER systems. The efficiencies are reflected in the following graphic, which uses a CHP system as an example:



In the graphic, the CHP system and the centralized power plant with a separate thermal energy system each produce 75 units of useful energy. However, the centralized power plant and its separate thermal energy system use 147 units of energy (i.e., 91 units for electricity production and 56 units to produce thermal energy heating and cooling), while the CHP system needs only 100 units of energy to produce the same result. Importantly, this efficiency is the same whether or not the CHP system is designed to be a microgrid with islanding capabilities. A CHP unit with islanding capabilities still would be defined as energy efficient equipment.

Fuel cells are a second DER technology that will be eligible for ERB funding. Most fuel cells that generate electricity without utilizing the produced thermal energy are more efficient sources of power than other traditional generation systems. This efficiency increases when line losses from the centralized power plant are taken into account. Moreover, fuel cells are one of the "cleanest" DER systems that use a fossil fuel; it has essentially zero nitrogen oxide (NOx), Sulfur Dioxide (SO_2) and Mercury (Hg) emissions and generates no waste or wastewater. While there is a certain level of carbon dioxide (CO_2) emission associated with fuel cells, which varies depending on the fuel source used, CO_2 emissions are low due to the efficiency of the system (i.e., they are approximately equal to CO_2 emissions associated with combustion of methane or natural gas). Moreover, fuel cells present the added benefit of capacity (i.e., the measure of the run-time electric generating equipment). Because fuel cells generate electricity by moving gases through a membrane, the systems essentially contain no moving parts, resulting in a capacity factor of 98% or higher. Finally, fuel cells are an extremely quiet DER system, so they can be placed in locations where other conventional electric generators like turbines or engines would violate noise ordinances.

Solar photovoltaic (PV) systems equipped with off grid inverters and battery storage represent a third key eligible DER system. Solar PV systems convert sunlight to direct current (DC) electricity, which then must be converted to alternating current (AC) electricity to service a critical facility's equipment. An inverter transforms DC power into AC power and connects the solar PV system to the local distribution grid. Additionally, when equipped with an off grid inverter, the solar PV system can operate when the grid is down by generating power solely for the facility. Coupled with backup battery storage – which permits the facility to store excess power – such a solar PV system constitutes an ERB-eligible DER system.

Due to these higher efficiencies across the different DER technologies, on-site DER systems are defined as energy efficient equipment. The overall on-site DER systems save energy usage to the facility and save on the facility's overall energy costs. In addition, their emissions levels are lower, they generate less waste and wastewater, and they use less water in comparison to traditional centralized power plants. These efficiencies and savings are the same regardless of whether the system is designed to be a microgrid with islanding capabilities or not. Finally, designing an on-site DER does not change its overall efficiencies or definition as energy efficiency equipment.

SECTION 4: ERB PROGRAM & ELIGIBILITY REQUIREMENTS

4.1 New Jersey's Energy Resilience Bank Overview

The ERB will finance the design, acquisition, construction, and installation of distributed energy resources that will improve and increase the energy resiliency at certain New Jersey critical facilities. ERB financing will include both grant funding and longer term, low-interest loans with a portion of principal forgiven over time based on satisfying annual operational performance requirements. The grants will be provided for certain project costs incurred early in the development process. The ERB grant funding also may include reimbursement of the cost for feasibility studies related to a project, but only if the applicant proceeds with the DER project and it is funded by the ERB.

The DER technologies to be financed under the ERB include, but are not limited to:

- CHP systems using various sized gas turbines, reciprocating internal combustion (IC) engines, or microturbines and may include thermal storage;
- Fuel cells with and without heat recovery; and
- Upgrades to solar panel systems with off-grid inverters and storage systems. (The ERB will not finance the cost for installation of solar PV panels or for any balance-of-system equipment related to solar PV panels.)

CHP or fuel cells can be fueled with fossil fuel natural gas or renewable fuels such as biogas methane from landfills or digesters or hydrogen generated from a renewable source.

The energy resiliency of the critical facility must include, at a minimum, the ability of the DER technology to operate isolated from the electric utility grid as a microgrid in times when the larger electric grid is down due to extreme weather events, reliability events, security events or other grid failures. The DER technology financed through the ERB also must be capable of starting up without connection to the electric grid.

In addition to energy resiliency, the DER technologies to be financed by the ERB must include designs for flood hardening the facility in which the DER technology will be constructed and installed, as set forth in the State's Comprehensive Risk Analysis, detailed in Substantial Amendment No. 7 to New Jersey's CDBG-DR Action Plan ("Action Plan"). At a minimum, all resilient generation or storage equipment of the project within the facility will be required to be constructed above FEMA's best available data for base flood elevations, plus any additional requirements that may be imposed by federal, state, or local ordinance, statute or regulation.

As further explained in the Action Plan, any pertinent infrastructure vulnerabilities should be identified and evaluated in the feasibility and design stage using, among other tools, the National Oceanic and Atmospheric Administration's (NOAA) Sea Level Rise Tool for Sandy Recovery at http://www.globalchange.gov/browse/sea-level-rise-tool-sandy-recovery#overlay-

context. Applicants also must consult applicable New Jersey Department of Environmental Protection (DEP) guidance on flood protection located at http://www.nj.gov/dep/watersupply/pdf/guidance-ifp.pdf. Another resource that applicants may wish to use is Rutgers University's coastal flooding and sea level rise interactive mapping tool located at http://slrviewer.rutgers.edu/. Additionally, to the maximum extent practicable and reasonable, all project designs – including both new constructions, as well as retrofits to existing facilities – should be cost effective and energy efficient. The ERB will require a detailed ASHRAE Level II energy audit be performed for each project prior to an application to the ERB, as described in more detail below. At a minimum, it is anticipated that the goals and requirements of the NJCEP Pay for Performance or Societal Benefits Charge (SBC) Credit program will be applied to each project to be financed by the ERB. Additional financing for the installation of all practicable and reasonable energy efficiency can be developed through the BPU's Energy Saving Improvement Program (ESIP). Details on ESIP are available at http://www.njcleanenergy.com/commercial-industrial/programs/energy-savings-improvement-program.

Federal regulations governing CDBG-DR funds, and the application of the regulations to the ERB, restrict or limit the opening of ERB financing to certain types of critical facilities at this time. The State is working with HUD to address these regulatory issues. As a result, ERB funding will be distributed in discrete funding rounds. The first funding round will be open exclusively to water and wastewater treatment plant operators that are public facilities, not-for-profit (NFP) entities, or for-profit (FP) businesses that meet the U.S. Small Business Administration (SBA) definition of "small business" (and, per HUD regulations, are not privately owned utilities). Federal regulations permitting, additional ERB funding rounds may be announced and made available for other critical facilities.

4.2 ERB Target Market and Financing Product Development

The ERB will focus on providing capital to those facilities that offer the greatest resilience benefits for the State. While the ERB has not set a schedule for the development and roll out of each market sector financing product, preliminarily (and subject to timely receipt of any required federal regulatory waivers or clarifications), the ERB expects to develop initial financing product for the water treatment plant and wastewater treatment plant market sector, followed by developing a financing product for the hospitals and long-term care facilities market sector. The ERB also projects to develop funding products for the following market sectors, though not necessarily in the following sequence:

- Colleges and Universities, and State and County Correctional Institutions
- Multifamily Housing Units, Primary and Secondary Schools that act as Community Shelters during disasters, Other Facilities operating as Community Shelters during disasters, Certain Municipal Buildings, and Town Centers

- Transportation and Transit Infrastructure
- Other Tier 1 and Tier 2 Critical Facilities as defined by New Jersey's Office of Homeland Security and Preparedness

Additionally, based on marketplace analytics the ERB may develop individual financial products that benefit multiple market sectors.

ERB financing will not be made available to a specific market sector until the ERB program has developed a grant or loan product for that particular sector. BPU and NJEDA will solicit input from each sector as part of the grant/loan product development process.

Where feasible, the ERB will encourage market sectors to leverage additional federal, state, private and other funding sources to realize critical energy resiliency initiatives. As one example, the ERB will closely coordinate with the New Jersey Environmental Infrastructure Trust (EIT) in instances where the ERB may be used to purchase new or retrofit DER technologies, whereas EIT funding may be used to harden the critical facility in order to better protect the DER technologies obtained through the ERB.

However, it should be noted that, in any instances where ERB and EIT funding may be used for the same energy investment (i.e., funding for DER technologies), projects which have already been approved for funding through the EIT are expected to proceed using EIT funding. Going forward, where new or retrofitted DER technologies can be wholly funded through the ERB, applicants must first seek funding through the ERB. Where the project scope goes beyond ERB eligible project costs, the project may choose whether to pursue EIT-only funding or a combination of EIT and ERB funding.

4.3 ERB General Program Requirements

The following subsections set out ERB eligibility requirements and guidelines that will apply to all financial products offered by the ERB, regardless of market sector. Among other things, this section is responsive to certain applicable HUD regulations implicated by the distribution of CDBG-DR funds through the ERB and describes eligible DER systems and project costs. Importantly, additional requirements may be incorporated, as necessary, into sector-specific funding rounds through the ERB.

4.3.1 HUD Requirements

The ERB will comply with all applicable federal laws and regulations, including those promulgated by HUD pertaining to the use of CDBG-DR funds. This includes the following:

1. HUD requires that no more than 20% of the overall CDBG-DR funding may be allocated outside the nine most impacted counties as determined by HUD (that is, Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean, and Union). In the administration of this program, BPU and NJEDA must remain cognizant of that requirement. Specifically for the ERB, the State has projected that no more than 50% of

funding may be used outside the nine most impacted counties, though that projection is subject to change. If and when 50% (or the amended percentage, if changed) is reached in CDBG-DR funding commitments, the ERB will not fund additional projects outside the nine most-impacted counties using CDBG-DR funding. This condition does not limit the use of State SBC funds.

2. Applicants must show that the critical facility was either directly or indirectly impacted by Superstorm Sandy or another qualifying disaster listed in Appendix A. Direct impact means physical damage to the facility caused by the eligible disaster in the amount of $5,000 or more. At this time, to qualify for indirect impact applicants must demonstrate one of the following two circumstances: 1) where area flooding and/or loss of power from a qualifying disaster prevented the facility from being able to treat waste water which caused there to be a release of sewage/storm water into the surrounding waterways, causing environmental damage; and 2) where area flooding and/or loss of power from a qualifying disaster prevented the facility from operating and being able to treat drinking water. Applicants using indirect impact also must demonstrate that the project is supporting revitalization of the community in which it is located. Applicants claiming other indirect impact may qualify, though determination will be made on a case-by-case basis, and will likely involve consultation with HUD. These projects are encouraged to apply even though there is no guarantee that they will be eligible.

3. Applicant facilities must be eligible CDBG-DR recipients pursuant to applicable HUD regulations. At this time, ERB applicant facilities are limited to public facilities, not-for-profit entities, and for-profit entities that meet the SBA definition of a "small business." Per current HUD regulations, a privately owned utility cannot be an ERB applicant. As HUD may provide waivers and/or regulatory clarifications, additional applicant facilities may become eligible for ERB financing. The following link from the SBA website provides information on the small business definition, http://www.sba.gov/content/small-business-size-standards. The definition is determined by North American Industrial Classification System (NAICS) code of the applicant facility, their average 3-year annual receipts and/or number of employees. Within the link above is a listing by NAICS codes of the annual receipts and employment maximums, and further small business information.

4. With limited exceptions, per federal regulation, CDBG-DR funding may not be used within the Coastal Barrier Resource Area (CRBA). HUD regulations may potentially bear on the provision of funding to facilities located within the CBRA. Currently, nevertheless, facilities located within the CRBA are encouraged to apply to the ERB, and the ERB will address these regulatory issues with HUD as they arise. (This condition does not limit the use of State SBC funds.) Such a facility's DER microgrid may require appropriately tailored designs to address the impacts of the CBRA. (An illustration of New Jersey's Coastal Barrier Resource System can be found at http://www.fema.gov/national-flood-

insurance-program/coastal-barrier-resource-system-new-jersey, but this map is not dispositive of whether a facility would be considered within a CBRA.)

5. Priority, as established through the scoring system discussed in this document and the funding round guide(s), is placed on projects which serve low and moderate income communities or which create low or moderate income (LMI) employment, either part of which is referred to as the LMI National Objective. Employment creation is measured by full-time equivalent (FTE) permanent job creation, not jobs resulting from project construction. For further information regarding LMI National Objectives please see the Chapter 3 link at the following web address, http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/library/stateguide.

6. Project equipment must be installed at a facility and be operational within two years of the closing of the ERB grant and loan. Extension of this construction/operation timeframe may be granted for up to two six-month terms if the project documents significant progress has been made to date. The extension of the construction/operation timeframe will only be granted if the project documents that there were unforeseen reasons for the delay that were not known at the time of the award.

    - **All CDBG-DR funds in an approved project must be requested and disbursed by September 30, 2019. Any CDBG-DR funds not disbursed after September 30, 2019 will be rescinded. (This excludes Program Income deployed after this date and does not limit use of SBC funds.)**

7. All resilient generation or storage equipment within the project facility will be required to be constructed above FEMA's best available data for base flood elevations, plus any additional requirements that may be imposed by federal, state or local statutes or regulations.

8. Any entity that applied for and received flood-event-related assistance for damage to the property for which ERB financing is sought from any federal source for any previous Presidentially declared disaster (occurring after September 14, 1984) that required the mandatory purchase and maintenance of flood insurance pursuant to National Flood Insurance Program (NFIP) regulations, must have obtained and maintained flood insurance (unless the federally required period for maintaining flood insurance has lapsed). As a condition of receiving ERB financing, applicant will be required to purchase and maintain flood insurance to the extent required by any applicable federal regulations.

9. Consistent with the State's CDBG-DR Action Plan, any proposed project design must ensure that energy technology will be appropriately resilient to potential future flooding and storm surge. Tools that can help assess these risks include the NOAA Sea Level Rise Tool for Sandy Recovery at http://www.globalchange.gov/browse/sea-level-rise-

tool-sandy-recovery#overlay-context= and Coastal Vulnerability Index and Mapping Protocol at http://www.state.nj.us/dep/cmp/docs/ccvamp-final.pdf. Applicants also must consult applicable DEP guidance on flood protection located at http://www.nj.gov/dep/watersupply/pdf/guidance-ifp.pdf. Another resource that applicants may wish to use is Rutgers University's coastal flooding and sea level rise interactive mapping tool located at http://slrviewer.rutgers.edu/.

10. All ERB projects must comply with all applicable federal and state requirements relating to CDBG-DR funds, which may include but not be limited to: Davis Bacon and/or Prevailing Wage requirements as set forth at N.J.S.A. 48:2-29.47 and N.J.S.A. 34:1B-5.1 et seq., Affirmative Action, subcontracting to small and minority-owned enterprises, National Environmental Policy Act (NEPA) environmental review, and National Historic Preservation Act (NHPA) historical review, among others. **No physical construction activity may occur on site until the completion of required federal environmental reviews.** Other work that does not involve on-site physical construction activities (e.g., architectural designs) may proceed prior to completion of federally required environmental reviews.

4.3.2 DER System and Equipment Eligibility

Eligible DER systems may include new resilient DER systems, retrofits to existing DER systems and microgrids as follows:

New Resilient DER Systems: The ERB will finance new resilient DER systems that incorporate any, or all, of:

- DER equipment, such as fuel cells without heat recovery, off grid inverters and battery storage associated with solar photovoltaic (PV) panels, and combined heat and power (CHP) systems including fuel cells, turbines or engines;

- DER equipment that is able to disconnect and operate independently of the electricity grid in the event of a blackout to provide continuous electricity supply to a facility (islanding); and

- DER equipment that is capable of starting up without connection to a functioning grid (blackstart).

Note: The ERB will not finance the cost or installation of solar photovoltaic (PV) panels, or any balance-of-system equipment related to solar PV panels. However, off grid or dynamic inverters and battery storage related to solar PV panels will be financed. Any solar electricity storage must be paired with other DER technology to meet the resiliency criteria set forth below.

Retrofits to Existing DER Systems: The ERB will finance retrofits to existing DER systems that incorporate any, or all, of:

- Incremental distributed generation equipment, such as fuel cells without heat recovery, off grid inverters and batter storage associated with solar PV panels, and CHP systems including fuel cells, turbines or engines to meet the critical load requirement. Only the incremental expansion of DER equipment to generate electricity or useful thermal energy is eligible; and

- The addition of islanding and blackstart equipment to meet the minimum resilient and critical load requirement.

For existing DER solar PV panels, this includes upgrades to an off-grid or dynamic inverter and battery storage.

Note: The ERB will not finance the cost or installation of solar photovoltaic (PV) panels, or any balance-of-system equipment related to solar PV panels. However, off-grid or dynamic inverters and battery storage related to solar PV panels will be financed. Any solar electricity storage must be paired with other distributed generation technology to meet the resiliency criteria set forth below.

Microgrids: The ERB will finance equipment necessary to connect a collection of load centers together to a distributed generation source. This may include demand management and other control technologies to match the electrical supply and demand.

For new DER technologies, retrofits, and microgrids, all electric storage projects must be capable of meeting the below resiliency criteria to operate during a continuous seven-day electric grid outage. For solar storage, this system can be paired with an on-site emergency or back-up generator with fuel storage. The ERB will not finance the cost of emergency back-up generators.

Note: Nothing contained in this Program Guide is intended to promote project configurations that are, or may be, inconsistent with existing statutes or regulations. Applicants should consult with appropriate energy and legal advisors and with their local electric distribution company regarding the operational and legal feasibility of proposed project configurations.

General Requirements:

To qualify for financing to install new resilient DER systems, retrofits to existing DER systems, or microgrids through the ERB, the following general eligibility requirements must be met for all market sectors:

1. DER equipment must be new, commercially available and stationary or permanently installed on the customer side of the meter.

2. For projects incorporating renewable energy technology, in order to verify the renewable energy certificates (REC) for the DER systems (CHP or fuels cells fueled with biogas or renewable hydrogen), or solar REC (SREC) for storage added to existing photovoltaic system, a separate performance meter must be installed that is capable of recording all renewable energy generation.

3. CHP systems must achieve an annual system efficiency of at least 65% based on the lower heating value (LHV), and electric only generation fuel cells must achieve at least a 50% electrical efficiency. System efficiency is defined as the total useful electrical, thermal and/or mechanical power produced by the system at normal operating rates and expected to be consumed in its normal application divided by the lower heating value of the fuel sources for the system.

4. CHP or Fuel Cell system warranty, service contract, or equivalent must be all inclusive for at least ten years. The warranty must cover all components that are financed under the ERB. The warranty must cover the full cost of repair or replacement of defective components including all labor costs.

5. The DER system must be able to disconnect and operate independently of the electric grid in the event of an emergency that results in a grid outage. In order to prevent back feeding to the distribution system, all DER systems must be able to automatically disconnect from the utility in the event of a substantial congestion, grid interruption or grid power failure.

6. The DER system must be able to start up without connection to the electric grid.

7. The DER system must be designed to provide energy to all designated critical loads during a seven-day grid outage without a delivery of fuel to emergency generators. Over the course of such an outage, facilities could plan on using emergency generators and fuel storage in conjunction with the resilient DER system. The costs associated with emergency generators or fossil fuel storage tanks are not eligible for ERB funding.

8. The DER systems must be sized to supply the facility's critical loads. The critical loads are the sum of the electrical load of the facility equipment required to perform the facility's critical functions. This may result in excess useful thermal energy, which would need to be addressed in the feasibility study, energy audit and final design.

9. The critical function should include any anticipated shelter function to provide a safe and secure facility for displaced employees, customers or residents in the event of a disaster or other emergency. This may include microgrid capabilities to connect additional buildings or facilities.

10. The DER system must operate a minimum number of hours to have a CEEEP DER cost-benefit ratio greater than 1.0 at all times under full load. The facility must document the ability to operate at that capacity during the full year. The CEEP DER Cost Benefit Model is available at http://ceeep.rutgers.edu/combined-heat-and-power-cost-benefit-analysis-materials/.

11. DER systems, except for solar off-grid inverter and storage systems as noted below, can be sized larger than the facility's electric and thermal loads provided they have customers for the additional electricity and useful thermal energy that meet the on-site definitions at N.J.S.A. 48:3-51 and 48:3-77.1. However, redundancy measures may not be funded by ERB.

12. Applicants are encouraged, to the extent possible, to make use of technology manufactured in and project construction to be completed by New Jersey-based businesses.

4.3.3 Applicant and Finance-Related Requirements

1. Applicants are responsible for obtaining all appropriate interconnection approval which may include a level III interconnection review by the appropriate electric distribution company (EDC) for the DER and storage equipment and tariff approval, if required, from their local natural gas and electric utilities.

2. Applicants are responsible for obtaining and maintaining all construction and environmental permits from the appropriate agencies.

3. Applicants must have no outstanding violations with the New Jersey Department of Environmental Protection.

4. For-profit and non-profit applicants must be registered to do business in New Jersey with Dun and Bradstreet, and have a DUNS number. Governmental entities and instrumentalities of governmental entities such as authorities do not need to comply with the business registration requirement. However, all applicants must have a DUNS number.

5. For-profit and non-profit applicants, and any third-party contractors, must be in good standing with the State of New Jersey, and must not be debarred by the federal government or the State. Governmental entities and instrumentalities of governmental entities such as authorities do not need to comply with this requirement.

6. For-profit and non-profit applicants must receive tax clearance from the New Jersey Division of Taxation as evidenced by a tax clearance certificate. Governmental entities

and instrumentalities of governmental entities such as authorities do not need to comply with this requirement.

7. In no case should the sum total of any and all grants, incentives, rebates, tax credits or other tax incentives or other financing exceed 100% of the overall system costs.

8. If any SBC funds are used to finance a project, the ERB applicant must be a customer of an electric distribution utility or a gas distribution utility that pays a SBC surcharge for natural gas or electric usage.

9. Where feasible, applicants are encouraged to leverage federal, state, private and other funding sources with ERB funding to realize critical energy resilience projects.

4.4 Project Costs

4.4.1 Eligible Project Costs

Financing is available for total eligible project costs, less any applicable equity contribution, and less other sources of funding (and subject to all applicable CDBG-DR regulations, including those governing duplication of benefits). Eligible project costs include:

1. Reimbursement for feasibility studies. Initial costs for feasibility studies are borne by the applicant. These costs may be eligible for reimbursement if the project is selected for ERB funding and the first disbursement milestone is met.

2. DER system equipment that meets the criteria in 4.3.2 above and all equipment necessary to convert fuel into electricity or electricity and useful thermal energy. This includes all gas cleanup systems.

3. All secondary components located between the existing infrastructures for fuel delivery and the existing infrastructure for power distribution, including equipment and controls for meeting relevant power standards, such as voltage, frequency and power factors.

4. All secondary components connecting thermal energy output to the facility's existing thermal systems.

5. Storage equipment for electricity (e.g., batteries to store on-site renewable electricity production).

6. Storage equipment for fuel produced on-site (e.g., biogas), if it can be demonstrated that more on-site fuel will be produced than can be consumed by the resilient distributed generation system.

7. Incremental additional costs required to make distributed generation equipment islandable, including blackstart equipment and grid isolation equipment.

8. Acquisition of property on which the equipment is being installed and necessary for installation of the equipment, excluding property acquisition associated with solar installation. The applicant will be required to document that there is no reasonable on-site alternative to the acquisition of additional property.

9. Fuel pre-treatment cost such as biogas treatment and compressors for boosting inlet pressure.

10. Installation and construction costs for the above equipment.

11. Site preparation and other civil work necessary to build a project, including cost to flood harden the facility.

12. Project engineering, project management, and other soft costs.

13. Contingency up to a maximum of 10% of total eligible project costs. Contingency is not included in the basis for grant calculations.

4.4.2 Ineligible Project Costs

1. All costs associated with emergency generators or fossil fuel storage tanks or any components of emergency generators.

2. Systems that require fuel deliveries such as diesel or propane.

3. Used, refurbished, temporary, pilot, or demonstration equipment.

4. Solar PV panels, or balance-of-system equipment related to solar PV panels. (However, upgrades to the inverter and storage-system components are eligible costs.)

5. For other ineligible costs, please see the ERB Funding Round document for each applicable sector.

SECTION 5: APPLICATION, REVIEW AND APPROVAL PROCESS

The following section describes the two-step application and review process.

5.1 ERB Initial Intake Application and Review

Prior to applying to the ERB for project financing, each project must have a detailed energy audit performed, which includes the DER system. This may include a previously conducted audit or an updated audit which includes the DER system and must be either a Local Government Energy Audit conducted by the New Jersey Clean Energy Program or an ASHRAE Level II audit conducted by a DPMC classified energy audit professional. Information on energy audits provided free of charge through the New Jersey Clean Energy Program can be obtained at http://www.njcleanenergy.com/commercial-industrial/programs/local-government-energy-audit/local-government-energy-audit.

Additionally, prior to applying to the ERB for project funding, each project applicant is strongly encouraged to meet with staff of the Office of Permit Coordination and Environmental Review (DEP's ONE STOP permit coordination) to identify needed permitting for the proposed project. Follow this link http://www.nj.gov/dep/pcer/ for further information about ONE STOP. Moreover, applicants already aware of projects that may be eligible for funding through the ERB are encouraged to engage DEP to begin the permitting process even before an application for ERB funding is submitted. DEP has taken steps to address increases in permit requests arising in connection with Sandy recovery.

Also, prior to applying or during the design phase, the project applicant is strongly encouraged to meet with its EDC to confirm that the proposed system will be compatible with the EDC's infrastructure, and discuss interconnectivity and other issues that may arise in connection with the project.

An ERB In-Take Application will be made accessible through the BPU and NJEDA websites (www.bpu.state.nj.us and www.njeda.com), which will gather general information about the applicant and project. Once completed and submitted, BPU and NJEDA will review the project to determine if it falls within the ERB program general technical and financial requirements, as well as within any other requirements that may be specific to a particular ERB funding round.

If the project is determined to meet all basic requirements of the program, the project applicant will be asked to provide additional information and submit further details regarding the project for review and funding consideration on a detailed Full Application, discussed below.

5.2 ERB Full Application and Review

A completed Full Application will be reviewed to determine eligibility. If the completed application meets all necessary requirements, it will be scored using the Scoring Criteria applicable to the ERB funding round.

Projects will undergo a technical review that may include, but may not be limited to, equipment selection, equipment layout, site design, operating profile, existing fuel delivery infrastructure and grid interconnection plans. Projects also will undergo an underwriting analysis which may include, but may not be limited to, an assessment of the applicant's ability to repay the loan portion of the funding, a credible funding source(s) to fund any remaining gap between sources and uses and cost overruns, experience and capacity of the applicant to complete the project, creditworthiness of the applicant, and whether the applicant and project meet all federal CDBG-DR funding requirements.

Additional information regarding the Full Application process, including proofs of cost reasonableness, capacity to timely utilize CDBG-DR funding, satisfaction of specific CDBG-DR regulatory requirements including ensuring no duplication of benefits, among other things, will be provided upon development and release of the Full Application. The Full Application may vary slightly across funding rounds to account for certain differences that may arise between projects focused on different types of critical facilities.

In evaluating project applications, the ERB will consider whether the project meets the 15% energy savings goals of the NJCEP Pay for Performance or SBC Credit program. Further details of these program goals can be found at http://www.njcleanenergy.com/commercial-industrial/programs/pay-performance and http://www.njcleanenergy.com/commercial-industrial/programs/societal-benefits-charge-credit-program.

5.3 Project Funding

Following completion of the Full Application and the scoring of applications according to the scoring criteria applicable to the funding round, projects that meet the minimum scoring requirements will be brought for consideration to the Boards of both BPU and NJEDA (or considered by delegation to staff, if applicable). Scoring criteria may vary slightly by funding round, but generally, projects will be evaluated based on a comprehensive risk analysis framework that incorporates the following principles:

1. Criticality
2. Resilience
3. Technical Feasibility
4. Cost Effectiveness
5. Impacted Communities Served

6. Readiness to Proceed
7. Meeting HUD Low- to Moderate-Income National Objective

A comprehensive underwriting process also will be incorporated into funding decisions for project applications submitted to the ERB.

Approved projects will be deemed preliminarily eligible for funding, subject to successful completion of a NEPA environmental review, as necessary, and any additional on-site reviews that may be federally required as a precondition of receiving CDBG-DR funding.

Any project qualifying as a "Major Infrastructure Project" pursuant to the HUD Federal Register Notices of November 18, 2013 and March 27, 2014 also will be required to be reviewed by HUD before funding is approved. This review includes publishing a Substantial Amendment to the New Jersey Department of Community Affairs CDBG-DR Action Plan, followed by a public comment period, and then submission of the proposed amendment to HUD for consideration which can take up to 60 days. "Major Infrastructure Projects" are projects that:

- Are physically located in multiple counties (i.e., physical construction activities for the same project will occur in multiple counties);
- Have a total project cost of $50 million or more, with at least $10 million of CDBG-DR funding; or
- Involve two or more related projects that combine to have a total project cost of $50 million or more, with at least $10 million of CDBG-DR funding.

5.4 Appeals

An applicant will be able to formally appeal final eligibility decisions for ERB funding. Further information on the appeal process will be forthcoming.

5.5 Reporting Requirements

Approved projects will be subject to all applicable federal and state regulatory reporting requirements, which may include, but not be limited to: energy and facility performance, HUD National Objectives, labor requirements, procurement requirements, environmental requirements and employment. To the extent that other reporting requirements may apply, applicants will be made aware of these requirements and will have to provide information sufficient to satisfy the requirements.

Energy and performance reporting may be an online remote reporting system that tracks daily performance.

5.6 Quality Control Provisions

Prior to closing, the ERB may employ an outside entity or another state agency to review the application file to determine that the closing is appropriate and meets ERB requirements. Additionally, any contract relating to ERB-funded projects where deployment of oversight monitors is mandated, pursuant to N.J.S.A. 52D-15.1 to 15.2, will be required to undergo monitoring in accordance with those requirements.

All grants provided under this program will be subject to the Single Audit Act and the provisions of the Single Audit Policy set forth OMB Circular 04-04-OMB.

APPENDIX A

ELIGIBLE DISASTERS

To be eligible for funding under the Energy Resilience Bank, according to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (P.L. 93-288), as amended by the Disaster Relief Act of 1974 (P.L. 93-288), projects must demonstrate a tie to one of the listed weather events below or have incurred physical damage from one of the listed storms.

- **Declaration No. 1954** – Severe Winter Storm and Snowstorm (Incident Period: December 26, 2010 to December 27, 2010). Impacted counties: Passaic, Bergen, Morris, Essex, Hudson, Union, Somerset, Middlesex, Mercer, Monmouth, Ocean, Burlington, Atlantic, Cumberland, Cape May.

- **Declaration No. 4021** – Hurricane Irene (Incident Period: August 27, 2011 to September 5, 2011). Impacted counties: all twenty one counties.

- **Declaration No. 4033** – Severe Storms and Flooding (Incident Period: August 13, 2011 to August 15, 2011). Impacted counties: Gloucester, Salem, Cumberland.

- **Declaration No. 4039** – Remnants of Tropical Storm Lee (Incident Period: September 28, 2011 to October 6, 2011). Impacted counties: Passaic, Sussex, Warren, Hunterdon, Mercer.

- **Declaration No. 4048** – Severe Storm (Incident Period: October 29, 2011). Impacted counties: Middlesex, Somerset, Hunterdon, Union, Morris, Warren, Essex, Bergen, Passaic, Sussex, Cape May.

- **Declaration No. 4070** – Severe Storms and Straight-Line Winds (Incident Period: June 30, 2012). Impacted counties: Salem, Cumberland, Atlantic.

- **Declaration No. 4086** – Hurricane Sandy (Incident Period: October 26, 2012 to November 8, 2012). Impacted counties: all 21 counties.

Date: October 14, 2014

ERB FUNDING ROUND 1:

WATER AND WASTEWATER TREATMENT FACILITIES

A maximum of **$65 million** may be committed to projects in this first ERB funding round, which will be open to wastewater treatment plant (WWTP) and water treatment plant (WTP)applicants that satisfy the threshold eligibility criteria in Section 4 as well as all requirements for funding set forth below. Capping this funding round at $65 million is intended to ensure that sufficient funding is available for future funding rounds that may benefit other critical market sectors. Importantly, capping this initial funding round should not be taken to mean that additional ERB funds cannot be made available for WWTP and WTP applicants.

Applications will be accepted on a rolling basis, and reviewed and brought for Board actions on a first-received, first-ready basis. The application window will remain open until funds are allocated. Applications will not be accepted once the budget cap is reached, based on submittal of a complete application. However, as mentioned above, the ERB may modify this initial budget cap based on availability of funding, prioritization of other sectors, CDBG-DR funding limitations, or other factors.

1.1 Maximum Award

There is no maximum project award for this funding round except for a per project cap on electricity storage equipment; however, cost effectiveness, including the amount of CDBG-DR funds sought in relation to the benefit realized from the project, is a critical factor in scoring qualifying projects.

The total available budget in this Funding Round 1 for **electricity storage equipment** such as batteries to store onsite renewable electricity production is **$5 million**, and each project will be limited to a cap of **$500,000** for electricity storage equipment.

1.2 WWTP / WTP Ineligible Costs

The following costs are ineligible for the WWTP and WTP sector. See the ERB Program Guide for ineligible costs for all sectors.

1. All predevelopment costs prior to April 7, 2014, with the exception of any energy audit costs which are ineligible for reimbursement prior to October 20, 2014.

2. All equipment costs prior to October 20, 2014.

1.3 Scoring Criteria for Funding Round 1

Scoring Criteria – Projects will be scored on a point system between 0 and 100 based on the following:

1. Technology Efficiency/Economic Cost Effectiveness (Up to 30 points) – Using the Rutgers Center for Energy, Economics and Environmental Policy Distributed Energy Resource Cost Benefit model:

   a. A project will receive 30 points for a cost-benefit ratio greater than 3.0.

   b. A project will receive 25 points for a cost-benefit ratio between 2.5 and 3.0 (including 3.0).

   c. A project will receive 20 points for a cost-benefit ratio between 2.0 and 2.5 (including 2.5).

   d. A project will receive 15 points for a cost-benefit ratio between 1.5 and 2.0 (including 2.0).

   e. A project will receive 10 points for a cost-benefit ratio between 1.0 and 1.5 (including 1.5).

   Projects with a Cost-Benefit Ratio less than 1.0 are not eligible for funding.

2. LMI National Objective (20 points) – A project that meets HUD's Low Moderate Income (LMI) National Objective will receive 20 points. A project that does not meet this National Objective will receive 0 points.

3. Most Impacted Communities (Up to 15 points) – Projects at critical facilities that were directly or indirectly impacted by Superstorm Sandy or other qualifying disaster, as listed in Appendix A:

   a. Will receive 15 points if the critical facility serves three or more of the municipalities listed in Appendix B.

   b. Will receive 10 points if the critical facility serves one or two of the municipalities listed in Appendix B.

   c. Will receive 0 points if the critical facility serves none of the municipalities listed in Appendix B.

   The list of communities in Appendix B is based on FEMA data showing municipalities with the largest combined number of primary homes and rental units that sustained at least $8,000 of physical damage (i.e., "major" damage) as a result of Superstorm Sandy. While facilities impacted by disasters other than Sandy are eligible for ERB funding, the additional emphasis on Sandy derived from this scoring factor is necessary to ensure compliance with regulations governing the use of CDBG-DR monies that fund the ERB,

including the requirement regarding the overall percentage of CDBG-DR monies that must be expended within the nine most-impacted counties as determined by HUD.

4. Readiness To Proceed (Up to 10 points)

   a. A project will receive 10 points if project completion is reasonably expected within one year from the estimated closing date.

   b. A project will receive 5 points if project completion is reasonably expected more than one year, but less than two years, from estimated closing date.

   c. A project will receive 0 points if project completion is reasonably expected to be more than two years from the estimated closing date.

   For purposes of this criterion, project completion will be measured by such factors as scope of the project; status of permitting; if applicable, availability of other funding to complete the project; and reasonableness of proposed project timeline. Importantly, this factor is not measured from the date of application submission, but rather from the date of closing.

5. Criticality (10 points) – A facility that is identified as a state level asset in the Office of Homeland Security and Preparedness State Asset database will be awarded 10 points.

6. Microgrid (10 points) – A project that includes more than one free-standing facility interconnection will be awarded 10 points.

7. Facility Energy Efficiency (5 points) – A project that meets or exceeds the performance requirements of Pay for Performance of the Societal Benefits Charge (SBC) Credit program, or project is participating in the Energy Savings Improvement Program (ESIP), will receive 5 points.

In addition to the above scoring criteria, funding determinations also will be based, in part, on the results of a comprehensive credit underwriting analysis.

Finally, all DER system designs, as outlined in Section 4.3.2.7 of the ERB's Program Guide, should be consistent, to the extent possible, with the guidance set forth in NJDEP Auxiliary Power Guidance and Best Practices for Wastewater and Drinking Water Systems (see http://www.nj.gov/dep/watersupply/pdf/guidance-ap.pdf).

Scoring Results – Projects must score a minimum of 55 points or more to be considered eligible for project financing. Projects that do not score at least 55 points pursuant to these criteria will be deemed ineligible for funding (and may not be resubmitted in the case of future funding rounds open to WWTP and WTP facilities, unless either the circumstances of the project or the parameters of the program change).

1.4 Financial Product Terms for ERB Funding Round 1

The financial product terms for this ERB Funding Round 1 are as follows:

1. Funding – ERB will provide 100% of unmet funding needs for an eligible project, after equity contribution applicable to for-profit owned projects, (i.e., the ERB may finance the entire funding gap, after applicable equity contribution is satisfied.) The amount of unmet need will be established through the federally required duplication of benefits/unmet need analysis. In funding up to the entire unmet need of an eligible project, 40% of the funding gap (remaining after equity is applied, if applicable) will be provided in the form of an incentive and 60% through an amortizing loan. The terms of the incentive and loan financing are described below.

    a. Incentive

        1. Grant – 20% of unmet funding need, after any applicable equity contribution, will be provided as a grant

        2. Loan – 20% of unmet funding need, after any applicable equity contribution, will be provided as a loan with principal forgiveness based on performance standards as follows. Principal forgiveness will be provided in equal percentages over five years (4% each year) based on proof of successful operation of equipment and evidence of minimum required performance.

            a. Performance will be measured through a method of measurement and verification (M&V) to support the claim of achieving minimum run hours and production capacity. M&V requirements may be documented through a real-time remote performance reporting system.

            b. If a project does not meet the required performance level at the end of any year, the forgivable portion of that year's loan principal will not be forgiven. In the following year, if the performance level is returned to the required level, then the forgivable portion of the current and previous year's principal will be forgiven. However, if the performance level is not attained for two consecutive years or more, and the applicant subsequently meets a required performance level in a year within the five-year principal forgiveness period, only the previous and the current year's forgivable portion of principal will be forgiven. Circumstances of force majeure that cause a project to fail to meet required performance will not affect that year's principal forgiveness.

b. Amortizing and Forgivable Loan Terms. Any balance on the loan, including the portions to be forgiven until forgiven, will be governed by the following terms:

1. 2%, fixed interest rate for applicants with bond rating of BBB- or higher at the time of approval; 3% fixed interest rate for applicants with bond rating lower than BBB- or which are not rated at the time of approval.

2. Collateral – None required.

3. Up to 20-year term, based on useful life of majority of assets.

4. Up to 2 years' principal moratorium starting from closing, according to the following:

    a. Moratorium duration will be the length of the construction period, but will not exceed 2 years, but can be extended as set forth in c. below.

    b. Moratorium is included in loan term, not in addition.

    c. Up to two, six-month extensions of the moratorium may be provided based on evidence of significant progress toward project completion, and where delay was unavoidable or unforeseeable. In no event will the moratorium, as extended, exceed three years.

5. Interest charged during the construction period will be based on disbursements of loan capital and will not accrue on undisbursed funds.

6. Debt Service Coverage (DSC) Ratio: The DSC ratio requirement is as follows:

    a. No DSC ratio requirement for entities with bond ratings of BBB- or better; or

    b. DSC ratio requirement of 1:1.0 (including loan principal anticipated to be forgiven) for entities with lower rating or that are unrated.

7. Equity Requirements

    a. No equity contribution for publicly-owned, publicly-controlled or non-profit facilities.

    b. Equity contribution of at least 10% of total project costs for for-profit facilities.

2. Disbursement – Grant funding for projects will be disbursed before loan capital. Disbursement will be based on the following milestones, with presentation of evidence of cost incurred and site visit to verify:

    a. Purchase and delivery of equipment in amount of cost of equipment, delivery and feasibility study, if applicable,

    b. Up to 3 construction milestones based on development schedule specific to each project construction schedule, and

    c. Completion of equipment commissioning/testing with passing results.

    d. All disbursements to CDBG-DR-funded projects will be subject to meeting all applicable HUD requirements.

APPENDIX A

ELIGIBLE DISASTERS

To be eligible for funding under the Energy Resilience Bank, according to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (P.L. 93-288), as amended by the Disaster Relief Act of 1974 (P.L. 93-288), projects must demonstrate a tie to one of the listed weather events below or have incurred physical damage from one of the listed storms.

- **Declaration No. 1954** – Severe Winter Storm and Snowstorm (Incident Period: December 26, 2010 to December 27, 2010). Impacted counties: Passaic, Bergen, Morris, Essex, Hudson, Union, Somerset, Middlesex, Mercer, Monmouth, Ocean, Burlington, Atlantic, Cumberland, Cape May.

- **Declaration No. 4021** – Hurricane Irene (Incident Period: August 27, 2011 to September 5, 2011). Impacted counties: all twenty one counties.

- **Declaration No. 4033** – Severe Storms and Flooding (Incident Period: August 13, 2011 to August 15, 2011). Impacted counties: Gloucester, Salem, Cumberland.

- **Declaration No. 4039** – Remnants of Tropical Storm Lee (Incident Period: September 28, 2011 to October 6, 2011). Impacted counties: Passaic, Sussex, Warren, Hunterdon, Mercer.

- **Declaration No. 4048** – Severe Storm (Incident Period: October 29, 2011). Impacted counties: Middlesex, Somerset, Hunterdon, Union, Morris, Warren, Essex, Bergen, Passaic, Sussex, Cape May.

- **Declaration No. 4070** – Severe Storms and Straight-Line Winds (Incident Period: June 30, 2012). Impacted counties: Salem, Cumberland, Atlantic.

- **Declaration No. 4086** – Hurricane Sandy (Incident Period: October 26, 2012 to November 8, 2012). Impacted counties: all 21 counties.

APPENDIX B

LIST OF IMPACTED MUNICIPALITIES*

Asbury Park	Atlantic City	Atlantic Highlands	Avalon	Avon-by-the-Sea
Barnegat	Bass River	Bay Head	Bayonne	Beach Haven
Belleville	Belmar	Berkeley	Bradley Beach	Brick
Brielle	Brigantine	Camden	Carteret	Downe Township
Eagleswood	East Brunswick	Egg Harbor	Elizabeth	Hackensack
Harrison	Harvey Cedars	Highlands	Hoboken	Jersey City
Keansburg	Kearny	Keyport	Lacey	Lake Como
Lavallette	Linden	Little Egg Harbor	Little Ferry	Little Silver
Long Beach	Long Branch	Longport	Lyndhurst	Manasquan
Mantoloking	Margate	Middle Township	Middletown	Monmouth Beach
Moonachie	Mullica Township	Neptune	Newark	North Bergen
North Wildwood	Ocean City	Ocean Gate	Oceanport	Old Bridge
Penns Grove	Perth Amboy	Pleasantville	Point Pleasant Beach	Point Pleasant Borough
Rahway	Ridgefield Park	Rumson	Sayreville	Sea Bright
Sea Isle City	Seaside Heights	Seaside Park	Secaucus	Ship Bottom
Somers Point	South Amboy	South River	South Toms River	Spring Lake
Stafford	Surf City	Toms River	Tuckerton	Union Beach
Ventnor	Wallington	Weehawken	West Wildwood	Wildwood
Woodbridge				

* This list of communities is based on FEMA data showing municipalities with the largest combined number of primary homes and rental units that sustained at least $8,000 of physical damage (i.e., "major" damage) as a result of Superstorm Sandy.

Energy Resilience Bank Application Challenge Process

It is the goal of all parties involved in the Energy Resilience Bank to conduct business in a professional manner. In the course of ERB's staff review of an application, ERB staff may reach out to the applicant for clarification or to request additional information. During this review process, ERB staff shall alert the applicant in writing if ERB staff assesses that the application fails to meet the required threshold criteria, as established in the appropriate Financial Guide for the applicant's industry, of the ERB program.

To the extent an applicant and ERB staff agree that there is no need to continue the evaluation of the application, the applicant may notify ERB staff in writing of the applicant's withdrawal of the application. If an applicant withdraws the application, ERB staff will acknowledge the withdrawal and discontinue further review of the application.

To the extent an applicant disagrees with ERB staff's assessment that the application does not meet the threshold criteria, an applicant may request a formal letter summarizing the ERB staff's reasoning for said assessment within 30 days of the date of the ERB staff's assessment letter. The formal explanatory letter will list the reason(s) for ERB staff's conclusion that the application fails to meet the required threshold criteria. The applicant shall direct the request for a formal explanatory letter to the Deputy Director and Executive Director of the ERB.

Although the BPU approves the SBC portion of the funding and the EDA approves the CDBG-DR portion of the ERB funding, consistent with their various areas of expertise, ERB financial staff will review and make recommendations about the financial and CDBG-DR aspects of an application and ERB technical staff will review and make recommendations about the technical aspects of an application. Thus, if, upon receipt of a formal explanatory letter, an applicant decides to challenge the financial and/or CDBG-DR findings, it will direct its challenge to the EDA, copying the BPU, and if it decides to challenge the technical findings, it will direct its challenge to the BPU, copying the EDA. Due to the sequential nature of the review process, with the technical review occurring first, it is possible that after the successful resolution of an explanatory letter based on technical findings, an applicant may go through this process again with respect to financial / CDBG-DR findings. The following is the process that will be followed.

Challenge to Technical Findings

An applicant may challenge ERB's technical staff's assessment by submitting, in writing to the ERB's Deputy Director and Executive Director no later than 30 calendar days from the date of the ERB's explanatory letter, a response that sets forth how the applicant has met the technical criteria and a request that a hearing officer be appointed to review the application. Such challenges are not contested cases subject to the requirements of Administrative Procedures Act, N.J.S.A. 52:14B-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1. Challenges that are timely submitted shall be handled by the BPU as follows:

1. The BPU President shall designate an employee of the BPU to serve as a hearing officer for the challenge. The hearing officer shall perform a review of the written record and consult with ERB subject matter experts. The hearing officer may hold a phone consultation with the applicant, and may consider new evidence or information that would demonstrate that the applicant met the requirements for the criterion on which ERB technical staff anticipated recommending that the application be denied.

2. Following the hearing officer's review, the hearing officer shall issue a written report to the ERB technical staff and the applicant containing his or her finding(s) and recommendation(s) on the merits of the challenge.

3. The hearing officer's report shall be advisory in nature and is not binding on ERB technical staff. Within ten days of its receipt of the hearing officer's report, ERB technical staff must notify the applicant in writing of whether ERB technical staff intends to accept, reject, or modify the report. If ERB technical staff anticipates a need for more than ten days to notify the applicant of its intention, ERB technical staff must, within that ten day period, provide the applicant with a reasonable date in writing by which it will provide the applicant with its decision. Such time frame, including the initial ten days, should not exceed thirty days from the ERB technical staff's receipt of the hearing officer's report.

4. Based on ERB technical staff's review of the hearing officer's report, and as appropriate, ERB technical staff shall continue its review of the application or present the application to the Board for final agency action (unless the applicant withdraws its application).

5. ERB technical staff's final recommendation to the Board shall include a copy of the hearing officer's report.

6. Final decisions rendered by the Board shall be appealable to the Superior Court, Appellate Division, in accordance with the Rules Governing Courts of the State of New Jersey.

Challenge to Financial Findings

An applicant may challenge the NJEDA's decision by submitting in writing to the NJEDA no later than 30 calendar days from the date of the denial letter, with an explanation as to how the applicant has met the financial and/or CDBG-DR criteria. Such challenges are not contested cases subject to the requirements of Administrative Procedures Act, N.J.S.A. 52:14B-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

Challenges that are timely submitted shall be handled by the NJEDA as follows:

1. The CEO of the NJEDA shall designate an employee of the NJEDA to serve as a hearing officer for the challenge and to make a recommendation on the merits of the challenge to the Board. The hearing officer shall perform a review of the written record, consult with NJEDA subject matter experts, and, if required by the hearing officer, or requested by the applicant, hold a phone consultation with the applicant. The NJEDA may consider new evidence or information that would demonstrate that the applicant met the requirements for the criterion on which they were declined.

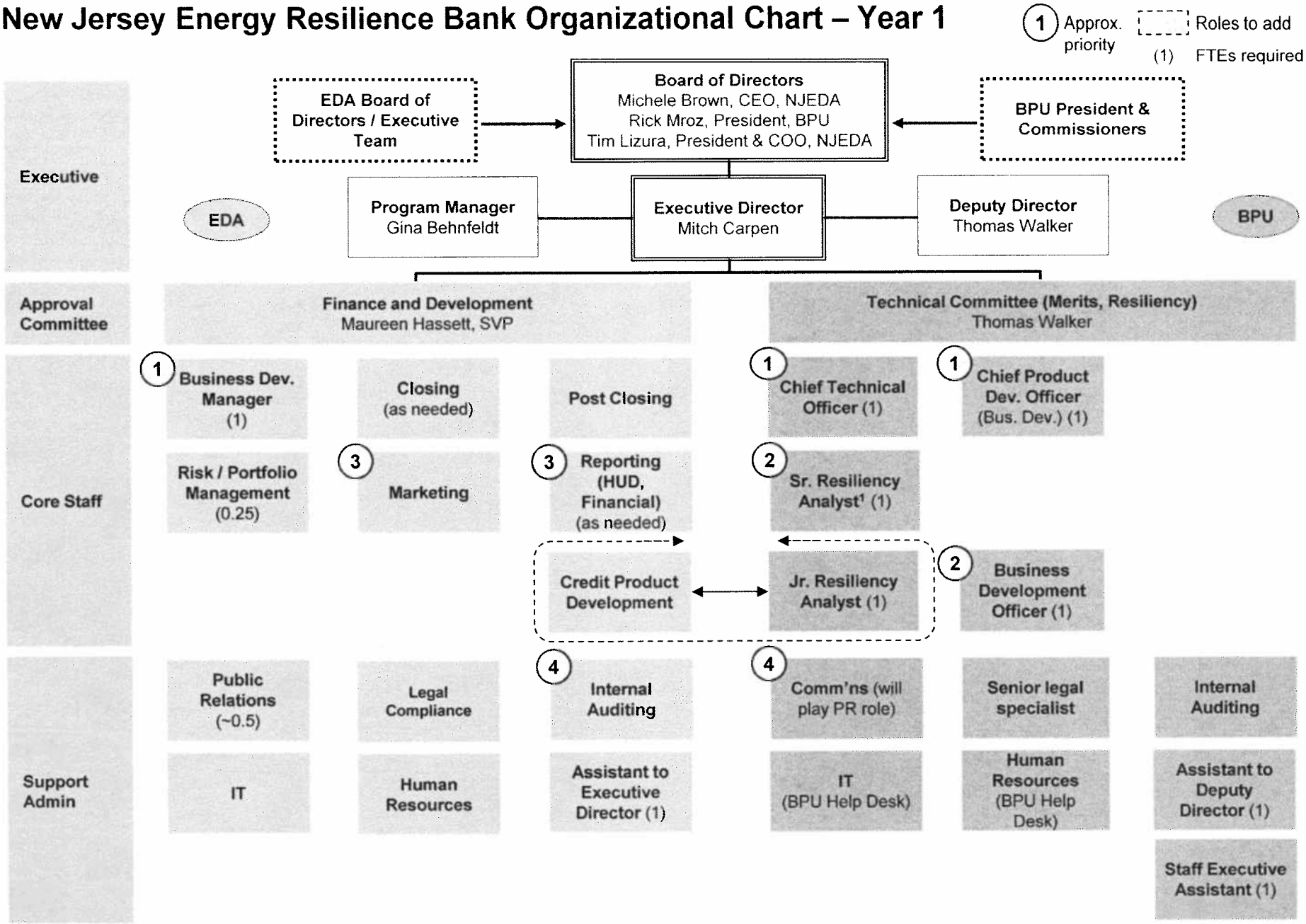
2. Following completion of the record review and/or phone consultations, as applicable, the hearing officer shall issue a written report to the NJEDA Board containing his or her finding(s) and recommendation(s) on the merits of the challenge. The hearing officer's report shall be advisory in nature and is not binding on the Board. The CEO, or equivalent officer, of the NJEDA may also include a recommendation to the written report of the hearing officer. The applicant shall receive a copy of the written report of the hearing officer and shall have the opportunity to contact the hearing officer with any comments and exceptions prior to the matter being brought before the Board.

3. The Board shall consider the hearing officer's report, the recommendation of the CEO, or equivalent officer, if any, and any written comments and exceptions timely submitted by the applicant. Based on that review, the Board shall issue a final decision on the challenge. Such decision shall become effective 10 working days after the Governor's receipt of the minutes of the public meeting at which such decision occurs, provided no veto has been issued. The applicant shall have the opportunity to attend the public meeting at which the Board considers its challenge.

4. After consideration by the NJEDA board, if the financing includes SBC funds, the challenge will also be submitted to the BPU board for action.

5. Final decisions rendered by the Board(s) shall be appealable to the Superior Court, Appellate Division, in accordance with the Rules Governing Courts of the State of New Jersey.

New Jersey Energy Resilience Bank Organizational Chart – Year 1



1 Oversee technical product redesign, evaluation, reporting and DEP champion

Updated October 2014

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: October 14, 2014

SUBJECT: Retail Fuel Station – Energy Resiliency Program
(For Informational Purposes Only)

Pursuant to the delegations approved by the Board in November 2013, staff may approve new grants under the Retail Fuel Station – Energy Resiliency Program (RFS).

The RFS Program is a federally funded program through the Federal Emergency Management Agency ("FEMA") that is jointly administered program between the New Jersey Office of Energy Management ("NJOEM") to provide funding to retail fuel stations to improve their energy resiliency during power outages associated with natural disasters.

RFS is two-tiered: targeted retail stations along targeted routes with fuel storage capacity between 30,000 gallons and 35,000 gallons are eligible for up to $15,000 to purchase quick connect technology or offset a portion of the cost of purchasing a generator; targeted retail stations along targeted routes with fuel storage capacity greater than 35,000 gallons are eligible for up to $65,000 in funding toward the purchase and installation of an onsite generator.

Under the grant parameters, eligible fuel stations are required to have an effective Underground Storage Tank registration, must serve both diesel and gasoline, except in very limited instances where a station does not sell diesel but is the only available retail fuel outlet within a quarter mile of an identified evacuation route. In addition, a limited number of gas stations with less than a 30,000 gallon capacity were eligible for $15,000 in grant funding as they were also the only stations available on an identified evacuation route.

Attached is a summary and map of the Delegated Authority approvals (28 permanent generator applications and 5 quick connect applications) processed by staff for 3rd Quarter ending September 30, 2014.

Timothy Lizura

Prepared by: Lisa Petrizzi

MAILING ADDRESS: | PO BOX 990 | TRENTON, NJ 08625-0990
SHIPPING ADDRESS: | 36 WEST STATE STREET | TRENTON, NJ 08625 | 609.858.6700 | e-mail: njeda@njeda.com | www.njeda.com

BERGEN COUNTY Applicant	Description	Grant	Anticipated Completion
E&E Exxon AME Management Inc. P39009	Installation of a permanent generator at 842 Route 17 North, Ramsey	$65,000	April 2015
Quick Chek - Lodi QuickChek Corporation P39208	Installation of a permanent generator at 116 Rte 46 EB, Lodi	$65,000	April 2015
Quick Chek - Ramsey QuickChek Corporation P39176	Installation of a permanent generator at 40 Route 17 N, Ramsey	$65,000	April 2015
ESSEX COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Fairfield Gulf Global Fuel Distributors P39330	Installation of a quick connect at 6 Rte 46, Fairfield	$15,000	January 2015
HUDSON COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
QuickChek - Bayonne QuickChek Corporation P39206	Installation of a permanent generator at 20 East 53rd Street, Bayonne	$65,000	April 2015
HUNTERDON COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Clinton Valero A.P.M. Management P39055	Installation of a permanent generator at 1747 Route 31 South, Clinton	$65,000	April 2015
MERCER COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
QuickChek - Lawrenceville QuickChek Corporation P39203	Installation of a permanent generator at 303 Brunswick Circle, Lawrenceville	$65,000	April 2015
Yardville Valero Tri-State Petro, Inc P39120	Installation of a permanent generator at 42 Route 130, Yardville-Groveville *Applicant is eligible for a quick connect but plans to use grant to offset a portion of costs towards installation of a permanent generator.*	$15,000	April 2015
MIDDLESEX COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
APCO Valley Garage/Valero APCO Petroleum Corp. P39107	Installation of a permanent generator at 4000 Route 1, South Brunswick	$65,000	April 2015
QuickChek – Perth Amboy QuickChek Corporation P39196	Installation of a permanent generator at 853 Convery Blvd., Perth Amboy	$65,000	April 2015
QuickChek – S. Brunswick QuickChek Corporation P39179	Installation of a permanent generator at 2432 US Highway 130, S. Brunswick	$65,000	April 2015

Valero APCO Petroleum Corp. P39114	Installation of a permanent generator at 2633 Route 130, South Brunswick	$65,000	April 2015
MONMOUTH COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
BP Petro Realty, LLC P38957	Installation of a quick connect at 863 Highway 35, Middletown	$15,000	January 2015
Molly Pitcher Exxon JMD Gas Corp P38994	Installation of a permanent generator at 4211 Route 9 North, Freehold	$65,000	April 2015
QuickChek - Hazlet QuickChek Corporation P39174	Installation of a permanent generator at 1170 Hwy 36, Hazlet	$65,000	April 2015
QuickChek - Highlands QuickChek Corporation P39205	Installation of a permanent generator at 460 Hwy 36, Highlands	$65,000	April 2015
MORRIS COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
QuickChek - Hanover QuickChek Corporation P39198	Installation of a permanent generator at 2 Parsippany Road, Hanover	$65,000	April 2015
QuickChek - Jefferson QuickChek Corporation P39201	Installation of a permanent generator at Rt 15 & Hellers Lane, Jefferson	$65,000	April 2015
OCEAN COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Oak Ridge Shell Service Center Petroleum Marketing Group P39165	Installation of a quick connect at 1095 Rte 37 W, Toms River	$15,000	January 2015
QuickChek - Berkley QuickChek Corporation P39207	Installation of a permanent generator at 768 Rte 9, Berkley	$65,000	April 2015
QuickChek - Manchester QuickChek Corporation P39202	Installation of a permanent generator at 3001 Ridgeway Road, Manchester	$65,000	April 2015
PASSAIC COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Little Falls Valero ADPP Enterprises, Inc. P39124	Installation of a quick connect at 1755 Route 46 E, Little Falls	$15,000	January 2015
SOMERSET COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Belle Mead Valero Belle Mead Petroleum, LLC P38891	Installation of a quick connect at 862 Route 206 S, Hillsborough	$15,000	January 2015
QuickChek - Hillsborough QuickChek Corporation P39148	Installation of a permanent generator at 273 Route 206, Hillsborough	$65,000	April 2015

SUSSEX COUNTY Applicant	Description	Grant	Anticipated Completion
Montague Valero ADPP Enterprises, Inc. P39051	Installation of a permanent generator at 9 Route 23 S, Montague	$65,000	April 2015
QuickChek - Lafayette QuickChek Corporation P39204	Installation of a permanent generator at 35 Rte 15, Lafayette	$65,000	April 2015
QuickChek - Sparta QuickChek Corporation P39200	Installation of a permanent generator at 312 Sparta Avenue, Sparta	$65,000	April 2015
QuickChek - Wantage QuickChek Corporation P39173	Installation of a permanent generator at 270 Rte 23, Wantage	$65,000	April 2015
UNION COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
Linden Exxon Petroleum Marketing Group P39167	Installation of a permanent generator 801 W. Edgar Road, Linden	$65,000	April 2015
QuickChek - Rahway QuickChek Corporation P39177	Installation of a permanent generator 2001 Route 1 & 9 North, Rahway	$65,000	April 2015
WARREN COUNTY **Applicant**	**Description**	**Grant**	**Anticipated Completion**
QuickChek - Independence QuickChek Corporation P39178	Installation of a permanent generator at 918 County 517, Independence	$65,000	April 2015
QuickChek - Washington QuickChek Corporation P39209	Installation of a permanent generator at 350 NJSH 57 W, Washington	$65,000	April 2015
Washington Valero APCO Petroleum Corp P39103	Installation of a permanent generator at 1389 Route 130, Washington	$65,000	April 2015
33 Grants	**Approved in 3rd Quarter 2014**	**$1,845,000**	

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Michele Brown
Chief Executive Officer

DATE: October 14, 2014

SUBJECT: Stronger NJ Business Grant Program Appeals – V.R.I. Realty, Inc.

Pursuant to the appeal process approved by the Board at the June 10, 2014 Board meeting, applicants to the Stronger NJ Business Grant program may challenge the EDA's decisions by submitting in writing to the EDA no later than 30 calendar days from the date of the denial, an explanation as to how the applicant has met the program criteria. A Hearing Officer is assigned to each project to provide an independent review of the appeal.

The Hearing Officer's review includes reviewing the appeal letter, the application and file, as well as speaking directly with the applicant and relevant Office of Recovery staff. The applicants have been sent the Hearing Officer's report in advance of the Board Meeting. They have been given an opportunity to reach out directly to the Hearing Officer to discuss the decision, and have been notified of the date and time of the Board Meeting.

At this meeting, the Board is being asked to consider one appeal: V.R.I. Realty, Inc. Attached to this memo you will find the Hearing Officer's recommendation, the Hearing Officer's letter to the applicant, the declination letter and the applicant's appeal. I have reviewed the attached and I concur with the recommendation that the declination under the Stronger NJ Business Grant Program for V.R.I. Realty, Inc. be upheld.

Michele Brown

attachments

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Michele Brown, Chief Executive Officer
Members of the Authority

FROM: Dina Khmelnitsky
Hearing Officer

DATE: October 14, 2014

SUBJECT: Stronger NJ Business Grant Program Appeals
V.R.I. Realty, Inc. – 53718

Request:
The Members are asked to approve the Hearing Officer's recommendation to uphold the declination of the Stronger NJ Business Grants for V.R.I Realty, Inc.

Background:
Pursuant to the appeal process approved by the Board at the April 30, 2013 Special Board meeting, and revised at the June 10, 2014 Board Meeting, applicants to the Stronger NJ Business Grant program may challenge the EDA's decisions by submitting in writing to the EDA no later than 30 calendar days from the date of the denial, an explanation as to how the applicant has met the program criteria. A Hearing Officer is assigned by the CEO to each project to provide an independent review of the appeal. Dina Khmelnitsky has fulfilled the role of Hearing Officer to review the following appeals and has completed the review with legal guidance from the Attorney General's Office.

Each appeal has been reviewed and letters have been sent to each applicant with the Hearing Officer's recommendations. The applicant was notified in the letter that they have the opportunity to provide comments or exceptions directly to the Hearing Officer. Letters are attached to this memo.

Based on the review of the appeals submitted by the applicants and the analysis prepared by the initial review team from the EDA, the Hearing Officer recommends the following:

Business Name	Reason for Decline	Discussion
V.R.I. Realty, Inc.	Applicant did not meet annual revenue threshold.	In the year of the storm, the applicant's annual revenue was in excess of $5 million.

Recommendation:

As a result of careful consideration of the above appeal in consultation with the Attorney General's Office, the recommendation of the Hearing Officer is to uphold the declination of the Stronger NJ Grant application for V.R.I. Realty, Inc.

Prepared by: Dina Khmelnitsky

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

September 29, 2014

In Reference to:
Stronger NJ Business Grant (SG) #53718

Lawrence Vecchio
V.R.I. Realty, Inc.
3400 Highway 35
Hazlet, New Jersey 07730

RE: Stronger NJ Business Grant Application

Dear Mr. Vecchio:

My name is Dina Khmelnitsky and I was appointed to serve as the Appeal Officer for your appeal under the Stronger NJ Business Grant Program ("Program").

By way of background, the New Jersey Economic Development Authority ("EDA") reviewed and declined your application for a grant on February 7, 2014. The information you provided indicated that you are part-owner of V.R.I. Realty, Inc. ("V.R.I."), a real estate agency with multiple locations. As part of my review of your grant application and appeal, I have read your appeal letter, your application and file, and spoken with relevant Office of Recovery staff. This letter follows our telephone conversations on August 14, 2014 and September 22, 2014.

The New Jersey Department of Community Affairs Community Development Block Grant Disaster Recovery Action Plan ("Action Plan") states in section 4.3.1 that the Program is specifically open to small businesses, however, "businesses served may be limited based on additional criteria." These additional criteria can be found in the resolution ("Board Resolution") approved by the EDA's Board at its April 30, 2013 meeting, as well as the Stronger NJ Business Grant Application Overview ("Overview").

In terms of eligibility, the Stronger NJ Business Grant program requires that a business's "revenue must not have exceeded $5 million in its most recent annual federal tax filing or financial statements." Such is stated in the aforementioned Board Resolution and in the Overview as one of several "minimum eligibility requirements".

In the original declination letter, you were informed that V.R.I. is ineligible for a grant under the Stronger NJ Grant program because it did not meet the annual revenue threshold requirements. In fact, V.R.I.'s 2011-2012 tax return filing shows gross receipts in the amount of $6,195,098. During the appeal review period, you submitted V.R.I.'s 2012-2013 tax return filing, which showed gross receipts in the amount of $6,560,272. Both filings show that over $4,000,000 per year of V.R.I.'s gross receipts are attributed to commissions paid by V.R.I. to independent contractors or other third parties that have worked for the company.

In your appeal, you state that the $4 million-plus per year paid as commission to third party companies or independent contractors should not be misconstrued as "gross proceeds" or "gross revenue" to the company because as per New Jersey Real Estate Commission Rules, commission checks must be processed through V.R.I.'s business account. Your appeal further states that the company's "gross proceeds" are actually approximately $2,000,000 a year. In a telephone conversation on September 22, 2014, you stated that you had additional gross receipt documentation which would clarify the payments made to independent contractors and third party hires. To date, no additional documentation has been received by the EDA. Further, the EDA must take all revenue into account when considering Grant eligibility.

To expound, revenue is considered to be income generated from the sale of goods or services associated with a company before deductions are taken (Investopedia.com). As the IRS has defined 'gross receipts' as the total amount an organization receives from all sources during its annual accounting period, without subtracting any costs or expenses, the EDA uses reported gross receipts in order to determine revenue. As V.R.I.'s appeal stated, the New Jersey Administrative Code §11:5-4.1(c) mandates that commissions must be processed through a business's operating account. Commissions are payments for work performed for the business by third party companies and independent contractors and as such, are attributable to the business's gross receipts, or rather, revenue. In terms of tax filings, said payments are considered a business expense included in annual revenue. Such expense deductions are not considered apart from revenue for other grant applications and therefore, cannot be deemed a separate consideration in this case. To find differently in this case would effectively nullify the clear guidance set out by the Board Resolution, Overview and HUD.

Based on my review as Hearing Officer, I find that V.R.I. Realty, Inc. does not meet the required annual revenue threshold requirements.

For the reasons above, I will be recommending that the appeal be denied by the EDA Board at its meeting on October 14, 2014.

If you have any comments or exceptions to this report, please contact me in advance of the above meeting. My contact information is below.

After the EDA Board concludes its review and renders its decision, which is subject to a ten (10) day veto period by the Governor, we will notify you of that final action.

Very truly yours,

Dina Khmelnitsky, Hearing Officer
609-858-6918
dkhmelnitsky@njeda.com

c: Michele Brown, Chief Executive Officer
Tim Lizura, President/Chief Operating Officer

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

February 7, 2014

In Reference to:
Stronger NJ Business Grant (SG) # 53718

VRI Realty
Lawrence Vecchio
3400 Highway 35
Hazlet, NJ 07730

RE: Stronger NJ Business Grant Application

Dear Mr. Vechhio:

Thank you very much for applying for a Stronger NJ Business Grant. We sincerely appreciate the time your business invested in applying to the program. The New Jersey Economic Development Authority (EDA) has completed a review of your grant (SG) # 53718 request. Based on the federal and/or program guidelines we must adhere to, we regret that we are unable to provide your organization with a grant for the following reason(s):

- ***Business does not meet annual revenue threshold requirements.***

  The Stronger NJ Business Grants program requires that businesses have more than $25,000, but less than $5 million in gross operating revenue as evidenced by the most recent tax return available.

You may appeal this decision by submitting a written explanation addressing the reason for declination within **30 days** of the date of this letter to the following address:

NJ Economic Development Authority
Attn: Office of Recovery
PO Box 990
Trenton, NJ 08625-0990

In addition to this program, the EDA has provided funds to local economic development organizations supporting loans to Sandy-impacted small businesses. We would like to make you aware of this additional relief that may be available to you. Please see the enclosed sheet containing profiles and contact information for these organizations and others that might be helpful.

Sincerely,

Timothy J. Lizura
President & Chief Operating Officer

MAILING ADDRESS: | PO Box 990 | TRENTON, NJ 08625-0990
SHIPPING ADDRESS: | 36 WEST STATE STREET | TRENTON, NJ 08625 | 609.292.1800 | e-mail: njeda@njeda.com | www.njeda.com

Received
2/19/14

Nj Economic Development Authority

Attn: Office of Recovery

Po Box 990

Trenton NJ 08625

Grant application SG#53718

To whom it may concern,

We respectfully request you reconsider our application based on fact that our company gross proceeds are iess than $5 million, but rules of New Jersey Real Estate Commission requires that we process commissions for other third party companies and independent contractors thru our company.

If you remove that amount our company gross revenue would be around $2 million.

Thank you for reconsidering our application.

Larry Vecchio

3400 Hwy 35

Hazlet NJ 07730

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

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

DATE: October 14, 2014

SUBJECT: Empire Entertainment, LLC

Purpose:

This memorandum addresses the legal matters of Empire Entertainment, LLC, related to the applicant's pending Stronger New Jersey Business Grant application. If this application is found by the Board to be eligible from a disqualification standpoint, it will then be approved under delegated authority.

Background:

Empire Entertainment, LLC, which operates a Tiffany's at 270 Route 37 in Toms River, comes to EDA for assistance with losses suffered as a result of Superstorm Sandy. Tiffany's operates as a full service casual themed family restaurant that opened for business in 2005 employing over 100 local people.

Analysis of Litigation as Grounds for Possible Disqualification:

Pursuant to the Authority's regulations, N.J.A.C. 19:30-2-1 et seq., criminal convictions, violations of certain laws and guilty pleas can serve as the basis for disqualification or debarment.

Listed below are the relevant actions relating to the applicant and the fines assessed and paid as reviewed by staff with guidance from the Attorney General's Office:

Liquor License Revocation

Tiffany's was named in three violations prosecuted by the Attorney General's Office, Division of Alcoholic Beverage Control. The violations occurred between 2006 and 2010 and included serving alcoholic beverages, directly or indirectly, to a person actually or apparently intoxicated or allowed, permitted or suffered the consumption of an alcoholic beverage by such person on licensed premises.

As a result of the actions brought by the Division, on July 24, 2013, the applicant entered into a Consent Order in which it chose to amicably settle the violations prior to a hearing by way of a *non-vult* (no contest) plea to the violations. In return for the plea, the Director of the Division agreed to a monetary offer of $200,000 in lieu of liquor license revocation. In addition, the applicant is required to divest its interest in the license within two years of the date of the Order.

Mitigating Factors

Several mitigating factors provided by the applicant regarding the conduct described in this memorandum are worthy of consideration. Among them are:

- There have been no violations within the past four years.
- The applicant now hires a police officer and/or uniformed security to be stationed on the premises during busy nights and special events.
- All personnel are trained in a TIPS (Training for Intervention ProcedureS) or similar program for the responsible service, sale and consumption of alcohol.
- Former Toms River Police Chief and current Ocean County Sherriff, Michael Mastronardy, supported the applicant in writing and noted the applicant's support of the DART initiative to prevent underage drinking and over serving patrons.
- Current Ocean County Freeholder, Joseph H. Vicari also supported the applicant in writing specifically noting the following: the applicant's charitable donations to many local organizations, the employment of 225 people within the county, the applicant's involvement with the Toms River Chamber of Commerce and the applicant's co-founding of Smart Center Resources in Seaside Heights.

Recommendation:

Staff has performed a review of these actions with guidance from the Attorney General's office and weighed the seriousness of the offenses in conjunction with the mitigating factors. Staff does not believe disqualification is warranted.

Timothy J. Lizura, President and COO

Prepared by: Marcus Saldutti

INCENTIVES

BROWNFIELD REDEVELOPMENT LOAN PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - BROWNFIELDS REDEVELOPMENT INITIATIVE GRANT

APPLICANT: Frank Greek Company EB27 LLC P40021

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

PROJECT LOCATION: 13 Harts Lane East Brunswick Township (N)Middlesex

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

APPLICANT BACKGROUND:

The Applicant is a NJ limited liability company which is wholly owned by F. Greek Development, Inc. F. Greek Development owns, leases, develops, and manages, office, retail, and industrial properties primarily located in New Jersey and Eastern Pennsylvania. F. Greek Development Inc.'s industrial portfolio includes over 100 owned and/or managed properties consisting of approximately 11 million square feet of space.

APPROVAL REQUEST:

Brownfield Redevelopment Agreement for Frank Greek Company EB27 LLC (the "Applicant"), for reimbursement of clean-up costs for a East Brunswick, Middlesex County redevelopment project under a Brownfield Reimbursement Agreement with the New Jersey Economic Development Authority ("Authority") and the State Treasurer, pursuant to the Brownfield and Contaminated Site Remediation Act, P.L. 1997, c. 278 (N.J.S.A. 58:10B-1 et seq.) (the "Act"). The total remediation expenses for the site are estimated to be $3,467,502. The total qualified costs under the Brownfield and Contaminated Site Remediation Act are $2,666,961. The recommended reimbursement is 75% of the actual reimbursable remediation costs, not to exceed $2,000,220.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $2,000,220

TERMS OF GRANT: In accordance with the Act, approval of the application by the Authority and the State Treasurer requires finding that the site, the redevelopment project and the clean-up meet statutory economic development and fiscal requirements. Reimbursement under the Redevelopment Agreement is contingent upon the Department of the Treasury ("Treasury") finding that the Project generates sufficient tax revenue to exceed the reimbursement amount and upon the NJDEP determination that the remediation costs are eligible under the Act and the Agreement. NJ Treasury has found that the project developer and tenants will generate sufficient tax revenues to provide for reimbursement under this program.

PROJECT COSTS:

Land	$2,400,000
TOTAL COSTS	$2,400,000

JOBS: At Application 0 Within 2 years 50 Maintained 0 Construction 40

DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** M. Boyle

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: October 14, 2014

Subject: **Application for Brownfield Reimbursement Agreement**
Frank Greek Company EB27 LLC (FGC)

Request

The Members are asked to approve the application for a Brownfield Redevelopment Agreement for Frank Greek Company EB27 LLC (the "Applicant"), for reimbursement of clean-up costs for a East Brunswick, Middlesex County redevelopment project under a Brownfield Reimbursement Agreement with the New Jersey Economic Development Authority ("Authority") and the State Treasurer, pursuant to the Brownfield and Contaminated Site Remediation Act, P.L. 1997, c. 278 (N.J.S.A. 58:10B-1 et seq.) (the "Act"). The total remediation expenses for the site are estimated to be $3,467,502. The total qualified costs under the Brownfield and Contaminated Site Remediation Act are $2,666,961. The recommended reimbursement is **75% of the actual reimbursable remediation costs, not to exceed $2,000,220.**

Project Description

The property or "site" is approximately 16 acres on Harts Lane in East Brunswick and presently the site is vacant land. From 1940 to 1948 the site was mined for natural clay deposits. The property was vacant from 1948 until 1983 when mining activities resumed. Mining continued until 1995. From 1995 until August 2008, the site was used for staging heavy construction equipment and support vehicles. The Applicant has entered a purchase and sales agreement for the subject with the current owner BGH-Buck Associates, LLC, in the amount of $2,400,000. Approval of the Brownfield Redevelopment Agreement is a condition of the purchase and sales agreement to acquire the subject site.

The Applicant proposes remediation and development of a 150,000 square foot single-tenant pharmaceutical manufacturing facility. The Applicant and tenant have executed a lease agreement for the proposed manufacturing facility. The Applicant has received final site plan approval for the

Project and has secured all necessary permits and approvals. The Project is projected to create approximately 50 new full time jobs from the pharmaceutical operations of the tenant and 40 new construction jobs. In addition, the Project will generate new property taxes for the City, as well as new corporate business tax revenue for the State of New Jersey.

Project Ownership

The Applicant is a NJ limited liability company which is wholly owned by F. Greek Development, Inc. F. Greek Development owns, leases, develops, and manages, office, retail, and industrial properties primarily located in New Jersey and Eastern Pennsylvania. F. Greek Development Inc.'s industrial portfolio includes over 100 owned and/or managed properties consisting of approximately 11 million square feet of space.

Description of Contamination and Remedial Action Work Plan:

Site-wide soil and groundwater testing was conducted and contaminants revealed include polychlorinated biphenyls (PCBs), polynuclear aromatic hydrocarbons (PAHs) and various metal s at concentrations exceeding NJDEP standards. The contamination at the site came to exist during mining operations as fill materials were imported from various offsite locations and staged and/or placed at the site. Engineering controls for the contaminated historic fill will be initiated and remedial activities include establishing concrete building slabs, asphalt pavement, removing contaminated soil and replacing with clean fill, as well as landscaping.

Reimbursement Request:

Anticipated Reimbursable Remediation Costs:	**$2,666,961**
Recommended Reimbursement:	**75% of the actual remediation costs, not to exceed $2,000,220**

In accordance with the Act, approval of the application by the Authority and the State Treasurer requires finding that the site, the redevelopment project and the clean-up meet statutory economic development and fiscal requirements. Reimbursement under the Redevelopment Agreement is contingent upon the Department of the Treasury ("Treasury") finding that the Project generates sufficient tax revenue to exceed the reimbursement amount and upon the NJDEP determination that the remediation costs are eligible under the Act and the Agreement. NJ Treasury has found that the project developer and tenants will generate sufficient tax revenues to provide for reimbursement under this program.

Reimbursement starts once the project has been constructed on the remediated site, only after eligible costs have been approved by NJDEP and new tax revenues have been generated. Treasury annually tracks taxes received from job sites and remits reimbursement equal to a percentage of funds collected during the year.

Recommendation:

Authority staff has reviewed the application and finds that it is consistent with eligibility requirements of the Act. Treasury, in reviewing the application, has notified the Authority of the adequacy of the Project's estimated tax revenues and specified the percentage reimbursement of remediation costs. Therefore, it is recommended that the Members approve the application and authorize the CEO of the Authority to execute a Brownfield Reimbursement Agreement with the Applicant and the State Treasurer.

Timothy Lizura
President and Chief Operating Officer

Prepared by: Matthew Boyle

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
BROWNFIELD AND CONTAMINATED SITE
REMEDIATION ACT PROGRAM (BCSRP)
PROJECT SUMMARY
Frank Greek Company EB27 LLC (FGC)
October 22, 2014

Applicant:

- **Current Owner(s):** BGH-Buck, LLC; PO BOX 785, East Brunswick, NJ 08816; Telephone: 732-710-1203
- **Developer:** Frank Greek Company EB27 LLC is a newly formed LLC which is wholly owned by F. Greek Development. Frank A. Greek, Jr. President; 33 Cotters Lane, East Brunswick, NJ 08816-2002; Telephone: 732-257-7353.
- **Project Representative and Brownfield Reimbursement Application Preparer**: Lawra Dodge, Excel Environmental Resources, Inc; 111 North Center Drive, North Brunswick, NJ 08902; Telephone: 732-545-9525
- **Site Location:** 13 Harts Lane, East Brunswick, Middlesex County, NJ 08816; Tax Block and Lot numbers: Block 31, Lot 4, 16.21 acres bonded to the North, South and West by commercial properties. Bounded to the East by Harts Lane.
- A pre-application meeting was held between the project representatives and officers from the NJDEP, Treasury and NJEDA on 9/17/14.
- The Memorandum of Agreement (MOA) was accepted by NJDEP and DEP case number 08-11-26-0012-35 was assigned to the file. A copy of the MOA was provided in the Brownfield Reimbursement application

Programs:

- The Brownfield and Contaminated Site Reimbursement Program (BCSRP) remediation application is presented based on pre-application meeting results. The benefit will be administered as a reimbursement of approved remediation costs based on the collection of applicable taxes from the project site contained in the application submission.
- The property is an identified Brownfield site and is currently underutilized, contaminated and is perceived by the community as a social and economic blight to the town of East Brunswick.

Project:

- The redevelopment of the property site will improve the aesthetics of the area and create new jobs.
- Final Site Plan approval for the Project has been received from the town.
- Contamination came to exist as mining debris and fill materials were imported from various offsite locations and staged and /or placed at the site during mining operations.
- A site-wide Preliminary Assessment (PA), Site Investigation (SI), and Remedial Investigation (RI) of soil and groundwater quality was conducted and summarized in the PA and SI/RI Report submitted to NJDEP by Excel Environmental Resources, Inc.
- Contaminants found at the site are Polychlorinated Biphenyls (PCBS) , poly-nuclear aromatic

hydrocarbons (PAHs) and various metals at concentrations exceeding NJDEP standards.

- FGC has the property under contract to purchase. In support of pre-purchase environmental due diligence activities, Frank Greek Development acting on behalf of FGC, preformed a PA, SI, RI and prepared a site-wide RAWP to address contaminated Historic Fill at the site as necessary to enable the subject property to be redeveloped by FCG for the proposed 150,000 square foot manufacturing facility.
- The results of the PS and SI/RI activities indicate that remedial action is warranted to address residual concentrations of PCBs, various metals, polycyclic aromatic hydrocarbons (PAHs), and petroleum hydrocarbons (TCPHCs) that occur in soil at concentrations above the NJDEP Most Stringent Soil Cleanup Criteria (MSDCC). However there is no impact to groundwater quality and the soil can be addressed. Remedial action in the form Engineering controls under a Deed Notice warranted.
- In April 1993, Violation N.J.A.C. 7:26-2.8(f) was imposed on the current owner, BGH-Buck Associates, Inc. Type of Enforcement Action: Cease violation and correct via removal of solid waste; Description of the violation: Operating a Solid Waste Facility without an approved permit. In 1994, BGH-Buck Associates, Inc. removed all bulk materials, equipment and remaining 1,500 cubic yards and resolved violation.

Description of Jobs

- The Applicant has agreed to and understands that from onset through completion during the remediation, redevelopment, and construction, they are obligated to abide by NJ Prevailing Rules and Regulations.

Qualifications

- The Applicant is eligible to enter into a Brownfield Redevelopment Agreement as it is not in any way responsible for the causing the contamination at the site and is not a corporate successor to any entity that discharged any contaminant at the site pursuant to the New Jersey Spill Compensation and Control Act, N.J.S.A. 58:10B-27(a).

1. The economic feasibility of the redevelopment project

- The Applicant has received final site plan approval for the Project and has secured all necessary permits and approvals.
- The Applicant has entered a purchase and sales agreement for the subject with the current owner BGH-Buck Associates, LLC.
- The Applicant and tenant have executed a lease agreement for the proposed manufacturing facility.
- F. Greek Development Inc. is an experienced developer with an industrial portfolio that includes over 100 owned and/or managed properties consisting of approximately 11 million square feet of space.

2. The extent of the economic and related social distress in the municipality and the area to be affected by the redevelopment project

- The unemployment rate in the City is 7.1% per NJHMFA's site locator.

3. **The degree to which the redevelopment project will advance State, regional, and local development and planning strategies, particularly in Planning Areas 1 and 2 of the New Jersey State Development and Redevelopment Plan**

- The Project site is located in Planning Area 1 of the State of New Jersey's Development and Redevelopment Plan which is a smart growth area.

4. **The likelihood that the redevelopment project will, upon completion, be capable of generating new tax revenue in an amount necessary to reimburse the developer for the remediation costs incurred as provided in the redevelopment agreement**

- Per the Pro forma submitted by the applicant, Corporate Business Taxes of the tenant are projected to be of a sufficient amount such that the recommended reward will be collected.

5. **The relationship of the development project to a comprehensive local development strategy, including other major projects undertaken within the municipality**

- Conversion of a contaminated and underutilized Brownfield Site into an industrial manufacturing building will add high paying jobs to the City of East Brunswick and build its tax revenue base.

6. **The need of the redevelopment agreement to the viability of the redevelopment project**

- The Applicant has represented that approval of the Brownfield Redevelopment Agreement Application is a critical factor in the decision to commit to the site remediation and redevelopment of the site.
- Reimbursement of 75% of the cleanup costs have been considered necessary as part of the economic viability of the project.

7. **The degree to which the redevelopment project enhances and promotes job creation and economic development, particularly in the nine urban centers designated in the New Jersey State Development and Redevelopment Plan (Atlantic City, Camden, East Orange, Elizabeth, Jersey City, New Brunswick, Newark, Paterson, and Trenton)**

    - The Project is projected to create approximately 50 new full jobs for the pharmaceutical operations of the tenant and 40 new construction jobs, employing people with a wide range of skills.

Recommended Reimbursement

After completing an independent review of the application, the Treasurer recommends authorizing the reimbursement of 75% of the actual remediation costs, not to exceed $2,000,220, pending the issuance of a Response Action Outcome (RAO) from DEP.

GROW NEW JERSEY ASSISTANCE PROGAM (GROW NJ)

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

APPLICANT: BlackRock, Inc. P39785

PROJECT LOCATION: 1 University Square Dr. – 5TH Floor West Windsor Mercer County

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

APPLICANT BACKGROUND:
BlackRock, Inc. is the world's largest publicly-traded investment management firm. The firm is a Fortune 500 company with over 11,600 employees in more than 30 countries across the globe. BlackRock serves a varied and diverse customer base comprised of taxable and tax-exempt institutional clients such as pension funds, endowments, insurance companies, corporations, financial institutions, central banks and sovereign wealth funds. Since 1988, BlackRock has continuously grown its operations and is currently seeking to expand and enhance its services both locally and abroad. The applicant has demonstrated the financial ability to undertake the project.

In December 2009, BlackRock Inc. acquired Barclays Global Investors who is a recipient of a BEIP grant in 2006. None of the Barclays Global Investors jobs or the capital investment is related to the Grow application for BlackRock, Inc.

MATERIAL FACTOR/NET BENEFIT:
The company will add at least 255 new employees over a three-year period to either its New Jersey or Delaware location. If the company proceeds with the proposed expansion project in New Jersey, it would enter into a new lease for the entire 5th floor to reconfigure, upgrade and equip it to seat at least 255 new financial services back office professionals. It currently occupies floors 3, 4 and a portion of the first floor at One University Square in West Windsor. The company also has significant business operations in Delaware finding it to be an advantageous location, situated halfway between New York City and Washington, DC along the I-95 corridor, with easy access to both cities by Amtrak. In addition, the Philadelphia International Airport is within a 30 minute drive. Finally, Delaware has a concentrated, deep and highly skilled labor pool. As a publicly-traded company, BlackRock must carefully evaluate the costs and benefits of undertaking this project along with the availability of financial assistance that might make the investment more affordable.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of BlackRock, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Laurence D. Fink, the CEO of BlackRock, Inc. , that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $77M over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial - Rehabilitation Projects	$ 20

Industrial - New Construction Projects	$ 60
Non-Industrial – Rehabilitation Projects	**$ 40**
Non-Industrial – New Construction Projects	$120

Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

Minimum Full-Time Employment Requirements	(New / Retained Full-time Jobs)
Tech start ups and manufacturing businesses	10 / 25
Other targeted industries	**25 / 35**
All other businesses/industries	35 / 50

Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

As an Non-Industrial – Rehabilitation Project for an other targeted industry business in Mercer County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	$2,701,240	$17,387,000
New Jobs	25	255
Retained Jobs	35	N/A

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of $3,000 per year for projects located in a designated Priority Area	West Windsor is a designated Priority Area.
Increase(s) Criteria		
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500	The proposed median salary of $120,000 exceeds the County median salary by 114.1% resulting in an increase of $750 per year.
Large Number of New/Retained Full-Time Jobs	An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained	The applicant is proposing to create/retain 255 Full-Time Jobs at the project location resulting in an increase of $500.

	jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs	
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Finance business.

Grant Calculation

BASE GRANT PER EMPLOYEE:
Priority Area $3,000

INCREASES PER EMPLOYEE:
Jobs with Salary in Excess of County/GSGZ Average: $ 750
Large Number of New/Retained F/T Jobs: $ 500
Targeted Industry Finance: $ 500

INCREASE PER EMPLOYEE: $1,750

PER EMPLOYEE LIMIT:
Priority Area $10,500

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $4,750

AWARD:

New Jobs:	255 Jobs X $4,750 X 100% =	$ 1,211,250
Retained Jobs:	0 Jobs X $4,750 X 50% =	$ 0
	Total:	**$ 1,211,250**

ANNUAL LIMITS:
Priority Area (Est. 90% Withholding Limit) $ 4,000,000/($1,187,663)

TOTAL ANNUAL AWARD **$ 1,211,250**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 17,387,000
NEW FULL-TIME JOBS:	255
RETAINED FULL-TIME JOBS:	0
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 89,162,678
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 77,050,178
TOTAL AMOUNT OF AWARD (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS):	$ 12,112,500
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 120,000
SIZE OF PROJECT LOCATION:	67,531 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
STATEWIDE BASE EMPLOYMENT:	877

PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No

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 the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program 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, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve 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.

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: M. Abraham **APPROVAL OFFICER**: J. Horezga

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

APPLICANT: CareKinesis, Inc. P39900

PROJECT LOCATION: 304 Route 38 Moorestown Twp. Burlington County

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

APPLICANT BACKGROUND:
CareKinesis, Inc., founded in 2009, is a technology-based pharmacy solutions provider focused on organizations that service individuals with complex medication needs. Incorporating its specialized web-based platform and a robotic adherence packaging system with pharmacist intervention, CareKinesis helps clients manage medication risk and results in better medication outcomes and greater operational efficiency. The primary target market for CareKinesis is Programs of All Inclusive Care for Elderly (PACE). Since 2011, CareKinesis contracts to provide comprehensive pharmacy services at 52 PACE Centers in 16 states to more than 6,000 patients. The Applicant is headquartered in Moorestown, NJ with 110 employees nationwide and 69 full-time employees in Moorestown. The applicant has demonstrated the financial ability to undertake the project.

The Applicant received an Edison Innovation VC loan of $500,000 that was fully repaid in 2013. The Authority currently holds a warrant position in the Company.

MATERIAL FACTOR/NET BENEFIT:
The Company is quickly outgrowing its current space and is considering expanding into an approx. 60,000 sq. ft. facility in Moorestown, NJ or in Philadelphia, PA. The lease at its current facility in Moorestown will be ending in the next 18 months with no capacity to expand. The project will support retention of the 69 full-time employees and the creation of 195 jobs.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of CareKinesis, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Calvin H. Knowlton, the CEO of CareKinesis, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $84 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 69 New Jersey jobs listed in the application are at risk of being located outside the State on or before January 1, 2016, which coincides with the current lease's expiration. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial - Rehabilitation Projects	$ 20
Industrial - New Construction Projects	$ 60
Non-Industrial – Rehabilitation Projects	**$ 40**
Non-Industrial – New Construction Projects	$120

*Minimum capital investment amounts are **reduced by 1/3** in GSGZs and in eight South Jersey counties: Atlantic, **Burlington**, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem*

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

Minimum Full-Time Employment Requirements	(New / Retained Full-time Jobs)
Tech start ups and manufacturing businesses	10 / 25
Other targeted industries	**25 / 35**
All other businesses/industries	35 / 50

*Minimum employment numbers are **reduced by 1/4** in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, **Ocean** and Salem*

As a Non-Industrial – Rehabilitation Project for an other targeted industry business in Burlington County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$1,600,000	$16,785,000
New Jobs	19	195
Retained Jobs	27	69

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	**Requirement**	**Proposed by Applicant**
Priority Area	Base award of $3,000 per year for projects located in a designated Priority Area	Moorestown Twp. is a designated Priority Area
Increase(s) Criteria		
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500	The proposed median salary of $90,000 exceeds the Burlington County median salary by 63% resulting in an increase of $250 per year.
Large Number of New/Retained Full-Time Jobs	An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600	The applicant is proposing to create/retain 264 Full-Time Jobs at the project location

	new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs	resulting in an increase of $500.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Health business.

Grant Calculation

BASE GRANT PER EMPLOYEE:
Priority Area $3,000

INCREASES PER EMPLOYEE:
Jobs with Salary in Excess of County/GSGZ Average: $250
Large Number of New/Retained F/T Jobs: $500
Targeted Industry (Health): $500

INCREASE PER EMPLOYEE: $1,250

PER EMPLOYEE LIMIT:
Priority Area $10,500

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $4,250

AWARD:

New Jobs:	195 Jobs X $4,250 X 100% =	$828,750
Retained Jobs:	69 Jobs X $4,250 X 50% =	$146,625
	Total:	**$975,375**

ANNUAL LIMITS:
Priority Area (Est. 90% Withholding Limit) $4,000,000/($645,975)

TOTAL ANNUAL AWARD **$975,375**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$16,785,000
NEW FULL-TIME JOBS:	195
RETAINED FULL-TIME JOBS:	69
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$94,236,354
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$84,482,604
TOTAL AMOUNT OF AWARD (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS):	$9,753,750
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$90,000
SIZE OF PROJECT LOCATION:	60,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
STATEWIDE BASE EMPLOYMENT:	69

PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No

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 the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program 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, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve 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.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before January 1, 2016; 2) approve the proposed Grow New Jersey grant to encourage CareKinesis, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: C. Caruso **APPROVAL OFFICER**: T. Wells

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

APPLICANT: Charles Komar & Sons, Inc. and Affiliates P39781

PROJECT LOCATION: 90 Hudson Street Jersey City Hudson County

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

APPLICANT BACKGROUND:
Founded in 1908 and currently based in Manhattan, Charles Komar & Sons, Inc. is a privately-held company that specializes in the design, marketing, sourcing, import and distribution of sleepwear, loungewear, intimates, and layering products for women and children. This apparel company's product offerings represent more than 100 lifestyle brands and licenses at every price point, and it is a leader in the lingerie and sleepwear business. Currently with 462 existing full-time employees, the Charles Komar & Sons, Inc. group of companies is occupying a total of 140,625 sf of space in three different buildings in Manhattan. The company is considering a relocation in order to consolidate its multiple locations into one and to control its long-term occupancy costs. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Currently based in mid-town Manhattan, the group is considering Jersey City, New Jersey or Long Island City, New York to relocate and expand its operations. The group's relocation/expansion plans will result in the creation of 480 new positions.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Charles Komar & Sons, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Charles E. Komar, the CEO of Charles Komar & Sons, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $146.2 million over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial - Rehabilitation Projects	$ 20
Industrial - New Construction Projects	$ 60
Non-Industrial – Rehabilitation Projects	**$ 40**
Non-Industrial – New Construction Projects	$120

Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

Minimum Full-Time Employment Requirements	(New / Retained Full-time Jobs)
Tech start ups and manufacturing businesses	10 / 25
Other targeted industries	25 / 35
All other businesses/industries	**35 / 50**

Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

As a Non-Industrial – Rehabilitation Project for an other business in Hudson County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$6,365,640	$22,203,352
New Jobs	35	480
Retained Jobs	50	0

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	**Requirement**	**Proposed by Applicant**
Urban Transit Hub Municipality	Base award of $5,000 per year for projects located in a designated Urban Transit Hub Municipality	Jersey City is a designated Urban Transit Hub Municipality
Increase(s) Criteria		
Transit Oriented Development	An increase of $2,000 per job for a project locating in a Transit Oriented Development	90 Hudson Street is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a Port Authority Trans-Hudson Corporation rail station.
Large Number of New/Retained Full-Time Jobs	An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 480 Full-Time Jobs at the project location resulting in an increase of $750.

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Urban Transit HUB Municipality		$5,000
INCREASES PER EMPLOYEE:		
Transit Oriented Development:	$2,000	
Large Number of New/Retained F/T Jobs:	$ 750	
INCREASE PER EMPLOYEE:		$2,750
PER EMPLOYEE LIMIT:		
Urban Transit HUB Municipality	$12,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		$7,750

AWARD:

New Jobs:	480 Jobs X $7,750 X 100% =	$3,720,000
Retained Jobs:	0 Jobs X $7,750 X 50% =	$ 0
	Total:	**$3,720,000**

ANNUAL LIMITS:		
Urban Transit HUB Municipality	$10,000,000	
TOTAL ANNUAL AWARD		**$3,720,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 22,203,352
NEW FULL-TIME JOBS:	480
RETAINED FULL-TIME JOBS:	0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$183,429,441
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$146,229,441
TOTAL AMOUNT OF AWARD	$ 37,200,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 67,000
SIZE OF PROJECT LOCATION:	159,141 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
STATEWIDE BASE EMPLOYMENT:	0

PROJECT IS: (X) Expansion ( ) Relocation

CONSTRUCTION: (X) Yes ( ) No

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 the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program 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, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve 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.

APPROVAL REQUEST:

The Members of the Authority are asked to approve the proposed Grow New Jersey grant to encourage Charles Komar & Sons, Inc. and Affiliates 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.

DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER**: J. Rosenfeld

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

APPLICANT: Diasol, Inc. P39786

PROJECT LOCATION: 81 Howard St. Phillipsburg Town Warren County

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

APPLICANT BACKGROUND:
Diasol, Inc. is California based medical device manufacturer started in 1998. It manufactures hemodialysis solutions, dialysis chairs and dialysis ancillaries. The company currently operates out of five locations serving hospitals across the entire country. As the business continues to expand, Diasol is looking for a permanent location on the east coast to house a manufacturing and distribution facility. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
The company has been expanding and needs to establish a permanent manufacturing and distribution location to service its east coast customer base. The company would either purchase a 21,500 sf. facility in Phillipsburg, New Jersey or enter into a long term lease at its 15,150 sf. facility in Allentown, Pennsylvania. The New Jersey location is located along the I-78 corridor and would provide easy access to New York City.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Diasol, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Monica Abeles, the CEO of Diasol, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $2.1M over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial - Rehabilitation Projects	**$ 20**
Industrial - New Construction Projects	$ 60
Non-Industrial – Rehabilitation Projects	$ 40
Non-Industrial – New Construction Projects	$120

Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

Minimum Full-Time Employment Requirements	(New / Retained Full-time Jobs)
Tech start ups and manufacturing businesses	**10 / 25**
Other targeted industries	25 / 35
All other businesses/industries	35 / 50

Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

As an Industrial - Rehabilitation Project for a manufacturing business in Warren County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$430,000	$800,000
New Jobs	10	14
Retained Jobs	25	0

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	**Requirement**	**Proposed by Applicant**
Distressed Municipality	Base award of $4,000 per year for projects located in a designated Distressed Municipality	Phillipsburg Town is a designated Distressed Municipality.
Increase(s) Criteria		
Capital Investment in Excess of Minimum (non-Mega)	An increase of $1,000 per job for each additional amount of capital investment that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $3,000	The proposed capital investment of $800,000 is 86% above the minimum capital investment resulting in an increase of $3,000 per year.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.

Grant Calculation

BASE GRANT PER EMPLOYEE:
Distressed Municipality $4,000

INCREASES PER EMPLOYEE:
Capital Investment in Excess of Minimum (non-Mega): $3,000
Targeted Industry (Manufacturing): $ 500

INCREASE PER EMPLOYEE: $3,500

PER EMPLOYEE LIMIT:
Distressed Municipality $11,000

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $7,500

AWARD:

New Jobs:	14 Jobs X $7,500 X 100% =	$105,000
Retained Jobs:	0 Jobs X $7,500 X 50% =	$ 0
	Total:	**$105,000**

ANNUAL LIMITS:
Distressed Municipality $ 8,000,000

TOTAL ANNUAL AWARD **$105,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 800,000
NEW FULL-TIME JOBS:	14
RETAINED FULL-TIME JOBS:	0
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 3,150,033
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 2,100,033
TOTAL AMOUNT OF AWARD	$ 1,050,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 33,366
SIZE OF PROJECT LOCATION:	21,500 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
STATEWIDE BASE EMPLOYMENT:	0

PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No

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 the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program 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, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve 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.

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER**: J. Horezga

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

APPLICANT: LI 2000, Inc. d/b/a Century 21 Department Stores P39501

PROJECT LOCATION: 70 Enterprise Way, 1 Century Way Secaucus Town Hudson County
700 Secaucus Road, and 1 Emerson Lane

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

APPLICANT BACKGROUND:
LI 2000, Inc. was founded in 1961 as a single retail store in New York City. Under the trade name of Century 21 Department Stores, LI 2000 operates a chain of 8 retail department stores selling designer clothing for men, women, and children as well as accessories, shoes and home goods. Five stores are located in New York and three are located in New Jersey. The applicant also maintains three warehouses in Secaucus that are used to serve its department stores. The applicant is planning an expansion effort in the greater New York City area and is proposing to create a larger distribution facility to accommodate the additional retail stores. The applicant has demonstrated the financial ability to undertake the project.

LI 2000, Inc. closed on a BEIP (P9947) in March 1998 for increasing employment in its Secaucus facilities. The applicant received $922,237.84 over the BEIP term which ended in 2013.

MATERIAL FACTOR/NET BENEFIT:
LI 2000, Inc. is planning to either expand into a recently acquired warehouse that is adjacent to its three existing warehouses in Secaucus or moving all of its distribution space along with its 931 warehouse employees into a build to suit facility in Hamptonburgh, NY. If New Jersey is selected for the new distribution facility, an additional 261 full-time jobs will be created amongst the four warehouse facilities.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of LI 2000, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Raymond Gindi, the CEO of LI 2000, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $41 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 931 New Jersey jobs listed in the application are at risk of being located outside the State on or before December 31, 2015, the date at which the build to suit facility would be completed. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

($/Square Foot

Minimum Capital Investment Requirements	of Gross Leasable Area)
Industrial - Rehabilitation Projects	$ 20
Industrial - New Construction Projects	$ 60
Non-Industrial – Rehabilitation Projects	**$ 40**
Non-Industrial – New Construction Projects	$120

Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

Minimum Full-Time Employment Requirements	(New / Retained Full-time Jobs)
Tech start ups and manufacturing businesses	10 / 25
Other targeted industries	25 / 35
All other businesses/industries	**35 / 50**

Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

As a Non-Industrial – Rehabilitation Project for an other business in Hudson County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	$49,393,160	$76,290,000
New Jobs	35	261
Retained Jobs	50	931

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	Requirement	Proposed by Applicant
Distressed Municipality	Base award of $4,000 per year for projects located in a designated Distressed Municipality	Secaucus Town is a designated Distressed Municipality
Increase(s) Criteria		
Large Number of New/Retained Full-Time Jobs	An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 1,192 Full-Time Jobs at the project location resulting in an increase of $1,500.

Grant Calculation

BASE GRANT PER EMPLOYEE:			
Distressed Municipality			$4,000
INCREASES PER EMPLOYEE:			
Large Number of New/Retained F/T Jobs:	$1,500		
INCREASE PER EMPLOYEE:			$1,500
PER EMPLOYEE LIMIT:			
Distressed Municipality	$11,000		
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:			$5,500
AWARD:			
New Jobs:	261 Jobs X $5,500 X 100% =		$1,435,500
Retained Jobs:	931 Jobs X $5,500 X 50% =		$2,560,250
		Total:	**$3,995,750**
ANNUAL LIMITS:			
Distressed Municipality	$ 8,000,000		
TOTAL ANNUAL AWARD			**$3,995,750**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 76,290,000
NEW FULL-TIME JOBS:	261
RETAINED FULL-TIME JOBS:	931

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 81,037,210
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 41,079,710
TOTAL AMOUNT OF AWARD	$ 39,957,500
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 19,032
SIZE OF PROJECT LOCATION:	1,234,829 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
STATEWIDE BASE EMPLOYMENT:	931

PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No

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 the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program 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, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve 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.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before December 31, 2015; 2) approve the proposed Grow New Jersey grant to encourage LI 2000, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER**: J. Rosenfeld

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

APPLICANT: LTC Consulting Services, LLC P39890

PROJECT LOCATION: Blvd. of Americas & New Hampshire Ave. Lakewood Twp. Ocean County

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

APPLICANT BACKGROUND:
LTC Consulting Services, LLC founded in 2006, provides full service medical billing and business management solutions to long-term care facilities. LTC oversees business office operations and assists with range of services, primarily the collection of outstanding receivables and medical billing services. In addition, through the company's affiliate, Senior Planning Services, the company offers services in submitting Medicaid applications and obtaining Medicaid eligibility on behalf of residents in long term care facilities and clients of medical facilities; and through its affiliate, Streamline HR Management, LLC, provides full service HR management. The company is currently located in Howell, NJ with 227 employees. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Due to its increase in business, the company is evaluating locations for its headquarters and operations either by constructing a new facility in Lakewood, NJ or purchasing a building in Lancaster, PA. The company expects to create 250 new jobs as well as retain 227 employees if it chooses NJ.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of LTC Consulting, LLC 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 by Michael Bauman, the CEO of LTC Consulting Services, LLC that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $53 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 227 New Jersey jobs listed in the application are at risk of being located outside the State on or before January 31, 2017, when the current lease expires. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial - Rehabilitation Projects	$ 20
Industrial - New Construction Projects	$ 60
Non-Industrial – Rehabilitation Projects	$ 40
Non-Industrial – New Construction Projects	**$120**

*Minimum capital investment amounts are **reduced by 1/3 in** GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, **Ocean** and Salem*

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

Minimum Full-Time Employment Requirements	(New / Retained Full-time Jobs)
Tech start ups and manufacturing businesses	10 / 25
Other targeted industries	25 / 35
All other businesses/industries	**35 / 50**

*Minimum employment numbers are **reduced by 1/4 in** GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, **Ocean** and Salem*

As an Non-Industrial – New Construction Project for an other business in Ocean County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$4,800,000	$11,745,000
New Jobs	27	250
Retained Jobs	38	227

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	**Requirement**	**Proposed by Applicant**
Distressed Municipality	Base award of $4,000 per year for projects located in a designated Distressed Municipality	Lakewood Twp. is a designated Distressed Municipality
Increase(s) Criteria		
Deep Poverty Pocket or Choice Neighborhood	An increase of $1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood	Boulevard of Americas & New Hampshire Ave. is located in a Deep Poverty Pocket.
Large Number of New/Retained Full-Time Jobs	An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 477 Full-Time Jobs at the project location resulting in an increase of $750.
Exceeds LEEDs Silver or Substantial Env. Remed.	An increase of $250 per job for a facility exceeding the Leadership in Energy and	The applicant proposes achieving a LEEDs Gold rating

	Environmental Design's "Silver" rating standards or for a project that completes substantial environmental remediation	
On Site Solar Generation of ½ of Project's Elec. Needs	An increase of $250 per job for a project that generates ½ of its electricity via on-site solar power generation	The applicant has existing solar panels that generate in excess of ½ of the applicant's electricity needs

Grant Calculation

BASE GRANT PER EMPLOYEE:

Distressed Municipality	$4,000

INCREASES PER EMPLOYEE:

Deep Poverty Pocket or Choice Neighborhood:	$1,500
Large Number of New/Retained F/T Jobs:	$ 750
Exceeds LEEDs Silver or Substantial Env. Remed.:	$ 250
On Site Solar Generation of ½ of Project's Elec. Needs:	$ 250

INCREASE PER EMPLOYEE: $2,750

PER EMPLOYEE LIMIT:

Distressed Municipality	$11,000

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $6,750

AWARD:

New Jobs:	250 Jobs X $6,750 X 100% =	$1,687,500
Retained Jobs:	227 Jobs X $6,750 X 50% =	$ 766,125
	Total:	**$2,453,625**

ANNUAL LIMITS:

Distressed Municipality	$ 8,000,000

TOTAL ANNUAL AWARD **$2,453,625**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 11,745,000
NEW FULL-TIME JOBS:	250
RETAINED FULL-TIME JOBS:	227

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 77,342,265
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 52,806,015
TOTAL AMOUNT OF AWARD:	$ 24,536,250
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 36,199
SIZE OF PROJECT LOCATION:	60,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	New
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
STATEWIDE BASE EMPLOYMENT:	227

PROJECT IS: (X) Expansion (X) Relocation
CONSTRUCTION: (X) Yes ( ) No

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 the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program 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, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve 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.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before January 31, 2017; 2) approve the proposed Grow New Jersey grant to encourage LTC Consulting Services, LLC 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.

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

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

APPLICANT: Material Handling Supply, Inc. P39716

PROJECT LOCATION: 7001 North Park Drive Pennsauken Twp. Camden County

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

APPLICANT BACKGROUND:
Material Handling Supply, Inc. was founded 1970. Its headquarters and main operations have been based in Brooklawn, NJ since 1976 with satellite locations in New Castle, DE and Seaford, DE. The company has expanded to more than 140 employees committed to providing forklift trucks and warehouse products. MHS also provides service and parts for those products rented, leased and sold. The company has been experiencing continued growth over the last several years.

The applicant's understanding of space utilization within warehouses and manufacturing plants allow customers to save resources using space more effectively and efficiently. As a result, they have received many awards for servicing and supporting its customers, including the Crown *Ascent* and Nissan *Nine* awards. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
MHS has been experiencing continued growth creating the need for additional space to house its headquarters and main operations facility. It is considering purchasing an existing 115,315 sf. facility in Pennsauken, NJ or leasing an 82,118 sf. facility in New Castle, DE. The New Jersey location would afford the company adequate room for continued expansion and the strategic advantage of being closer to its customer base. The Delaware location provides a more cost effective operating environment along with being closer to where it is experiencing the most growth. It presently has a branch location in New Castle that is primarily a sales office for the company.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Material Handling Supply, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Brett Levin, the CEO Material Handling Supply, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $13.4M over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 57 New Jersey jobs listed in the application are at risk of being located outside the State on or before June 30, 2015, as the applicant anticipates it will take a year to complete either project. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial - Rehabilitation Projects	$ 20
Industrial - New Construction Projects	$ 60
Non-Industrial – Rehabilitation Projects	**$ 40**
Non-Industrial – New Construction Projects	$120

*Minimum capital investment amounts are **reduced by 1/3 in** GSGZs and in eight South Jersey counties: Atlantic, Burlington, **Camden**, Cape May, Cumberland, Gloucester, Ocean and Salem*

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

Minimum Full-Time Employment Requirements	(New / Retained Full-time Jobs)
Tech start ups and manufacturing businesses	10 / 25
Other targeted industries	25 / 35
All other businesses/industries	**35 / 50**

*Minimum employment numbers are **reduced by 1/4 in** GSGZs and in eight South Jersey counties: Atlantic, Burlington, **Camden**, Cape May, Cumberland, Gloucester, Ocean and Salem*

As an Non-Industrial – Rehabilitation Project for an other business in Camden County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$3,075,067	$5,025,000
New Jobs	27	0
Retained Jobs	38	57

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	**Requirement**	**Proposed by Applicant**
Distressed Municipality	Base award of $4,000 per year for projects located in a designated Distressed Municipality	Pennsauken Twp. is a designated Distressed Municipality.
Increase(s) Criteria		
Deep Poverty Pocket or Choice Neighborhood	An increase of $1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood	Pennsauken Twp. is located in a Deep Poverty.
2007 Revit. Index>465 in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	An increase of $1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465	Pennsauken Twp has a 2007 Revitalization Index of 481.

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Distressed Municipality		$4,000
INCREASES PER EMPLOYEE:		
Deep Poverty Pocket or Choice Neighborhood:	$1,500	
2007 Revit. Index>465 in Atlantic, Burlington, **Camden,** Cape May, Cumberland, Gloucester, Ocean, Salem:	$1,000	
INCREASE PER EMPLOYEE:		$2,500
PER EMPLOYEE LIMIT:		
Distressed Municipality	$11,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		$6,500

AWARD:

New Jobs:	0 Jobs X $6,500 X 100% =	$ 0
Retained Jobs:	57 Jobs X $6,500 X 50% =	$185,250
	Total:	**$185,250**

ANNUAL LIMITS:		
Distressed Municipality	$ 8,000,000	
TOTAL ANNUAL AWARD		**$185,250**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 5,025,000
NEW FULL-TIME JOBS:	0
RETAINED FULL-TIME JOBS:	57
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD)	$ 15,282,541
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 13,430,041
TOTAL AMOUNT OF AWARD	$ 1,852,500
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 53,231
SIZE OF PROJECT LOCATION:	115,315 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
STATEWIDE BASE EMPLOYMENT:	120

PROJECT IS: (X) Expansion (X) Relocation

CONSTRUCTION: (X) Yes ( ) No

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 the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program 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, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve 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.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before June 30, 2015; 2) approve the proposed Grow New Jersey grant to encourage Material Handling Supply, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: J. Kenyon **APPROVAL OFFICER**: J. Horezga

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

APPLICANT: MGP Manufacturing, LLC P39782
PROJECT LOCATION: 77 – 83 2nd Ave Paterson City Passaic County

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

APPLICANT BACKGROUND:
MGP Manufacturing, LLC is the leader in gutter guard technology and performance. The company designs, manufactures and markets proprietary microfiltration gutter protection systems and related products. Its Mastershield Gutter Protection System resulted from seven years of development by its inventor Alex Higginbotham. He was the first person to make fine screen gutter systems work by preventing it from clogging with tiny debris or overshooting with water. The company has been experiencing rapid growth of its product lines and is looking to make a permanent location decision. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
MGP has experienced significant growth in the last few years and is in need of a larger space to operate from. It currently manufactures in Pennsylvania having its headquarters in New Jersey. The company has identified a location in Paterson, New Jersey and Newburgh, New York to establish a central location to house its headquarters, manufacturing and operations. The New Jersey location would provide a qualified and larger labor pool along with more efficient logistics. The New York Location provides a more cost efficient operating environment along with access to the NY Throughway and I-84.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of MGP Manufacturing, LLC 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 by Karen Sager, the CEO of MGP Manufacturing, LLC, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $8.5M over the 30 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial - Rehabilitation Projects	**$ 20**
Industrial - New Construction Projects	$ 60
Non-Industrial – Rehabilitation Projects	$ 40
Non-Industrial – New Construction Projects	$120

*Minimum capital investment amounts are **reduced by 1/3 in GSGZs** and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem*

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

Minimum Full-Time Employment Requirements	(New / Retained Full-time Jobs)
Tech start ups and manufacturing businesses	**10 / 25**
Other targeted industries	25 / 35
All other businesses/industries	35 / 50

*Minimum employment numbers are **reduced by 1/4 in GSGZs** and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem*

As an Industrial - Rehabilitation Project for a manufacturing business in Passaic County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$165,333	$295,500
New Jobs	8	31
Retained Jobs	19	0

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	**Requirement**	**Proposed by Applicant**
Garden State Growth Zone	Base award of $5,000 per year for projects located in a Garden State Growth Zone	Paterson City is a Garden State Growth Zone.
Increase(s) Criteria		
Deep Poverty Pocket or Choice Neighborhood	An increase of $1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood	77-83 2nd Ave in Paterson City is located in a Deep Poverty Pocket.
Transit Oriented Development	An increase of $2,000 per job for a project locating in a Transit Oriented Development	77-83 2nd Ave in Paterson City is located in a Transit Oriented Development by virtue of being 1 mile of the midpoint of a New Jersey Transit Corporation rail station.
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500	The proposed median salary of $40,000 exceeds the Garden State Growth Zone median salary by 39% resulting in an increase of $250 per year.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation,	The applicant is a Manufacturing business.

	Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	
Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min	An increase of $1,000 per job for a Mega Project or a project located in a Garden State Growth Zone for each additional amount of capital investment that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $5,000	The proposed project is in a Garden State Growth Zone. The proposed capital investment of $295,500 is 79% above the minimum capital investment resulting in an increase of $3,000 per year.

Grant Calculation

BASE GRANT PER EMPLOYEE:
Garden State Growth Zone $5,000

INCREASES PER EMPLOYEE:

Deep Poverty Pocket or Choice Neighborhood:	$1,500
Transit Oriented Development:	$2,000
Jobs with Salary in Excess of County/GSGZ Average:	$ 250
Targeted Industry (Manufacturing):	$ 500
Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min:	$3,000

INCREASE PER EMPLOYEE: $7,250

PER EMPLOYEE LIMIT:
Garden State Growth Zone $15,000

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $12,250

AWARD:

New Jobs:	31 Jobs X $12,250 X 100% =	$379,750
Retained Jobs:	0 Jobs X $12,250 X 100% =	$ 0
	Total:	**$379,750**

ANNUAL LIMITS:
Garden State Growth Zone $30,000,000

TOTAL ANNUAL AWARD **$379,750**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 295,500
NEW FULL-TIME JOBS:	31
RETAINED FULL-TIME JOBS:	0
GROSS BENEFIT TO THE STATE (OVER 30 YEARS, PRIOR TO AWARD)	$ 12,273,050
NET BENEFIT TO THE STATE (OVER 30 YEARS, NET OF AWARD):	$ 8,475,550
TOTAL AMOUNT OF AWARD	$ 3,797,500
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 40,000
SIZE OF PROJECT LOCATION:	12,400 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
STATEWIDE BASE EMPLOYMENT:	2

PROJECT IS: (X) Expansion (X) Relocation
CONSTRUCTION: (X) Yes ( ) No

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 the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program 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, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve 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.

APPROVAL REQUEST:

The Members of the Authority are asked to approve the proposed Grow New Jersey grant to encourage MGP Manufacturing, LLC 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.

DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER**: J. Horezga

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

APPLICANT: Northern Leasing Systems, Inc. P39748

PROJECT LOCATION: 525 Washington Boulevard Jersey City Hudson County

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

APPLICANT BACKGROUND:
Northern Leasing Systems, Inc. is an equipment finance company specializing in the origination and servicing of micro-ticket leases. Based in New York City, it is a market leader in micro-ticket leasing originating over 500,000 equipment leases since its inception in 1991. Its equipment leases are primarily for Point-of Sale terminals used by retail and service merchants to communicate VISA, MasterCard, AMEX, Discover, and other credit/debit card purchases to a bank that processes credit cards. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
In order to accommodate continued growth, Northern Leasing Systems needs to move into larger operating space. It is currently considering office space in Jersey City, New Jersey and Long Island City, New York for the proposed expansion and relocation of its operations and headquarters. Both locations have ready access to New York City and are close to its customer base. The company notes that without the incentive, there is no economic justification to move forward with the project in New Jersey.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Northern Leasing Systems, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Ari Jay Cohen, the CEO of Northern Leasing Systems, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $20.8M over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial - Rehabilitation Projects	$ 20
Industrial - New Construction Projects	$ 60
Non-Industrial – Rehabilitation Projects	**$ 40**
Non-Industrial – New Construction Projects	$120

Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

Minimum Full-Time Employment Requirements	(New / Retained Full-time Jobs)

Tech start ups and manufacturing businesses	10 / 25
Other targeted industries	**25 / 35**
All other businesses/industries	35 / 50

Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

As a Non-Industrial – Rehabilitation Project for an other targeted industry business in Hudson County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	$986,480	$1,869,557
New Jobs	25	92
Retained Jobs	35	0

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	Requirement	Proposed by Applicant
Urban Transit Hub Municipality	Base award of $5,000 per year for projects located in a designated Urban Transit Hub Municipality	Jersey City is a designated Urban Transit Hub Municipality
Increase(s) Criteria		
Transit Oriented Development	An increase of $2,000 per job for a project locating in a Transit Oriented Development	Jersey City is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a New Jersey Transit Corporation rail station.
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500	The proposed median salary of $84,501 exceeds the County median salary by 68.9% resulting in an increase of $250 per year.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse,	The applicant is a Finance business.

	distribution or fulfillment center business	

Grant Calculation

BASE GRANT PER EMPLOYEE:
Urban Transit HUB Municipality $5,000

INCREASES PER EMPLOYEE:

Transit Oriented Development:	$ 2,000
Jobs with Salary in Excess of County/GSGZ Average:	$ 250
Targeted Industry (Finance):	$ 500

INCREASE PER EMPLOYEE: $2,750

PER EMPLOYEE LIMIT:
Urban Transit HUB Municipality $12,000

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $7,750

AWARD:

New Jobs:	92 Jobs X $7,750 X 100% =	$713,000
Retained Jobs:	0 Jobs X $7,750 X 50% =	$ 0
	Total:	**$713,000**

ANNUAL LIMITS:
Urban Transit HUB Municipality $10,000,000

TOTAL ANNUAL AWARD **$713,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 1,869,557
NEW FULL-TIME JOBS:	92
RETAINED FULL-TIME JOBS:	0
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD)	$ 28,014,829
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 20,884,829
TOTAL AMOUNT OF AWARD	7,130,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 84,501
SIZE OF PROJECT LOCATION:	24,662 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
STATEWIDE BASE EMPLOYMENT:	0

PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No

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 the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program 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, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve 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.

APPROVAL REQUEST:

The Members of the Authority are asked to approve the proposed Grow New Jersey grant to encourage Northern Leasing Systems, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: M. Abraham **APPROVAL OFFICER**: J. Horezga

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

APPLICANT: Patella Construction Corp. P39872

PROJECT LOCATION: 89-111 South Street Passaic City Passaic County

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

APPLICANT BACKGROUND:
Founded in 1987 and currently based in Orangeburg, New York, Patella Construction Corp. (d/b/a Patella Woodworking) provides premium grade architectural custom-made woodwork to clients in the Northeast and Mid-Atlantic. The company's extensive array of projects caters to Fortune 500 companies, prominent law firms and renowned financial institutions along with high-end residences, upscale restaurants and prominent retail environments. With 70 employees, Patella Construction Corp. is occupying 46,000 sf of space at a facility in Orangeburg, New York. The company needs a larger space and is considering relocation to an owned facility. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Patella Construction Corp. is considering Passaic City, New Jersey to relocate and expand its operations. The alternative is to remain and expand at its existing leased site in Orangeburg, New York.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Patella Construction Corp. 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 by Michael A. Ostroff, the CEO of Patella Construction Corp., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $36 million over the 30 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial - Rehabilitation Projects	**$ 20**
Industrial - New Construction Projects	$ 60
Non-Industrial – Rehabilitation Projects	$ 40
Non-Industrial – New Construction Projects	$120

Minimum capital investment amounts are ***reduced by 1/3 in GSGZs*** *and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem*

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

Minimum Full-Time Employment Requirements	(New / Retained Full-time Jobs)

Tech start ups and **manufacturing businesses**	**10 / 25**
Other targeted industries	25 / 35
All other businesses/industries	35 / 50

*Minimum employment numbers are **reduced by 1/4 in GSGZs** and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem*

As an Industrial - Rehabilitation Project for a manufacturing business in Passaic County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$1,063,787	$5,856,884
New Jobs	8	70
Retained Jobs	19	0

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	**Requirement**	**Proposed by Applicant**
Garden State Growth Zone	Base award of $5,000 per year for projects located in a Garden State Growth Zone	Passaic City is a Garden State Growth Zone
Increase(s) Criteria		
Deep Poverty Pocket or Choice Neighborhood	An increase of $1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood	89-111 South Street is located in a Deep Poverty Pocket.
Transit Oriented Development	An increase of $2,000 per job for a project locating in a Transit Oriented Development	89-111 South Street is located in a Transit Oriented Development by virtue of being within 1 mile (GSGZ project) of the midpoint of a New Jersey Transit Corporation rail station.
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500	The proposed median salary of $53,207 exceeds the Garden State Growth Zone median salary by 94.3% resulting in an increase of $500 per year.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life	The applicant is a Manufacturing business.

	Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	
Exceeds LEEDs Silver or Substantial Env. Remed.	An increase of $250 per job for a facility exceeding the Leadership in Energy and Environmental Design's "Silver" rating standards or for a project that completes substantial environmental remediation	The applicant proposes achieving a LEEDs Gold rating.
Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min	An increase of $1,000 per job for a Mega Project or a project located in a Garden State Growth Zone for each additional amount of capital investment that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $5,000	The proposed project is in a Garden State Growth Zone. The proposed capital investment of $5,856,884 is 450.6% above the minimum capital investment resulting in an increase of $5,000 per year.

Grant Calculation

BASE GRANT PER EMPLOYEE:
Garden State Growth Zone $5,000

INCREASES PER EMPLOYEE:

Deep Poverty Pocket or Choice Neighborhood:	$1,500
Transit Oriented Development:	$2,000
Jobs with Salary in Excess of County/GSGZ Average:	$ 500
Targeted Industry (Manufacturing):	$ 500
Exceeds LEEDs Silver or Substantial Env. Remed.:	$ 250
Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min:	$5,000

INCREASE PER EMPLOYEE: $9,750

PER EMPLOYEE LIMIT:
Garden State Growth Zone $15,000

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $14,750

AWARD:

New Jobs:	70 Jobs X $14,750 X 100% =	$ 1,032,500
Retained Jobs:	0 Jobs X $14,750 X 100% =	$ 0
	Total:	**$ 1,032,500**

ANNUAL LIMITS:
Garden State Growth Zone $30,000,000

TOTAL ANNUAL AWARD **$ 1,032,500**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 5,856,884
NEW FULL-TIME JOBS:	70
RETAINED FULL-TIME JOBS:	0

GROSS BENEFIT TO THE STATE (OVER 30 YEARS, PRIOR TO AWARD):	$ 46,124,986
NET BENEFIT TO THE STATE (OVER 30 YEARS, NET OF AWARD):	$ 35,799,986
TOTAL AMOUNT OF AWARD	$ 10,325,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 53,207
SIZE OF PROJECT LOCATION:	79,784 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
STATEWIDE BASE EMPLOYMENT:	0

PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No

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 the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program 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, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve 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.

APPROVAL REQUEST:

The Members of the Authority are asked to approve the proposed Grow New Jersey grant to encourage Patella Construction Corp. 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.

DEVELOPMENT OFFICER: M. Abraham **APPROVAL OFFICER**: J. Rosenfeld

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

APPLICANT: Pollaro Custom Furniture, Inc. P39849

PROJECT LOCATION: 1239 Central Avenue Hillside Township Union County

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

APPLICANT BACKGROUND:
Founded in 1988 and currently based in Union, New Jersey, Pollaro Custom Furniture, Inc. is a creator of museum quality custom furniture for diverse applications, including interiors for luxury homes, distinctive yachts, corporate suites, boutique hotels and upscale retailers. Frank Pollaro and his team, composed of master craftsmen and cabinetmakers, primarily supply architects, interior designers and residential clients with all forms and styles of hand-made furniture, cabinetry or architectural woodwork. Pollaro's handcrafted chairs, dining tables and richly paneled libraries have been placed in worldwide destinations, mainly in the Middle East, Europe and the Far East. With 25 employees, Pollaro Custom Furniture, Inc. is occupying 15,600 sf of space (including 600 sf of storage space) in Union, New Jersey. The company needs a single, larger space and is considering relocation to an owned facility. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Pollaro Custom Furniture, Inc. is considering Hillside, New Jersey or Hickory, North Carolina to relocate and expand its operations. If the company chooses Hillside, this project will entail a substantial environmental remediation of the site. The company's relocation/expansion plans will result in the creation of 20 new positions and the retention of 25 existing jobs.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Pollaro Custom Furniture, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Frank V. Pollaro, the CEO of Pollaro Custom Furniture, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $32.5 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 25 New Jersey jobs listed in the application are at risk of being located outside the State on or before April 1, 2016, the date the lease on its existing facility in Union expires. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial - Rehabilitation Projects	**$ 20**
Industrial - New Construction Projects	$ 60
Non-Industrial – Rehabilitation Projects	$ 40
Non-Industrial – New Construction Projects	$120

Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

Minimum Full-Time Employment Requirements	(New / Retained Full-time Jobs)
Tech start ups and **manufacturing businesses**	**10 / 25**
Other targeted industries	25 / 35
All other businesses/industries	35 / 50

Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

As an Industrial - Rehabilitation Project for a manufacturing business in Union County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$1,750,300	$3,485,000
New Jobs	10	20
Retained Jobs	25	25

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	**Requirement**	**Proposed by Applicant**
Distressed Municipality	Base award of $4,000 per year for projects located in a designated Distressed Municipality	Hillside Township is a designated Distressed Municipality
Increase(s) Criteria		
Capital Investment in Excess of Minimum (non-Mega)	An increase of $1,000 per job for each additional amount of capital investment that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $3,000	The proposed capital investment of $3,485,000 is 99.1% above the minimum capital investment resulting in an increase of $3,000 per year.
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the	The proposed median salary of $80,000 exceeds the County median salary by 68%

	median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500	resulting in an increase of $250 per year.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.
Exceeds LEEDs Silver or Substantial Env. Remed.	An increase of $250 per job for a facility exceeding the Leadership in Energy and Environmental Design's "Silver" rating standards or for a project that completes substantial environmental remediation	The applicant proposes completing substantial environmental remediation totaling $1,000,000.

Grant Calculation

BASE GRANT PER EMPLOYEE:
Distressed Municipality $4,000

INCREASES PER EMPLOYEE:
Capital Investment in Excess of Minimum (non-Mega): $3,000
Jobs with Salary in Excess of County/GSGZ Average: $ 250
Targeted Industry (Manufacturing): $ 500
Exceeds LEEDs Silver or Substantial Env. Remed.: $ 250

INCREASE PER EMPLOYEE: $4,000

PER EMPLOYEE LIMIT:
Distressed Municipality $11,000

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $8,000

AWARD:

New Jobs:	20 Jobs X $8,000 X 100% =	$160,000
Retained Jobs:	25 Jobs X $8,000 X 50% =	$100,000
	Total:	**$260,000**

ANNUAL LIMITS:
Distressed Municipality $8,000,000

TOTAL ANNUAL AWARD **$260,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 3,485,000
NEW FULL-TIME JOBS:	20
RETAINED FULL-TIME JOBS:	25

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 35,147,369
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 32,547,369
TOTAL AMOUNT OF AWARD	$ 2,600,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 80,000
SIZE OF PROJECT LOCATION:	87,515 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
STATEWIDE BASE EMPLOYMENT:	25

PROJECT IS: (X) Expansion (X) Relocation
CONSTRUCTION: (X) Yes ( ) No

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 the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program 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, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve 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.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before April 1, 2016; 2) approve the proposed Grow New Jersey grant to encourage Pollaro Custom Furniture, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: P. Ceppi/D. Ubinger **APPROVAL OFFICER**: J. Rosenfeld

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

APPLICANT: Princeton Tectonics P39899

PROJECT LOCATION: 1777 Hylton Road Pennsauken Township Camden County

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

APPLICANT BACKGROUND:
Princeton Tectonics ("Princeton Tec") designs and manufactures outdoor lighting equipment. It offers scuba, bike, outdoor, industrial, and tactical lighting products through wholesalers and outdoor equipment retail stores. The business was founded in 1975 and is currently headquartered in Bordentown, New Jersey. Princeton Tec has been assembling headlamps, flashlights and other related equipment at its 35,000 sf Bordentown facility. This owned facility currently houses 95 full-time employees. The business is seeking to relocate its assembly facility as well as its headquarters to a new location that can accommodate future growth. Unrelated to this application, the business has a plastic parts manufacturing (plastic injection molding) facility in West Berlin, New Jersey with 44 employees along with a warehouse/storage facility in Florence, New Jersey having no employees. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
For its expansion and relocation plans, the company is considering either New Jersey or New York State, the latter being less expensive. Princeton Tec has identified a 77,764 sf existing facility in Pennsauken, New Jersey for purchase. As an alternative, the company has identified a 116,498 sf existing facility in Queensbury, New York for purchase. The company's expansion/relocation plans will result in the retention of 95 jobs and the creation of 156 new positions. The company has applied for an award of tax credits under the new Grow New Jersey program to provide an incentive to remain and expand in New Jersey.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Princeton Tec 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 by William H. Stephens, the CEO of Princeton Tectonics, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $26.2 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 95 New Jersey jobs listed in the application are at risk of being located outside the State on or before March 31, 2015, the date the work at the new facility would be completed. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial - Rehabilitation Projects	**$ 20**
Industrial - New Construction Projects	$ 60
Non-Industrial – Rehabilitation Projects	$ 40
Non-Industrial – New Construction Projects	$120

*Minimum capital investment amounts are **reduced by 1/3** in GSGZs and in eight South Jersey counties: Atlantic, Burlington, **Camden**, Cape May, Cumberland, Gloucester, Ocean and Salem*

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

Minimum Full-Time Employment Requirements	(New / Retained Full-time Jobs)
Tech start ups and **manufacturing businesses**	**10 / 25**
Other targeted industries	25 / 35
All other businesses/industries	35 / 50

*Minimum employment numbers are **reduced by 1/4** in GSGZs and in eight South Jersey counties: Atlantic, Burlington, **Camden**, Cape May, Cumberland, Gloucester, Ocean and Salem*

As an Industrial - Rehabilitation Project for a manufacturing business in Camden County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$1,036,853	$3,650,220
New Jobs	8	156
Retained Jobs	19	95

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	**Requirement**	**Proposed by Applicant**
Distressed Municipality	Base award of $4,000 per year for projects located in a designated Distressed Municipality	Pennsauken Township is a designated Distressed Municipality.
Increase(s) Criteria		
Capital Investment in Excess of Minimum (non-Mega)	An increase of $1,000 per job for each additional amount of capital investment that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $3,000	The proposed capital investment of $3,650,220 is 252.05% above the minimum capital investment resulting in an increase of $3,000 per year.
Large Number of New/Retained Full-Time Jobs	An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600	The applicant is proposing to create/retain 251 Full-Time Jobs at the project location

	new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs	resulting in an increase of $500.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.
2007 Revit. Index>465 in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	An increase of $1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465	Pennsauken Township has a 2007 Revitalization Index of 481.

Grant Calculation

BASE GRANT PER EMPLOYEE:

Distressed Municipality		$4,000

INCREASES PER EMPLOYEE:

Capital Investment in Excess of Minimum (non-Mega):	$3,000	
Large Number of New/Retained F/T Jobs:	$ 500	
Targeted Industry (Manufacturing):	$ 500	
2007 Revit. Index>465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem:	$1,000	
INCREASE PER EMPLOYEE:		$5,000

PER EMPLOYEE LIMIT:

Distressed Municipality	$11,000	

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $9,000

AWARD:

New Jobs:	156 Jobs X $9,000 X 100% =	$1,404,000
Retained Jobs:	95 Jobs X $9,000 X 50% =	$ 427,500
	Total:	**$1,831,500**

ANNUAL LIMITS:

Distressed Municipality	$ 8,000,000	

TOTAL ANNUAL AWARD **$1,831,500**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 3,650,220
NEW FULL-TIME JOBS:	156
RETAINED FULL-TIME JOBS:	95

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 44,516,893
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 26,201,893
TOTAL AMOUNT OF AWARD	$ 18,315,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 17,725
SIZE OF PROJECT LOCATION:	77,764 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
STATEWIDE BASE EMPLOYMENT:	139

PROJECT IS: (X) Expansion (X) Relocation
CONSTRUCTION: (X) Yes ( ) No

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 the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program 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, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve 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.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before March 31, 2015; 2) approve the proposed Grow New Jersey grant to encourage Princeton Tectonics 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.

DEVELOPMENT OFFICER: J. Kenyon **APPROVAL OFFICER**: J. Rosenfeld

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

APPLICANT: Taiho Oncology, Inc. P39779

PROJECT LOCATION: 101 Carnegie Center West Windsor Twp. Mercer County

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

APPLICANT BACKGROUND:
Taiho Oncology, Inc., (the "Company) established in 2002, conducts clinical development trials for its Japan-based parent, Taiho Pharmaceuticals Co., Ltd. (the "Parent") as a means of expanding the Parent's oncology business globally. The Company has since developed into a center for global development of the Parent's oncology compounds and is now in the process of preparing for the launch of its first anti-cancer product in the United States. The Company provides direct management of research and development programs for obtaining marketing approval of anticancer drugs in the U.S. and European markets. Taiho Oncology is headquartered in West Windsor, NJ, where its 62 employees are located among two non-contiguous office suites in Carnegie Center. The applicant has demonstrated the financial ability to undertake the project.

The Company and the Parent, as a member of Otsuka Holding Co., Ltd., is part of a group of 150 companies that are dedicated to improving global health and well-being. Otsuka America Pharmaceutical, Inc. & Otsuka Pharmaceutical Development & Commercialization, Inc., subsidiaries of Otsuka Holdings, closed on a 75% BEIP grant in connection with the relocation of the headquarters jobs of these companies from Maryland to New Jersey. None of the Taiho Oncology, Inc. jobs or the capital investment is related to the Otsuka BEIP grant.

MATERIAL FACTOR/NET BENEFIT:
Taiho Oncology, Inc. is exploring viable locations to execute its growth strategy to coincide with the anticipated release of new anti-cancer drug. The Company expects to grow its current staff by more than 50%, and needs to add office space to consolidate its staff into a single location of approximately 60,000 sq. ft. The Company has narrowed its options to leasing space at a larger facility in West Windsor, NJ or in Lower Makefield Township (Yardley), PA.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Taiho Oncology, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Eric Benn, the CEO of Taiho Oncology, Inc. that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $55 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 62 New Jersey jobs listed in the application are at risk of being located outside the State on or before August 1, 2015, which coincides with the company's operational objectives in launching its new drug. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:
Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial - Rehabilitation Projects	$ 20
Industrial - New Construction Projects	$ 60
Non-Industrial – Rehabilitation Projects	**$ 40**
Non-Industrial – New Construction Projects	$120

Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

Minimum Full-Time Employment Requirements	(New / Retained Full-time Jobs)
Tech start ups and manufacturing businesses	10 / 25
Other targeted industries	**25 / 35**
All other businesses/industries	35 / 50

Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

As an Non-Industrial – Rehabilitation Project for an other targeted industry business in Mercer County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$2,421,840	$3,528,042
New Jobs	25	39
Retained Jobs	35	62

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	**Requirement**	**Proposed by Applicant**
Priority Area	Base award of $3,000 per year for projects located in a designated Priority Area	West Windsor Twp. is a designated Priority Area
Increase(s) Criteria		
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the	The proposed median salary of $198,835 exceeds the Mercer County median salary by

	median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500	255% resulting in an increase of $1,500 per year.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Life Sciences business.

Grant Calculation

BASE GRANT PER EMPLOYEE:
Priority Area $3,000

INCREASES PER EMPLOYEE:
Jobs with Salary in Excess of County/GSGZ Average: $1,500
Targeted Industry (Life Sciences): $ 500

INCREASE PER EMPLOYEE: $2,000

PER EMPLOYEE LIMIT:
Priority Area $10,500

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: $5,000

AWARD:

New Jobs:	39 Jobs X $5,000 X 100% =	$195,000
Retained Jobs:	62 Jobs X $5,000 X 50% =	$155,000
	Total:	**$350,000**

ANNUAL LIMITS:
Priority Area (Est. 90% Withholding Limit) $ 4,000,000/($1,085,140)

TOTAL ANNUAL AWARD **$350,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 3,528,042
NEW FULL-TIME JOBS:	39
RETAINED FULL-TIME JOBS:	62
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 58,508,581
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 55,008,581
TOTAL AMOUNT OF AWARD (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS)	$ 3,500,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 198,835
SIZE OF PROJECT LOCATION:	60,546 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
STATEWIDE BASE EMPLOYMENT:	62

PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No

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 the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program 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, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve 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.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before August 1, 2015; 2) approve the proposed Grow New Jersey grant to encourage Taiho Oncology, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

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

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

APPLICANT: Gaming Laboratories International, LLC P39014

PROJECT LOCATION: 600 and 650 Airport Road Lakewood Township Ocean County

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

APPLICANT BACKGROUND:
Founded in 1989 and headquartered in Lakewood, New Jersey, Gaming Laboratories International, LLC provides complete independent testing and certification services for all types of gaming and wagering systems and equipment. This includes gaming devices, amusement games, online casinos, cashless wagering systems, and sports betting. Gaming Laboratories International, LLC is a subsidiary of Gaming Laboratories International, Inc. and the business has a significant presence in Las Vegas, Nevada and Golden, Colorado along with several international offices. The applicant is an ISO 17025 accredited laboratory. The applicant has demonstrated the financial ability to undertake the project.

Gaming Laboratories International, LLC operates out of two adjacent facilities owned by related real estate holding companies. The combined size of these two buildings is 90,337 sf. In an effort to better position itself for the future, the company is currently evaluating sites for a potential relocation to Pennsylvania. Gaming Laboratories International, LLC has identified Bucks County, Pennsylvania as an attractive option.

MATERIAL FACTOR/NET BENEFIT:
The company is requesting a Grow New Jersey grant to provide an incentive to keep its existing workforce of 243 plus 45 to be created positions at its owned facilities in Lakewood. Alternatively, Gaming Laboratories International, LLC has identified a 75,000 sf build-to-suit property in Newtown, Pennsylvania.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Gaming Laboratories International, LLC 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 by James R. Maida, the CEO of Gaming Laboratories International, LLC, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $56.3 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 243 New Jersey jobs listed in the application are at risk of being located outside the State on or before July 31, 2015, the date a certificate of occupancy is expected on the out-of-the state build-to-suit property. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
Industrial - Rehabilitation Projects	$ 20
Industrial - New Construction Projects	$ 60
Non-Industrial – Rehabilitation Projects	**$ 40**
Non-Industrial – New Construction Projects	$120

*Minimum capital investment amounts are **reduced by 1/3** in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, **Ocean** and Salem*

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

Minimum Full-Time Employment Requirements	(New / Retained Full-time Jobs)
Tech start ups and manufacturing businesses	10 / 25
Other targeted industries	25 / 35
All other businesses/industries	**35 / 50**

*Minimum employment numbers are **reduced by 1/4** in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, **Ocean** and Salem*

As a Non-Industrial – Rehabilitation Project for an other business in Ocean County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$2,408,987	$2,664,110
New Jobs	27	45
Retained Jobs	38	243

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	**Requirement**	**Proposed by Applicant**
Distressed Municipality	Base award of $4,000 per year for projects located in a designated Distressed Municipality	Lakewood Township is a designated Distressed Municipality.
Increase(s) Criteria		
Deep Poverty Pocket or Choice Neighborhood	An increase of $1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood	600 and 650 Airport Road is located in a Deep Poverty Pocket.
Large Number of New/Retained Full-Time Jobs	An increase of $500 per job for 251-400 new or retained	The applicant is proposing to create/retain 288 Full-Time

	jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs	Jobs at the project location resulting in an increase of $500.

Grant Calculation

BASE GRANT PER EMPLOYEE:			
Distressed Municipality			$4,000
INCREASES PER EMPLOYEE:			
Deep Poverty Pocket or Choice Neighborhood:		$1,500	
Large Number of New/Retained F/T Jobs:		$ 500	
INCREASE PER EMPLOYEE:			$2,000
PER EMPLOYEE LIMIT:			
Distressed Municipality		$11,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:			$6,000
AWARD:			
	New Jobs:	45 Jobs X $6,000 X 100% =	$270,000
	Retained Jobs:	243 Jobs X $6,000 X 50% =	$729,000
		Total:	**$ 999,000**
ANNUAL LIMITS:			
Distressed Municipality		$ 8,000,000	
TOTAL ANNUAL AWARD			**$ 999,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 2,664,110
NEW FULL-TIME JOBS:	45
RETAINED FULL-TIME JOBS:	243
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 66,267,363
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 56,277,363
TOTAL AMOUNT OF AWARD	$ 9,990,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 53,000
SIZE OF PROJECT LOCATION:	90,337 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing

INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
STATEWIDE BASE EMPLOYMENT: 243
PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No

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 the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program 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, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve 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.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before July 31, 2015; 2) approve the proposed Grow New Jersey grant to encourage Gaming Laboratories International, LLC 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.

DEVELOPMENT OFFICER: J. Kenyon **APPROVAL OFFICER**: J. Rosenfeld

BOARD MEMORANDUMS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

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

DATE: October 14, 2014

SUBJECT: The Bank of New York ("BNY")
BEIP Grant: P10553
Project Location: Lodi, NJ

Request:
Consent to the following changes on the grant:
1) Location change from Lodi to Jersey City;
2) Name change from The Bank of New York to The Bank of New York Mellon

In exchange for these changes, the applicant will agree to create 25 new jobs in Jersey City by June 30, 2015, maintain those jobs for 4.5 years and maintain at least 80% of its present statewide employment for 4.5 years.

Background:
In January 1999 the Members approved a 60% / 10 year BEIP grant to BNY for the creation of 124 new jobs. BNY met and exceeded that projected number of jobs during the term of the grant.

Approximately $825,000 has been disbursed over the term of the grant. As staff conducted its review of post payment BEIPs, we learned that no jobs were reported on BNY's 2011 report. Upon contacting the applicant, EDA was advised the BEIP location had closed and the BEIP jobs had moved out of New Jersey. Based on that information, EDA issued a default letter and demanded repayment of the grant pursuant to the September 2004 policy approved by EDA's Board that authorizes us to recapture from companies awarded BEIPs if they relocated their businesses and the associated BEIP jobs out of state during the term of the grant (typically 15 years).

Upon receipt of the letter, BNY contacted EDA to advise that the former Lodi jobs were not relocated out of New Jersey; rather the bank's business model had changed from paper to electronic processing, and while the Lodi site and paper processing jobs were no longer necessary for its operations, the bank was still growing jobs in New Jersey at its other locations.

Given that it continues to grow jobs in New Jersey, BNY has requested an amendment of the grant location from Lodi to Jersey City. If EDA provides its consent, BNY will create 25 new jobs by June 30, 2015 and will agree to retain those new jobs for an additional 4.5 years to effectively provide additional years of compliance to offset the years the bank was not compliant on its job numbers. BNY will similarly agree to maintain at least 80% of its present statewide employment in New Jersey (2,654) over the 4.5 year period. Of note, the jobs to be created are expected to be higher paying jobs (average

salaries of $100,000 v $32,000 initially contemplated at the time of the BEIP approval).

Recommendation:
Consent to the following changes in the grant:
1) Location change from Lodi to Jersey City
2) Name change to The Bank of New York Mellon.

Failure to report on and maintain the 25 new jobs in Jersey City for 4.5 years, and/or failure to maintain 80% of overall New Jersey employment over that time period, will result in sliding scale recapture of payments made to the company during disbursement period of the grant.

Prepared by: Jon Maticka

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

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

DATE: October 14, 2014

SUBJECT: Delegated Authority Approvals for 3nd Quarter 2014
For Informational Purposes Only

The following post-closing actions were approved under delegated authority during the third quarter of 2014:

Name	EDA Credit Exposure	Action
B&S Partners	$ 371,875	Substitution of the borrower's first mortgage lender and subordination of the EDA's junior lien to Beneficial Savings. Extend the direct loan maturity from August 1, 2014 to March 1, 2019 at the current rate of 3.0%.
Centro Comunal Borincano	$ 363,652	Extend the maturity of the ERB loan to April 1, 2027 and subordinate the ERB's junior mortgage to a new senior lender, Fulton Bank.
Wellgen, Inc.	$ 250,000	Restructure the defaulted Springboard I Recoverable grant and accept $23,700 as settlement of the Company's unpaid rent at NJ Technology Center.
Frank W. Graafsma	$ 138,673	Extend the $50,118 HDSRF loan maturity date to May 1, 2017 to be co-terminus with a newly approved $88,555 HDSRF loan.
449 Blair Road Associates, LLC & Perth Amboy Tire	$ 0*	Accept $150,000 in exchange for release of two personal guarantors with nominal financial resources. *This $394,971 LDFF loan was previously written off.

Conduit Bonds (EDA has no credit exposure.)	
Cedar Crest Village, Inc.	Consent to the sale and transfer of Series A and B bonds to Series C bond purchaser and reduce Series A through C interest rates to 78% of (LIBOR + 132 b.p.) or 1.45%.

Economic Recovery Board of Camden (grants)	
The Cathedral Soup Kitchen, Inc.	Subordinate the performance mortgage securing the $1,000,000 ERB Demolition and Redevelopment Finance Fund grant to $1,300,000 in new mortgages from PNC Bank used to fund renovation and expansion of the project.
Cooper's Ferry Development Association, Inc. dba Cooper's Ferry Partnership	Extension of the project completion date of the $500,000 ERB infrastructure grant to December 31, 2014 to allow CFDA sufficient time to complete roadway designs for the Haddon Avenue Transit Village project.

Prepared by: Daniel Weick

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: October 14, 2014

SUBJECT: Incentives Modifications
(For Informational Purposes Only)

Since 2001, and most recently in June, 2014, the Members have approved delegations to the President/Chief Operating Officer for post closing incentive modifications that are administrative and do not materially change the original approvals of these grants.

Attached is a list of the incentive modifications and Salem/UEZ renewal extensions that were approved in the 3rd quarter ending September 30, 2014.

Prepared by: C. Craddock

ACTIONS APPROVED UNDER DELEGATED AUTHORITY
QUARTER ENDING SEPTEMBER 2014

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

Name	Modification	Approved Award
Ferring Pharmaceuticals, Inc.	Location change	$3,927,466
Knight Capital Americas, LLC	Merger & name change	$5,323,200

SALEM/UEZ ENERGY SALES TAX EXEMPTION

Name	Location	# of Employees/% Involved in Manufacturing	Benefit
Anheuser Busch, LLC	Newark, NJ	329/83%	$ 700,000
Avantor Performance Materials, Inc.	Phillipsburg, NJ	182/85%	$ 240,000
B&B Poultry Co., Inc.	Norma, NJ	181/93%	$ 55,000
Mannington Mills, Inc.	Salem, NJ	533/65%	$ 500,000
OHM Laboratories, Inc.	New Brunswick, NJ	375/52%	$ 250,000

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

DATE: October 14, 2014

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

The following projects were approved under Delegated Authority in September 2014:

New Jersey Business Growth Fund:

1) CNJ Real Estate LLC (P39783), located in Berlin Township, Camden County, was formed in July 2014 as a real estate holding entity for the subject property, which will be occupied by Filan & Connor Plumbing, LLC. Filan and Conner Plumbing LLC has a combined 35 years of experience in plumbing, HVAC and bathroom remodeling. PNC Bank approved $315,000 loan with a five-year, 25% guarantee of principal outstanding, not to exceed $78,750. Proceeds will be used to purchase a commercial property. Currently, the company has fifteen employees and plans to create five new positions within the next two years.

2) JSASA Real Estate LLC (P39791), located in Neptune Township, Monmouth County, is a real estate holding company that was formed to purchase the property currently occupied by Jersey Shore Advanced Surgical Associates LLC ("JSASA"). This practice is one of the only bariatric practices in the area supporting the Jersey Shore University Medical Center and is a specialty surgical practice comprised of two board certified surgeons who provide expertise in all aspects of gastrointestinal surgery, bariatric surgery, hernia surgery, laparoscopic surgery, skin and soft tissue surgery and breast surgery. PNC Bank approved a $770,000 loan with a five-year, 25% guarantee of principal outstanding, not to exceed $192,500. Proceeds will be used to purchase the project property. The Company currently has four employees and plans to create four additional positions within two years.

Direct Loan Program:

1) 2nd Home Newark Operations LLC and 717-727 Newark Properties LLC (P39428), located in Newark City, Essex County, is a newly formed real estate holding company formed to purchase a commercial property. The operating company, 2nd Home Newark Operations LLC ("2nd Home") is related to Newark Properties by common identical ownership, and operates an adult daycare facility licensed for 150 patients. The Company was approved for a $1,000,000 direct loan to purchase a commercial property that will be occupied by 2nd Home. Currently, the Company has 25 employees and plans to create ten new positions over the next two years.

2) Nordhoff Realty Associates (P39583), located in Engelwood City, Bergen County, is a real estate holding company formed to purchase the project property. Since 1914, the operating company, C & C Metal Products Corp., has manufactured fine decorative metal nailheads, buttons, buckles, findings, studs and eyelets for the fashion, uniform, upholstery, craft and jewelry industries made of steel, aluminum, zinc and brass. The Company was approved for a $1,550,000 direct loan to refinance an existing mortgage. The Company currently has 50 employees and plans to create five new jobs within the next two years.

NJ Main Street Assistance Program:

1) Broadway Packaging Solutions, Inc. and Broadway Kleer-Guard (P39681) are located in Monroe Township, Middlesex County. Broadway Kleer-Guard Corporation ("BKG") was originally founded in 1945 with present control succeeding in 2006. In 2010, Broadway Packaging Solutions ("BPS") was formed and operates as a manufacturer of packaging materials and supplies and is related to BKG via common ownership. BPS' sole customer is BKG, a distributor of packaging materials and supplies manufactured by BPS. Collectively, the Company services the moving and storage industry, pharmaceutical industry and wrapping paper. M&T Bank approved a $4,500,000 line of credit, contingent upon a two year, 16.67% Authority guarantee of principal outstanding, not to exceed $750,000. The Company currently has 31 employees and plans to create ten new positions within the next two months.

2) Earth Stone & Tile Inc. (P39673), located in Elizabeth City, Union County, was founded in 2002 and operates as an importer and distributor of marble, granite and slate products to manufacturers and installers in the Tri State area. Provident Bank approved a $300,000 line of credit contingent upon a one year, 50% Authority guarantee of principal outstanding, not to exceed $150,000 under the Main Street Assistance Program. The Company currently has 13 employees and plans to create two new jobs within the next two years.

3) Vac-U-Max (P39689), located in Belleville Township, Essex County, was founded in 1954 with the invention, patenting and production of the world's first compressed-air-powered vacuum. Peapack-Gladstone Bank approved a $1,500,000 line of credit contingent upon a one year, 33.33% Authority guarantee of principal outstanding, not to exceed $500,000 under the Main Street Assistance Program. In addition, related company, William Street LLC (P39700), is a real estate holding company formed in 2011 to purchase the subject property leased to Vac-U-Max, Inc. Peapack-Gladstone Bank approved a $1,500,000 loan, contingent upon a $750,000 (50%) Authority participation to refinance an existing mortgage and a line of credit. Currently, the Company has 75 employees and plans to create 25 new jobs over the next two years.

Small Business Fund Program:

1) GMB Holding LLC (P39632), located in Seaside Heights Borough, Ocean County, is a real estate holding company formed to purchase a commercial property. The operating company, Kohr's Frozen Custard The Original, Inc., d/b/a Kohr's Frozen Custard is a retail ice cream business formed in 1990 and currently operates five frozen custard locations on the boardwalk in Seaside Heights. TD Bank approved a $1,200,000 commercial mortgage loan with a $200,000 (16.67%) Authority participation under the Small Business Fund Program. Proceeds will be used to purchase a commercial property. Currently, the Company has 47 employees and plans to create 25 new full time jobs over the next two years. SSBCI funds will be utilized for this project.

2) RECA Property, LLC & Acer Associates, LLC or Nominee (P39496) are located in Berlin Township, Camden County. RECA Property, LLC is the real estate holding company to the operating entity, ACER Associates LLC ("ACER"). ACER was established in 2003 as an environmental and industrial hygiene consulting firm that provides a wide variety of services in the Tri State area. The NJEDA approved a $284,581 five year loan under the Small Business Fund Direct Loan Program. Proceeds will be used to refinance an existing mortgage loan and to purchase furniture and fixtures. The Company currently has 13 employees and plans to create five new positions in the next two years.

3) T Hook Carpet & Flooring LLC (P39593), located in Stratford Township, Ocean County, was founded in 2010 as a flooring retailer and installer. The Company is organized as a sole proprietorship (schedule C) and operates out of a leased facility in Manahawkin. The NJEDA approved a $310,000 ten year term direct loan under the Small Business Fund Direct Loan Program. Proceeds will be used to purchase a commercial building to improve business visibility. The Company currently has three employees and plans to create three additional positions within the next two years.

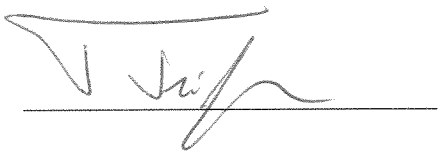
4) Top Notch Tree & Landscape LLC (P39765), located in Saddle River Borough, Bergen County, was established in 2005 as a landscaping service offering general and specialized landscaping, hardscaping (including retention wall design and construction) and tree removal and clean-up services to commercial, industrial and residential properties. M&T Bank approved a $400,000 working capital loan contingent upon a 50% ($200,000) Authority participation. Proceeds will be used to refinance equipment loans and to improve cash flow. Currently, the Company has 30 employees and plans to create 10 new jobs over the next two years.

Stronger NJ Loan Program:

1) Opdyke Furniture, Inc. (P39134), located in Point Pleasant Borough, Ocean County, was founded in 1948 by the Opdyke Family to sell casual indoor and outdoor furniture. The Company received $50,000 under the Grant Program and is seeking a $532,521 working capital loan under the Stronger NJ Business Loan Program. Proceeds will be used to reimburse the Company for working capital expenses incurred in 2014.

New Jersey Business Growth Fund - Modification:

1) 1602 New Road, LLC (P39774), located in Northfield City, Atlantic County, is a related real estate holding company for the operating company, Mark Gorski T/A Eurocolour LLC. Eurocolour LLC (sole proprietorship) is a hair salon that was established in 2002 by the current management. In 2009, PNC Bank provided funding to 1602 New Road LLC as the affiliated real estate holding company. PNC Bank approved a renewal of a $362,082 bank loan with a 57 month, 25% Authority guaranty of principal outstanding, not to exceed $90,520. Original loan proceeds were used to purchase real estate to relocate the existing business locally. All other terms and conditions of the original approval remain unchanged.



Prepared by: D. Lawyer
DL/gvr

REAL ESTATE

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: October 14, 2014

SUBJECT: Real Estate Division Delegated Authority for Leases, CCIT Grants, and Right of Entry (ROE)/ Licenses for Third Quarter 2014
For Informational Purposes Only

The following approvals were made pursuant to Delegated Authority for Leases and ROE/ Licenses in July, August and September 2014.

LEASES / CCIT GRANTS

TENANT	LOCATION	TYPE	TERM	S.F.	CCIT GRANT
PDS Pharmaceuticals	CCIT	Lease Renewal	One year	1125 sf	N/A
Hurel	CCIT	Lease Amendment	9 months	2125 sf	N/A
BioAegis Therapeutics	CCIT	New Lease	One Year	800 sf	N/A
Conversion Energy	CCIT	Lease Holdover	Month to Month	800 sf	N/A
Vasade Bioscience	CCIT	Lease Holdover	Month to Month	800 sf	N/A
PDS Pharmaceuticals	CCIT	Lease Renewal	One year	1125 sf	N/A
Webimax, LLC	WTCC	Lease Agreement	3 month	5285 s/f	N/A
3e Bioenergy Internatioanl	CCIT	New Lease	One Year	800 s/f	N/A
Conversion Energy	CCIT	Lease Holdover	Month to Month	800 s/f	N/A
Vasade Bioscience	CCIT	Lease Holdover	Month to Month	800 s/f	N/A
Institute for Development of Education in the Arts	Susquehanna Bank Center	Lease Extension	6 month extension expires 12/31/14	Black Box Theater and Office Space	N/A

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Crystal Pharmatech	CCIT	Lease Amendment	6 ½ months	1125 sf	N/A
Hudson BioPharma	CCIT	Lease Amendment	6 months	1800 sf	N/A
Ascendia Pharmaceuticals	CCIT	Lease Renewal	One Year	1975 sf	N/A

RIGHT OF ENTRY/LICENSES

ENTITY	LOCATION	TYPE	CONSIDERATION
City of Camden	Property adjacent to former Camden Prison Site	License to allow Installation and Maintainence of Electrical Cabinet	N/A

Timothy J. Lizura
President/ Chief Operating Officer

Prepared by: Donna T. Sullivan

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Michele Brown
Chief Executive Officer

Date: October 14, 2014

RE: Technology Business Tax Certificate Transfer Program (the "Program")
Appeals

Pursuant to the Program's enabling legislation, the Authority annually reviews applications to ensure the applicants meet the statutory requirements of the Program. Staff's recommendation for approval or declination is then presented to the Members for approval. Applicants that are declined have 20 days to submit appeals which are reviewed by an independent Hearing Officer.

At the Authority's August 12, 2014 Board meeting, the Members considered 58 requests from companies to participate in the Technology Business Tax Certificate Transfer Program. A total of 9 of those requests were disapproved.

I have reviewed the attached Hearing Officer's report regarding the appeals for Emisphere Technologies, Inc., Connotate, Inc., Prescription Advisory Systems and Technology, Inc., Seldar Pharma, Inc., Tacurion Pharma, Inc., and Telsar Pharma, Inc. in regard to the Technology Business Tax Certificate Transfer Program. I concur with the recommendation that the disapprovals of Connotate, Inc., Prescription Advisory Systems and Technology, Inc., Seldar Pharma, Inc., Tacurion Pharma, Inc. and Telsar Pharma, Inc. be upheld and the declination for Emisphere, Inc., to be reversed.

Michele Brown
Chief Executive Officer

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Michele Brown, Chief Executive Officer
Members of the Authority

FROM: Teresa Wells
Hearing Officer

DATE: October 14, 2014

SUBJECT: Technology Business Tax Certificate Transfer Program - Appeals

Request:
Consent of the members to the Hearing Officer's recommendation to reverse the declination of NOL application for Emisphere Technologies, Inc., and to uphold the declination of NOL applications for Connotate, Inc., Prescription Advisory Systems and Technology, Inc., Seldar Pharma, Inc., Telsar Pharma, Inc. and Tacurion Pharma, Inc.

Background:
Pursuant to the enabling legislation, the Authority administers the Technology Business Tax Certificate Transfer Program ("Program"), including the review of each application to insure the applicants met the requirements of the Program. Staff recommendations are then presented to the Members for consideration. As requested by the CEO, I am fulfilling the role of Hearing Officer to independently review the appeals, and have completed that review of the appeals with legal guidance from the Attorney General's Office.

At the August 12, 2014 Board Meeting, the Members considered 58 requests from companies to participate in the Technology Business Tax Certificate Transfer Program. A total of 49 requests were recommended for approval and 9 requests were disapproved. Average estimated benefits were calculated to be $1,224,000 per approved company based on this year's budget allocation of $60 million. If the Board agrees with the recommendation to approve a company previously disapproved or disagrees with any of the decisions of the Hearing Officer to uphold all of the declinations, the benefit amount will be recalculated based on the total new number of approvals, with the reduction to the amount of benefit received by the companies expected to be de minimus.

Following the August Board meeting, the 9 companies that were disapproved were sent written notice of the Board's action along with the reasons for the disapproval. In that letter, applicants were notified of the decision and were provided 20 days to appeal. Of the 9 disapproved, 6 filed appeals by the appeal deadline of September 1, 2014.

Over the past four weeks, each appeal has been reviewed and in some instances, additional clarifying information has been requested.

Based on the review of the appeals submitted by the applicants and the analyses prepared by the initial review team from the Authority, I am recommending that the following one company be approved for participation in the Program:

Emisphere Technologies, Inc.
Based on clarifying information provided by the applicant, the Hearing Officer has concluded that the biotechnology company employed the minimum number of 10 full-time employees on June 30, 2014, as required by N.J.S.A. 34:1B-7.42(b).

Emisphere Technologies ("Emisphere") submitted a signed application showing 10 full-time employees in the State of New Jersey. However, one of the employees appeared to be in a temporary position being related to applicant's CEO and having below market compensation for the position as well as in comparison with the market salaries and the compensation paid to other Emisphere employees.

Based on a review by the Hearing Officer it has been concluded that (i) the Emisphere did not hire this employee with the intention of only filling a temporary position, but based on the need for an additional administrative position to coincide with the launch of new and expensive product; and (ii) the company conducted its due diligence to assess the market compensation for a similar position and also interviewed several candidates that were not willing to take a financial risk at this company.

In follow-up with the company by the Hearing Officer, Emisphere disclosed that the tenth employee is no longer employed by Emisphere and the company is actively seeking a replacement to fill the vacant position. Emisphere was reminded it will need to be in compliance by demonstrating that it had retained at least 10 full-time employees on the date of the exchange of the tax benefit certificate.

Based on the review of the appeals and the analyses prepared by the initial review team from the Authority, I am recommending the following three declinations be upheld as the applicants have not demonstrated they meet all of the eligibility criteria of the Program:

Connotate, Inc.
Connotate, Inc. ("Connotate") failed to demonstrate that it had a net operating loss in 2013 as required by N.J.S.A. 34:1B-7.42(a)(b)(5).

Based on a review by the Hearing Officer, it was determined that the affiliated investment funds Point406 Venture I, LP, and Point406 Ventures I-A L.P. had a greater than 50% ownership in Connotate and demonstrated a positive net operating income in 2013. The Authority had provided notice to Connotate in its application and Frequently Asked Questions that ownership or control requirements also apply to non-corporate entities including but not limited to venture capital funds. The financial statements provided for 2013 showed positive realized gains. Consistent with Authority policy for an investment fund, the net investment income/loss and realized gain/loss from investments is the equivalent to the statutory net operating income/loss.

Prescription Advisory Systems and Technology, Inc.
Prescription Advisory Systems and Technology, Inc. ("PAST") failed to both demonstrate it had healthcare coverage for all employees on June 30, 2014, as required by N.J.S.A. 34:1B-7.42(b) or provide the required 2013 NJ Form W3, Reconciliation of Tax Withheld by the Program deadline.

PAST did submit the W3 document in satisfactory form with its appeal. Nevertheless, based on a review by the Hearing Officer, it was determined PAST applied for a new small group health benefit policy on June 27, 2014 with an effective date of July 1, 2014. Therefore PAST did not have healthcare coverage by the Program's mandatory deadline of June 30, 2014.

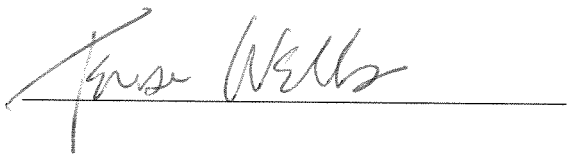
Seldar Pharma, Inc./Tacurion Pharma, Inc./Telsar Pharma, Inc.
For purposes of the appeal process, the individual applications of Seldar Pharma, Inc. ("Seldar"), Tacurion Pharma, Inc. ("Tacurion") and Telsar Pharma, Inc. ("Telsar") (or collectively "the Companies") have been reviewed and discussed together.

The Companies failed to demonstrate they met the required minimum number of full-time employees of at least one full-time employee each working in this State for a company as of June 30, 2014 and therefore do not meet the Programs requirements for full-time employees as mandated by N.J.S.A. 34:1B-7.42(b).

Drais Pharmaceuticals, Inc. ("Drais"), a prior Program applicant, changed its business model in 2012 and began developing its new drug candidates through the individual corporations of Seldar, Tacurion and Telsar. Under this business model, each company owns or licenses the intellectual property and raises its own venture capital funding, but the corporate operations and the development of the drug candidates are managed by the employees of Drais only.

Based on a review by the Hearing Officer, it was determined that Seldar, Tacurion and Telsar did not meet the required minimum of full-time employees of at least one full-time employee each because (i) there is no evidence that the Companies are subsidiaries of Drais nor does Drais own or control at least 50% of Seldar, Tacurion or Telsar, therefore the employees of Drais cannot be counted as employees of Seldar, Tacurion and Telsar, respectively; and (ii) service agreements have been executed between Drais and each of the Companies, indicating that the employees are independent contractors, which are specifically excluded in the definition of a Full-time employee under the Program's regulation.

Recommendation:
As a result of careful consideration of the above appeals in consultation with the Attorney General's Office, the following appeal is recommended for approval: Emisphere Technologies, Inc. The following appeals are recommended for denial: Connotate, Inc., Prescription Advisory Systems and Technology, Inc., Seldar Pharma, Inc., Tacurion Pharma, Inc. and Telsar Pharma, Inc.



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

VIA EMAIL AND OVERNIGHT MAIL

October 9, 2014

Mr. Michael Garone
Chief Financial Officer
Emisphere Technologies, Inc.
4 Becker Farm Road, Suite 103
Roseland, NJ 07068

Dear Mr.Garone:

I am in receipt of your appeal for reconsideration under the Technology Business Tax Certificate Transfer Program ("Program").

Previous Action:
By way of background, the Board of Directors of the New Jersey Economic Development Authority (the "Authority" or "EDA") reviewed and declined your application for Program benefits on August 12, 2014. The information provided indicated that Emisphere Technologies, Inc. ("Emisphere" or the "Company") failed to demonstrate it employed the minimum number of 10 full-time employees on June 30, 2014, as required by N.J.S.A. 34:1B-7.42(b).

Legal Citation:
As to the number of employees, the relevant legal provision is the definition of "New or expanding" which appears at N.J.S.A 34:1B-7.42(b) that states: "New or expanding" means a technology or biotechnology company that (1) on June 30 of the year in which the company files an application for surrender of unused but otherwise allowable tax benefits under P.L. 1997, c. 334 (C 34:1B-7.42a et al .) and on the date of the exchange of the corporation business tax benefit certificate, has fewer than 225 employees in the United States of America; (2) on June 30 of the year in which the company files such an application, has at least one full-time employee working in this State if the company has been incorporated for less than three years, has at least five full-time employees working in this State if the company has been incorporated for more than three years but less than five years, and has at least 10 full-time employees working in this State if the company has been incorporated for more than five years; and (3) on the date of the exchange of the corporation business tax benefit certificate, the company has the requisite number of full-time employees in New Jersey that were required on June 30 as set forth in part (2) of this definition."

Further, a "Full-time employee" is also defined in N.J.A.C. 19:31:12.2 in part as "a person employed by a new or expanding emerging technology or biotechnology company on a permanent or indefinite basis for consideration for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time employment and

whose wages are subject to withholding..." Under this regulatory definition the ""Full-time employee" shall not include any person who works as an independent contractor or on a consulting basis for the new or expanding emerging technology or biotechnology business; or any person who works as an intern, as a temporary employee, or in a temporary position."

Discussion:
As indicated in the memorandum by Kathleen Coviello dated September 16, 2014, whose team reviewed your application to the Program, it was determined that Emisphere did not meet the Program requirements of employing the minimum number of 10 full time employees by the Program's deadline of June 30, 2014.

Ms. Coviello stated that although Emisphere's Program application reflected 10 full time employees in the State of New Jersey as required, one of the employees, Elise Rubio, appeared to be in a temporary position being related to applicant's CEO and having below market compensation for the position as well as in comparison with the market salaries and the compensation paid to other Emisphere employees. As a result the Company only had 9 eligible full time employees as of June 30, 2014, not 10 eligible full-time employees as required for companies that have been in operation for more than five (5) years.

Michael Garone, Chief Financial Officer of Emisphere in its appeal to the denial by letter dated August 26, 2014 explained that the Company needed an additional entry level employee in general office management with a sciences background in order to meet its timelines and financial obligations with respect to an expensive launch of a new product. As Ms. Rubio is related to the CEO of Emisphere the Company was well acquainted with her background, skills and career ambitions. Ms. Rubio had been accepted into medical school but considered deferring her acceptance and had been seeking employment in the meantime. Ms. Rubio also had experience at two other pharmaceuticals companies. Several potential candidates for the job were reluctant to join the Company given its current financial constraints. The Company also contacted several representatives of employment agencies to obtain market assessments of salaries for similar administrative/training positions.

Ms. Coviello in her September 16, 2014 memorandum recommended accepting Empishere's appeal and overturning the declination for the reasons set forth above. After review of the facts and the appeal responses, I concur with the analysis by Ms. Coviello and am persuaded that Ms. Rubino was a full-time employee in accordance with the Program guidelines, notwithstanding her relation to the Company CEO and compensation at below market value. I also do not find that the Company hired this employee with the intention of only filling a temporary position.

As the hearing officer, I contacted the Company by email dated September 18, 2014 and asked Mr. Garone whether Ms. Rubino is still employed by Emisphere. Mr. Garone responded by email on September 19, 2014 that she was no longer so employed. Her last day was August 6, 2014 as she decided ultimately to continue with medical school for the Fall semester of 2014. Mr. Garone further stated that "we are actively pursuing candidates and plan to re-fill that position soon."

Nevertheless for purposes of this appeal, I remain satisfied that Emisphere met the employment requirement of 10 full-time employees on June 30, 2014 given the rationale for the hiring of Ms. Rubio. Of course, the Company will need to again be in compliance by demonstrating that it had retained at least 10 full-time employees on the date of the exchange. I concur with what Ms. Coviello stated in her September 16, 2014 memorandum that Emisphere will also have to meet

the definition of "new or expanding" on the date it exchanges the tax benefit certificate for the private financial assistance and will also have to certify as of the date of the tax benefit certificate that it has no intention to cease operating as a new or expanding emerging biotechnology or technology business "as required by N.J.S.A 34:1B-7.42(b).

Based on my review, I do believe that the Company has produced sufficient evidence to overturn the declination previously issued for not meeting the minimum number of ten (10) full-time employees on June 30, 2014, as required by N.J.S.A. 34:1B-7.42(b).

Conclusion:
This appeal will be heard by the Authority Board at its meeting on October 14, 2014 at 10 a.m. At that time I will be recommending that the declination be overturned and the appeal accepted by the Authority Board. You are welcome to attend and will have an opportunity to make comments if so desired. However, if you have any comments, issues or concerns, please submit same in writing by email by 5 p.m. on October 13, 2014.

The Authority Board then shall review and render its decision and this action shall constitute a final agency decision. We will notice you of that final action which is subject to a ten (10) day veto period by the Governor.

Very truly yours,

Teresa Wells
Hearing Officer

c: Michele Brown, Chief Executive Officer
Kathleen Coviello, Director

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

VIA EMAIL AND OVERNIGHT MAIL

October 9, 2014

Mr. Francis Hunt
Connotate, Inc.
120 Albany Street II Tower, 4th Floor
New Brunswick, NJ 08901

Dear Mr. Hunt:

I am in receipt of your appeal for reconsideration under the Technology Business Tax Certificate Transfer Program ("Program").

Previous Action:
By way of background, the Board of Directors of the New Jersey Economic Development Authority ("EDA" or the "Authority") reviewed and declined your application for Program benefits on August 12, 2014. The information provided indicated that Connotate, Inc.'s ("Connotate" or "the Company") affiliated investment funds, Point406 Ventures I L.P. and Point406 Ventures I-A L.P. (collectively "Point406 Ventures"), had a parent relationship with the Company by having a greater than 50% ownership in Connotate. According to the Company's 2013 financial statements Point406 Ventures as a parent to the Company demonstrated the equivalent of positive net operating income in 2013, which is not in conformance with the requirements of N.J.S.A. 34:1B-7.42(a) (b) (5).

Legal Citation:
The relevant legal provision is the definition of "Net operating loss" which appears at N.J.A.C. 19:31-12.2 that states: "Net operating loss means the excess of deductions over the gross income used in computing entire net income in a specific year without regard to the net operating loss carryover to that year and the dividend exclusion as provided in N.J. S.A. 54:10A-4 (k) (6) (C)." Further, the statute provides at N.J.S.A. 34:1B-7.42(a)(b)(5) that "[N]o application for a corporation business tax benefit transfer certificate shall be approved in which the new or expanding emerging technology or biotechnology company (1) has demonstrated positive net operating income in any of the two previous full years of ongoing operations as determined on its financial statements issued according to generally accepted accounting standards endorsed by the Financial Accounting Standards Board or (2) is directly or indirectly at least 50 percent owned or controlled by another corporation that has demonstrated positive net operating income in any of the two previous full years of ongoing operations as determined on its financial statements.... or is part of a consolidated group of affiliated corporations, as filed for Federal income tax purposes, that in aggregate has demonstrated positive net operating income in any of the two previous full years of ongoing operations as determined on its combined financial statements issued according to generally accepted accounting standards endorsed by the Financial Accounting Standards

Board". Both the Technology Business Tax Certificate Transfer Program 2014 application ("Application") and the Authority Frequently Asked Questions ("FAQs") specifically set forth that the ownership or control requirements also apply to other entities including but not limited to venture capital funds.[1]

Discussion:
As indicated in the memorandum by Kathleen Coviello dated September 16, 2014, whose team reviewed your application to the Program, it was determined that Connotate did not meet the Program requirements as positive net operating income is calculated as Net Investment Income/Loss and Realized and Unrealized Gain from Investments for an investment fund. The financial statements demonstrated that the Company's gains constituted positive net operating income in 2013.

In the appeal response dated August 26, 2014, Frank Hunt, Chief Financial Officer of Connotate stated that net operating loss is not a standard used in connection with accounting for venture capital funds such as Point406 Ventures. Instead, the return of capital with appreciation to its limited partners is the goal of venture capital firms.

In this regard, Mr. Hunt asserted that the calculation for net operating loss defined in the August 12, 2014 declination letter from the Authority, as "Net Investment Income/Loss and Realized and Unrealized Gain from Investments" for Point406 Ventures is not in accordance with the regulations as presented in the Program's application "and appears to be arbitrary". Gains and losses from realized and unrealized investments in operating income are not in accordance with "US GAAP" and is only used to demonstrate the change in valuation of companies held by the company between reporting periods. The term "Net Operating Income" does not appear in Point406 Ventures financial statements and Mr. Hunt argues that it would be inconsistent to calculate the operating income through this definition based on the requirements of GAAP.

In my role as hearing officer, I requested via email on September 22, 2014 that Mr. Hunt provide the specific GAAP standard dealing with the method treatment of net investment income /loss and unrealized/realized gain/loss from investments as the "net operating income" for a venture fund. Mr. Hunt replied by email dated September 22, 2014 and noted, in part, that since venture funds are not the same as commercial and industrial businesses that SEC S-X regulations for investment entities applies as follows:

" Reg. § 210.6-07 explains the requirements of a statement of operations for an Investment Entity. The statement is used to determine the change in Net Assets, another statement required by Investment Entities. As outlined in 210.6.07, the most comparable term to operating income is Investment income (loss) –net. This is before the realized and unrealized gain (loss) in investments. The US GAAP term Operating income is not shown in the statement of operations of investment entities and hence why I [Mr. Hunt] said it was not in accordance with US GAAP."

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1 The Authority application specifically states as part of its criteria that no approval can be issued for a new or expanding technology or biotechnology business that "is directly or indirectly at least 50% owned or controlled by another entity, including, but not limited to, Venture Capital firms, Corporations, LLCs, LLPs, LPs, Partnerships, or sole proprietors, that has demonstrated positive net operating income in any of the two previous full years of ongoing operations as determined on its financial statements prepared in accordance with GAAP, or is part of a consolidated group of affiliated corporations as filed for Federal income tax purposes, that in the aggregate has demonstrated positive net operating income in any of the two previous full years of ongoing operations as determined on its combined financial statements prepared in accordance with GAAP".

Ms. Coviello stated in her analysis of the appeal that the accounting standards differ between traditional business structures and investment funds. Acknowledging that an accounting "ambiguity" existed as "net operating income/loss" was not a term used in venture capital funds, Ms. Coviellllo stated that the Authority's interpretation, nonetheless is that "Net Investment Income" plus "Realized Gains from Investments" in investment fund accounting is the "equivalent" of net operating income that would apply to a typical business structure, as the realized gains on the investments is the primary business for a venture fund. She asserted that the Authority has used this analysis in other venture capital fund applications to this Program. Finally, Ms. Coviello corrected an erroneous statement in the Board memo that unrealized gains from 2013 were included as part of the net operating income analysis but its elimination still resulted in positive net operating income for the Point406 Ventures.

Connotate's appeal letter also addresses its prior successful applications from 2012 and 2013 and cites inconsistency by the Authority as the Point406 Ventures entities owned more than 50 per cent of the total Company in 2012 and demonstrated "positive net operating income" in that year, but its application was not denied. Ms. Coviello asserted that Point406 Ventures only owned (i) 41.90% of the company in connection with its 2013 application and (ii) 33.81% of Connotate with respect to the 2012 application so the parent relationship did not apply in either of those instances.

I also examined the information provided for the 2013 and 2012 application cycles and concur with the findings raised by Ms. Coviello in that the Authority did not inconsistently apply or deviate from the Program requirements as set forth in the statute and regulations promulgated thereunder. From the information provided in the 2013 cycle, I determined that Point406 Ventures, in fact, did have more than a 50% ownership interest in Connotate. However, it showed a net investment loss and negative net realized gain on investments, therefore the 2013 application was properly approved. From my research of the 2012 cycle, it appears that Point406 Venture did not have a 50% or more ownership in Connotate at the time of 2012 application so the issue in this appeal was not present at that time. Unrealized gains from investments were not factored into the analysis review of Connotate's applications in 2012 or as stated above for 2013.

Although I can appreciate Mr. Hunt's position that net operating income is not defined for purposes of a venture fund in the statute nor a term used in the financial statements of a venture fund in accordance with GAAP regulations, I am satisfied that the income (or loss) of a venture fund is reflected by a venture fund's "Net Interest Income/Loss and Realized Gains on Investment" and constitutes an appropriate equivalent standard of measurement for purposes of the Program in order to place venture funds on a level playing field with more traditional structured entities that are specifically addressed in the statute and regulations. Further, I concur based on my research, that the Authority has been consistent in its review of venture funds in the previous cycles including the applications of the Company. In this regard, I also find that the Authority has interpreted the statute to require and has provided notice to all applicants in its Application and FAQs that ownership or control requirements also apply to other entities including but not limited to venture capital funds. Therefore, it is appropriate for the Authority to review the financial statements of venture capital companies that have 50 per cent ownership or control of the applicant. Therefore, I find that Connotate had a positive net operating income in one of the two previous full years of ongoing operations in contravention of the Program requirements.

Based on my review, I do not believe that the Company has produced sufficient evidence to

overturn the declination previously issued for having positive net operating income on its 2013 financial statements.

Conclusion:
For the above reasons I will be recommending that the appeal be denied by the EDA Board at its meeting on October 14, 2014 at 10:00 a.m. You are invited to attend this meeting and may offer comments regarding the recommended denial of your appeal. Any comments as well as notification as to your anticipated attendance at the meeting should be submitted to me by e-mail by 5 p.m. on October 13, 2014.

After the EDA Board concludes its review and renders its decision, which is subject to a ten (10) day veto period by the Governor, we will notice you of that final action.

Very truly yours,

Teresa Wells
Hearing Officer

c: Michele Brown, Chief Executive Officer
Kathleen Coviello, Director

Further, a "Full-time employee" is also defined in N.J.A.C. 19:31-12.2 in part as "a person employed by a new or expanding emerging technology or biotechnology company on a permanent or indefinite basis for consideration for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time employment and whose wages are subject to withholding as provided in the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq. ..." Under this statutory definition the "Full-time employee shall not include any person who works as an independent contractor or on a consulting basis for the new or expanding emerging technology or biotechnology business; or any person who works as an intern, as a temporary employee, or in a temporary position."

Discussion:
As indicated in the memorandum by Kathleen Coviello dated September 16, 2014, whose team reviewed your applications to the Program, it was determined that the workforce of Seldar, Tacurion and Telsar did not meet the Program's definition of a "Full time employee" and therefore did not have the minimum number of one full-time employee each as required under the definition of "New or expanding".

In the August 27, 2014 appeal response by Christopher DelMastro, Sr. Director of Finance and Contract at Drais Pharmaceuticals, Inc., Seldar, Tacurion and Telsar are described as individual corporations which are managed by the employees of Drais Pharmaceuticals, Inc. ("Drais"). Drais is a drug development company formed in 2008 that developed its own drug candidates from 2008-2011, creating a workforce of about 10 scientific and executive positions. Drais itself also successfully applied for the Program in 2009, 2010 and 2011. In 2012, Drais changed its business model and began developing its new drug candidates through Seldar, Tacurion and Telsar. Under this business model, each Company owns or licenses the intellectual property and raises its own venture capital funding, but the corporate operations and the development of the drug candidates are managed by the employees of Drais.

Due to this change in the business model, Drais indicates that it contacted Authority staff to explain its new structure and it asserts that they were informed by Authority staff they "met the requirement/definition to pass this program".

In her written response, Ms. Coviello asserts that the Companies do not present any evidence about how their workforce meets the definition of full-time employee as required by the Program guidelines. Ms. Coviello noted that there are service agreements between Drais and the Companies that state "Drais employees will provide necessary services for Seldar, Taucurion and Telsar, and that these employees are considered 'independent contractors' as opposed to 'employees of the subsidiary'."[1] Independent contractors specifically are excluded from the regulatory definition of "Full-time employees". In addition, neither Drais nor the Companies provided any evidence or explanation to the contrary that the employees are not independent contractors.

Further, the employees of Drais cannot be considered the employees of Seldar, Tacurion and Telsar, as the definition of "New or expanding' technology or biotechnology company in N.J.A.C. 19:31-12.2 as cited above provides that the employees of all affiliates, subsidiaries and the employees of all affiliates, subsidiaries of any company that owns or controls at least 50 per cent of the applicant, as well as the employees of any consolidated group of affiliated corporations shall be included in calculating the number of required employees.

Based on the explanation of the relationship between the Companies and Drais as provided by Mr. DelMastro and the information set forth in the applications to the Program, there is no evidence that the

1 The issue of whether the Company is a subsidiary is addressed later in the letter.

Companies are subsidiaries of Drais nor does Drais own or control at least 50 per cent of Seldar, Tacurion or Telsar.

Ms. Coviello further explained that Authority staff did have a conference call with Mr. DelMastro on April 4, 2014 to discuss the Program and the eligibility of the Companies and Drais. After the discussion, it was determined that Drais was not an eligible applicant this year but the three entities may be eligible if their workforce could meet the definition of "Full-time employee". Authority staff also advised Drais to send documentation to the Authority in advance of the Program's deadline for eligibility review.

Further Ms. Coviello's staff also advised the Companies' consultant, Tax Credits, LLC of the prior conference call directly with Drais. Thereafter, the April 15, 2014 email exchange between the consultant and the Authority staff included a reference by Authority staff to the Program requirement regarding full-time employees for each of the Companies and requested that information be presented to demonstrate compliance with this requirement before the applications were submitted.

Notwithstanding the foregoing, Ms. Coviello stated that no documents were submitted in support of the employment status at the Companies at any time prior to the June 30th application deadline.

The Companies' appeal response did provide an explanation of the business structure and the relationship of the Companies with Drais but offered no explanation of how the Companies met the definition of Full-time employees. In fact, throughout the Companies' appeal response, the employees are identified as Drais' employees but only the three companies were the applicants individually.

Based on my review, I find that that Seldar, Tacurion and Telsar have not produced sufficient evidence to overturn the declination previously issued for not meeting the definition of Full-time employees on June 30, 2014, as required by the Program

Conclusion:
For the above reasons I will be recommending that the appeal be denied by the EDA Board at its meeting on October 14, 2014 at 10:00 a.m. You are invited to attend this meeting and may offer comments regarding the recommended denial of your appeal. Any comments as well as notification as to your anticipated attendance at the meeting should be submitted to me by email by 5 p.m. on October 13, 2014.

After the Authority Board concludes its review and renders its decision, which is subject to a ten (10) day veto period by the Governor, we will notice you of that final action.

Very truly yours,

Teresa Wells
Hearing Officer

c: Michele Brown, Chief Executive Officer
Kathleen Coviello, Director

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

VIA EMAIL AND OVERNIGHT MAIL

October 9, 2014

Mr. Joseph Studholme
President & Chief Operating Officer
Prescription Advisory Systems and Technology, Inc.
134 Nassau Street
Princeton, NJ 08542

Dear Mr. Studholme:

I am in receipt of your appeal for reconsideration under the Technology Business Tax Certificate Transfer Program ("Program").

Previous Action:
By way of background, the Board of Directors of the New Jersey Economic Development Authority (the "Authority" or "EDA") reviewed and declined your application for Program benefits on August 12, 2014. The information provided indicated that Prescription Advisory Systems and Technology, Inc. ("PAST" or the "Company") (i) failed to demonstrate it had healthcare coverage for all employees on June 30, 2014, as required by N.J.S.A. 34:1B-7.42(b) and (ii) did not provide a 2013 NJ Form W3, Reconciliation of Tax Withheld, by the Program deadline.

Legal Citation:
The relevant legal provision is contained within the definition of a "Full-time employee" in N.J.S.A 34:1B-7.42(b) which is defined in part as "a person employed by a new or expanding emerging technology or biotechnology company for consideration for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as a as full-time employment and whose wages are subject to withholding…". Under this statutory definition the "employee shall also receive from the new or expanding emerging technology or biotechnology company health benefits..." under one of the several plans described in the statute.

Further, Section N.J.A.C. 19:31-12.4 (c) (9) requires "copies of most recent year's Federal and New Jersey W-3 forms for applicant, parent company and all related entities… for the calendar year prior to the year in which the company files its application and at time of the application" as one of the items to be submitted in order for the application to be considered complete.

Discussion:
As indicated in the memorandum dated September 16, 2014 by Kathleen Coviello, whose team reviewed your application to the Program, PAST did not meet all of the Program requirements, as outlined above.

The Company submitted to the Authority as proof of the Company's health benefits an application to Horizon Blue Cross Blue Shield of New Jersey for a new small group health benefits policy dated June 27, 2014. The application states "[T]he Effective Date will be on or after the date Horizon Blue Cross Blue Shield of New Jersey approves the application". A group roster for PAST from Horizon Blue Cross Blue Shield of New Jersey's website indicated that there were two subscribers to an active group plan for the Company with an effective date of July 1, 2014. This group roster was dated July 14, 2014.

PAST in its appeal letter (undated) by Joseph Studholme contends that the Company had purchased a group health benefits plan and contracted for health insurance covering more than one person as of June 30th, the Program's deadline date. The Company also submitted copies of e-mail correspondence dated May 8-9, 2014 and August 5, 2014 to show that PAST's consultant, Gina Andrew of Tax Transfer Corp. of NJ/Tax Credits, LLC corresponded with Authority staff and was informed that the Company did not need to "own" a policy but only had to "offer" health care to its employees. The Company also asserted in its appeal response that "we were explicitly told in writing that a July 1st start date would be acceptable". Based on that advice, the Company contends that it did not procure healthcare coverage with an effective date prior to the June 30th deadline, although the Company does concede "it would have been easy to establish an effective date of coverage in June".

Ms. Coviello in her response to PAST's appeal states that EDA staff provided a "general comment" to Ms. Andrew about the "offer" of healthcare and was not specific to any applicant and that "they [an applicant] need to prove they are offering it (healthcare coverage) and would provide it right now if wanted by an employee".

I have reviewed the email exchange and find that the May correspondence did not specifically identify PAST as the source of the inquiry. I note that the initial email on May 8th from Ms. Andrew to the EDA offered a scenario involving a two year old company with one full time employee who had coverage through his wife's company. The email exchange does not reference PAST until August 5, 2014, when Ms. Andrews stated that the May 9, 2014 email contains the information provided to PAST regarding the effective date of healthcare coverage.

Further, the May correspondence addressed a very specific set of facts, which were whether a company with one employee who was covered by his wife's insurance needed to buy insurance, even though the one employee had opted out. The staff member responded that the Authority would be flexible in this situation and would allow the Company to provide extrinsic evidence that it had offered health care coverage that would be immediately available. Nothing in the e-mail stated that the effective date of any insurance policy could post-date June 30. As a result, I am not persuaded the response from the Authority on May 9th addressed either PAST or its application.

Based on the information provided, the Company did not have healthcare coverage in place as of June 30, 2014. As stated in the definition above, health benefits must be provided to all employees as of the Program's deadline for employees to be considered full-time. I am satisfied that the Authority's May e-mail was not specifically addressing a healthcare issue involving PAST or that it provided any guidance that health care coverage did not have to be in place for employees at the time of application. In any event, all applicants must be held to recognize that the statutory requirements prevail and cannot be waived by a staffer.

Although I am sympathetic to the Company's argument that health benefits were effective on the first business day after the Program deadline, the Program application and the statute clearly establish this final date and the Company by its own admission could have met this deadline but failed to do so as it

stated in its appeal "[I]t would have been easy to establish an effective date of coverage in June". To grant a waiver of this deadline would be inappropriate as it would provide this Company with an unfair advantage over other potential applicants who did not submit an application at all because they believed healthcare coverage could not be obtained by the Program deadline.

The Company, after receipt of Ms. Coviello's response to its appeal on September 16, 2014, requested by email of September 17, 2014 to discuss Ms. Coviello's response and clarify how the Company procured the healthcare coverage. I did not further correspond with the Company as the statute and the Authority's regulations are clear as to the deadline and EDA should remain consistent to be fair to all applicants as stated above.

As to the second reason for declination, Mr. Studholme responded in his appeal that the Company "provided a 2013 NJW3M filing with the application" and included a copy of the 2013 NJ W-3M with its appeal. The Program's regulations require copies of most recent year's NJ W-3 form, which is a State Division of Taxation form for reconciliation of tax withheld.[1] A copy of the most recent Federal W-3 form is also required. The Company provided a copy of its state income tax annual reconciliation for 2013 with the application but did not submit a copy of the NJ W-3 form. Authority staff requested a copy of the NJ W-3 form along with requests for other clarifying items pertaining to its application, however, the NJ W-3 form was not received prior to the August 12, 2014 Board meeting. Since the Company did provide the form with its appeal, Ms. Coviello has agreed that the Company has met this requirement. I concur, as this information helps substantiate that the applicant had met this submission requirement prior to the June 30th deadline as permitted by N.J.A.C. 19:31-12.6 (d).

Based on my review of the appeal, I do not believe that PAST has produced sufficient evidence to overturn the declination previously issued, as it did not meet the requirement that healthcare coverage is in place for all employees on June 30, 2014.

Conclusion:
For the above reasons I will be recommending that the appeal be denied by the EDA Board at its meeting on October 14, 2014 at 10:00 a.m. You are invited to attend this meeting and may offer comments regarding the recommended denial of your appeal. Any comments as well as notification as to your anticipated attendance at the meeting should be submitted to me by email by 5 p.m. on October 13, 2014.

After the EDA Board concludes its review and renders its decision, which is subject to a ten (10) day veto period by the Governor, we will notice you of that final action.

Very truly yours,

Teresa Wells
Hearing Officer

c: Michele Brown, Chief Executive Officer
Kathleen Coviello, Director

1 The NJ W-3 and NJ W-3M are the same form.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

VIA EMAIL AND OVERNIGHT MAIL

October 9, 2014

Mr. Christopher DelMastro
Treasurer
Drais Pharmaceuticals, Inc.
520 Highway 22 East, Suite 201
Bridgewater, NJ 08807

Dear Mr. DelMastro:

I am in receipt of your appeal for reconsideration under the Technology Business Tax Certificate Transfer Program ("Program").

Previous Action:
By way of background, the Board of Directors of the New Jersey Economic Development Authority (the "Authority" or "EDA") reviewed and declined your applications for Program benefits on August 12, 2014. The information provided indicated that Seldar Pharma, Inc. ("Seldar"), Tacurion Pharma, Inc. (Tacurion") and Telsar Pharma, Inc. ("Telsar") (or collectively the "Companies") failed to demonstrate that they met the required minimum number of one full-time employee each as of June 30, 2014, and therefore did not meet the definition of " Full-time employee", as required by N.J.S.A. 34:1B-7.42(b).

For purposes of the appeal process, the individual applications of Seldar, Tacurion and Telsar have been reviewed and will be discussed together.

Legal Citation:
The relevant legal provision is the definition of "New or expanding" which appears at N.J.S.A 34:1B-7.42(b) that states: "New or expanding" means a technology or biotechnology company that (1) on June 30 of the year in which the company files an application for surrender of unused but otherwise allowable tax benefits under P.L. 1997, c. 334 (C 34:1B-7.42a et al.) and on the date of the exchange of the corporation business tax benefit certificate, has fewer than 225 employees in the United States of America; (2) on June 30 of the year in which the company files such an application, has at least one full-time employee working in this State if the company has been incorporated for less than three years, has at least five full-time employees working in this State if the company has been incorporated for more than three years but less than five years, and has at least 10 full-time employees working in this State if the company has been incorporated for more than five years; and (3) on the date of the exchange of the corporation business tax benefit certificate, the company has the requisite number of full-time employees in New Jersey that were required on June 30 as set forth in part (2) of this definition."

Per N.J.A.C. 19:31-12.2 [I]n calculating the number of employees under this definition, employees of all affiliates and subsidiaries as shown on its consolidated financial statements, employees of any company that owns or controls at least 50 per cent of the applicant, as well as the employees of any consolidated group of affiliated corporations as filed for Federal income tax purposes shall be included.

Further, a "Full-time employee" is also defined in N.J.A.C. 19:31-12.2 in part as "a person employed by a new or expanding emerging technology or biotechnology company on a permanent or indefinite basis for consideration for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time employment and whose wages are subject to withholding as provided in the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq. ..." Under this statutory definition the "Full-time employee shall not include any person who works as an independent contractor or on a consulting basis for the new or expanding emerging technology or biotechnology business; or any person who works as an intern, as a temporary employee, or in a temporary position."

Discussion:
As indicated in the memorandum by Kathleen Coviello dated September 16, 2014, whose team reviewed your applications to the Program, it was determined that the workforce of Seldar, Tacurion and Telsar did not meet the Program's definition of a "Full time employee" and therefore did not have the minimum number of one full-time employee each as required under the definition of "New or expanding".

In the August 27, 2014 appeal response by Christopher DelMastro, Sr. Director of Finance and Contract at Drais Pharmaceuticals, Inc., Seldar, Tacurion and Telsar are described as individual corporations which are managed by the employees of Drais Pharmaceuticals, Inc. ("Drais"). Drais is a drug development company formed in 2008 that developed its own drug candidates from 2008-2011, creating a workforce of about 10 scientific and executive positions. Drais itself also successfully applied for the Program in 2009, 2010 and 2011. In 2012, Drais changed its business model and began developing its new drug candidates through Seldar, Tacurion and Telsar. Under this business model, each Company owns or licenses the intellectual property and raises its own venture capital funding, but the corporate operations and the development of the drug candidates are managed by the employees of Drais.

Due to this change in the business model, Drais indicates that it contacted Authority staff to explain its new structure and it asserts that they were informed by Authority staff they "met the requirement/definition to pass this program".

In her written response, Ms. Coviello asserts that the Companies do not present any evidence about how their workforce meets the definition of full-time employee as required by the Program guidelines. Ms. Coviello noted that there are service agreements between Drais and the Companies that state "Drais employees will provide necessary services for Seldar, Taucurion and Telsar, and that these employees are considered 'independent contractors' as opposed to 'employees of the subsidiary'."[1] Independent contractors specifically are excluded from the regulatory definition of "Full-time employees". In addition, neither Drais nor the Companies provided any evidence or explanation to the contrary that the employees are not independent contractors.

Further, the employees of Drais cannot be considered the employees of Seldar, Tacurion and Telsar, as the definition of "New or expanding' technology or biotechnology company in N.J.A.C. 19:31-12.2 as cited above provides that the employees of all affiliates, subsidiaries and the employees of all affiliates, subsidiaries of any company that owns or controls at least 50 per cent of the applicant, as well as the employees of any consolidated group of affiliated corporations shall be included in calculating the number of required employees.

Based on the explanation of the relationship between the Companies and Drais as provided by Mr. DelMastro and the information set forth in the applications to the Program, there is no evidence that the

1 The issue of whether the Company is a subsidiary is addressed later in the letter.

Companies are subsidiaries of Drais nor does Drais own or control at least 50 per cent of Seldar, Tacurion or Telsar.

Ms. Coviello further explained that Authority staff did have a conference call with Mr. DelMastro on April 4, 2014 to discuss the Program and the eligibility of the Companies and Drais. After the discussion, it was determined that Drais was not an eligible applicant this year but the three entities may be eligible if their workforce could meet the definition of "Full-time employee". Authority staff also advised Drais to send documentation to the Authority in advance of the Program's deadline for eligibility review.

Further Ms. Coviello's staff also advised the Companies' consultant, Tax Credits, LLC of the prior conference call directly with Drais. Thereafter, the April 15, 2014 email exchange between the consultant and the Authority staff included a reference by Authority staff to the Program requirement regarding full-time employees for each of the Companies and requested that information be presented to demonstrate compliance with this requirement before the applications were submitted.

Notwithstanding the foregoing, Ms. Coviello stated that no documents were submitted in support of the employment status at the Companies at any time prior to the June 30th application deadline.

The Companies' appeal response did provide an explanation of the business structure and the relationship of the Companies with Drais but offered no explanation of how the Companies met the definition of Full-time employees. In fact, throughout the Companies' appeal response, the employees are identified as Drais' employees but only the three companies were the applicants individually.

Based on my review, I find that that Seldar, Tacurion and Telsar have not produced sufficient evidence to overturn the declination previously issued for not meeting the definition of Full-time employees on June 30, 2014, as required by the Program

Conclusion:
For the above reasons I will be recommending that the appeal be denied by the EDA Board at its meeting on October 14, 2014 at 10:00 a.m. You are invited to attend this meeting and may offer comments regarding the recommended denial of your appeal. Any comments as well as notification as to your anticipated attendance at the meeting should be submitted to me by email by 5 p.m. on October 13, 2014.

After the Authority Board concludes its review and renders its decision, which is subject to a ten (10) day veto period by the Governor, we will notice you of that final action.

Very truly yours,

Teresa Wells
Hearing Officer

c: Michele Brown, Chief Executive Officer
Kathleen Coviello, Director

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

VIA EMAIL AND OVERNIGHT MAIL

October 9, 2014

Mr. Joseph Studholme
President & Chief Operating Officer
Prescription Advisory Systems and Technology, Inc.
134 Nassau Street
Princeton, NJ 08542

Dear Mr. Studholme:

I am in receipt of your appeal for reconsideration under the Technology Business Tax Certificate Transfer Program ("Program").

Previous Action:
By way of background, the Board of Directors of the New Jersey Economic Development Authority (the "Authority" or "EDA") reviewed and declined your application for Program benefits on August 12, 2014. The information provided indicated that Prescription Advisory Systems and Technology, Inc. ("PAST" or the "Company") (i) failed to demonstrate it had healthcare coverage for all employees on June 30, 2014, as required by N.J.S.A. 34:1B-7.42(b) and (ii) did not provide a 2013 NJ Form W3, Reconciliation of Tax Withheld, by the Program deadline.

Legal Citation:
The relevant legal provision is contained within the definition of a "Full-time employee" in N.J.S.A 34:1B-7.42(b) which is defined in part as "a person employed by a new or expanding emerging technology or biotechnology company for consideration for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as a as full-time employment and whose wages are subject to withholding…". Under this statutory definition the "employee shall also receive from the new or expanding emerging technology or biotechnology company health benefits..." under one of the several plans described in the statute.

Further, Section N.J.A.C. 19:31-12.4 (c) (9) requires "copies of most recent year's Federal and New Jersey W-3 forms for applicant, parent company and all related entities… for the calendar year prior to the year in which the company files its application and at time of the application" as one of the items to be submitted in order for the application to be considered complete.

Discussion:
As indicated in the memorandum dated September 16, 2014 by Kathleen Coviello, whose team reviewed your application to the Program, PAST did not meet all of the Program requirements, as outlined above.

The Company submitted to the Authority as proof of the Company's health benefits an application to Horizon Blue Cross Blue Shield of New Jersey for a new small group health benefits policy dated June 27, 2014. The application states "[T]he Effective Date will be on or after the date Horizon Blue Cross Blue Shield of New Jersey approves the application". A group roster for PAST from Horizon Blue Cross Blue Shield of New Jersey's website indicated that there were two subscribers to an active group plan for the Company with an effective date of July 1, 2014. This group roster was dated July 14, 2014.

PAST in its appeal letter (undated) by Joseph Studholme contends that the Company had purchased a group health benefits plan and contracted for health insurance covering more than one person as of June 30th, the Program's deadline date. The Company also submitted copies of e-mail correspondence dated May 8-9, 2014 and August 5, 2014 to show that PAST's consultant, Gina Andrew of Tax Transfer Corp. of NJ/Tax Credits, LLC corresponded with Authority staff and was informed that the Company did not need to "own" a policy but only had to "offer" health care to its employees. The Company also asserted in its appeal response that "we were explicitly told in writing that a July 1st start date would be acceptable". Based on that advice, the Company contends that it did not procure healthcare coverage with an effective date prior to the June 30th deadline, although the Company does concede "it would have been easy to establish an effective date of coverage in June".

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Based on the information provided, the Company did not have healthcare coverage in place as of June 30, 2014. As stated in the definition above, health benefits must be provided to all employees as of the Program's deadline for employees to be considered full-time. I am satisfied that the Authority's May e-mail was not specifically addressing a healthcare issue involving PAST or that it provided any guidance that health care coverage did not have to be in place for employees at the time of application. In any event, all applicants must be held to recognize that the statutory requirements prevail and cannot be waived by a staffer.

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stated in its appeal "[I]t would have been easy to establish an effective date of coverage in June". To grant a waiver of this deadline would be inappropriate as it would provide this Company with an unfair advantage over other potential applicants who did not submit an application at all because they believed healthcare coverage could not be obtained by the Program deadline.

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As to the second reason for declination, Mr. Studholme responded in his appeal that the Company "provided a 2013 NJW3M filing with the application" and included a copy of the 2013 NJ W-3M with its appeal. The Program's regulations require copies of most recent year's NJ W-3 form, which is a State Division of Taxation form for reconciliation of tax withheld.[1] A copy of the most recent Federal W-3 form is also required. The Company provided a copy of its state income tax annual reconciliation for 2013 with the application but did not submit a copy of the NJ W-3 form. Authority staff requested a copy of the NJ W-3 form along with requests for other clarifying items pertaining to its application, however, the NJ W-3 form was not received prior to the August 12, 2014 Board meeting. Since the Company did provide the form with its appeal, Ms. Coviello has agreed that the Company has met this requirement. I concur, as this information helps substantiate that the applicant had met this submission requirement prior to the June 30th deadline as permitted by N.J.A.C. 19:31-12.6 (d).

Based on my review of the appeal, I do not believe that PAST has produced sufficient evidence to overturn the declination previously issued, as it did not meet the requirement that healthcare coverage is in place for all employees on June 30, 2014.

Conclusion:
For the above reasons I will be recommending that the appeal be denied by the EDA Board at its meeting on October 14, 2014 at 10:00 a.m. You are invited to attend this meeting and may offer comments regarding the recommended denial of your appeal. Any comments as well as notification as to your anticipated attendance at the meeting should be submitted to me by email by 5 p.m. on October 13, 2014.

After the EDA Board concludes its review and renders its decision, which is subject to a ten (10) day veto period by the Governor, we will notice you of that final action.

Very truly yours,

Teresa Wells
Hearing Officer

c: Michele Brown, Chief Executive Officer
Kathleen Coviello, Director

1 The NJ W-3 and NJ W-3M are the same form.