

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

December 10, 2013

MINUTES OF THE MEETING

Members of the Authority present: Al Koepp, Chairman; State Treasurer Andrew Sidamon-Eristoff; Fred Zavaglia representing the Commissioner of the Department of Labor and Workforce Development; Christopher Hughes representing the Commissioner of the Department of Banking and Insurance; Public Members: Larry Downes, Brian Nelson, and Rich Tolson.

Present via conference call: Melissa Orsen representing the Executive Branch; Colleen Kokas representing the Commissioner of the Department of Environmental Protection; Public Members: Joseph McNamara, Vice Chairman; Marjorie Perry, Jerry Langer, Ray Burke, First Alternate Public Member; Elliot M. Kosoffsky, Second Alternate Public Member; Harold Imperatore, Third Alternate Public Member; and Rodney Sadler, Non-Voting Member.

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

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

Absent: Public Member Charles Sarlo

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

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the special meeting minutes of November 1, 2013 and the November 15, 2013 regular and executive session meeting minutes. A motion was made to approve the minutes by Mr. Nelson, seconded by Mr. Downes, and was approved by the 13 voting members present.

Marjorie Perry abstained because she was not present during the November 15th meeting.

Chairman Koepp stated that a correction should be made to the Authority Matters section of the November 15th minutes.

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

CEO Brown acknowledged Linda Kellner, former Director of the EDA's Office of Recovery program in the audience.

Vice Chairman McNamara joined the meeting via conference call at this time.

AUTHORITY MATTERS

ITEM: Approval of the 2014 Strategic Business Plan
MOTION TO APPROVE: Mr. Nelson **SECOND:** Mr. Zavaglia **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: Approval of the 2014 Financial Plan
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. Tolson **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

BOND PROJECTS

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: Yeshiva Orchos Chaim, Inc.* **APPL.#38738**
LOCATION: Lakewood/Ocean
PROCEEDS FOR: Refinancing
FINANCING: \$2,800,000 Tax-Exempt Bond and \$2,200,000 Tax-Exempt Bond
MOTION TO APPROVE: Mr. Hughes **SECOND:** Mr. Nelson **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

STRONGER NEW JERSEY BUSINESS LOAN PROGRAM

PROJECT: Atlantis Realty Associates, LLC **APPL.#38662**
LOCATION: Brick/Ocean
PROCEEDS FOR: Construction and purchase of equipment & machinery
FINANCING: \$2,390,000 Stronger NJ Business Loan
MOTION TO APPROVE: Mr. Tolson **SECOND:** Mr. Nelson **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

PROJECT: Shrewsbury River, Inc. **APPL.#38636**
LOCATION: Sea Bright/Monmouth
PROCEEDS FOR: Construction and working capital
FINANCING: \$3,000,000 Stronger NJ Business Loan
MOTION TO APPROVE: Mr. Tolson **SECOND:** Mr. Hughes **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

DIRECT LOANS

PROJECT: Vish LLC **APPL.#38581**
LOCATION: North Brunswick/Middlesex
PROCEEDS FOR: Refinancing, purchase of equipment & machinery
FINANCING: \$700,000
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. Hughes **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

MAIN STREET ASSISTANCE PROGRAM

PROJECT: Eastern Nursing Services I, Inc. **APPL.#38699**
and Eastern Nursing Services II
LOCATION: Newark/Essex
PROCEEDS FOR: Working Capital, refinancing
FINANCING: 50% line of credit guarantee not to exceed \$200,000
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Tolson **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

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

PROJECT: William Connington and Barbara Connington **APPL.#38594**
LOCATION: Bergenfield /Bergen
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: \$128,938 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Mr. Nelson **SECOND:** Ms. Kokas **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PROJECT: Reza Shahrokh **APPL.#38653**
LOCATION: Wayne/Passaic
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: \$93,955 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Ms. Kokas **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PROJECT: Sabino Guanci **APPL.#38381**
LOCATION: Bloomfield /Essex
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: \$142,646 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Mr. Tolson **SECOND:** Ms. Kokas **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PROJECT: David Leininger **APPL.#38515**
LOCATION: Lower/Cape May
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: \$301,181 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Ms. Kokas **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PROJECT: Skyway Vehicle **APPL.#38358**
LOCATION: Newark /Essex
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: \$115,895 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Mr. Hughes **SECOND:** Ms. Kokas **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

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

HAZARDOUS DISCHARGE SITE REMEDIATION FUND

PROJECT: Camden Redevelopment Agency (Former RCA Bldg 8) **APPL.#38780**
LOCATION: Camden /Camden
PROCEEDS FOR: Remedial action, remedial investigation
FINANCING: \$865,243 Hazardous Discharge Site Remediation Fund Grant
MOTION TO APPROVE: Mr. Tolson **SECOND:** Ms. Kokas **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PROJECT: Borough of Somerville (BDA-Somerville Landfill) **APPL.#38794**
LOCATION: Somerville /Somerset
PROCEEDS FOR: Remedial action
FINANCING: \$4,164,000 Hazardous Discharge Site Remediation Fund Grant
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Ms. Kokas **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

FOR INFORMATION ONLY: Summary of Hazardous Discharge Site Remediation Fund Program projects approved by the Delegated Authority.

INCENTIVE PROGRAMS

URBAN TRANSIT HUB TAX CREDIT PROGRAM

State Treasurer Andrew Sidamon-Eristoff left and re-entered the meeting.

ITEM: MMC-DB Group LLC P#37746
REQUEST: To approve the Urban Transit Hub Tax Credit program application of MMC-DB Group, LLC for an amount not to exceed \$105,559,214 or \$10,555,921 annually for 10 years. At the time of the CPA certification after Project completion, if the applicant does not have 200 new jobs at the project site the UTHTC is reduced to \$84,447,371 or \$8,444,737 annual for 10 years.
MOTION TO APPROVE: Mr. Hughes **SECOND:** Mr. Zavaglia **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

Mr. Imperatore recused himself because he is an employee of The Hampshire Companies.

ITEM: PHMII Associates, L.L.C. P#37909
REQUEST: To approve the Urban Transit Hub Tax Credit program application for PHMII Associates, L.L.C. for an amount not to exceed \$19,776,911 or \$1,977,691 annually for 10 years.
MOTION TO APPROVE: Mr. Tolson **SECOND:** Mr. Downes **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

LEGACY GROW NEW JERSEY ASSISTANCE PROGRAM

PROJECT: United Parcel Service General Services Co. **APPL.#38394**
LOCATION: Parsippany-Troy Hills/Morris
REQUEST: To approve the at risk jobs
MOTION TO APPROVE: Mr. Nelson **SECOND:** Mr. Hughes **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PROJECT: United Parcel Service General Services Co. **APPL.#38394**
LOCATION: Parsippany-Troy Hills/Morris
TOTAL AWARD: \$40,000,000, 10 year term
MOTION TO APPROVE: Mr. Tolson **SECOND:** Mr. Hughes **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

GROW NEW JERSEY ASSISTANCE PROGRAM

PROJECT: IDT Corporation **APPL.#38726**
LOCATION: Newark/Essex
REQUEST: To approve the at risk jobs
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Zavaglia **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: IDT Corporation **APPL.#38726**
LOCATION: Newark/Essex
TOTAL AWARD: \$24,320,000, 10 year term
MOTION TO APPROVE: Mr. Tolson **SECOND:** Mr. Zavaglia **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

PROJECT: Marathon Data Operating Co., LLC **APPL.#38712**
LOCATION: Neptune/Monmouth
REQUEST: To approve the at risk jobs
MOTION TO APPROVE: Mr. Hughes **SECOND:** Mr. Nelson **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: Marathon Data Operating Co., LLC **APPL.#38712**
LOCATION: Neptune/Monmouth
TOTAL AWARD: \$3,240,000, 10 year term
MOTION TO APPROVE: Mr. Tolson **SECOND:** Mr. Hughes **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

PROJECT: Union of Orthodox Jewish congregations of America **APPL.#38702**
THIS PROJECT WAS WITHHELD FROM CONSIDERATION.

PROJECT: VF Sportswear, Inc. and Subsidiaries **APPL.#38763**
LOCATION: Jersey City/Hudson
TOTAL AWARD: \$13,125,000, 10 year term
MOTION TO APPROVE: Mr. Tolson **SECOND:** Mr. Nelson **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

PROJECT: WebiMax LLC **APPL.#38627**
LOCATION: Camden/Camden
REQUEST: To approve a finding of material factor in the business's decision to make a capital investment and locate in a Garden State Growth Zone that qualifies under the Municipal Rehabilitation and Economic Recovery Act, P.L. 2002 c. 43.
MOTION TO APPROVE: Mr. Nelson **SECOND:** Mr. Tolson **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13A

PROJECT: WebiMax LLC **APPL.#38627**
LOCATION: Camden/Camden
TOTAL AWARD: \$12,750,000, 10 year term
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. Hughes **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

ITEM: Biovail Americas Corporation and subsidiaries
REQUEST: Not to disqualify Biovail Americas Corporation and subsidiaries after the review of legal matters.

MOTION TO APPROVE: Mr. Nelson **SECOND:** Mr. Downes **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

ITEM: Bausch and Lomb Incorporated – P23720
Madison, New Jersey
Business Employment Incentive Program Grant
REQUEST: To wind up the BEIP by recapturing part of the grant in advance of the company's parent, Biovail, executing a new GROW NJ application which will be considered by the members under a separate action for Biovail, making a minimum new capital investment in the approximate amount of \$16 million in New Jersey and the creation or retention of jobs as required by the GROW NJ program.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Zavaglia **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

ITEM: Valeant Pharmaceuticals North America, LLC and Biovail Americas Corp.
P14984
Bridgewater Township, New Jersey
Business Employment Incentive Program Grant
REQUEST: To wind up the BEIP by recapturing part of the grant in advance of the company's parent company, Biovail, executing a new GROW NJ application which will be considered by the members under a separate action, in consideration of Biovail making a minimum new capital investment in an approximate amount of \$16 million in New Jersey and the creation or retention of jobs as required under the GROW NJ program.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Zavaglia **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

PROJECT: Biovail Americas Corporation and subsidiaries **APPL.#38809**
LOCATION: Bridgewater/Somerset
REQUEST: To approve the at risk jobs
MOTION TO APPROVE: Mr. Tolson **SECOND:** Mr. Zavaglia **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: Biovail Americas Corporation and subsidiaries **APPL.#38809**
LOCATION: Bridgewater/Somerset
TOTAL AWARD: \$39,502,500, 10 year term
MOTION TO APPROVE: Mr. Tolson **SECOND:** Ms. Perry **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

ANGEL INVESTOR TAX CREDIT PROGRAM

INVESTOR: Robert M. Kargman & Marjie Kargman **APPL.#38785**
TECHNOLOGY BUSINESS: Edge Therapeutics, Inc.
LOCATION: New Providence/Union **BUSINESS:** Biotechnology
QUALIFIED INVESTMENT: \$1,455,685
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. Tolson **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

BOARD MEMORANDUMS

ITEM: Terracyle, Inc.
\$351,851 Edison Innovation Loan with Warrants (P29096)
REQUEST: To approve a Line of Credit facility provided by Merrill Lynch, Pierce, Fenner & Smith Incorporated.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Tolson **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

ITEM: Accounting for Defaulted Loans
REQUEST: Consent to writing off defaulted loans from the financial statements of the Authority.
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. Tolson **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

ITEM: Credit Delegations for Loan and Guarantee Programs
REQUEST: 1) Create new delegations to staff to remove from the financial statements of the Authority defaulted loans for the purposes of accounting treatment under Generally Accepted Accounting Principles when loans are fully reserved and EDA retains its legal rights against the borrower and guarantors. Staff and the Attorney General's office will continue to pursue collection and recovery of these loans;
2) Amend existing delegations previously granted by the Members to streamline the loan approval, closing and servicing process and improve customer service and create efficiencies for staff with these routine matters that pose limited financial risk to the Authority; and
3) Amend existing delegations to increase staff's authority to enter into settlements or compromises of EDA's legal rights against the borrower, guarantors and/or collateral to \$500,000 when there exists little to no chance for further recovery, with concurrence from the Attorney General's Office.
MOTION TO APPROVE: Mr. Tolson **SECOND:** Mr. Zavaglia **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

ITEM: Incentives Delegations
REQUEST: 1) Create new delegations for New Jersey Angel Investor Tax Credit;
2) Establish guidelines and delegations for certain debarment matters;
3) Increase the existing delegation and amend the approval level for commitment extensions for the Business Retention & Relocation Assistance, Urban Transit Hub, the Economic Redevelopment and Growth and GROW NJ Assistance from the one six month extension to successive six month extensions up to a maximum of two years provided the project scope and cost remain unchanged and the project evidences forward progress; and
4) Expand current delegation to staff to approve the assignment of reimbursements under ERG when used to monetize financing for the project provided no amendments to the ERG agreement are required.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Nelson **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

ITEM: PNC Business Growth Fund
REQUEST: To extend the New Jersey Business Growth Fund program for one year.
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. Downes **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

ITEM: Retail Fuel Station – Energy Resiliency Program – MOU
REQUEST: To approve the MOU between the Authority and the New Jersey Officer of Emergency Management for the Retail Fuel Station- Energy Resiliency Program

MOTION TO APPROVE: Mr. Nelson **SECOND:** Mr. Tolson **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

Chairman Koeppe recused himself because he is a board member of a corporation that has potential to be involved in generator installation.

Mr. Downes recused himself because he is an executive at a corporation that has potential to be involved in generator installation.

OFFICE OF RECOVERY

ITEM: NJEDA Office of Recovery – Hurricane Sandy
Appointment of Accountability Officer and Contract Manager – Business Process Outsourcing

REQUEST: To designate Herbert Orand as the Authority’s “Accountability Officer” and Frederick Cole as the Contract Manager for the Business Process Outsourcing Services Contract

MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. Tolson **AYES:** 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

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

Stronger NJ Loan Program: Purpuri Shoes, Inc. (P38545 & P38657);
Twin City Pharmacy, Inc. (38605)

REAL ESTATE

ITEM: 2014 Operating Budget for the Technology Centre of New Jersey, L.L.C.
REQUEST: To approve the 2014 operating budget for the Technology Centre of New Jersey, L.L.C.

MOTION TO APPROVE: Mr. Tolson **SECOND:** Mr. Nelson **AYES:** 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 26

ITEM: Brokerage Services Contracts
Technology Centre of New Jersey & Tech Expansion Site
REQUEST: To approve the award of brokerage services contracts for the sale of the
Technology Centre of New Jersey and the Tech Expansion Site in North
Brunswick, New Jersey.
MOTION TO APPROVE: Mr. Tolson **SECOND:** Ms. Perry **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 27

PUBLIC COMMENT

There was no comment from the public.

EXECUTIVE SESSION

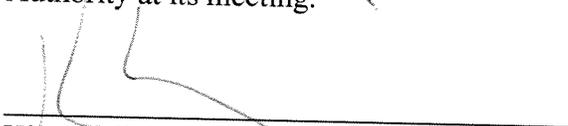
The next item was to adjourn the public session of the meeting and enter into Executive Session to discuss contract matters. The minutes will be made public when the need for confidentiality no longer exists.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Tolson **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 28

The Board returned to Public Session.

There being no further business, on a motion Mr. Hughes, and seconded by Mr. Tolson, the meeting was adjourned at 12 pm.

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



Kim Ehrlich, Assistant Secretary