NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: November 1, 2013

RE: **Amercam LLC, Meadow Amusement LLC and Affiliates**
Economic Redevelopment and Growth Grant Program

Request

The Members are asked to approve the application of Ameream LLC, Meadow Amusement LLC and Affiliates (the "Applicant") for reimbursement of certain taxes for an East Rutherford Borough, Bergen 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").

The total project costs are estimated to be $2,581,558,701. The total qualified costs under the ERG Act are **$2,222,620,183.** The recommended reimbursement is 17.55**%** of the eligible costs, not to exceed **$390,000,000**. The Members are asked to approve the attached State Economic Redevelopment and Growth Grant Agreement among the Authority, the State Treasurer and the Applicant in substantially final form.

The Members are also asked to approve the assignment of an Agreement to Reimburse for Remediation Costs in the amount of 75% of approximately $36,714,411 in remediation costs from the previous developer to the Applicant.

Project Description

The Applicant is undertaking the redevelopment of the proposed site into a 3.3 million gross square foot mixed use development (the "Project"), which the Applicant has represented is anticipated to include the following components:

- Retail/Restaurant/Entertainment – The Project is anticipated to include approximately 2.1 million square feet of leasable retail/restaurant space and approximately 600,000 square feet of common area. Unlike a traditional enclosed mall, the Project will not be anchored by traditional department stores but will rely on the draw created by a variety of major retail tenants along with various entertainment components, including a movie theater, a performing arts center, a snow dome, an observation wheel, miniature golf and an ice rink.

- Amusement – The Project is anticipated to include approximately 639,000 square feet of amusement space adjacent to the retail component, which will include an amusement park and a water park. The applicant signed an agreement to enter into a 12 year licensing agreement with DreamWorks Animation L.L.C. with respect to the amusement park and the water park.

The Applicant's scope of work includes land and leasehold acquisition, site improvements, new construction, rehabilitation of existing construction and tenant improvements. In total the entire Project site is approximately 91 acres, with 69 acres of existing facilities and property and 22 undeveloped acres on the site of the amusement park and the water park and includes surface parking spaces. The New Jersey Sports and Exposition Authority ("NJSEA") owns the Project site and administers the Master Plan for the property.

The existing facility on the Project site is an unfinished five-story retail and entertainment complex within the Meadowlands Sports Complex in East Rutherford, New Jersey ("Existing Retail Components" or "ERC"). Construction of the ERC began in 2006 but met with construction delays and financial difficulties. The ERC was eventually taken back by the lender and construction has remained dormant since 2009. The project was originally developed by the Mills Corporation in partnership with Mack-Cali Realty Corporation and Kan Am ("Original Developer"). Subsequently the Original Developer, facing funding constraints, sold their stake in the ERC to a private investment firm, Colony Capital ("Colony"). Colony also suffered from delays and in 2009 a subsidiary of the bankrupt Lehman Brothers cut off the promised financing and construction came to a halt. Eventually ownership was surrendered by Colony to the Meadowlands N I, LLC; NRFC Meadowlands Sr., LLC; Newcastle Investment Corp.; Capmark Structured Real Estate Taxable REIT Inc.; Capmark Bank; and Xanadu Mezz Holdings, LLC ("Lenders") in August 2010. In 2011, Triple Five Worldwide which includes the Applicant as well as the owner of the Mall of America and West Edmonton Mall, was brought in to complete the ERC. In April 2011, the Lenders entered into an agreement with the Applicant to assume ownership of the ERC. In July 2013, the Applicant completed the acquisition of the ERC from the Lenders and the Applicant and the Lenders were granted subordinated preferred equity interests in the Project in exchange for their respective contributions of capital and property to the Project. NJSEA is the owner of the real property on which the ERC is located. Pursuant to a 75-year Ground Lease established in 2005 and amended in 2007 ("ERC Lease"), the Lenders were assigned the rights under the ERC Lease and the Applicant was assigned these rights in July 2013. The NJSEA and the Applicant are currently amending the ERC Lease to better reflect the current transaction, including lease payments to the NJSEA. Consistent with the previous lease, the amended lease will have a profit sharing component in which the NJSEA shares in the economics of the Project upon meeting certain hurdles.

In April 2011, an affiliate of the Applicant (Metro Central LLC) purchased the adjacent 22 acre parcel ("Amusement Parcel") owned by New York AM Radio LLC and Ten Fifty Partnership for \$2.67 million plus \$1.83 million for the cost of relocation. The NJSEA is in the process of completing a friendly condemnation of this parcel due to environmental interests on the property. Upon completion of the condemnation, it is anticipated that the NJSEA and the Applicant will enter into a ground lease for the property. Consistent with the amended ERC Lease, the lease for the Amusement Parcel will include a profit sharing component in which the NJSEA shares in the economics of the Project upon meeting certain hurdles.

The Project will have approximately 7,850 parking spaces consisting of four parking structures and grade level parking under the facility. The Project Operating Plan, originally executed in 2005 and later modified, governs shared parking agreements for the NJSEA property including the Project as well as the IZOD Center, MetLife Stadium, Meadowlands Race Track, offices and planned future development. Under the Project Operating Plan, the Applicant will manage and operate the parking facilities. The Project will also share an additional 2,950 spaces in temporary lots and 21,175 parking spaces surrounding the MetLife Stadium in the remainder of the Meadowlands Sports Complex.

The Applicant has engaged Greener by Design LLC, a New Brunswick, NJ based firm that focuses on energy investment and environmental asset management, to assist in compliance with green building requirements. The Applicant proposes to satisfy the green building requirements through LEED Silver and/or the BPU's Pay-for-Performance program.

Construction is expected to begin immediately, with completion of the Project expected in Fall 2015.

Project Ownership

Ameream LLC ("Ameream") and Meadow Amusements LLC ("Meadow") are single purpose entities that will own the Project ("Owner Entities"). Metro Central LLC ("Metro") owns the Amusement Parcel, which will be taken by eminent domain by the NJSEA and then leased to Meadow. Ameream is 100% owned by Ameream Mezz, LLC, which is 100% owned by Ameream Mezz I, LLC, which is 100% owned by Meadowlands Joint Venture LLC ("Meadowlands JV"). Metro and Meadow are 100% owned by Metro Mezz, LLC, which is 100% owned by Metro Mezz I, LLC, which is 100% owned by Meadowlands JV. Meadow ERC Developer LLC ("Developer Entity"), which is wholly owned by the Ghermezian family and their related family trusts through a series of affiliated special purpose entities ("Affiliated Entities"), owns 100% of the Series A Preferred Interests and 100% of the Common Interests of the Meadowlands JV. Each of the four Ghermezian brothers, Eskander, Raphael, Nader and Bahman, and their families invest directly and through four family trusts in affiliated entities in the Ghermezian Organization. Meadowlands Two LLC, which is owned by the Lenders, owns 100% of the Series B and C Preferred Interests of the Meadowlands JV. Ameream Management LLC and Meadow Amusement Management LLC ("Manager Entities") will manage the development and operations of the Project. The Manager Entities are also wholly owned by the Ghermezian family and their related family trusts through several of the Affiliated Entities.

Triple Five was formed in the 1970's by the Ghermezian family, which has several generations of real estate development experience. This group of companies represents a major diversified, international conglomerate that invests, develops, manages and operates large scale ventures not only in mixed retail and entertainment complexes, but also in other diverse areas including banking, economic redevelopment and revitalization, job creation, urban renewal, establishment of suburban communities, civic projects, full range residential, commercial and industrial developments, major tourism facilities, technology, mining and natural resources, hospitality and hotel operations. Three of their major holdings include the federally chartered People's Trust company (Canada's second largest non-public banking institution), West Edmonton Mall in Canada and the Mall of America in the United States. Their holdings have more than 2,000 employees, mainly in the USA and Canada.

Project Uses

Uses	*Total Project Costs*	*ERG Eligible Project Costs*
Acquisition & Land	$ 508,892,097	$ 508,892,097
Improvements	1,364,595,209	1,229,098,709
Professional Services	134,943,750	73,400,000
Financing and Other Costs	386,910,104	325,011,836
Contingency	86,217,541	86,217,541
Development Fee	100,000,000	0
TOTAL USES	$ 2,581,558,701	$ 2,222,620,183

The ERG eligible project costs above exclude $135,496,500 in third party tenant costs, $161,543,750 in development fee and developer costs, $38,348,268 in capitalized interest costs that are projected to be spent after the construction period, and $23,550,000 in advertising, working capital costs and other costs that are ineligible under the ERG program.

The eligible costs include $498,627,097 in acquisition costs from the Lenders related to the ERC. As part of this transaction, the Applicant and the Lenders created a joint venture, Meadowlands Joint Venture LLC, in which the Lenders contributed interests in the Ground Lease, existing buildings and other improvements, certain rights of the seller, personal property, leases, contracts, permits, etc. In exchange the Lenders have received a Preferred Interest in the project in the amount of $498,627,097. The Lenders' Preferred Interests accrue interest at a nominal interest rate and are fully subordinate to all other lenders as well as the Applicant's equity contribution plus preferred return of 20%.

Based on an appraisal conducted by Cushman & Wakefield in October 2012, the as-is value of the ERC is $1.05 billion which is more than 2x the value of the Lenders' Preferred Interests included in eligible costs.

Project Sources

The Applicant has represented that it anticipates utilizing the following sources of funds to complete the project:

Sources	*Amount*
Developer Equity	$ 698,627,097
Senior Debt (Deutsche Bank)	700,000,000
Mezzanine Debt (Macquarie)	300,000,000
Redevelopment Area Bonds (Goldman Sachs)	494,215,000
ERG Bonds (Goldman Sachs)	254,550,000
3rd Party Tenant Costs	135,496,500
TOTAL SOURCES	**$ 2,581,558,701**

Based on the Developer's representations, Developer equity is $698,627,097. This amount includes $100 million in cash to be contributed by the Applicant, $100 million in deferred development fees of the Applicant and $498,627,097 in Lender Preferred Interests, which is the amount of the initial loans by the Lenders resulting in their acquisition of the ERC. These components of equity satisfy the Applicant's 20% equity participation as required by NJSA 19:31-4.1(a). As of October 3, 2013, the Applicant had invested $587,627,097 in the project for land acquisition and pre-development expenses, which includes$498,627,097 expended by the Preferred Lenders to acquire the ERC, and an additional $89 million which includes approximately $9 million in internally allocated costs.

The Applicant has a commitment from Deutsche Bank to syndicate a $700 million senior debt facility and Deutsche Bank has committed to provide $100 million of this facility. The Applicant has a commitment from Macquarie Capital to syndicate a $300 million mezzanine facility and Macquarie has committed to provide $100 million of this facility.

The NJSEA and the Borough of East Rutherford are party to a Settlement Agreement, most recently amended on October 5, 2004, which allows for a Payment in Lieu of Taxes ("PILOT") on the Project site. The Borough of East Rutherford is expected to issue bonds to monetize a portion of future PILOT payments payable by the Applicant to East Rutherford ("RAB Bonds"), and the Bergen County Improvement Authority ("BCIA") is expected to purchase the RAB Bonds. In addition, the BCIA is expected to issue bonds ("ERG Bonds", and together with the RAB Bonds, the "Bonds") to monetize all future cash flows payable under this ERG award. The proceeds of these Bonds will be used by the Applicant for the Project. Net proceeds available for construction from the issuance of the RAB Bonds is projected to be $360 million, with remaining funds to be utilized for an anticipated reserve fund, capitalized interest and costs of issuance of the RAB Bonds. Similarly, net proceeds available for construction from the issuance of the ERG Bonds is projected to be $192 million, with remaining funds to be utilized for an anticipated reserve fund, capitalized interest and costs of issuance of the ERG Bonds. The Applicant proposes to absolutely assign to the BCIA the rights to receive the annual amounts payable under the ERG award to secure the ERG Bonds.

Gap Analysis

NJSA 19:31-4.5 requires that the Authority validate the project financing gap estimated by the Applicant to determine eligibility for the ERG award. EDA staff has reviewed the application to determine if there is a shortfall in the project development economics pertaining to the return on the investment for the Applicant and their ability to attract the required investment for this project. Staff analyzed the pro forma and projections of the project and compared the returns with and without the ERG over 11 years. For purposes of this analysis, based on representations by the Applicant, it was assumed that the Applicant would receive proceeds from an Agreement to Reimburse for Remediation Costs with Meadowlands Mills/Mack-Cali Limited Partnership dated June 30, 2005 to reimburse 75% of approximately $36,714,411 in remediation costs related to the construction of the ERC. Equity assumed in the gap analysis is $698,627,097.

With ERG	**Without ERG**
Equity IRR 17.54% (Market Range = 16-18%)	Equity IRR 11.63% (Market Range = 16-18%)

With the benefit of the ERG, the Equity IRR is 17.54%. Because this Project is deemed to be a large complex destination type project, the Hurdle Rate Model utilized by the Authority to determine the appropriate hurdle rate for the ERG Program does not accommodate this type of Project. As such, the Hurdle Rate Model is not being utilized for this Project and JLL has been contracted to determine an appropriate project specific rate of return. JLL has determined that the appropriate hurdle rate for this Project is 16% to 18%. As indicated in the chart above, the Project's economics suggest that the ERG benefit based on a hurdle rate range of 16% to 18% percent will have a material effect on the applicant's decision and ability to achieve market rate returns to advance the project.

Net Positive Benefit Analysis

NJSA 19:31-4.5 requires that in order to determine eligibility for the ERG award, the Authority undertake a fiscal impact analysis by determining whether public assistance provided to the proposed development will result in net positive economic benefits to the State for a period equal to 75% of the useful life of the Project not to exceed 20 years. The Authority has conducted the required Net Benefit Analysis and has found that the present value of the Net Positive Benefits to the State at a 6% discount rate over a 20 year period is $1 billion. Net of the Project's RAB Bonds, the present value of the Net Positive Benefits to the State is $487 million. The following taxes were included in the Net Positive Benefit calculation:

1] 66% of the incremental annual corporate business tax;
2] 66% of the incremental gross income tax;
3] 100% of the incremental one-time tax generated from the Project's construction;
4] 100% of the incremental indirect tax revenues from spending and earnings;

Sales taxes may be included in the calculation, as the Project is deemed to be a destination facility, however, this analysis assumes that there are no incremental sales taxes generated for purposes of determining the net benefits. The Applicant provided market assessments prepared by third-party consultants, which demonstrated that the Project will generate substantial increased incremental tax revenue from other tax jurisdictions. The net positive benefit analysis includes 11,650 new direct full time and part time retail, amusement and administrative jobs projected by the Applicant and 5,810 construction jobs as estimated through the Authority's net benefit analysis model. The Applicant estimated that the Project would create 9,820 full-time and part-time construction jobs.

Other Statutory Criteria

In order to be eligible for the program, under NJSA 19:31-4.6(b), the Authority is required to consider the following items:

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

The Strategic Edge conducted a comprehensive market study on the planned retail and restaurant components of the Project and prepared a report of their findings "Shopping Center Market

Opportunity Study for American Dream at Meadowlands in East Rutherford, New Jersey" (the "Retail Analysis"). The Strategic Edge is a Michigan-based real estate, retail and planning consulting firm formed in 1989. The Retail Analysis identified the Project's primary and secondary trade areas, analyzed the competition within the trade area, sized potential demand within the trade area and outside of the trade area, estimated potential sales and sales taxes for the Project, estimated the amount of supportable retail and restaurant space and determined potential to attract tenants to the Project. The Retail Analysis concluded that the proposed Project is supportable and feasible, with the potential to generate $547 to $702 million in annual sales and $17.5 to $23.4 million in annual sales taxes in the first year of operation, with 1.43-1.83 million square feet of supportable retail and restaurant space. In addition, the Retail Analysis estimates that approximately 44% of projected sales will be derived from outside of the primary and secondary trade area (market capture beyond the secondary market is typically only 15-25%).

The Innovation Group conducted a comprehensive market assessment for each of the proposed entertainment components of the Project including the amusement park, water park, ski park, observation wheel, performing arts center, cinema, miniature golf and indoor skating rink and prepared a report of their findings "American Dream Project Attractions Market Assessment" (the "Entertainment Analysis"). The Innovation Group provides consulting services for the gaming, entertainment and hospitality industries with a worldwide customer base. They identified demand for these components as the local market (within 60 minutes of Project), tourist capture (existing tourists, including NYC tourists), induced tourism (new tourists) and retail intercept. The Entertainment Analysis further supports that approximately 44% of retail sales are projected to be generated by the tourist component. Revenue projections derived in the Entertainment Analysis support the proforma provided by the Applicant.

Cushman & Wakefield conducted an appraisal of the Project site (the "Appraisal"). Cushman & Wakefield is a worldwide real estate firm. The Appraisal concluded that the market value as-is is $1.05 billion for Lot 1.01, Block 107.02. The Appraisal further supports the market assessment as well as assumptions utilized in the proforma provided by the Applicant.

Walker Parking Consultants conducted a financial analysis of the Project's parking facilities. This provided an estimate of parking demand as well as the financial viability of the parking facilities, given other available parking available in the Meadowlands Complex. Walker Parking Consultants is a worldwide parking consulting and design firm founded in 1965.

The Project appears to be economically feasible based on the financial strength and prior experience and track record of the Applicant and the proposed tenants. The market's response to the Applicant's preliminary leasing activity has been strong as the Applicant represents that they are in negotiations on more than 200 LOI's and have received approximately 50 signed LOI's from interested tenants. In addition, the Applicant will be operating a significant portion of the Project including certain amusement portions of the ERC as well as the amusement park and the water park.

The Project has an anticipated IRR of 11.63% without the ERG and 17.54% with the ERG. As further explained previously, the applicant represents that the ERG incentive grant is needed for the viability of the Project. Based on the expected generation of more than $50 million of incremental direct annual average gross income, sales and other eligible taxes, there appears to be adequate funds to support the reimbursement of taxes paid to the Project as outlined in the analysis.

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

The Project is consistent with the Smart Growth goal of creating a mixed use land development. The State Development and Redevelopment Plan goals addressed are: promoting beneficial economic growth, protecting the environment through prevention and cleanup and ensuring sound and integrated planning and implementation, and increasing energy efficiency and reducing greenhouse gas emissions. On a regional level, the Project will convert underutilized parking spaces into a revenue generating use, create an entertainment and retail destination in a highly accessible location, increase demand for public transportation along the Meadowlands spur and create a destination that will attract tourism dollars to New Jersey.

The Project is projected to create approximately 11,650 new, direct full-time and part-time, permanent jobs, providing more than $218 million each year in employee wage compensation. Immediate job creation is also an important benefit of this project. During the construction phase, the redevelopment of this site will create 5,810 temporary construction jobs as estimated by the Authority (9,820 as estimated by the Applicant). The significant job creation associated with this Project will provide important employment opportunities for the State of New Jersey, and the Project will generate considerable net tax revenue on an annual basis.

State Oversight of Project

The revenue stream derived from the State Economic Redevelopment and Growth Incentive Grant Agreement ("ERG Agreement") will be assigned to the BCIA in order to support the payment of tax-exempt bonds. In order to facilitate the transaction, in the ERG Agreement, the Authority has agreed that its receipt of payments from the Developer will conform to the restrictions of the tax code relating to tax-exempt bonds. Because of the magnitude and unique nature of the Project, the ERG Agreement, attached, includes reporting and enforcement mechanisms, including termination in the event the ERC is not completed in six years or the Project is not finished completely within eight years, that will assist the Authority in monitoring the progress of the Project in the construction phases. To facilitate the bond transaction, however, the Authority has agreed to limit its remedies to specific performance once the project is operational. The NJSEA, as lessor of the ERC and AP/WP, will take the lead in overseeing the Project as a whole, including reviewing the construction schedule in detail and ensuring the experience of the key personnel in charge of the construction and operations of the Project.

Assignment of Agreement to Reimburse for Remediation Costs

Meadowlands Developer Limited Partnership and the NJSEA entered into an Agreement to Reimburse for Remediation Costs with the New Jersey Commerce and Economic Growth Commission ("Commission") on June 30, 2005 to implement a NJDEP approved remedial action work plan on the Project site and surrounding parcels ("Original Reimbursement Agreement"). On August 27, 2007, NJDEP approved additional parties to the Original Reimbursement Agreement. Subsequent to the Original Reimbursement Agreement, the Authority assumed the role of the Commission in administering the Original Reimbursement Agreement. On August 1, 2013, through an Assignment and Assumption Agreement of Agreement to Reimburse for Remediation Costs ("Assignment Agreement") the following assignments of rights and obligations were executed from the parties to the Original Reimbursement Agreement to Affiliates of the Applicant: A-B Office Meadowlands Mack-Cali Limited Partnership to Meadow A-B Office LLC, Baseball Meadowlands Limited Partnership to Meadow Baseball LLC, C-D Office Meadowlands Mack-Cali Limited Partnership to Meadow C-D Office LLC, ERC 16W Limited Partnership to Ameream LLC, Hotel Meadowlands Mack-Cali Limited Partnership to Meadow Hotel LLC and Meadowlands Developer Limited Partnership to Meadow ERC Developer LLC. The Applicant has requested approval from the Authority to assign the rights and obligations under the Original Reimbursement Agreement to the Applicant and its affiliates as agreed in the Assignment Agreement.

Recommendation

Authority staff has reviewed the Applicant's application and finds that it is consistent with eligibility requirements of the Act. The Treasury has reviewed the application and has notified the Authority of the adequacy of the project's estimated tax revenues and specified the percentage reimbursement of total project costs. Therefore, it is recommended that the Members approve the application and authorize the CEO of the Authority to execute the ERG Agreement with the Applicant and the State Treasurer, subject to final review and approval of the Office of the Attorney General. All disbursements under the ERG program are subject to annual appropriation by the New Jersey State Legislature.

Delivery of a commitment letter from the Authority to the Applicant for the ERG award shall be subject to the receipt of tax clearance certificates for the Applicant from the NJ Division of Taxation. Closing of the ERG Agreement and the reimbursement of any taxes is contingent upon the Applicant meeting the following conditions regarding the Project within six months of approval:

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant in its application to the Authority for the ERG; and
2. Evidence of site control and site plan approval for all properties within the Project, with an executed amended ERC Lease with the NJSEA as well as an executed lease for the Amusements Parcel with the NJSEA; and
3. Copies of all required State and federal government permits for the redevelopment Project and copies of all local planning and zoning board approvals that are required for the redevelopment Project.

Reimbursement shall commence upon:

1. Completion of construction of the ERC and issuance of a permanent or temporary certificate of occupancy for the ERC and Authority approval of a Project Cost Statement; and
2. Submission of a detailed list of all eligible costs, in an amount not less than $1.58 billion, which costs shall be satisfactory to the NJEDA; and
3. New tax revenues have been paid to the NJ Treasury and appropriated.

Applicant shall submit remaining costs of the Project upon issuance of a permanent or temporary certificate of occupancy of the Amusement Parcel and Authority approval of a Project Cost Statement.

Other conditions of the ERG Agreement include the following:

1. A construction status report shall be provided 60 days after the end of each fiscal quarter.
2. Agreement may terminate if ERC is not completed within six years of execution of the ERG Agreement or if the Amusement Parcel is not completed within eight years of execution of the ERG Agreement.
3. Developer equity, RAB Bond proceeds and a portion of the private financing equivalent to the net proceeds of the ERG Bonds (or a significant level of private financing in lieu of RAB Bond proceeds) shall be utilized before the proceeds of the ERG Bonds are utilized for the Project.
4. The Applicant shall submit to the Authority for approval any changes to the Project that changes the Project square footage or reduces the capital investment in the Project by more than 25%.
5. Grant reimbursements shall be subject to a not to exceed 10% holdback by the Treasurer.
6. Payment of the ERG shall cease after there are no longer ERG Bonds outstanding, if this occurs before the expiration of the 20 year payment term.
7. NJSA 19:31-4.7(b)1 requires that for a project receiving an incentive grant in excess of $50 million, the applicant will negotiate a repayment to the State. To satisfy this requirement, the Applicant shall pay to the Authority 3% of net revenues during the term of the ERG Bonds, subject to certain constraints based on the structure and economics of the Project.

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

It is recommended that the members authorize the CEO of the EDA to execute the attached State Economic Redevelopment and Growth Incentive Grant Agreement in substantially final form and any assignment agreements necessary to effectuate this transaction, including approval of the Applicant's assignment of its rights to receive annual amounts payable under the ERG award to BCIA to secure the ERG Bonds.

It is also recommended that the Members approve the assignment of an Agreement to Reimburse for Remediation Costs in the amount of 75% of approximately $36,714,411 in remediation costs from the previous developer to the Applicant.

Total Eligible Project Costs: $2,222,620,183

Eligible Taxes for Reimbursement: Sales and other eligible taxes not to exceed $390 million over 20 years.

Recommended Grant: 17.55% of actual costs, not to exceed **$390 million to be paid over a maximum period of 20 years.**

Timothy Lizura

Prepared by: Christine Caruso