



MEMORANDUM

TO: Members of the Authority
FROM: Michele A. Brown
Chief Executive Officer
DATE: December 11, 2012
SUBJECT: Agenda for Board Meeting of the Authority December 11, 2012

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Authority Matters

Bond Projects

Loans/Grants/Guarantees

Clean Energy Solutions

Incentive Programs

Board Memorandums

Real Estate

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

November 15, 2012

MINUTES OF THE MEETING

Members of the Authority present: Al Koepp, Chairman; Matt McDermott representing the Executive Branch; Jim Kelly representing the State Treasurer; Fred Zavaglia representing the Department of Labor and Workforce Development; Nancy Graves representing the Commissioner of the Department of Banking and Insurance, Public Members: Joseph McNamara, Vice Chairman; Marjorie Perry, Richard Tolson, Charles Sarlo, Ray Burke, First Alternate Public Member; Elliot M. Kosoffsky, Second Alternate Public Member; and Brian Nelson, Third Alternate Public Member.

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

Absent: Colleen Kokas representing the Commissioner of the Department of Environment Protection, Public Members Larry Downes, Harold Imperatore and Rodney Sadler, Non-Voting Member.

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 October 9, 2012 meeting minutes. A motion was made to approve the minutes by Mr. Tolson, seconded by Mr. McNamara, and was approved by the 12 voting members present.

The next item of business was the approval of the October 9, 2012 executive session meeting minutes. A motion was made to approve the minutes by Mr. McNamara, seconded by Mr. McDermott, and was approved by the 12 voting members present.

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

BOND PROJECTS

AMENDED BOND RESOLUTIONS

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

PROJECT: Hudson Community Enterprises, Inc. **APPL.#37700**
LOCATION: Jersey City/Hudson County
PROCEEDS FOR: Refinancing
FINANCING: \$760,000 est. (Part of a \$1,520,000 Tax-Exempt Bond with P37666)
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Nelson **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Logan Generating Company, L.P. & **APPL.#37625**
Keystone Urban Renewal L. P.
LOCATION: Swedesboro/Gloucester County
PROCEEDS FOR: Refinancing
FINANCING: \$60,300,000 max. (Tax-Exempt Bond)
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McDermott **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: Dakota Properties, Inc. **APPL.#37676**
LOCATION: Multi County
PROCEEDS FOR: Refinancing
FINANCING: \$3,020,000 Tax-Exempt Bond
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

PROJECT: Twin Oaks Community Services, Inc. **APPL.#37675**
LOCATION: Multi County
PROCEEDS FOR: Refinancing
FINANCING: \$2,285,000 Tax-Exempt Bond
MOTION TO APPROVE: Mr. Tolson **SECOND:** Ms. Perry **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

PROJECT: Girl Scouts of the Jersey Shore, Inc. **APPL.#37753**
LOCATION: Monmouth County
PROCEEDS FOR: Refinancing
FINANCING: \$1,020,000 Tax-Exempt Bond
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Moorestown Friends School Association **APPL.#37749**
LOCATION: Moorestown Twp/Burlington County
PROCEEDS FOR: Refinancing
FINANCING: \$8,500,000 (max.) Tax-Exempt Bond
MOTION TO APPROVE: Mr. McDermott **SECOND:** Mr. Kosoffsky **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Kingston Educational Holdings 1, Inc. **APPL.#37793**
LOCATION: Newark/Essex County
PROCEEDS FOR: Renovations
FINANCING: \$17,465,000 Qualified Zone Academy Bond/ \$14,635,000 Qualified School construction bond
MOTION TO APPROVE: Mr. Tolson **SECOND:** Ms. Graves **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7
Ms. Perry recused herself because she has been approached regarding the project.

PUBLIC HEARING ONLY

PROJECT: Ironbound Community Corp.

APPL.#37751

LOCATION: Newark/Essex

PROCEEDS FOR: Refinancing

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

CAMDEN ECONOMIC RECOVERY BOARD

PROJECT: Rowan University

APPL.#37597

LOCATION: Camden City/Camden

PROCEEDS FOR: Construction and renovation costs

FINANCING: \$5.1 million non-recoverable grant established under the Higher Education and Regional Health Care Development fund (HERHC).

MOTION TO APPROVE: Ms. Graves **SECOND:** Mr. McNamara **AYES:** 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

Mr. Nelson recused himself because his firm has done work for the University.

ITEM: ERB Business Incentive Grant Program

REQUEST: To approve funding authorization to extend the ERB Business Incentive Grant Programs and additional 12 months through September 30, 2013.

MOTION TO APPROVE: Mr. Tolson **SECOND:** Mr. Kosoffsky **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

INCENTIVE PROGRAMS

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

BUSINESS RETENTION & RELOCATION ASSISTANCE GRANT PROGRAM

ITEM: Policy clarifications and proposed rule changes for the 80% Statewide Employment Test under the Business Employment Incentive Program

REQUEST: Consent to rule changes to clarify the intent of the 80% statewide employment test for BEIP, and expand the definition of Base employment in the regulations to clarify the employees included for the purposes of the 80% statewide employment test

MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Mr. McDermott **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PROJECT: Northern Building Products, Inc. **APPL.#37776**
LOCATION: Teterboro/Bergen **BUSINESS:** Manufacturing
GRANT AWARD: 50% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Burke **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PROJECT: Northern Building Products, Inc. **APPL.#37777**
LOCATION: Teterboro/Bergen **BUSINESS:** Manufacturing
GRANT AWARD: \$333,000 (est.), **Business Retention and Relocation Assistance grant**, 1 year
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Burke **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

PROJECT: PHH Corporation and subsidiaries **APPL.#37775**
LOCATION: Unknown **BUSINESS:** Financial Services
GRANT AWARD: 40% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PROJECT: The Royal Group **APPL.#37781**
LOCATION: Kearny/Hudson **BUSINESS:** Professional Service
MOTION TO APPROVE: Mr. McDermott **SECOND:** Ms. Perry **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11
GRANT AWARD: 75% **Business Employment Incentive grant**, 10 years

ECONOMIC REDEVELOPMENT AND GROWTH PROGRAM

ITEM: Project Rate of Return Methodology

REQUEST: Approve new financial model by which the maximum Internal Rate of Return will be determined for projects seeking assistance under the Economic Redevelopment and Growth Program.

MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. McDermott **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

ITEM: VNO Wayne town Center, LLC

REQUEST: To approve the ERG application for VNO Wayne Town Center, LLC for 13.38% of the eligible costs, not to exceed \$13, 513,000.

MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Kosoffsky **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

GROW NEW JERSEY ASSISTANCE PROGRAM

PROJECT: WWRD US LLC

LOCATION: Robbinsville Twp/Mercer

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

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: WWRD US LLC

LOCATION: Robbinsville Twp/Mercer

REQUEST: To approve the \$16,800,000 Grow New Jersey award

MOTION TO APPROVE: Mr. Tolson **SECOND:** Mr. McNamara **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

TECHNOLOGY BUSINESS TAX CERTIFICATE TRANSFER PROGRAM

ITEM: Technology Business Tax Certificate Transfer Program

REQUEST: To affirm the Hearing Officer's report regarding the declinations of Celator Pharmaceutical, Inc., Globalprivateequity.com, Inc., Midawi Holdings, Inc., PTC Therapeutics, Inc., and Svelte Medical Systems, Inc..

CEO Brown stated that she disagreed with the Hearing Officer's recommendation regarding Svelte Medical System, Inc. and recommended that based on its appeal and follow-up correspondence, Svelte be approved under the Program.

Chairman Koeppe asked if there were any comments from representatives of the companies prior the Board's discussion and vote. Chairman Koeppe also stated that the Board would most likely go into Executive Session following comment to discuss the legal issues surround each appeal.

PUBLIC COMMENT

Scott Jackson, CEO, Celator Pharmaceuticals stated that at the time of the application deadline, Celator believed that it satisfied the available definition of full time employment and that they expected to exceed the requirement at the time of closing which would be the next requirement.

He stated that the company had a 10th employee who met the definition which was provided in the application, the FAQ, the webinar and the feedback which was provided in the rejection of the appeal. That employee was a summer intern and on September 4th, he learned that it

would not count towards the threshold. He added that they are an emerging biotech company, they had every intention of hiring someone other than the temp employee, and feel they met the condition.

Mr. Sarlo asked if the company had been in the same position with employment when applying to the program in previous years. Mr. Jackson responded that the company had not been in this position before.

Ms. Graves asked Mr. Jackson that if he had know that temporary employees would not be allowed, would he have done anything different. Mr. Jackson responded that he made every attempt to find a full time employee, but due to the uncertainty of the position, he had difficulty finding a qualified applicant and hired an intern.

Chairman Koeppé thanked Mr. Jackson for his comments.

Chairman Koeppé asked if there were any additional public comments.

Kenneth Damato, CEO, Midawi Holdings, Inc., addressed the board and began reading from a prepared statement which provided background on his company. Chairman Koeppé asked that he speak specifically to the topic at hand which is the NOL appeal.

Mr. Damato stated that he was contesting the fact that the EDA does not recognize “portals” as a technology business and by “portal” one can only assume that to mean all internet businesses and their website. He went on to state that he thought the company fulfilled the criteria regarding registered copyrights. Mr. Damato stated while they were not formally contesting the Hearing Officer’s report, he hoped the Board would reconsider.

Mr. Nelson stated that the Board cannot make policy, and that Mr. Damato should seek changes to the Legislation.

Chairman Koeppé asked if there were any additional public comments.

Douglas Miles, Chairman & CEO, GPE, Inc. referred to a prepared statement he presented to the Board. He stated that he felt his company met the criteria for full time employment because the program materials in no written form or place deny the eligibility of University students to be hired as full time employees of an applicant company, regardless of what name or title they are given. He stated that the title of Intern is used to convey to other employees a level of experience or inexperience and nothing more. Wages are equivalent to other employees not having that title attached to their name. Regarding healthcare coverage, he added that an issue arose with Amerihealth where they wanted six months of advance premiums for four employees. He stated that this created a financial hardship and they were late obtaining coverage. He asked that consideration be given for these extenuating circumstances.

Chairman Koeppé asked if there were any additional public comments.

There were no additional comments.

EXECUTIVE SESSION

The next item was to adjourn the public session of the meeting and enter into Executive Session to seek legal advice regarding questions pertaining to the NOL appeals. The minutes will be made public when the need for confidentiality no longer exists.

MOTION TO APPROVE: Mr. Tolson **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

The Board returned to Public Session.

Chairman Koeppé stated that two members would leave the meeting due to obligations, although they had stayed for the entirety of the executive session portion.

Mr. McNamara and Mr. Tolson left the meeting at this time.

Chairman Koeppé stated that the board takes these matters very seriously and stated that during Executive Session the Board had received guidance on and discussed the legal issues surrounding the appeals. He stated that in his opinion, based on the legal discussion:

- Midawi. The copyright issue cannot be overturned.
-
- GPE. The request for healthcare coverage is not subject to interpretation, and the Board cannot provide a period of grace.
- Celator Pharmaceuticals. Because the company met the timeframe for fulltime employment at the time of application, we depart from the Hearing Officer's findings, and support approval of the applicant.
- Svelte. Depart from the Hearing Officer's findings, and support approval of the applicant.
- PTC Therapeutics – Adopt the recommendations of the hearing officer.

ITEM: Technology Business Tax Certificate Transfer Program

REQUEST: To depart from the Hearing Officer's findings report regarding the declinations of Celator Pharmaceutical, Inc., and Svelte Medical Systems, Inc., thereby approving them, and to uphold the remaining findings of the Hearing Officer's report including the declinations of Globalprivateequity.com, Inc., Midawi Holdings, Inc., PTC Therapeutics, Inc and all other findings.

The board members discussed the merits of the recommendations of the Chair. Mr. Nelson stated that the written statement of Midawi indicates that the company did not meet the legal requirements of the program.

MOTION TO APPROVE: Ms. Graves **SECOND:** Ms. Perry **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

BOARD MEMORANDUMS

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

New Jersey Business Growth Fund: Jackman Kerby Properties, LLC (P37774)

REAL ESTATE

ITEM: Transfer of Commercial Development Parcel B to New Jersey Department of Treasury - New Jersey Performing Arts Center Project (Newark)

REQUEST: To authorize the Chief Executive Officer and/or the President/Chief Operating Officer to execute a Deed of Conveyance, Lease Amendment and any other documents necessary to transfer the subject property to the Department of Treasury, all subject to the final approval of bond counsel and the Attorney General's Office.

MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Mr. Sarlo **AYES:** 9

RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

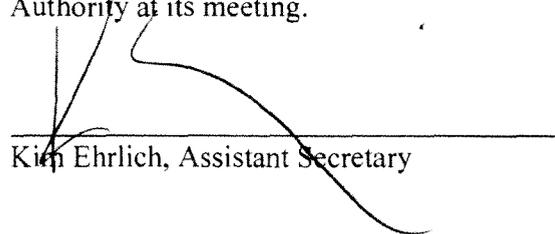
Ms. Perry recused herself because she is familiar with the project.

PUBLIC COMMENT

Mr. Damato thanked the board for its consideration of the application and said he would seek counsel from others to find another way to help his company in their goals. He stated that he had a registered copyright, regardless of what the written statement prepared by his lawyer stated. When asked by Ms. Renaud, he stated that he had a registered copyright on the video and chart associated with his business.

The being no further business, on a motion Ms. Graves, and seconded by Ms. Perry, the meeting was adjourned at 12:30pm.

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.



Kip Ehrlich, Assistant Secretary



MEMORANDUM

TO: Members of the Authority

FROM: Michele A. Brown
Chief Executive Officer

DATE: December 11, 2012

RE: Chief Executive Officer's Report to the Board

SPARTA SYSTEMS ANNOUNCES GRAND OPENING OF NEW HAMILTON HEADQUARTERS

Last month, I joined state and local officials in celebrating the official opening of the new global headquarters of Sparta Systems, Inc. in Hamilton, NJ. Sparta is a leading provider of quality management software that enables high-value organizations to safely and efficiently deliver products and services to market.

The EDA supported Sparta with a Business Employment Incentive Program (BEIP) grant for just over \$2.1 million and a Business Retention and Relocation Assistance Grant (BRRAG) for \$184,500 to support the company's expansion in Hamilton, resulting in the creation of an estimated 60 new jobs and the retention of 82 existing jobs.

Sparta was recently named the 2012 Software Company of the Year by the New Jersey Technology Council (NJTC), and its new headquarters will enable the company to reach more customers and enable them to safely and efficiently deliver products and services to market.

TWO MAJOR EDA-ASSISTED PROJECTS IN NEWARK CELEBRATE GRAND OPENINGS

EDA staff joined state and local officials in marking the grand opening of the Courtyard by Marriott Newark Downtown, a mixed-use lodging and retail project in Newark and the first new hotel for Newark's downtown area in more than 40 years.

EDA supported this project, which is expected to generate a total of 50 to 75 permanent jobs, through an Economic Redevelopment and Growth (ERG) grant for just over \$6.5 million in reimbursement for certain taxes. The hotel, which includes 150 hotel rooms and 14,000 square feet of street level retail space, is expected to be a significant catalyst to the economic growth of downtown Newark by bringing additional investments and employment to the City.

In addition to the opening of the Courtyard by Marriott Newark Downtown, EDA staff also participated in the ribbon cutting of the RockPlaza Lofts - a portion of the \$38 million project by Fidelco Group involving the redevelopment of historic properties along Market Street into a mixed-use, multi-building development that includes 80 loft-style residential units and 34,000 square feet of street-level retail space.

EDA supported this project, which is expected to create 70 new full-time jobs and 81 construction jobs, through an ERG grant for just over \$5.6 million in reimbursement for certain taxes. As this time, 30 of the loft units are complete, Dinosaur Bar-B-Q is operating successfully in the ground floor of one of the buildings finished last year, and construction of another 48 units and more retail space is underway.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY (FMERA) UPDATE

FMERA has been actively engaged with the U.S. Army, Federal Emergency Management Agency (FEMA), New Jersey Department of Community Affairs, Monmouth County Office of Emergency Management, and other state and federal agencies in the wake of Hurricane Sandy. FMERA is helping to identify ways to best utilize Fort Monmouth's assets to assist those impacted by the storm. FEMA is currently retrofitting one of the lodging facilities on the former Post for possible use by people displaced by Hurricane Sandy.

In addition to assisting with storm recovery efforts, the FMERA staff continues to advance their mission to revitalize the local and regional economy through redevelopment and job creation. In furtherance of this effort, FMERA intends to issue a Request for Offer to Purchase (RFOTP) in mid-December for the Howard Commons section of the former Fort. The approximately 64 acre parcel is proposed as residential development in the Fort Monmouth Reuse and Redevelopment Plan. FMERA also intends to issue RFOTPs for Parcel C, C1, Suneagles Golf Course and the Marina in the near term.

FINANCING ACTIVITY

Through November 2012, EDA has closed financing and incentives totaling over \$462 million for over 140 projects that are expected to support the creation of over 4,100 new jobs, the retention of over 8,700 existing jobs at risk of leaving New Jersey, and involve total public/private investment of over \$942 million in New Jersey's economy. Among the businesses assisted by EDA in November include:

Everite Machine Products Co., which executed a Business Employment Incentive Program (BEIP) grant for just over \$1.1 million. Everite Machine Products is a manufacturer of engineered precision machined parts and burr-free machine tools. This assistance will enable the company to consolidate its two plants in Philadelphia and relocate to a new, world-class facility in Pennsauken. As a result of this assistance, the company expects to create 100 new jobs within two years.

Garton's Rigging Inc., which executed a \$240,380 loan under the Main Street Business Assistance Program. Garton's Rigging Inc. provides rigging and crane services to residential and commercial customers throughout the southern New Jersey area. This assistance, along with assistance the company will receive from Newfield National Bank, will enable the company to purchase new machinery.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 13 events in November. These events included the NJTC Annual Awards Gala in Somerset, the Plansmart 2012 Annual Dinner in New Brunswick, and the Research & Development Council of NJ 50th anniversary celebration in Jersey City.

Michele Brown (mH)

AUTHORITY MATTERS



MEMORANDUM

TO: Members of the Authority

FROM: Michele Brown
Chief Executive Officer

RE: 2013 Strategic Business Plan

DATE: December 11, 2012

We are pleased to share with the members the proposed 2013 Strategic Business Plan that has been reviewed by the Policy and Audit Committees and referred to the full board for approval. I also welcome the opportunity to highlight several of the achievements the organization realized in 2012 (see attachment) and thank the Board for its thoughtful counsel and support of our objectives.

As you remember, staff presented our mid-year results and discussed our plans for 2013 at the Board Strategic Planning retreat in August. The 2013 Strategic Business Plan reaffirms our key business objectives to grow New Jersey's economy and enhance the EDA's financial strength in order to provide businesses and towns in New Jersey with "best in class" economic development programs and services.

As discussed with the Policy Committee and the Audit Committee, our Strategic Imperatives remain constant for 2013. We remain committed to our goals to 1) Advance a financially sustainable business platform; 2) Optimize workforce effectiveness to ultimately improve and strengthen the customer experience; and 3) Grow New Jersey's economy through financial assistance, facilitation and partnerships. This plan incorporates these discussions and the members input through the following objectives:

- Retain Financial Advisor to review strategies that maximize return and long term growth
- Secure second tranche federal SSBCI funding
- Sell non-mission critical real estate assets in order to make funds available for redevelopment projects
- Leverage partnerships with other State agencies to manage funds and to support redevelopment efforts in targeted areas

- Review our fee structure to ensure it addresses actual costs of administration
- Advance a financially self-sufficient model for FMERA by Generating Phase 1 lease/sales proceeds to reduce reliance on public funds
- Advance work done in 2012 to plan the Information Technology and Business Operations Process Evaluation and Loan Management System replacement, in order to improve the customer interface and internal processes.
- Expand our focus on small businesses in southern New Jersey to ensure technical assistance is maximized through our UCEDC partnership
- Develop new incentive program recommendations to ensure that we are able to provide support to business looking to locate and expand in New Jersey, while maintaining high fiduciary standards and due diligence in recommending project awards
- Increase the frequency and depth of communications among BAC, Choose NJ, EDA Business Development, FMERA and FMERA's real estate broker in order to better assist businesses and the host communities.

The EDA is committed to achieving our objectives and ensuring we meet our customers needs. The companion Fiscal Plan that is being presented today provides the staffing and resources to achieve our objectives.

This plan is additionally supported by operational plans generated by our operating divisions. Our team and individual goal setting is aligned with the strategic business plan, and our performance measurement process ensures the linkage of compensation to the achievement of our goals and objectives. Our success will be reflected in the financial performance and progress reporting that we will review with the Audit Committee and Board on a quarterly basis.

Michelle Brown (MH)

Attachments
Prepared by: Kim Ehrlich

2012 Accomplishments

1. Advance a financially sustainable business platform

Progress against measures to enhance liquidity: In 2011, EDA was awarded \$33.7 million in federal SSBCI funding businesses and received the first \$11 million tranche. EDA successfully deployed 80% of first tranche, and submitted request for the second \$11 million tranche.

Progress against measures to generate increased operating revenues while outpacing increases in expenses: Consolidated net operating earnings for the third quarter of 2012 are \$2,489,900 vs. Plan of \$1,392,000. Unplanned Grow NJ fees of \$1,814,000, as well as Edison VF distributions of \$757,000 have driven year-to-date earnings. Consolidated asset management costs at the end of third quarter 2012 are \$3,068,000 vs. 2011 YTD - \$2,954,600.

Progress against measures to establish a financially self-sufficient model for FMERA: FMERA and CommVault have executed a purchase-sale agreement. In addition, the U.S. Army conveyed Parcel E to FMERA and FMERA anticipates closing on Parcel E with CommVault in the 1st Quarter of 2013. Once the transaction is completed FMERA and the U.S. Army will split the sales proceeds and FMERA will then have revenue, which will go towards reducing its reliance on the Office of Economic Adjustment and the State of New Jersey.

2. Optimize workforce effectiveness to ultimately improve and strengthen the customer experience

Progress against measure to increase use of knowledge management tools in order to ensure business continuity and to pursue process improvements: SharePoint Intranet delivered in the 1st Q ahead of schedule ensuring 100% of staff utilizing SharePoint via “Intranet” and “FMERA Time Tracking” solutions.

3. Grow NJ’s economy through financial assistance, facilitation and partnerships

Progress against measure to provide financial and technical assistance to businesses and municipalities to encourage economic growth: While loan production was weak due to the economy, incentive activity experienced growth. Seven ERG projects for \$67 million and 5 Hub projects for \$168 million were approved through the third quarter, totaling \$235 million. 68 BEIP and BRRAG projects for \$98.3 million were also approved through the third quarter. 88 loan

and bond projects with \$237.8 million in assistance, and \$366.6 million in total project costs were approved through the third quarter. 69 projects with \$222.6 in assistance in \$369.6 million in total project costs were closed.

Progress against measure to create an operational framework for FMERA to facilitate land transfers and private enterprise, which will create jobs and invest in the host communities: The FMERA Board of Directors selected Cushman & Wakefield/Continental Realty as primary Master Broker and Jones Lang LaSalle as alternate broker at their June 20, 2012 Board Meeting. The Economic Development Conveyance (EDC) Agreement was finalized between the U.S. Army and FMERA on June 25, 2012.

In addition, the Authority had several notable achievements, resulting from our coordinated efforts with the Business Action Center and Choose NJ:

- Through November 2012, EDA has closed financing and incentives totaling over \$462 million for over 140 projects that are expected to support the creation of over 4,100 new jobs, the retention of over 8,700 existing jobs at risk of leaving New Jersey, and involve total public/private investment of over \$942 million in New Jersey's economy.
- The New Jersey Food Access Initiative (NJFAI) was first seeded by the EDA with a \$3 million investment in 2009. In March, RWJF formally announced a \$12 million investment in the NJFAI, quadrupling the state's investment. The Commissioners of Labor and Agriculture, and the Deputy Health Commissioner joined Lt. Governor Guadagno to support the initiative. Managed by TRF, the NJFAI supports the Christie Administration's focus on increasing the supply of affordable, fresh food in underserved areas, while improving health outcomes and spurring economic development. The Fund provides low-cost loans and grants to supermarket operators and developers statewide, with an emphasis on serving ten priority cities, including Atlantic City, Camden, East Orange, Elizabeth, Jersey City, Newark, New Brunswick, Paterson, Trenton and Vineland.
- The New Jersey Partnership for Action recently a new State marketing brand and messaging to be utilized by the state departments and agencies that undertake New Jersey's business attraction and retention efforts. The new tagline – New Jersey: Highly educated, perfectly located --highlights the advantages that makes New Jersey an attractive home for businesses including the state's highly educated workforce and location between two major cities. All of the marketing collateral for the EDA, BAC and Choose NJ will be incorporating the tagline, and the "look and feel" of New Jersey's new brand, including websites, online and print advertising and print collateral.
- EDA's Incentives Portfolio Management Department, in coordination with our IT Division, launched the first phase of the Incentives Data Management System

("iDMS") portal, which allows BEIP grant recipients to securely file and validate annual post-closing compliance documents online prior to the yearly March 1st deadline. This web-based enhancement reduces the need for the portfolio of nearly 400 BEIP customers to send hard copy documents to the EDA, and also increases process efficiencies by ensuring that customers submit complete and accurate information prior to review by the department's staff.

- EDA launched a competitive solicitation to spur major residential projects in the State's urban centers. The EDA will utilize tax credits under the Urban Transit Hub Tax Credit (UTHTC) program to support qualifying projects. The solicitation, which closes December 20, 2012 at 3:00 p.m. EST, will offer up to \$100 million (subject to availability) to support residential projects, and residential projects with mixed-used components, in eligible areas within the cities of Camden, East Orange, Elizabeth, Hoboken, Jersey City, Newark, New Brunswick, Paterson and Trenton. Tax credits are available for up to 35 percent of the total qualified capital investment per project with a maximum of \$33 million, whichever is less.

Prepared by: Kim Ehrlich

2013 NJEDA STRATEGIC PLAN

Strategic Imperative 1:

Advance a Financially Sustainable Business Platform

Goal 1: Maintain and enhance liquidity

- Retain Financial Advisor to review strategies that maximize return and long term growth
- Implement the sale of non mission critical Authority owned real estate assets
- Maintain sustainable revolving loan fund, by ensuring that production meets the level of run off
 - **Measure:** Execute an Agreement of Sale for an identified asset monetization parcel
 - **Measure:** Maintain the revolving loan portfolio of \$150 million in assets
 - **Measure:** Unwind NJCDE1 in order to release currently restricted funds
 - **Measure:** Secure second tranche SSBCI funding

Goal 2: Generate increased operating revenues while outpacing increases in expenses

- Leverage partnerships with other State agencies to manage funds and to support redevelopment efforts in targeted areas
- Ensure fee structure addresses actual costs of administration
- Review satellite offices to identify cost savings
 - **Measure:** Generate a minimum of \$500,000 in net operating earnings
 - **Measure:** Fees support 70% of administrative expenses
 - **Measure:** Minimize the increase to asset management costs to 3.5% through Authority initiatives

Goal 3: Establish a financially self-sufficient model for FMERA

- Generate Phase 1 lease/sales proceeds to reduce reliance on public funds
 - **Measure:** Receive Board approval of developers/users for an additional six Phase 1 parcels by mid-year
 - **Measure:** Execute sale agreements for least three Phase 1 parcels by year-end 2013
 - **Measure:** Close on Parcel E with CommVault by the first quarter of 2013 and close on the Clinic Parcel with AcuteCare in the first half of 2013. *(FMERA will split the*



revenue from the sale of these parcels with the U.S. Army and gain additional funding to reduce its reliance on government financial support.)

Strategic Imperative 2:

Optimize workforce effectiveness to ultimately improve and strengthen the customer experience

Goal 1: Increase use of knowledge management tools in order to ensure business continuity and to pursue process improvements

- Reconstitute stakeholders group to guide process for SharePoint and knowledge management initiative to guide utilization of future use and maintain traction.
- Create and improve processes within SharePoint to maximize the advantages of the SharePoint framework and increase usage
 - **Measure:** Increased content on SharePoint through increased user participation
 - **Measure:** Create two documented SharePoint only workflows (i.e. monthly report process)

Goal 2: Advance work done in 2012 to plan the Information Technology and Business Operations Process Evaluation and Loan Management System replacement, in order to improve the customer interface and internal processes

- Build the Information Technology and Business Operations Process Evaluation Project Management and Development Team using State Contract resources
- Work with the Project Manager on a Phase One Study by facilitating the review of existing processes and procedures and identifying requirements
 - **Measure:** Build the Project Management and Development Team by end of the first quarter 2013
 - **Measure:** Phase One Study completed by end of the second quarter 2013.



Strategic Imperative 3:

Grow NJ's economy through financial assistance, facilitation and partnerships

Goal 1: Provide financial and technical assistance to businesses and municipalities to encourage economic growth

- Encourage entrepreneurship through the delivery of technical assistance (TA) provided by UCEDC and SBDC's and encourage and assist UCEDC in collaboration efforts with other CDFIs to provide TA in the most southern parts of NJ and achieve established deliverables
- Continue to expand EDA's commitment to Accelerators, by launching a healthcare accelerator at CCIT
- Expand the reach of the Edison Innovation VC Fund by researching and implementing tactics that would attract strategic investors
- Maintain focus on activities in Camden through collaboration with CRA, CFP and the City on proposed development projects.
- Expand methods to facilitate community scale redevelopment projects in targeted areas with identified local partners
 - **Measure:** Meet targets from Authority's Production Plan
 - **Measure:** Initiate Camden Prison site redevelopment
 - **Measure:** Develop model for equity investments in real estate development projects
 - **Measure:** Increase tenancy in tech space by 20,000 square feet of new leases



Goal 2: Innovate product/refine existing programs and enhance means of communication with our applicant base in order to reach and serve the greatest number of businesses throughout the State

- Implementation of new incentive program recommendations
- Evaluate opportunities to refine existing loan programs to increase interest income and address market demand
 - **Measure:** Launch pilot subordinate guarantee program with Premier Lender
 - **Measure:** Promulgate rule proposal for new incentive programs within three months of legislation
 - **Measure:** Create marketing and communications plan to expand awareness of new offerings



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Goal 3: Create an operational framework for FMERA to facilitate land transfers and private enterprise, which will create jobs and invest in the host communities

- Facilitate the State Working Group's efforts to establish and implement an action plan to attract a world-class applied science university to the Fort, and obtain Army buy-in to the selection and land transfer process, as necessary
- Increase the frequency and depth of communications among BAC, Choose NJ, EDA Business Development, FMERA and FMERA's real estate broker (Cushman & Wakefield)
 - **Measure:** Receive Board approval for Phase 2 EDC Agreement by July 1, 2013
 - **Measure:** Hold 12 meetings/conference call with BAC, Choose NJ, EDA Business Development, FMERA and FMERA's real estate broker.



TO: Members of the Authority

FROM: Timothy Lizura,
President and Chief Operating Officer

DATE: December 11, 2012

SUBJECT: FY13 Fiscal Plan

Enclosed for your review, discussion and approval is the proposed FY13 Fiscal Plan. It is the result of a collaborative effort by management and staff. Collectively, we believe our planning process has yielded a fiscally responsible plan that supports the proposed FY13 Strategic Business Plan.

You will note the 2013 Strategic Business Plan details imperatives in support of our three key business objectives: 1) to grow New Jersey's economy, 2) optimize our workforce and systems, and 3) to maintain the financial strength of the EDA, in what continues to be a very challenging economic climate. The first objective is primarily reflected within the Fiscal Plan's revenue and program cost projections; the second and third, with fiscally responsible expense and cost constraints.

Our proposed Fiscal Plan reflects a deliberative approach in the projection of operating revenues, expenses and costs. With the Administration's prioritized initiatives, such as clean energy and incentive financing, enhanced by the strength of the Partnership for Action, we are projecting increased activity in our various programs which will result in increased fee revenue. Relative to expenses, we are committed to accomplishing strategic objectives while reducing staff; specifically, we have reduced estimated and as needed personnel count from 144 Planned for FY12 to 138 for FY13. Program and project costs correlate directly to specific programs, projects and initiatives.

At \$500,000, FY13 Planned NOEs are under both FY12 Planned and Projected Actual primarily attributable to the projected decline in interest income from both investments and notes. The decline is a function of both decreased cash balances, primarily in the Managed Funds, as well as declining rates in the ladder investment portfolio, and the continuing decline in the lending

portfolio. Since the Fiscal Plan is seen as a metric of performance, management is pleased to report the FY13 Fiscal Plan continues to align with the Authority's fundamental asset allocation premise: current year revenues will fund current year operational expenses and program costs; that is, there is no reliance on prior period earnings to fund current period operations.

At present, aggregate personal count is expected to be 131 by year end; therefore, the FY12 approved personnel count of 144 has 13 vacant positions which primarily explain the (\$1,296,600) variance, (8.2%), under Plan of \$15,898,400 for salary and benefit expense. By projecting a reduction of 6, and including a 3.5% merit pool, the FY13 Plan nets to a 1.8%, \$288,600, increase over the FY12 Plan and demonstrates the Authority's commitment to remain fiscally prudent.

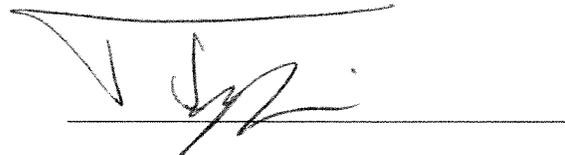
Also reflected are the following incremental benefit expense changes:

- EDA Contribution to PERS reflects a 4.6% increase
- Estimated post-employment benefit of \$780,000 are actuarially established
- Health insurance premiums increased 8%; however, 11.8% of total premiums are paid by employees

At \$2,898,600, the FY13 administrative expense projections are significantly under both FY12 Plan and Projected Actual. The decrease is due primarily to significant FY12 IT expenditures for enhanced incentive program reporting and building maintenance that were incurred and not projected for FY13.

Program Costs represent expenditures that align with specific programs, projects and initiatives. At \$5,899,000, the FY13 Plan is relatively level with FY12 Plan and Projected Actual. The only variance of note is due to Urban/Real Estate Advisory Services projected for FY12 that were not incurred, but are contingently anticipated in FY13.

In summary, management believes the compilation of the FY13 Fiscal Plan has been a collective process that interrelates with and supports the FY13 Business Plan. At its meeting of November 15th, the Plan was reviewed by the Audit committee which concurred it is fiscally responsible and aligns with the FY13 Business Plan; accordingly, Board's approval is requested.

A handwritten signature in black ink, appearing to read 'G. Ritz', is written over a horizontal line. The signature is stylized and includes a large, sweeping flourish at the end.

Prepared by:

Greg Ritz, C.P.A.
Chief Financial Officer

AMENDED BOND RESOLUTIONS

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

APPLICANT: Pivotal Utility Holdings, Inc.

P37825

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: Various

Statewide (N)

Multi Count

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

APPLICANT BACKGROUND:

Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas Company and previously known as NUI Utilities, Inc., is a regulated gas utility company engaged in the sale and distribution of natural gas, serving more than 276,000 customers in New Jersey. The sole shareholder of the applicant, AGL Resources, Inc., is a publicly traded energy service holding company, headquartered in Atlanta, Georgia, and is the largest distributor of natural gas on the East coast.

Pivotal Utility (originally NUI) closed on a \$40,00,000 tax-exempt bond in 1998 (Appl. P10163) to install distribution mains and service connections and acquire related equipment used in connection with the sale of natural gas. The 1998 Bond was sold by competitive bid awarded to Merrill Lynch & Company for 35 years at a fixed rate of 5.25%. In addition, the Authority has previously issued \$140.1 million in tax-exempt bonds for Pivotal Utilities to upgrade and expand its natural gas distribution facilities in NJ. The prior projects are in compliance.

The project qualifies as an Exempt Public Facility - Gas Furnishing Facility under section 142 (a)(8) of the Internal Revenue Code, as amended, and is exempt from the \$20,000,000 Capital Expenditure Limitation.

REFUNDING REQUEST:

Authority assistance will enable the Applicant to refund the 1998 bonds in the principal amount of \$40 million into a multi-modal interest rate structure which will include options for variable, fixed and bank interest rate modes. SunTrust Bank will act as the administrative agent to create a lender syndicate to provide the financing, anticipated to include approx. 5 banks.

This refunding project is being presented in conjunction with the amending bond resolutions for Pivotal Utilities projects, Appl. P16448, P18067, & P8623, to amend and restate the respective loan agreements and indenture of trusts to include an additional interest rate mode.

FINANCING SUMMARY:

BOND PURCHASER: SunTrust Bank (Administrative Agent)

AMOUNT OF BOND: \$40,000,000 Tax-exempt bond

TERMS OF BOND: 21 years; Multi-modal interest rate structure, initially in a bank mode for 5.5 years from closing; estimated rate as of 12/4/12 is 0.97%

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond(s) to be refund	\$40,000,000
Finance fees	\$230,000
Legal fees	\$100,000
TOTAL COSTS	\$40,330,000

PUBLIC HEARING: N/A

DEVELOPMENT OFFICER: L. Wallick

BOND COUNSEL: McCarter & English, LLP

APPROVAL OFFICER: T. Wells



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: December 11, 2012

SUBJECT: Pivotal Utility Holdings, Inc.
Application P08623
Application P16448
Application P18067
Various, Various Counties

MODIFICATION REQUEST

Pivotal Utility Holdings, Inc. requests Board approval of the amended and restated loan agreements and trust indentures to include an additional interest rate mode.

BACKGROUND

The Authority has previously issued over \$180 million in tax exempt bonds for Pivotal Utility Holdings, Inc., d/b/a Elizabethtown Gas Company, to upgrade and expand its natural gas furnishing facilities in NJ including, but not limited to, supply mains, distribution mains, service lines, meters and miscellaneous equipment, a propane air facility and renovations to the furnishing facilities all located in the Counties of Middlesex, Sussex and Union. The tax-exempt Bonds outstanding and subject to this request are as follows:

<u>Appl. #</u>	<u>Par Amount</u> <u>Outstanding</u>	<u>Description</u>
P08623	\$39,000,000	Gas Facilities Revenue Bonds, Series 1996 (NUI Corporation Project) ("1996 Bonds")
P16448	\$46,500,000	Gas Facilities Refunding Revenue Bonds Series 2005 (Pivotal Utility Holdings, Inc. Project) ("2005 Bonds")
P18067	\$54,600,000	Gas Facilities Refunding Revenue Bonds Series 2007 (Pivotal Utility Holdings, Inc. Project) ("2007 Bonds")

In 2010, the Board approved amending bond resolutions for the 1996 Bonds, the 2005 Bonds and the 2007 Bonds, in order for Pivotal Utility to (i) amend the respective indentures of trust and loan agreements for each of the Series of Bonds to terminate and cancel the insurance policies of Ambac on the 2005 Bonds and 1996 Bonds and FGIC on the 2007 Bonds and remarket the Bonds with the addition of new letters of credit. The 2007 Bonds and 1996 Bonds are currently secured by a JP Morgan letter of credit and the 2005 Bonds are secured by a Bank of Tokyo-Mitsubishi letter of

credit. The outstanding bonds are currently remarketed daily. The current interest rate as of 11/29/12 was .130%.

MODIFICATION REQUEST

Pivotal Utilities Holdings, Inc. requests Board approval to amend and restate the respective indentures of trust and loan agreements for each of the Series of Bonds to add a bank interest rate mode, in addition to the variable and fixed rate modes now in the documents. While in a bank interest rate mode, the bonds will be held directly by a bank (or banks) for a fixed time period and a letter of credit is not required.

The Modification Request is being presented in conjunction with the Refunding Bond Project, Appl. P37852, to refund the fixed rate Pivotal Utilities Holdings, Inc. 1998 bond issuance in the outstanding principal amount of \$40 million (the "1998 Bonds"), in order to permit the 1998 Bonds to have a multi-modal interest rate structure similar to the other Pivotal Utilities' Series of Bonds.

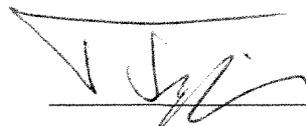
After the closing of the modification and the refunding bonds, it is expected that all four series of the outstanding Pivotal Utilities Bonds will have uniform bond documents and bear interest at the bank interest rate mode. In addition the respective letters of credit on the 1996 Bonds, 2005 Bonds and the 2007 Bonds will be terminated, which will in return, reduce overall true interest costs. Pivotal Utilities is finalizing the terms and conditions with the bank or bank(s) that will hold the bonds during the bank mode. SunTrust Bank will lead a lender syndicate to hold the bonds while in the bank mode. As of 12/4/12, the estimated bank rate is 0.97% for a period of 5.5 years.

Bond counsel, McCarter & English, LLP, has reviewed the Modification Request and will provide all necessary opinions and documentation.

RECOMMENDATION

As the Modification Request provides for an opportunity for the applicant to reduce true interest costs, staff recommends the adoption of three (3) separate amended bond resolutions to amend and restate the respective loan agreements and trust indentures to provide for an additional interest rate mode and other necessary action that may be required to accomplish the foregoing.

- 1) The adoption of an Amended Bond Resolution for the 1996 Bonds (Appl. # P08623)
- 2) The adoption of an Amended Bond Resolution for the 2005 Bonds (Appl. P16448)
- 3) The adoption of an Amended Bond Resolution for the 2007 Bonds (Appl. P 18067)



Prepared By: Teresa Wells

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

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

APPLICANT: Ironbound Community Corporation

P37751

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 1 New York Avenue

Newark City (T/UA)

Essex

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

APPLICANT BACKGROUND:

Founded in 1969, Ironbound Community Corporation, a private, 501(c)(3), not-for-profit community development and social services agency, creates opportunities to transform lives of families and children. Their work focuses on the people of the East Ward in Newark, New Jersey. Joseph Della Fave is the Executive Director.

The process of community transformation and organization started in 1969 when residents started a preschool, the Ironbound Children's Center. Their areas of focus have been on: educational initiatives (a preschool, Early Head Start and after-school programs, and adult education programs); affordable housing; and community development (senior and mental health services, neighborhood planning, and environmental advocacy). Their preschool is licensed by the New Jersey Department of Children and Families and is in good standing.

In 2007, with assistance and loans from New Jersey Community Capital (NJCC), Ironbound Community Corporation undertook a capital improvement project. The total amount of the outstanding principal is approximately \$4.63 million.

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

APPROVAL REQUEST:

Authority assistance will enable the Applicant to refinance its NJCC loans totaling \$4,630,000 with a tax-exempt bond plus pay the cost of issuance.

FINANCING SUMMARY:

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

AMOUNT OF BOND: Up to \$4,700,000 Tax-Exempt Bond

TERMS OF BOND: 20 year term with call options; floating rate at the tax-exempt equivalent of one-month LIBOR (0.209% as of November 27, 2012) plus 200 bps; on the closing date, Borrower shall enter into a swap agreement converting floating rate to a fixed rate (as of November 26, 2012, indicative 5-year tax-exempt swap fixed rate is 2.29%; 10-year and 15-year swap terms are also available)

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	\$4,630,000
Cost of Issuance	\$70,000
TOTAL COSTS	\$4,700,000

JOBS: At Application 80 Within 2 years 1 Maintained 0 Construction 0

PUBLIC HEARING: 11/15/12 (Published 11/02/12) **BOND COUNSEL:** Wolff & Samson
DEVELOPMENT OFFICER: D. Johnson **APPROVAL OFFICER:** D. Sucsuz

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

APPLICANT: Newark City & Matrix/SJP Riverfront Plaza I Urban Renewal, P37780

PROJECT USER(S): Panasonic Corporation of North America * - indicates relation to applicant

PROJECT LOCATION 828-842 McCarter Highway Newark City (T/UA) Essex

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

APPLICANT BACKGROUND:

In November 1998, The City of Newark approved a redevelopment plan and a redevelopment area pursuant to the Local Redevelopment and Housing Law (NJSA 40:12A-1) as amended and supplemented. Included in this area is the project site at 828-842 McCarter Highway (known as 2 Riverfront Center) in Newark that will be developed by Matrix/SJP Riverfront Plaza I Urban Renewal, L.L.C.

Matrix/SJP Riverfront Plaza I Urban Renewal, L.L.C., a joint venture between Matrix Development Corp. and SJP Properties, is constructing a 12-story, 337,543 square foot office tower at the project site. Panasonic Corporation of North America ("Panasonic") has agreed to lease approx. 280,000 sq. ft. of the building, with other office tenants leasing the remaining space. Panasonic, currently based in Secaucus, is the hub of the global company's branding, marketing, sales, service, product development and research & development operations in the U.S. and Canada. For more than 50 years, Panasonic's consumer electronics and technology products range from award winning VIERA High Definition Plasma and LCD TVs and LUMIX Digital Cameras to laptop computers, communications solutions, networkable office solutions, security systems, home appliances and information systems.

In February 2011, the Authority approved an Urban Tax Hub Tax Credit Grant to Panasonic in connection with this project. The estimated total capital investment in the project as it relates to the development of Panasonic's space is approx. \$125,828,062. It is anticipated that Panasonic, upon issuance of the certificate of occupancy in the summer of 2013, will relocate approx. 800 full-time employees from an existing location in Secaucus, NJ to the project site and create an additional 250 new jobs.

APPROVAL REQUEST:

Authority assistance, via taxable bonds, will enable the The City of Newark to assist in the financing of a portion of the redevelopment of the project site by Matrix/SJP Riverfront Plaza 1 Urban Renewal, L.L.C. The bonds will be repaid from Payments-In-Lieu-Of-Taxes ("PILOT" payments) made by the redeveloper and enabled by a tax abatement on the property, pursuant to the Redevelopment Area Bond Financing Law ("RAB") and pledged by the City to bondholders. The City's application to the Local Finance Board ("LFB") for this project was submitted on November 21, 2012 for review at the LFB's December 12, 2012 meeting. Therefore the Authority's approval of the RAB bond financing is subject to receipt of LFB approval.

The proposed issuance of the RAB bonds will assist to revitalize the downtown area and generate new growth through the creation of new residential and commercial space into the designated redevelopment area. In addition, the RAB bonds were part of the basis in Panasonic's decision to locate to Newark and serve as the anchor tenant in the building to be constructed by Matrix/SJP Riverfront.

The difference in the amount of the project costs and the RAB will be funded in the form of additional equity provided by Panasonic.

FINANCING SUMMARY:

BOND PURCHASER: Panasonic Corporation of North America (Direct Purchase)

AMOUNT OF BOND: \$10,541,703 (Taxable) Redevelopment Area Bond

TERMS OF BOND: 20 years from date of certificate of occupancy; Principal only payments are due from years 5 to 20 based on a portion of the PILOT payments to be made by Developer to the City of Newark.

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	\$16,570,000
Purchase of equipment & machinery	\$7,450,000
Engineering & architectural fees	\$4,400,000
TOTAL COSTS	\$28,420,000

JOBS: At Application 800 Within 2 years 250 Maintained 0 Construction 140

PUBLIC HEARING: N/A

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: M. Piliere

APPROVAL OFFICER: T. Wells

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

APPLICANT: Uncommon Properties, LLC (or an affiliated entity) P37823
PROJECT USER(S): North Star Academy Charter School of Newark * - indicates relation to applicant
PROJECT LOCATION: Various Newark City (T/UA) Essex
GOVERNOR'S INITIATIVES: (X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

Uncommon Properties, LLC (or an affiliated entity), a wholly owned subsidiary of Uncommon Schools, Inc. ("USI"), was formed in 1997 to provide real estate services and hold title to real estate projects for the benefit of the schools within the USI network, including North Star Academy Charter School of Newark, Inc. USI is a not-for-profit entity that starts and manages public charter schools, and through its subsidiaries, owns real estate that is leased to the school for use as public school facilities. USI currently manages 32 public charter schools across NJ, NY and MA. Brett Peiser is the Chief Executive Officer and Norman Atkins is the Board Chair of USI.

North Star Academy Charter School of Newark, Inc. is currently a network of nine public charter schools serving over 2,200 students in grades K-12 across six campuses. Founded in 1997, North Star's mission is to prepare each student to enter, succeed in, and graduate from college.

Uncommon Schools has twice closed on tax-exempt bond financing with the Authority. In 2005, Uncommon Schools closed on a \$675,000 tax-exempt bond to finance one of North Star's first facilities; this bond has been paid in full. In 2009, the Authority issued \$16.4 million of Qualified School Construction Bonds for the benefit of NSA Central Avenue, LLC to build a new high school facility for North Star. The QSCBs were purchased by Capital One Bank.

The project will be occupied by North Star Academy Charter School of Newark, Inc., a not-for-profit entity. The Bonds are being issued as Qualified Zone Academy Bonds pursuant to Section 54E of the Internal Revenue Code of 1986.

APPROVAL REQUEST:

Authority assistance will enable the applicant to fund a portion of the planned renovations to several of the North Star Academy's campuses. Renovations of the owned or leased properties, include but are not limited to, necessary classroom and hallway upgrades, improvements to infrastructure and exterior envelope, new roofs, HVAC, safety upgrades, plumbing and bathroom upgrades, and purchase of related furniture and fixtures. The locations of the facilities are as follows: 24 Hazelwood Avenue, 2 Washington Place/559 Broad Street, 557 15th Ave., 600 Clinton Avenue and 108 S. 9th Street, all in the City of Newark.

The difference in project costs and bond amount will be funded with Applicant's equity.

FINANCING SUMMARY:

BOND PURCHASER: Uncommon Lenders Inc. (or an affiliated entity) (Direct Purchase)

AMOUNT OF BOND: \$14,938,000 (Taxable) Qualified Zone Academy Bond

TERMS OF BOND: The tax credit rate and the term will be determined prior to issuance of the QZAB based on the tax credit rate and term published by U.S. Treasury. On 12/3/12, the tax credit rate was 4.22% with max. term of 23 yrs.

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	\$10,640,415
Original Issue Discount	\$4,923,531
Furniture & Fixtures	\$200,000
Finance fees	\$100,000
Legal fees	\$75,000
TOTAL COSTS	\$15,938,946

JOBS: At Application 223 Within 2 years 99 Maintained 0 Construction 90

PUBLIC HEARING: N/A

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: L. Wallick

APPROVAL OFFICER: T. Wells

PRELIMINARY RESOLUTIONS

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

APPLICANT: Metaline Products Co., Inc. or a related business entity P37820
PROJECT USER(S): Metaline Products Co., Inc. * * - indicates relation to applicant
Kids Kastle Inc. (d/b/a Kastle Kreations)
PROJECT LOCATION 241 Raritan Street South Amboy City (N) Middlesex
GOVERNOR'S INITIATIVES: () Urban () Edison (X) Core () Clean Energy

APPLICANT BACKGROUND:

Established in 1923 and based in South Amboy, New Jersey, Metaline Products Co., Inc. is a display designer and manufacturer. The company creates and manufactures captivating and cost-effective in-store, point-of-purchase displays. In addition to the point-of-purchase displays found next to checkout counters, the company offers comprehensive graphic design services, and also manufactures a creative line of modular storage bins called Mobos®. A related real estate holding company, to be formed, is expected to hold the title to the project location.

Metaline is currently located in a building it owns on North Feltus Street in South Amboy, which will continue to be utilized as the headquarters, and as a design and showroom facility. The company is growing fast and is in need of additional space. To that end, it is proposing to purchase a 40,000 sf existing facility on a 3.18 acre parcel of land, less than 2 miles away, to relocate the manufacturing portion of its operations. Less than half of the new facility will be shared with Kids Kastle Inc. (d/b/a Kastle Kreations), an unrelated non-manufacturer, the seller and the future co-tenant of the subject facility.

APPROVAL REQUEST:

Authority assistance will enable the acquisition and renovation of an existing building to be primarily used as a manufacturing facility plus paying for the cost of issuance.

Approximately \$450,000 in EDA Direct Loan funds, and Applicant's equity will complement this project's Sources of Funds.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	\$2,400,000
Renovation of existing building	\$150,000
Cost of Issuance	\$60,000
TOTAL COSTS	\$2,610,000

JOBS: At Application 20 Within 2 years 10 Maintained 0 Construction 1

PUBLIC HEARING:

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: D. Johnson

APPROVAL OFFICER: D. Sucsuz

PUBLIC HEARING ONLY

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

APPLICANT: The Freehold Young Men's Christian Association

P37786

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 470 E Freehold Rd & 380 Single County - Multi City (N) Monmouth

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

APPLICANT BACKGROUND:

Established in 1904, The Freehold Young Men's Christian Association (d/b/a YMCA of Western Monmouth County) is a 501(c)(3) entity that provides for the physical, mental and spiritual health of the community in a safe friendly environment. YMCA of Western Monmouth County offers a variety of social, educational and recreational programs and services to over 16,000 members in western Monmouth, southeastern Middlesex and eastern Mercer counties. These programs and services include fitness and wellness programs, childcare, before and after school care, teen monitoring, and senior activities. Their childcare centers are licensed by the New Jersey Department of Children and Families and are in good standing. Cynthia Joy is the President and CEO.

The Applicant has an existing conventional debt, dated June 2009, with Ocean First Bank, and is proposing to refinance this debt with a tax-exempt bond. This debt refinanced existing debt that was used for: (a) renovation and expansion of an approximately 61,500 sf building at 470 East Freehold Road, Freehold, including pool and roof improvements, and (b) renovation of facilities of Camp Topanemus at 380 Monmouth Road, Millstone, including pool and office improvements. Both facilities are used to provide YMCA fitness, educational and social services. The current outstanding principal is approximately \$5.23 million with a 5.875% interest rate.

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

APPROVAL REQUEST:

Authority assistance will enable the Applicant to refinance its Ocean First Bank loan totaling \$5,232,222 with a tax-exempt bond plus pay the cost of issuance.

This Application is being presented at the December 11, 2012 Board meeting for a Public Hearing only.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	\$5,232,222
Cost of Issuance	\$91,500
TOTAL COSTS	\$5,323,722

JOBS: At Application 51 Within 2 years 2 Maintained 0 Construction 0

PUBLIC HEARING: 12/11/12 (Published 11/26/12) **BOND COUNSEL:** McManimon,Scotland & Baumann
DEVELOPMENT OFFICER: H. Friedberg **APPROVAL OFFICER:** D. Sucsuz

STATEWIDE LOAN POOL PROGRAM

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STATEWIDE LOAN POOL PROGRAM**

APPLICANT: Everflow Supplies, Inc or Nominee

P37755

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 100 Middlesex Avenue Carteret Borough (T/UA) Middlesex

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

APPLICANT BACKGROUND:

Everflow Supplies, Inc. ("ESI" or "Company") is a wholesaler of plumbing supplies that was founded in June of 2000 by the current owner, David Templer (100%) and his father, Lazar Templer. ESI currently employs 26 people and is headquartered in Linden. ESI has been expanding rapidly during recent years and is now seeking to purchase the 106,000 square-foot facility located at 100 Middlesex Ave in Carteret for \$4.5 million to enable continued growth. Chase Bank has approved a \$4,050,000 mortgage contingent upon a \$1,250,000 EDA participation. ESI has agreed to create 25 new full time positions within two years.

APPROVAL REQUEST:

Approval is requested for a \$1,250,000 (30.864%) participation as proposed.

FINANCING SUMMARY:

LENDER: Chase Bank

AMOUNT OF LOAN: \$4,050,000 with a \$1,250,000 (30.864%) EDA participation.

TERMS OF LOAN: Borrower will have the option of a floating rate at LIBOR plus 300 basis points (4.50% indicative) or a fixed rate via a SWAP. 10-year term with a 20-year amortization.

TERMS OF PARTICIPATION: Rate fixed at 5-year Treasury plus 200 basis points with a floor of 3%. 10-year term, 20-year amortization with a rate reset and call option at the end of year five.

PROJECT COSTS:

Acquisition of existing building	\$4,500,000
Finance fees	\$12,000
TOTAL COSTS	<u><u>\$4,512,000</u></u>

JOBS: At Application 26 Within 2 years 25 Maintained 0 Construction 0

DEVELOPMENT OFFICER: D. Johnson

APPROVAL OFFICER: S. Brady

LOAN TO LENDERS PROGRAM



MEMORANDUM

TO: Members of the Board

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: Superstorm Sandy Small Business Assistance

DATE: December 11, 2012

The Members of the Board are requested to approve a new, \$2-million lending program aimed at assisting Community Development Financial Institutions (CDFI) that are providing loans to small businesses affected by Superstorm Sandy.

Background:

Over the last decade, the Authority has migrated away from the direct, microlending market, given the time and staff involvement necessary to manage a microloan portfolio for loans under \$100,000. It was determined that our CDFI partners were in a better position to underwrite and administer microloan portfolios, with the Authority providing the investment to the CDFI rather than directly to the borrower. The Authority's Loans to Lenders program is our existing mechanism for providing access to capital to small businesses in New Jersey in this manner.

In the wake of Superstorm Sandy, many impacted small businesses are in need of microloans to support their recovery efforts. Several CDFI's have contacted the Authority to discuss investments in their microloan funds to assist these impacted businesses. Following staff review of the nature of the requests, it was determined that the most appropriate mechanism for investment of Authority funding to support disaster relief microloans is the Loans to Lender model, with minor enhancements.

Given that each CDFI may be advancing a micro-lending program to assist businesses in a different manner, staff recommends an approach modeled after the Authority's investments through the Loans to Lenders program that allows for flexibility in the loan structure. It is recommended that the Authority invest up to \$500,000 with qualified CDFI's as a one percent-interest loan. The loan would require a minimum of 1:1 private matching funds and allow for a disbursement period of up to 9 months followed by a term of up to 5 years. Other parameters for individual investments should be based upon the structure of each of the CDFI's lending programs. A maximum of \$2 million of Authority funds would be utilized.

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

APPLICANT: Community Loan Fund of New Jersey, Inc.

P37830

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 108 Church St, 3rd Floor New Brunswick City (T/UA) Middlesex

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

APPLICANT BACKGROUND:

Community Loan Fund of New Jersey d/b/a New Jersey Community Capital ("NJCC") is a 501(c)(3) not-for-profit formed in 1987 to provide innovative financing and technical assistance to organizations that support housing and sustainable community development ventures that increase jobs, improve education and strengthen neighborhoods. NJCC is a Certified Development Financial Institution. The Company's primary mission is to revitalize neighborhoods through flexible financing, technical assistance and consulting services.

The proceeds of this loan will be used to supplement a \$1 million investment to create a Rebuild New Jersey Fund, which will be used to provide loans to small businesses impacted by Superstorm Sandy.

APPROVAL REQUEST:

Approve a \$500,000 term loan under the Loan to Lenders Program.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: \$500,000

TERMS OF LOAN: Interest rate of 1%. There will be an initial nine month period to draw funds (interest will accrue), followed by two years of quarterly interest only payments and then 12 quarterly payments of principal and interest. The first tranche of \$250,000 will be disbursed at closing. The remaining \$250,000 tranche will be disbursed once 75% of the initial tranche is committed. Finally, both tranches must be fully disbursed within nine months after loan closing.

PROJECT COSTS:

Revolving Loan Fund	\$500,000
TOTAL COSTS	<u>\$500,000</u>

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

DEVELOPMENT OFFICER: L. Wallick

APPROVAL OFFICER: J. Wentzel

**PETROLEUM UNDERGROUND STORAGE
TANK PROGRAM**



MEMORANDUM

TO: Members of the Authority

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

DATE: December 11, 2012

SUBJECT: PUST and HDSRF Award Program Funding Status and Fiscal Administration

Objective:

The purpose of this memo is to inform the members of staff review of the administration of the subject programs as a result of new Treasury guidance for fund transfer and to request approval of staff's recommendations as set forth below. This memo was reviewed by the EDA Audit Committee at its meeting of November 15, 2012 and reflects staff's agreed upon procedures with the Office of Management and Budget.

Overview:

Article VIII Section 2, Par. 6 of the New Jersey Constitution provides for a dedication of corporate business tax to fund, among other environmental matters, the Hazardous Discharge Site Remediation Fund ("HD") and the Petroleum Underground Storage Tank Fund ("UST"), both of which are managed by EDA.

The funds cannot be utilized for any purpose other than the environmental matters mandated by the Constitution and supporting legislation.

As of October 31st, the HD fund held by EDA had approximately \$69.4 million cash in bank. Against this is \$58.6 million of commitments, leaving \$18.8 million as available cash in bank for new future commitments. Appropriations (rounded) that have been made but remain unfunded to EDA are: FY12: \$10.3 million and FY13: \$10.6 million.

As of October 31st, EDA had \$19.8 million of approved UST commitments against cash of \$6.8 million and \$14.1 million of unfunded FY12 appropriation. Remaining cash available to fund new approvals is just under \$1.1 million. Appropriations (rounded) that have been made, but remain unfunded include the FY12: \$14.1 million (referenced above as committed to projects) and FY13: \$15.4 million.

Treasury has provided guidance that funds will be transferred to EDA only when the cash in bank fund balances (cash on hand and available to actually fund a disbursement) fall below \$5

million for each program. As a result of this, the EDA's practice of committing funds at the time of Board approval would mean that the Authority does not actually have on hand available cash to support those specific project commitments. Staff believes this is not a concern if Treasury encumbers the funding at approval and recognizes that the funding requests from EDA may vary due to timing delays that occur between approval and closing of projects.

Recommendations:

As a result of staff review, the following recommendations have been reviewed and confirmed as acceptable by the Audit Committee:

- Issue new approvals for both programs up to the cumulative amount of current fiscal year appropriations: FY12 & FY13 for both Funds.
- Notify Treasury each month of approvals so that OMB can encumber that amount of funding to ensure that cash is set aside and available to fund projects when they are ready to close.
- Amend our grant agreements to make the awards conditional upon EDA's receipt of appropriations and add language noting that funding is not a General Obligation of the Authority.
- Report monthly to the Board the funding status of each Fund.

Approval by the Board will allow EDA to continue to support customers, meet the legislative intent of supporting the DEP Hazardous Discharge Site Remediation and Petroleum Underground Storage Tank Programs and will align with Treasury's guidance for funding these programs.

Approval of these recommendations will also allow staff to immediately advance to approval (subject to the members' approval) 19 UST applications for an estimated \$4.1 million, and to authorize the review and consideration of an additional 112 UST approvals under delegated authority for \$645,000 under the new guidelines. Each application has been reviewed by the NJ Department of Environmental Protection for technical eligibility and by the EDA staff for financial eligibility.

Based on the foregoing, the members are asked to approve the recommendations cited above.

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

Prepared by: Lisa Coane



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: December 11, 2012

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

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

Residential Grants:

Annette Austin	\$ 23,338
Flammarion Francis	\$ 5,773
Phyllis Hundley	\$ 158,380
Charles Laverty	\$ 124,114
Geraldyn Mijares-Echevarri	\$ 127,933
Tisha Perez	\$ 150,989
Peterson-Little VFW	\$ 166,111
Josefa Ramaroson	\$ 73,300
Augustine Rojas	\$ 132,107
Roselle Catholic High School	\$ 375,297
Helen Tweed	\$ 130,551
Total UST Residential Grants	\$ 1,467,893

Commercial Grants:

Norine L. Cohen	\$ 906,806
Hopatcong Auto Service	\$ 534,760
Leopold L. Otway	\$ 312,058
Joseph Tittermary	\$ 179,446
Transworld Transmission LLC	\$ 171,951
Richard B. Treacy III	\$ 172,678
Tim Wallace	\$ 285,888
Yeong Gi Yi	\$ 101,001
Total UST Commercial Grants	\$ 2,664,588

Total UST funding for December 2012 \$ 4,132,481

Funding for the approval of these projects is anticipated to utilize uncommitted funds at the EDA (\$1,070,331) and pledged state appropriations (\$3,061,150). After the approval of these projects for consideration by the Authority today, the available financial resources including the to be received appropriations for the UST fund will be \$12,374,850.

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

APPLICANT: Annette Austin

P36930

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

PROJECT LOCATION: 1608 Sewall Ave Asbury Park City (T/UA) Monmouth

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

APPLICANT BACKGROUND:

Between July 2001 and March 2008, Annette Austin received two grants totaling \$83,470 under P20876 and P30936 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 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 grant funding in the amount of \$23,338 to perform the approved scope of work at the project site for a total funding to date of \$106,808.

The NJDEP oversight fee of \$2,334 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: \$23,338

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$23,338
NJDEP oversight cost	\$2,334
EDA administrative cost	\$250
TOTAL COSTS	<hr/> \$25,922 <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Flammarion Francis

P37396

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

PROJECT LOCATION 43 Johnson Avenue Teaneck Township (N) Bergen

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

APPLICANT BACKGROUND:

Between May 2009 and November 2009, Flammarion Francis received grants totaling \$111,722 under P26241, P28384, and P33525 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST). 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 soil and groundwater remediation.

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$5,773 to perform the approved scope of work at the project site, for a total funding to date of \$117,495.

The NJDEP oversight fee of \$577 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 \$5,773

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$5,773
NJDEP oversight cost	\$577
EDA administrative cost	\$250
TOTAL COSTS	\$6,600

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Phyllis Hundley

P37639

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

PROJECT LOCATION 96 Hillcrest Avenue Franklin Township (N) Somerset

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

APPLICANT BACKGROUND:

In October 2011, Phyllis Hundley received a grant in the amount of \$36,301 under P34935 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 extensive soil and groundwater remediation and site restoration.

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

APPROVAL REQUEST:

The applicant is requesting supplemental grant funding in the amount of \$158,380 to perform the approved scope of work at the project site for a total funding to date of \$194,681.

The NJDEP oversight fee of \$15,838 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 \$158,380

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$158,380
NJDEP oversight cost	\$15,838
EDA administrative cost	\$250
TOTAL COSTS	<u><u>\$174,468</u></u>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Charles Lavery

P37445

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 8 Nautilus Avenue

Barneget Township (T)

Ocean

GOVERNOR'S INITIATIVES: Urban Edison Core Clean Energy

APPLICANT BACKGROUND:

Between November 2010 and September 2011, Charles Lavery received grants totaling \$16,483 under P32009 and P36874 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 extensive soil and groundwater remediation and site restoration.

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$124,114 to perform the approved scope of work at the project site for a total funding to date of \$140,597.

The NJDEP oversight fee of \$12,411 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: \$124,114

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$124,114
NJDEP oversight cost	\$12,411
EDA administrative cost	\$250
TOTAL COSTS	\$136,775

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Geraldyn Mijares-Echevarri

P37160

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION 389 Virginia Ave.

Jersey City (T/UA)

Hudson

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

APPLICANT BACKGROUND:

In September 2008, Geraldyn Mijares-Echevarri received a grant in the amount of \$55,528 under P22054 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 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 supplemental grant funding in the amount of \$127,933 to perform the approved scope of work at the project site for a total funding to date of \$183,461.

The NJDEP oversight fee of \$12,793 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 \$127,933

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$127,933
NJDEP oversight cost	\$12,793
EDA administrative cost	\$250
TOTAL COSTS	\$140,976

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Tisha Perez

P37333

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION 6 Dickson Road

Marlboro Township (N)

Monmouth

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

APPLICANT BACKGROUND:

In July 2010, Tisha Perez received a grant in the amount of \$14,357 under P30647 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 extensive remedial soil and groundwater remediation and site restoration.

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$150,989 to perform the approved scope of work at the project site for a total of \$165,346.

The NJDEP oversight fee of \$15,099 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 \$150,989

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$150,989
NJDEP oversight cost	\$15,099
EDA administrative cost	\$250
TOTAL COSTS	\$166,338

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Peterson-Little VFW

P37317

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 419 Congress Street

Cape May City (N)

Cape May

GOVERNOR'S INITIATIVES: Urban Edison Core Clean Energy

APPLICANT BACKGROUND:

In March 2011, Peterson-Little VFW received a grant in the amount of \$165,331 under P33460 to perform groundwater remediation as a result of the closure of the former underground storage tanks (USTs) at the project site. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform extensive soil remediation and site restoration.

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$166,111 to perform the approved scope of work at the project site, for a total funding to date of \$331,442.

The NJDEP oversight fee of \$16,611 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: \$166,111

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	\$166,111
NJDEP oversight cost	\$16,611
EDA administrative cost	\$500
TOTAL COSTS	\$183,222

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Josefa Ramaroson

P37657

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION 370 East Freehold Rd.

Freehold Township (N)

Monmouth

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

APPLICANT BACKGROUND:

In May 2009 and December 2009, Josefa Ramaroson received grants totaling \$148,472 under P25991 and P29016 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 soil 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 supplemental grant funding in the amount of \$73,300 to perform the approved scope of work at the project site, for a total funding to date of \$221,772.

The NJDEP oversight fee of \$7,330 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 \$73,300

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$73,300
NJDEP oversight cost	\$7,330
EDA administrative cost	\$250
TOTAL COSTS	\$80,880

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Augustine Rojas

P37587

PROJECT USER(S): R&M Auto Repair *

* - indicates relation to applicant

PROJECT LOCATION: 175 New Brunswick Ave. Perth Amboy City (T/UA) Middlesex

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

APPLICANT BACKGROUND:

In October 2011, Augustine Rojas, the owner of the project site being operated as a gasoline service station, received a grant in the amount of \$53,650 under P29289 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 a large scale groundwater, indoor air and sub-slab soil gas investigation.

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

APPROVAL REQUEST:

The applicant is requesting supplemental grant funding in the amount of \$132,107 to perform the approved scope of work at the project site for a total funding to date of \$185,757.

The NJDEP oversight fee of \$13,211 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: \$132,107

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	\$132,107
NJDEP oversight cost	\$13,211
EDA administrative cost	\$250
TOTAL COSTS	<hr/> \$145,568 <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Roselle Catholic High School

P37282

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION 350 Raritan Rd

Roselle Borough (T/UA)

Union

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

APPLICANT BACKGROUND:

In March 2011, Roselle Catholic High School, a 501(c)3 not for profit organization, received a grant in the amount of \$385,210 under P32883 to remove a leaking 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 project costs are technically eligible to perform extensive soil remediation.

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 grant funding in the amount of \$375,297 to perform the approved scope of work at the project site, for a total to date of \$760,507. The project site is located in a Metropolitan Planning Area and is eligible for up to \$1 million in grant funding.

The NJDEP oversight fee of \$37,530 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 \$375,297

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	\$375,297
NJDEP oversight cost	\$37,530
EDA administrative cost	\$250
TOTAL COSTS	<hr/> \$413,077 <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Helen Tweed

P37572

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 103 Belshaw Avenue

Shrewsbury Township (N) Monmouth

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

APPLICANT BACKGROUND:

In October 2010, Helen Tweed received a grant in the amount of \$121,770 under P31141 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 extensive soil and 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 grant funding in the amount of \$130,551 to perform the approved scope of work at the project site for a total funding to date of \$252,321.

The NJDEP oversight fee of \$13,055 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: \$130,551

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$130,551
NJDEP oversight cost	\$13,055
EDA administrative cost	\$250
TOTAL COSTS	\$143,856

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Norine L. Cohen

P37559

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION 67-73 Spring Street

Morristown Town (N)

Morris

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

APPLICANT BACKGROUND:

In April 2011 Norine L. Cohen, owner of 67-73 Spring Street, LLC, located in the Highlands Planning and Metropolitan Planning Area 1 received a grant in the amount of \$93,194 under P34219 to remove one (1) 20,000-gallon, one (1) 12,000-gallon, two (2) 8,000-gallon and one (1) 1,000-gallon underground storage tank (UST) and perform the required remediation. The tanks were decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the project supplemental costs are technically eligible. The applicant is requesting supplemental grant funding in the amount of \$906,806 to perform remediation of groundwater at the project site for a total funding to date of \$1,000,000. Projects in these Areas can receive grant funding up to \$1,000,000. DEP will monitor the cost aspect of the remediation in order to ensure that there is no misuse of the award funding.

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

APPROVAL REQUEST:

The NJDEP oversight fee of \$90,681 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 \$906,806

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	\$906,806
NJDEP oversight cost	\$90,681
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$997,987 <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Hopatcong Auto Service

P37434

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION 450 River Road

Hopatcong Borough (N)

Sussex

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

APPLICANT BACKGROUND:

In April 2005, Hopatcong Auto Service, a gasoline service station, received a grant in the amount of \$114,938 under P16399 to remove a leaking underground storage tanks (USTs) and perform the required remediation. The tanks were decommissioned and removed in accordance with the NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform extensive soil and 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 \$534,760 to fund these costs for a total funding to date of \$649,698. The project site is located in the Highlands Planning Area and is eligible for grant funding up to \$1 million.

The NJDEP oversight fee of \$53,476 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 \$534,760

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	\$534,760
NJDEP oversight cost	\$53,476
EDA administrative cost	\$500
TOTAL COSTS	\$588,736

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Leopold L. Otway

P37480

PROJECT USER(S): RPS Princeton Garage, LLC

* - indicates relation to applicant

PROJECT LOCATION: 3660 Rte 27

South Brunswick Township (M)iddlesex

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

APPLICANT BACKGROUND:

Between May 1998 and May 2006, Leopold L. Otway owner of the project site being operated as a gasoline service station, received grants totaling \$177,616 under P09934, P10949, P10949s, P17126 and P33680 to close three underground storage tanks (USTs), perform soil and groundwater remediation. The NJDEP has determined that supplemental projects 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 grant funding in the amount of \$312,058 to perform the approved scope of work at the project site for a total funding to date of \$489,674.

The NJDEP oversight fee of \$31,206 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: \$312,058

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	\$312,058
NJDEP oversight cost	\$31,206
EDA administrative cost	\$500
TOTAL COSTS	\$343,764

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Joseph Tittermary

P37246

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION 2913 Route 130 South

Delran Township (N)

Burlington

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

APPLICANT BACKGROUND:

In August 2010, Joseph Tittermary, owner of the project site, which was previously operated as a gasoline station, received a grant in the amount of \$52,636 under P30720 to perform site remediation as the result of the closure of four underground storage tanks (USTs) at the project site. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible for extensive soil 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 a supplemental grant in the amount of \$179,446 to fund these costs, for a total funding to date of \$232,082.

The NJDEP oversight fee of \$17,945 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 \$179,446

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	\$179,446
NJDEP oversight cost	\$17,945
EDA administrative cost	\$500
TOTAL COSTS	\$197,891

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Transworld Transmission LLC

P34108

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 1778 Springfield Avenue New Providence Borough (N)Union

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

APPLICANT BACKGROUND:

Transworld Transmission LLC, an automobile repair shop, is seeking to remove five underground storage tanks (USTs) and perform the required remediation. The tanks will be decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible for soil investigation and 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 grant funding in the amount of \$171,951 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$17,195 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: \$171,951

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	\$171,951
NJDEP oversight cost	\$17,195
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$189,646 <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Richard B. Treacy III

P37711

PROJECT USER(S): R.B.T., Inc. *

* - indicates relation to applicant

PROJECT LOCATION: 146 Landing Road

Roxbury Township (N)

Morris

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

APPLICANT BACKGROUND:

Between 1998 and 2000, Richard B. Tracey, owner of R. B. T. Inc., which is a gasoline service station, received grants totaling \$229,604 under P10344 and P18967 to remove four underground storage tanks (UST's). The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional soil and 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 \$172,678 to perform the approved scope of work at the project site for a total funding to date of \$402,282.

The NJDEP oversight fee of \$17,268 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: \$172,678

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	\$172,678
NJDEP oversight cost	\$17,268
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$190,446 <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Tim Wallace

P37395

PROJECT USER(S): Fair Way Fuel Service Inc. *

* - indicates relation to applicant

PROJECT LOCATION: Rt.9 & Mays Landing Rd. Somers Point City (N) Atlantic

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

APPLICANT BACKGROUND:

In August 2011, Tim Wallace, owner of the project site and Fairway Fuel Service, received a grant in the amount of \$168,036 under P34444 to close three 1,000 gallon underground storage tanks (USTs), perform soil investigation and groundwater sampling at the project site. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible for further investigation and remediation of extensive soil and groundwater contamination that is spreading offsite.

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$285,888 to perform the approved scope of work at the project site for a total funding to date of \$453,924.

The NJDEP oversight fee of \$28,589 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: \$285,888

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	\$285,888
NJDEP oversight cost	\$28,589
EDA administrative cost	\$500
TOTAL COSTS	\$314,977

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Yeong Gi Yi

P37556

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION 865 Georges Rd.

North Brunswick Township (Middlesex)

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

APPLICANT BACKGROUND:

In March 2011, Yeong Gi Yi, owner of the project site, formerly operated as a gasoline station, received a grant in the amount of \$24,878 under P33905 to remove an existing 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 groundwater investigation and remove newly discovered tanks.

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$101,001 to perform the approved scope of work at the project site, for a total funding to date of \$125,878.

The NJDEP oversight fee of \$10,100 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 \$101,001

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	\$101,001
NJDEP oversight cost	\$10,100
EDA administrative cost	\$500
TOTAL COSTS	\$111,601

APPROVAL OFFICER: K. Junghans

CLEAN ENERGY SOLUTIONS



MEMORANDUM

TO: Members of the Board

FROM: Tim Lizura, President and Chief Operating Officer

RE: EDA-BPU Clean Energy Program MOU Amendment

DATE: December 11, 2012

The Members of the Board are requested to approve the attached Memorandum of Understanding (MOU) Amendment between the Board of Public Utilities (BPU) and the Authority concerning the Clean Energy Program funds for EDA-administered programs as approved under the NJ Clean Energy Program fiscal year 2012-2013 program budget. The MOU Amendment modifies the EDA-administered existing clean energy programs and associated administrative fees.

Background:

The BPU Office of Clean Energy (OCE) and the Authority have been administering various New Jersey Clean Energy Programs (CEP) which are designed to promote the development and installation of renewable energy, energy efficiency, and alternative energy projects statewide. Since 2003, seven interagency MOUs have been developed to memorialize the role of EDA in supporting numerous BPU-funded programs. The previous MOU Amendment, approved at EDA's February 14, 2012 Board meeting: 1) allowed for \$55 million in new Clean Energy Program funds for the development of a new Large Scale Combined Heat and Power (CHP)-Fuel Cell program and; 2) modified the commitment extension period from three months to one year across all EDA-assisted Clean Energy Program projects. As a result of the recent comprehensive program and financial review undertaken by the BPU to develop the NJ Clean Energy Program fiscal year 2012-2013 program budget, the Large Scale CHP-Fuel Cell program funding will be reduced to approximately \$37 million. The total funds for all EDA programs will be reduced to approximately \$49 million from approximately \$107 million. In addition, the Energy Efficiency Revolving Loan Fund (EE RLF) program has been temporarily suspended pending further review.

The following summarizes the MOU Amendments:

- Adjustment to program funding as approved in the NJ Clean Energy Program 2012-2013 fiscal year budget by the BPU at their November 20, 2012 Board meeting. The Large Scale CHP/Fuel Cells program will be funded at \$36,970,000, the Clean Energy Manufacturing Fund (CEMF) Program at \$8,364,735 and the Edison Innovation Green Growth Fund (EIGGF) Program at \$3,440,545.
- The Energy Efficiency Revolving Loan Fund (EE RLF) Program has been temporarily suspended pending further review.
- Reflecting the reduction of the overall EDA-BPU budget, the total monthly compensation received by the EDA for administering the joint EDA-BPU programs will be adjusted from \$100,833 to \$81,742.

Large Scale Combined Heat and Power (CHP)/Fuel Cells Program

The NJ Board of Public Utilities (BPU) requested the EDA to administer a Large Scale CHP/Fuel Cells Program. The program offers assistance to support large sized CHP projects including stand-alone qualified fuel cells. This program is designed to assist those entities implementing a combined heat and power or combined cooling heat and power (CHP) or fuel cell projects with an electric generating capacity of more than one megawatt. Eligible applicants include commercial, institutional, or industrial electricity customers in New Jersey. The first solicitation received approximately \$11.1 million in funding requests. Projects from the first Solicitation round are under review. It is anticipated that projects to be funded will be brought before the BPU's December Board meeting for approval. A public working group meeting was held on September 14, 2012 to collect comments on the current program design. The EDA is now coordinating with BPU staff to make any necessary modifications for the Large Scale CHP/Fuel Cells Program based on this feedback.

The BPU Clean Energy Program fiscal year 2012-2013 budget approved at the BPU November 20, 2012 Board meeting allows for approximately \$37 million in Clean Energy Program funding in support of the Large Scale CHP/Fuel Cells program. Approximately \$25 million, including remaining funds from the first Solicitation round, will be made available in a rolling solicitation expected to open in the First Quarter of 2013.

Administrative Fees

Upon the recent program performance review undertaken by the BPU in developing the fiscal year 2012-2013 Clean Energy Program budget, the EDA program budget was reduced from approximately \$107 million to approximately \$49 million. As a result of the reduced budget, the BPU and EDA modified the existing program administrative fee structure to more closely reflect the work efforts associated with the new program budget. The MOU Amendment outlines the details of the new fee structure (Appendix A).

Recommendation:

The Members of the Board are requested to approve and authorize the execution of the attached MOU Amendment between the BPU and the Authority's Chief Executive Officer, subject to the review and approval of the Office of the Attorney General, concerning the approval of the EDA program funding, program modifications and new program administrative fee structure.

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

Attachment

Prepared by: Sandy Zeglarski

APPENDIX A

--EDA-BPU MOU AMENDMENT--

SECOND AMENDMENT TO CLEAN ENERGY PROGRAM MEMORANDUM OF UNDERSTANDING
BETWEEN NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY AND NEW JERSEY
BOARD OF PUBLIC UTILITIES

This Second Amendment to Clean Energy Program Memorandum of Understanding between the New Jersey Economic Development Authority and the New Jersey Board of Public Utilities (the "Second Amendment"), dated as of this _____ day of _____ 2012, is made and entered into by and among the New Jersey Economic Development Authority (the "Authority" or the "EDA") and the New Jersey Board of Public Utilities (the "BPU" or the "Board"), through its Office of Clean Energy, both instrumentalities of the State of New Jersey (collectively the "Parties").

BACKGROUND

WHEREAS, the Authority and the Board entered into the Clean Energy Program Memorandum of Understanding, dated March 24, 2011 (the "MOU") for the purpose of setting forth their respective roles and responsibilities with respect to administering various clean energy programs; and

WHEREAS, on March 1, 2012, the Parties entered into an amendment to the MOU ("First Amendment") to include the joint implementation of the CHP Program and to modify EDA's delegated authority with respect to commitment extensions; and

WHEREAS, the Parties now desire to make certain additional changes to the MOU; and

WHEREAS, Section X (D) of the MOU provides that the Parties may modify or amend the MOU only by a writing signed by both of the Parties.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree to further amend the MOU as follows.

- 1) Section II (Transfer of Funds) of the MOU shall be modified as follows:

"The EDA Assisted Clean Energy Programs shall be funded at the funding levels set forth in the BPU CEP Budget Order, as revised by the BPU from time-to-time. The parties recognize that pursuant to the BPU CEP Budget approved by the Board on November 20, 2012, the CHP program will be funded with \$36,970,000, the CEMF Program with \$8,364,735, the EIGGF Program with \$3,440,545 and the EERLF Program with \$270,000 in CEP monies. BPU agrees that it shall remit the funding amounts to the EDA upon request from EDA. Such transfer of funds shall be subject to State appropriations law and shall not exceed the amount set forth in the BPU CEP Budget Order."

2) Section IX (Compensation) of the MOU shall be modified as follows:

"A. The Parties acknowledge that the Authority received a total compensation amount of \$495,000 for services rendered under this MOU from January 2012 through September 2012 in connection with the CEMF Program, EIGGF program and EERLF Program. The Parties further acknowledge that the Authority received \$412,497 in compensation for services rendered under this MOU from January 2012 through September 2012 in connection with the CHP Program.

B. Notwithstanding anything in the MOU to the contrary, the Parties agree that beginning in October 2012 continuing through June 2013, the Authority shall be paid a monthly administrative fee in the amount of \$81,742 in exchange for the services rendered, and to be rendered, in connection with the CEMF Program, the EIGGF Program and the CHP Program. The Parties further agree that beginning in July 2013, and subject to availability of funding, the administrative fee payable to the Authority shall equal two percent of the Clean Energy Program ("CEP") funding level attributable to those CEP programs administered by the Authority, unless otherwise agreed to in writing by the Parties. Each such monthly fee shall be due and payable at the beginning of each month during the term of the MOU. The Parties further agree that, effective October 2012, unless otherwise agreed, the Authority will no longer be entitled to receive any administrative fees in connection with the EERLF Program, which has been temporarily suspended through June 2013.

C. The Parties acknowledge that the Authority was paid \$100,833.33 per month for administrative services rendered during and since October 2012 and that such amount was pursuant to the old fee structure in effect prior to this Second Amendment. The Parties agree that, pursuant to the terms of this Second Amendment, the Authority should have been paid the lesser monthly fee of \$81,742 for services rendered during and

since October 2012. Accordingly, the Authority agrees to reimburse the BPU for all monthly administrative fees paid in excess of \$81,742 during and since October 2012.

3) The recitals appearing in the Background Section are made part of the Second Amendment and are specifically incorporated herein by reference.

4) Except as specifically modified herein, all of the terms, provisions and conditions of the MOU and First Amendment shall remain in full force and effect.

5) The Second Amendment may be executed in duplicate parts, each of which shall be an original, but all of which shall together constitute one (1) and the same instrument. The Second Amendment shall be effective as of the date hereinabove written.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Second Amendment as of this _____ day of _____ 2012.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

By: _____
Michele Brown, Chief Executive Officer

NEW JERSEY BOARD OF PUBLIC UTILITIES

By: _____
Robert Hanna, President

INCENTIVE PROGRAMS



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Board

FROM: Tim Lizura, President/Chief Operating Officer

RE: Urban Transit Hub Tax Credit (UTHTC) Program/Business Employment Incentive Program (BEIP) – Proposed Rule Amendments

DATE: December 11, 2012

Request:

The Board is requested to approve proposed rule amendments to delineate provisions relating to the approval process under the Urban Transit Hub Tax Credit (UTHTC) Program and particularly, challenges to EDA determinations made under the program; and, to clarify certain eligibility requirements under the Business Employment Incentive Program (BEIP).

Background:

The proposed amendments, at N.J.A.C. 19:31-9.15, delete and update the procedures for challenges to EDA determinations made under the UTHTC Program (which were originally included as part of rules adopted by the Commerce Commission and readopted by EDA following transfer of the program to the Authority) to conform to the existing procedures pertaining to the Business Retention and Relocation Assistance Grant (BRRAG) Program and related BRRAG programs, as well as the Technology Business Tax Certificate Transfer (NOL) Program.

The proposed amendments streamline the timeframes for challenges to EDA determinations made under the UTHTC Program to alleviate negative impacts on applicants awaiting final determinations on applications submitted in response to the pending competitive solicitation, and are summarized as follows:

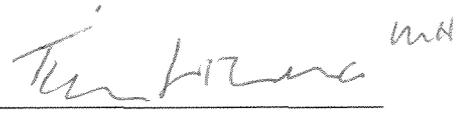
- New N.J.A.C. 19:31-9.15(a) – (c) delineates provisions relating to approval of applications under the UTHTC Program;
- New N.J.A.C. 19:31-9.15(d) reduces the amount of time in which an applicant may submit a challenge from 30 days to 20 days following the date of the Board's action; and eliminates existing provisions allowing an applicant to request a hearing; and
- New N.J.A.C. 19:31-9.15(e) establishes the procedures which the Authority shall follow regarding all timely submitted challenges to conform to the procedures under

BRRAG and NOL programs, bringing consistency and standardization of the EDA's appeal process.

Finally, the proposed amendments to N.J.A.C. 19:31-10.2, which clarify certain eligibility requirements under BEIP pertaining to the 80% statewide employment test, memorialize policy approved by the EDA Board at its November 2012 meeting.

Recommendation:

The Members are asked to approve the attached proposed amendments and to authorize staff to submit the rule amendments for publication in the January 22, 2013 edition of the New Jersey Register, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law (OAL).

A handwritten signature in black ink, appearing to read "Tim Lizura", with a small "md" written to the right of the signature.

Tim Lizura

Attachment

Prepared by: Jacob Genovay

DRAFT

RULE PROPOSALS

OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Proposed Amendments: N.J.A.C. 19:31-9.15 and 10.2

Urban Transit Hub Tax Credit Program, Business Employment Incentive Program

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

Authority: N.J.S.A. 34:1B-207 et seq. and N.J.S.A. 34:1B-124 et seq.

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

Proposal Number: PRN 2013- .

Submit written comments by March 23, 2013 to:

Maureen Hassett, SVP Finance & Development
New Jersey Economic Development Authority
PO Box 990
Trenton, NJ 08625-0990

The agency proposal follows:

Summary

The New Jersey Economic Development Authority (“EDA” or “Authority”) is proposing amendments to its rules to delineate provisions relating to the approval process under the Urban Transit Hub Tax Credit (UTHTC) Program and particularly, challenges to EDA determinations made under the program; and, to clarify certain eligibility requirements under the Business Employment Incentive Program (BEIP), as follows:

N.J.A.C. 19:31-9.15 – Urban Transit Hub Tax Credit Program

The proposed amendments delete and update the procedures for challenges to EDA determinations made under the UTHTC Program – which were originally included as part of rules adopted by the Commerce Commission and readopted by EDA following transfer of the program to the Authority – to conform to the existing procedures within the Authority’s rules pertaining to the Business Retention and Relocation Assistance Grant (BRRAG) Program and related BRRAG programs, as well as the Technology Business Tax Certificate Transfer Program.

Specifically, as part of new delineated procedures for the approval of applications at N.J.A.C. 19:31-9.15, the proposed amendments streamline the timeframes for challenges under the UTHTC Program to alleviate negative impacts on applicants awaiting final determinations on applications submitted in response to a competitive solicitation, and are summarized as follows:

New N.J.A.C. 19:31-9.15(a) clarifies that that all completed applications shall be presented to the EDA Board for approval or denial;

New N.J.A.C. 19:31-9.15(b) requires that any action by the Board shall be part of public meeting minutes that are submitted to the Governor;

New N.J.A.C. 19:31-9.15(c) requires that the Board's action shall be effective 10 working days after the Governor's receipt of the minutes, provided there is no veto issued by the Governor;

New N.J.A.C. 19:31-9.15(d) reduces the amount of time in which an applicant may challenge the Board's action as contained in existing N.J.A.C. 19:31-9.15(a), from 30 days to 20 days following the date of the Board's action; eliminates the provisions allowing an applicant to request a hearing under existing N.J.A.C. 19:31-9.15(a) and (b); requires that challenges be in writing and include an explanation as to how the applicant met the program criteria; and, clarifies that challenges are not contested cases subject to the requirements of the Administrative Procedures Act and Uniform Administrative Procedures Act;

New N.J.A.C. 19:31-9.15(e) establishes the procedures which the Authority shall follow regarding all timely submitted challenges, specifically:

New (e)1 requires that an employee shall be designated to serve as a hearing officer responsible for review of the written record and have sole discretion to determine if an in-person hearing is necessary to reach decision on the challenge; and, in the case of an application submitted in response to a competitive solicitation, provides that the EDA shall not consider any new evidence or information about the project and, in the case of any other applications, provides that the Authority may consider new evidence or information that would demonstrate that the applicant meets all of the application criteria;

New (e)2 requires that the hearing officer shall issue a written advisory report to the Board containing any finding(s)/recommendation(s) and the CEO or equivalent officer of the Authority may also include a recommendation to the Board pertaining to the written report of the hearing officer, which shall be provided to the applicant whom may file written comments and exceptions to the report;

New (e)3 requires that the Board shall consider the report of the hearing officer, the recommendation of the CEO or equivalent officer, if any, and any written comments and exceptions timely submitted by the applicant; and issue a final decision on the challenge which shall become effective 10 working days after the Governor's receipt of the minutes, provided no

veto has been issued; in addition, new (e)3 requires that the applicant shall have the opportunity to attend the public meeting at which the Board considers the challenge; and

New (e)4 clarifies that final decisions rendered by the Board shall be appealable to the Superior Court, Appellate Division, in accordance with the Rules Governing the Courts of the State of New Jersey.

N.J.A.C. 19:31-10.2 – Business Employment Incentive Program

The proposed amendments clarify certain eligibility requirements under BEIP, as follows:

Since 2004, it has been the policy of the Authority that a business and any of its subsidiaries eligible under the BEIP grant agreement must maintain at least 80 percent of their statewide employment number indicated at the time of approval throughout the commitment duration. Upon failure to maintain the minimum eligibility threshold or 80 percent of the base employment number, the EDA may suspend the grant agreement for a period of two years, provided the company can demonstrate during that period a continued effort and commitment to growth in New Jersey. Inadvertently, under the EDA's current rules, the "base employment number" is defined as the number of employees the business has employed in the State of New Jersey at the time of application for the grant. Accordingly, the proposed amendments to the definition of "base employment number" at N.J.A.C. 19:31-10.2, clarify that the statewide employment test applies to the business approved for the grant and all entities under the business's direct control, defined as 50 percent or greater ownership excluding any related affiliates and parent business.

In addition, pursuant to the BEIP Act, N.J.S.A. 34:1B-124 et seq., retail positions have never been considered "eligible positions" in recognition that, in part, retail positions are driven by local market forces, while location of non-retail positions requires that receipt of the BEIP grant be a material factor in the applicant's decision making. In its application of the statewide employment test, discussed above, to be consistent EDA staff has never included retained positions as positions that make up the statewide base employment number. Therefore, the definition of "base employment number" is also amended to clarify that the definition refers to full-time employees and excludes retail positions, i.e., any employees at point-of-final purchase retail facilities.

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

Social Impact

The Urban Transit Hub Tax Credit (UTHTC) Program encourages capital investment and increased employment in targeted urban transit hubs and the Business Employment Incentive Program (BEIP) is a vital economic tool that provides grants to businesses locating in, or relocating to, New Jersey that create jobs in the State. The proposed amendments would have a

positive social impact by delineating the approval process and streamlining the procedures for challenges to EDA determinations related to applications to the UTHTC program and providing flexibility for eligible businesses in meeting the minimum eligibility threshold while ensuring businesses receiving BEIP grants retain a strong employment base in New Jersey.

Economic Impact

The EDA believes that the proposed amendments will have a positive economic impact by ensuring that the UTHTC Program continues to effectively contribute to the State's existing efforts to spur economic development in targeted urban areas; and, by providing more predictability to businesses in projecting the value of a BEIP grant in offsetting the costs of relocating to or expanding in New Jersey versus another state. In clarifying the requirements for the statewide employment test, which shall only be applied to the business and affiliates under its direct control, the proposed amendments will allow businesses to more predictably evaluate the potential costs and benefits of accepting a BEIP grant, and allow for more financial certainty in projecting these potential costs and benefits over the life of the grant agreement.

Federal Standards Statement

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

Jobs Impact

The EDA anticipates that the proposed amendments will not impact the number of developers and businesses that take advantage of the UTHTC Program thereby resulting in continued job creation through redevelopment projects assisted throughout New Jersey. In addition, the proposed amendments will not result in additional new jobs under BEIP, rather a safeguarding of commitments to create new jobs under the program.

Agriculture Industry Impact

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

Regulatory Flexibility Analysis

The proposed amendments to the UTHTC Program do not impose any additional reporting, recordkeeping, or other compliance requirements on small business, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., as the program provides incentive grants to qualified businesses making capital investments in a qualified business facility employing at least 250 employees. The proposed amendments, which clarify certain eligibility requirements under BEIP, do not impose any additional reporting, recordkeeping, or other compliance requirements on small business, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., because BEIP provides tax credits to large businesses locating or relocating in New

Jersey and creating at least 25 new jobs in New Jersey (10 if in the technology or biotechnology industries).

Housing Affordability Impact Analysis

The proposed amendments will not impact the amount or cost of housing units, including multi-family rental housing and for sale housing in the State. The proposed amendments delineate provisions relating to the approval process and challenges under the UTHTC Program and certain eligibility requirements under BEIP.

Smart Growth Development Impact Analysis

The proposed amendments will not impact the number of housing units or result in any increase or decrease in the average cost of housing or housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan. The proposed amendments delineate provisions relating to the approval process and challenges under the UTHTC Program and certain eligibility requirements under BEIP.

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

SUBCHAPTER 9. URBAN TRANSIT HUB TAX CREDIT PROGRAM

19:31-9.15 [Appeals] Approval Process

(a) All completed applications for eligibility in the program shall be presented to the Board for approval or denial.

(b) When the members act to approve or deny a request, the minutes of the public meeting at which such determination occurs are submitted to the Governor.

(c) The Board's action shall be effective 10 working days after the Governor's receipt of the minutes, provided no veto has been issued.

(d) An applicant may challenge the Board's action by submitting in writing to the Authority, within 20 calendar days from the date of the Board's action, an explanation as to how the applicant has met the program criteria. Such challenges are not contested cases subject to the requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

(e) Challenges that are timely submitted in accordance with subsection (d) above shall be handled by the Authority as follows:

1. The chief executive officer shall designate an employee of the Authority 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 and may require an in-person hearing. The hearing officer shall have sole discretion to determine if an in-person hearing is necessary to reach an informed decision on the challenge. In the case of an application submitted in response to a competitive solicitation, the Authority shall not consider any new evidence or information about the project, but must consider only evidence or information submitted as of the solicitation submission deadline. In the case of an application submitted other than in response to a competitive solicitation, the Authority may consider new evidence or information that would demonstrate that the applicant meets all of the application criteria.

2. Following completion of the record review and/or in-person hearing, as applicable, the hearing officer shall issue a written report to the Board containing his/her finding(s) and recommendation(s) on the merits of the challenge. The hearing officer report shall be advisory in nature. The chief executive officer, or equivalent officer, of the Authority 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 file written comments and exceptions to the hearing officer's officer report within a reasonable amount of time from receipt of such report.

3. The Board shall consider the hearing officer's report, the recommendation of the chief executive officer, 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. Final decisions rendered by the Board shall be appealable to the Superior Court, Appellate Division, in accordance with the Rules Governing the Courts of the State of New Jersey.

[(a) The procedure for an appeal of the Authority's action on an application to the program shall be as follows. An applicant may appeal the Authority's action on an application to the program by submitting in writing to the Authority, within 30 days from the date of the Authority's action, an explanation as to how the applicant has met the program criteria [and may also request an informal hearing. In the event the application is reconsidered as eligible for the program, such application shall be presented for action to the Board.

(b) In the event of an adverse decision after an informal hearing under (a) above, or if a business determines not to seek an informal hearing, and providing further, that the dispute or controversy is a contested case, as defined in N.J.S.A. 52:14B-2(b), a business may request, within 45 days of the written decision resulting from the informal hearing or the determination of the Authority if any informal hearing is not sought, a formal hearing.

(c) Upon filing of the initial pleading in a contested case, the Authority may either retain the matter for hearing directly or transmit the matter for hearing before the Office of Administrative Law. Such hearings shall be governed by the provisions of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq. and 52:14F-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

(d) Every determination of a dispute or controversy arising from this subchapter by the Authority, constituting final agency action by the Authority, shall be embodied in a written decision, which shall set forth findings of fact and conclusions of law pursuant to the applicable rules of the Office of Administrative Law.]

SUBCHAPTER 10. BUSINESS EMPLOYMENT INCENTIVE PROGRAM

19:31-10.2 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

...

“Base employment number” shall mean the number of **full-time** employees the business has employed in the State of New Jersey at the time of application for the grant, **including all full-time employees at entities under the business’s direct control, defined as 50 percent or greater ownership, and excluding employees of any related affiliate(s) and parent business and employees at any point-of-final purchase retail facilities.**

...

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

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

APPLICANT: Caduceus, Inc.

P37807

PROJECT LOCATION: 30 Montgomery Street

Jersey City (T/UA)

Hudson County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Caduceus, Inc. ("Caduceus"), formed in 1996, is a healthcare information company specializing in providing outpatient billing, mobile applications and electronic medical record systems to large medical groups owned by its hospital clients. The applicant supports approximately 700 medical providers in the New York, New Jersey metropolitan area. Included in the customer base is Hospital for Special Surgery, Westchester Medical Center, Lutheran Medical Center, White Plains Hospital and Trinitas Regional Medical Center. Caduceus' business has benefited over the past two years as hospitals respond to changes in federal healthcare reporting requirements and cost containment initiatives by acquiring medical specialty practices and implementing new electronic medical record systems. The applicant is economically viable.

MATERIAL FACTOR:

Caduceus is seeking a BEIP grant to support creating 60 eligible jobs in NJ, by moving jobs from its NYC corporate headquarters, jobs from the Easton, Pa office, and adding new jobs. Also under consideration is moving all the jobs to a larger space in NYC. Project costs are estimated to be \$600,000. Management has indicated they will be making a decision no later than January 2013 as both leases expire in July 2013. A favorable decision by the Authority to award the BEIP grant is a material factor in the company's decision to move to New Jersey. The Authority is in receipt of an executed CEO certification that states the application has been reviewed and the information submitted and representations contained therein are accurate.

APPROVAL REQUEST:

PERCENTAGE: 80%

TERM: 10 years

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

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: \$ 658,800
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 7

ELIGIBLE BEIP JOBS: Year 1 45 Year 2 15 Base Years Total = 60

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$10,980

ANTICIPATED AVERAGE WAGES: \$55,000

ESTIMATED PROJECT COSTS: \$600,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$823,500

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$576,450

PROJECT IS: () Expansion (X) Relocation NYC & Easton, Pa

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New York

APPLICANT OWNERSHIP:(X) Domestic () Foreign

DEVELOPMENT OFFICER: J. Kenyon

APPROVAL OFFICER: M. Krug

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Jersey City	N/A
2. Job Creation	60	1
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	0	0
4. Industry:	business management & support services	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$600,000	1
7. Average Wage:	\$ 55,000	3

TOTAL: 7

Bonus Increases (up to 80%):

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

Total Bonus Points: 50 %

Total Score :

Total Score per formula: 7 = 25 %
Construction/Renovation : 5 %
Bonus Increases : 50 %
Total Score (not to exceed 80 %): 80 %

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

APPLICANT: Delcath Systems, Inc.

P37802

PROJECT LOCATION: To be determined

Locations Unknown (N) Unknown County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Delcath Systems, Inc. is a development stage, specialty pharmaceutical and medical device company focused on oncology, initially in liver cancers. Since its inception in 1988, the company has directed its research efforts towards the development and clinical study of the Delcath chemosaturation system, a proprietary system for chemosaturation that is designed to administer high dose chemotherapy and other therapeutic agents to diseased organs or regions of the body, while limiting systemic exposure of those agents. The corporate offices are located in NYC and three leased buildings in Queensbury, NY house manufacturing, research and development and office space, with a total of 94 employees. The applicant is economically viable.

MATERIAL FACTOR:

To reduce occupancy costs, the Applicant is considering relocating 35 employees from its New York City location to 12,500 sq. ft. in Jersey City or relocating the offices to available space nearby its existing Queensbury, NY locations. Management has indicated that the grant will be a material factor in the company's decision to go forward with the project. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate. Should Delcath Systems choose a site in a smart growth area, the estimated award could increase to 80%, with a value of \$1,750,000.

APPROVAL REQUEST:

PERCENTAGE: 40%

TERM: 10 years

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

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: \$ 935,676

(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 0

ELIGIBLE BEIP JOBS: Year 1 25 Year 2 10 Base Years Total = 35

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$26,733

ANTICIPATED AVERAGE WAGES: \$143,029

ESTIMATED PROJECT COSTS: \$658,750

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$2,339,190

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$2,573,109

PROJECT IS: () Expansion (X) Relocation New York

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New York

APPLICANT OWNERSHIP:(X) Domestic () Foreign

DEVELOPMENT OFFICER: M. Abraham

APPROVAL OFFICER: T. Wells

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Locations Unknown	N/A
2. Job Creation	35	1
	Targeted : <input checked="" type="checkbox"/> Non-Targeted : _____	
3. Job at Risk:	0	0
4. Industry:	Medical device technology	2
	Designated : <input checked="" type="checkbox"/> Non-Designated : _____	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$658,750	1
7. Average Wage:	\$ 143,029	4

TOTAL: 10

Bonus Increases (up to 80%):

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

Total Bonus Points: 0 %

Total Score :

Total Score per formula: 10 = 35 %
Construction/Renovation : 5 %
Bonus Increases : 0 %
Total Score (not to exceed 80 %): 40 %

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

APPLICANT: Ferring Production Inc., Ferring Pharmaceuticals, Inc. & Ferring P37822

PROJECT LOCATION: 100 Interpace Parkway Parsippany-Troy Hills Morris County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Ferring Production Inc. is a new corporation formed by Ferring Pharmaceuticals, Inc. to expand its U.S. operations to include manufacturing. Ferring Pharmaceuticals is a research driven, biopharmaceutical company devoted to identifying, developing and marketing innovative products in the fields of reproductive health, urology, gastroenterology, endocrinology and osteoarthritis. Ferring Pharmaceuticals' products include infertility treatments and injectable drugs for the treatment of osteoarthritis of the knee and is headquartered in Parsippany, NJ, with approximately 150 employees. The applicant is economically viable.

In 2007, Ferring Pharmaceuticals, Inc. closed on a 75% BEIP grant in connection with the relocation of its U.S. headquarters from NY to Parsippany.

MATERIAL FACTOR:

Ferring Pharmaceuticals, Inc. is evaluating locations for its first U.S. manufacturing plant of approx. 100,000 sq. ft. under the name of Ferring Production Inc. and clinical laboratory space for its subsidiary, Ferring International Pharmascience Center US Inc. The company plans to finalize its location decision and begin construction in early 2013. Under consideration is a facility in Parsippany or a former pharmaceutical facility in Pearl River, NY. Management has indicated that the grant will be a material factor in the company's decision to go forward with the project. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate.

APPROVAL REQUEST:

PERCENTAGE: 70%

TERM: 10 years

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

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: \$ 3,129,875

(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 150

ELIGIBLE BEIP JOBS: Year 1 75 Year 2 100 Base Years Total = 175

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$17,885

ANTICIPATED AVERAGE WAGES: \$80,000

ESTIMATED PROJECT COSTS: \$87,000,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$4,471,250

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$3,577,000

PROJECT IS: (X) Expansion () Relocation

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: () Domestic (X) Foreign Switzerland

DEVELOPMENT OFFICER: J. Kenyon

APPROVAL OFFICER: T. Wells

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Parsippany-Troy Hills Township	N/A
2. Job Creation	175	3
	Targeted : <u> X </u> Non-Targeted : <u> </u>	
3. Job at Risk:	0	0
4. Industry:	Pharmaceuticals	2
	Designated : <u> X </u> Non-Designated : <u> </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$87,000,000	4
7. Average Wage:	\$ 80,000	4

TOTAL: **15**

Bonus Increases (up to 80%):

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

Total Bonus Points: 20 %

Total Score :

Total Score per formula: 15 = 45 %
Construction/Renovation : 5 %
Bonus Increases : 20 %
Total Score (not to exceed 80 %): 70 %

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

APPLICANT: Rosenwach Group, Inc.

P37827

PROJECT LOCATION: 1100 Randolph Road Franklin Township (N) Somerset County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Rosenwach Group, Inc. is the parent of Rosenwach Tank Company, which was officially formed in 1896 in New York to manufacture and service wooden water tanks. Many of the company's tanks reside atop buildings in the five boroughs due to the city's requirement that buildings at least 80 feet tall must have a water reservoir in order to meet the fire code. Rosenwach Group has expanded its offerings over the years and is now a one stop shop for new water technologies, historic building preservation, outdoor site furnishings, and more. The company has its headquarters in Long Island City and presently operates from three facilities located throughout New York. The applicant is economically viable.

MATERIAL FACTOR:

Rosenwach is pursuing the consolidation of all manufacturing, service, and distribution operations into one location. The options under consideration are either to locate the project in Somerset (Franklin Township) or in Bethpage, New York. The company has applied for a BEIP to provide an incentive to relocate 90 positions to the Garden State. Management has indicated that the grant will be a material factor in the company's decision to go forward with the project in New Jersey. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate.

APPROVAL REQUEST:

PERCENTAGE: 50%

TERM: 10 years

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

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: \$ 558,225
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 0

ELIGIBLE BEIP JOBS: Year 1 30 Year 2 60 Base Years Total = 90

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$6,202

ANTICIPATED AVERAGE WAGES: \$52,000

ESTIMATED PROJECT COSTS: \$11,475,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$1,116,450

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$1,116,450

PROJECT IS: Expansion Relocation New York

CONSTRUCTION: Yes No

PROJECT OWNERSHIP HEADQUARTERED IN: New York

APPLICANT OWNERSHIP: Domestic Foreign

DEVELOPMENT OFFICER: J. Kenyon

APPROVAL OFFICER: K. McCullough

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Franklin Township	N/A
2. Job Creation	90	2
	Targeted : _____ Non-Targeted : <u>X</u>	
3. Job at Risk:	0	0
4. Industry:	other manufacturing	0
	Designated : _____ Non-Designated : <u>X</u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$11,475,000	2
7. Average Wage:	\$ 52,000	3

TOTAL: **9**

Bonus Increases (up to 80%):

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

Total Bonus Points: 20 %

Total Score :

Total Score per formula: 9 = 30 %
Construction/Renovation : 0 %
Bonus Increases : 20 %
Total Score (not to exceed 80 %): 50 %

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

APPLICANT: United Parcel Service, Inc. and/or Subsidiaries P37787

COMPANY ADDRESS: 640/650/670 Winters Avenue Paramus Boro. Bergen County

PROJECT LOCATION: 385 Rifle Camp Road Woodland Park Boro. Passaic County
(or another new location – TBD)

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

APPLICANT BACKGROUND:

Founded in 1907 and headquartered in Atlanta, United Parcel Service, Inc. (NYSE: UPS) has grown to become the world's largest package delivery and global transportation company, operating in more than 220 countries and territories, employing 398,000 people worldwide, with annual revenue of \$53.1 billion in 2011. Now its operations include logistics and other transportation-related areas, such as supply chain management, freight forwarding, and related IT operations.

As a subsidiary, United Parcel Service General Services Co. focuses on supporting the entire UPS operations, primarily in the information technology and data center services. This is the backbone of everything at UPS since technology powers virtually every service UPS offers and every operation they perform.

In April 2010, UPS was approved for a BRRAG grant (P37127) for retaining and relocating 741 existing BRRAG eligible employees in Morristown. This existing grant relocated 592 BRRAG eligible employees to Wayne, 96 to Paramus, 36 to Mahwah, and 17 to Ramsey.

United Parcel Service General Services Co. is planning to close and relocate one of the four data processing and system applications facilities in New Jersey (the one in Paramus - with 929 employees, including consultants and other non-BRRAG eligible existing employees). With a new BRRAG, the company will retain and relocate its current headcount (716 eligible) in the Paramus facility to Woodland Park (or another new location). The company is contemporaneously proceeding with a sales tax exemption application, P37801.

MATERIAL FACTOR/NET BENEFIT:

The Applicant is seeking a BRRAG grant to support retaining 716 BRRAG eligible employees (out of 929 employees, which number includes 117 non-W2 consultants and 96 existing BRRAG employees) located in New Jersey. The company has submitted a cost benefit analysis comparing the cost of comparable facilities in New Jersey and New York, the main competing state. Their alternative competing state is Georgia. The company has represented that a favorable decision by the Authority to award the BRRAG grant is a material factor in the Applicant's decision to remain within New Jersey and hence not to relocate these jobs outside of the State. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate. The model that the EDA uses to determine the net benefit of a BRRAG project to the State of New Jersey determined that the net benefit of this BRRAG project to the State is \$258.2 million. The Authority staff recommends the award of the proposed Business Retention and Relocation Assistance Grant.

APPROVAL REQUEST:

TAX CREDIT TERM: 4 years

COMMITMENT DURATION: 9 years

The Members of the Authority are asked to approve the proposed BRRAG benefit to United Parcel Service, Inc. and/or Subsidiaries to encourage the company to remain within New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award amount and the term. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount and the term that corresponds to the actual criteria that have been met.

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in NJ unless the applicant had a pre-application meeting with the Authority during the grandfathering period.
2. If the applicant enters into a lease for the project site, the term of the lease will be no less than 9 years exclusive of any renewal options.
3. Expenditures totaling at least twice as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before June 30, 2015 in order to remain eligible for the bonus award.
4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.
5. If the applicant remains in a location at which it currently operates, expenditures totaling at least as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before June 30, 2015.

END OF APPLICANT'S FISCAL YEAR:	December 31
CAPITAL INVESTMENT MUST BE MADE BY:	June 30, 2015
SUBMISSION DATE OF CPA CERTIFICATION:	September 30, 2015
TOTAL ESTIMATED GRANT AWARD OVER TERM:	\$6,444,000
APPLICANT TAX PERIOD 1 APPROVAL (2015):	\$1,611,000
APPLICANT TAX PERIOD 2 APPROVAL (2016):	\$1,611,000
APPLICANT TAX PERIOD 3 APPROVAL (2017):	\$1,611,000
APPLICANT TAX PERIOD 4 APPROVAL (2018):	\$1,611,000
ELIGIBLE BRRAG JOBS:	716
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	\$1,500
BONUS AWARD PER EMPLOYEE:	\$750
TOTAL YEARLY TAX CREDITS INCLUDING BONUS:	\$2,250
ANTICIPATED AVERAGE WAGES:	\$122,000
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	\$87,352,000
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS (9 years):	\$34,191,864
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$13,250,000
OPERATED IN NEW JERSEY SINCE:	1938
PROJECT IS: () Expansion (X) Relocation	
CONSTRUCTION/RENOVATION: (X) Yes () No	
DEVELOPMENT OFFICER: M. Abraham	APPROVAL OFFICER: D. Sucsuz

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – SALES and USE TAX EXEMPTION
(STX)**

APPLICANT: United Parcel Service, Inc. and/or Subsidiaries P37801

COMPANY ADDRESS: 640/650/670 Winters Avenue Paramus Boro. Bergen County

PROJECT LOCATION: 385 Rifle Camp Road Woodland Park Boro. Passaic County
(or another new location – TBD)

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

APPLICANT BACKGROUND:

United Parcel Service, Inc. has grown to become the world's largest package delivery and global transportation company, operating in more than 220 countries and territories, employing 398,000 people worldwide, with annual revenue of \$53.1 billion in 2011. Now its operations include logistics and other transportation-related areas, such as supply chain management, freight forwarding, and related IT operations. As a subsidiary, United Parcel Service General Services Co. focuses on supporting the entire UPS operations, primarily in the information technology and data center service areas.

PROJECT:

United Parcel Service General Services Co. is planning to close and relocate one of the four data processing and system applications facilities in New Jersey (the one in Paramus - with 929 employees, including consultants and other non-BRRAG eligible existing employees). With a Sales and Use Tax Exemption (STX) benefit, along with the BRRAG grant, the company will retain and relocate its current headcount (716 eligible) in the Paramus facility to a new site in Woodland Park, New Jersey (or another new location). This project summary is for the STX benefit, which is closely related to the BRRAG benefit as both incentives facilitate the relocation and retention of the same 716 existing jobs.

SCOPE OF STX BENEFITS:

Authority assistance will induce the applicant to relocate its operations to a new, approximately 178,000 sf facility in Woodland Park. The business will be exempt from sales and use tax for eligible property located at the eligible business location for the renovation/construction project pursuant to the terms and conditions of a project agreement. The sales tax exemption certificate applies only to property purchased for installation at the approved project site and will allow the business to purchase machinery, equipment, furniture and furnishings, fixtures, and building materials, other than tools and supplies, without the imposition of sales and use tax. The sales and use tax exemption (STX) is administered pro rata to reflect the eligible scope of the project, based on the number of retained STX eligible full-time jobs, increased no more than 20 percent, relative to the sum of all of jobs/employees located at the approved project site during the commitment period, subject to the Act, Regulations, and the terms of the Project Agreement. The recommended benefit is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended benefit amount. If the criteria met by the company differs from that shown herein, the STX benefit amount will be lowered to reflect the benefit amount that corresponds to the actual criteria that have been met.

APPROVAL REQUEST:

STX COMMITMENT DURATION: 5 years

Per our regulations, the Applicant has represented that the availability of this financial assistance will be an important inducement to undertake this project and to relocate full-time jobs within the State. The Authority staff recommends the award of the proposed Sales and Use Tax Exemption benefit.

ESTIMATED ELIGIBLE EXPENSES: \$6,625,000
ESTIMATED VALUE OF STX: \$428,906
RETAINED/MOVED STX ELIGIBLE EMPLOYEES: 716
RELOCATED NEW JERSEY EMPLOYEES (ALL): 929
NEW JERSEY GROUP EMPLOYMENT AT APPLICATION (ALL): 15,285
ALL EMPLOYEES BENEFITTING FROM STX PROJECT: 929
ANTICIPATED AVERAGE WAGES: \$122,000
OPERATED IN NEW JERSEY SINCE: 1938
PROJECT LOCATION IS IN PLANNING AREA 1 OR 2: PA1

(If NO, an existing facility that is outside the Planning Areas 1 or 2, provided renovation or expansion is involved, may be substituted by the staff.)

PROJECT IS: () Expansion (X) Relocation

CONSTRUCTION: (X) Yes () No

DEVELOPMENT OFFICER: M. Abraham

APPROVAL OFFICER: D. Sucsuz

STX benefit calculation formula:

Estimated Eligible Property x Sales Tax Rate = Estimated Gross Sales Tax Liability	$\$6,625,000 \times 0.07 = \$463,750$
(Retained Full-Time Jobs (STX Eligible Jobs) / Estimated Total Occupants of the Facility) x Regulatory 20% Automatic Increase for All STX Projects = Proportionate Value (Pro Rata Eligible Scope) with 20% Increase	$716 / 929 \times 1.2 = 0.9248654467$ ¹
Adjusted Proportionate Value (not to exceed 1.00 or 100%) x Estimated Gross Sales Tax Liability = Estimated Amount of the Sales and Use Tax Exemption Certificate	$0.9248654467 \times \$463,750 = \$428,906$

¹ Cannot exceed 100% or 1.00

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



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Tim Lizura, President and Chief Operating Officer

DATE: December 11, 2012

SUBJECT: Modification to Hurdle Rate Model

Request

The purpose of this memo is to modify the Hurdle Rate Model used by Authority staff to determine the maximum Internal Rate of Return for projects seeking assistance under the Economic Redevelopment and Growth Grant (“ERG”) program. The modifications will involve (1) adding Cape May as an anchor city and (2) upgrading the functionality of the model such that a project specific rate of return may be calculated for projects in Atlantic City.

Background and Description

On November 15, 2012, the Members of the EDA Board approved the Authority’s use of a new Hurdle Rate Model. The model is used to determine the maximum Internal Rate of Return for projects seeking assistance under the ERG program. The model calculates a maximum return based on key characteristics which include the project’s zip code, industry class, and the degree to which its location is in an area exhibiting an economic disadvantage. In respect to zip code, cities where there are an adequate number of comparable projects across all zip codes, the base of the hurdle rate is calculated as the average. The model in its calculation of the average rate also normalizes the historical rates of returns to the prevailing economy.

In cities where there is an inadequate number of comparables across all zip codes, an interpolation method is employed. The interpolation method utilizes a group of 13 anchor cities in NJ which have an adequate number of comparables to calculate an average return and exhibit in various degrees certain measures of economic disadvantage. The anchor cities in this group are Newark, Paterson, Camden, Asbury Park, Trenton, Millville, Paramus, Morristown, Summit, Princeton, Wall, Cherry Hill, and Galloway. The average IRR for a project in a certain zip code is calculated by interpolating the IRRs of the three closest anchor cities weighted by distance. This weighted rate serves as the base of the hurdle rate.

At the November 2012 board meeting, it was asked why Atlantic City is not one of the anchor cities. This topic was subsequently discussed with the Authority’s consultant Jones Lang LaSalle (“JLL”). JLL determined that Atlantic City is not an anchor city because its historical returns over the last decade or so have varied widely such that they do not provide a valid comparison with the surrounding cities. For instance, many projects in Atlantic City have been casino based or large and unique requiring a rate of

return well above the typical returns required in surrounding cities. Equally as valid, many projects in Atlantic City have been partially financed using grants or low interest rate loans from the Casino Reinvestment Development Authority or other state/municipal sponsored programs. These type of capital sources with very favorable terms have a reducing effect on the rates of returns required by developers and again are much lower than what can be found for projects in surrounding cities and even the same city (reflecting the fact that numerous projects in Atlantic City may not have such favorable financing and have a higher return). As such, JLL feels it is best to exclude Atlantic City from the hurdle rate model as an anchor city. This is because the statistical significance of an interpolated return using Atlantic City data would be impaired.

Despite the decision to exclude Atlantic City as an anchor city, Authority staff asked JLL alternatively if Cape May would provide greater relevancy as an anchor city in the southern New Jersey region. JLL has represented that Cape May would benefit the model as an anchor city as it's a place that impacts the surrounding areas reflecting its long term status as a tourist destination. Future additions or subtractions of anchor cities will be made by Authority staff and communicated to the board.

Finally, the EDA will upgrade the Hurdle Rate Model such that a project specific rate of return may be calculated for projects in Atlantic City. The historical Atlantic City returns incorporated into the model may need to be adjusted to accommodate differences between subsidized versus non-subsidized projects and normalized for the period known as the Great Recession.

Recommendation

It is recommended that the Hurdle Rate Model be modified to add Cape May as an anchor city and upgraded such that a project specific rate of return may be calculated for projects in Atlantic City. All other aspects of the Hurdle Rate Model as described in the November 15, 2012 board memo will remain the same.

A handwritten signature in black ink, appearing to be 'V. V. [unclear]', is written over a horizontal line. The signature is stylized and somewhat cursive.

Prepared by: David A. Lawyer



MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: December 11, 2012

RE: **Harrah’s Atlantic City Holding Inc.**
Economic Redevelopment and Growth Grant Program

Request

The Members are asked to approve the application of Harrah’s Atlantic City Holding Inc. (the “Applicant”) 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”).

The total project costs are estimated to be \$144,594,875. The total qualified costs under the ERG Act are **\$132,826,000**. The recommended reimbursement is 18.17% of eligible project costs, not to exceed **\$24,128,000**.

Project Description

The Applicant is proposing the development of a new conference and meeting facility adjacent to its existing casino resort in the Marina District of Atlantic City (the “Project”). The Project is a two-story, 243,457 square foot building that would accommodate both medium and small scale meetings and events. The Project is being designed as a stand-alone facility to be marketed to conference planners looking for state of the art facilities with the added attraction of a vibrant destination.

The first floor of the Project will include 118,232 square feet of space which will consist of:

- Meeting Facility - A 49,447 square foot meeting facility, which can be reconfigured into multiple smaller rooms, a larger ballroom or any combination of those uses.
- Pre-Function Area – A 25,743 square foot area will include a link to the casino with an exterior glass façade.
- Kitchen – A 10,151 square foot kitchen will provide food and beverage service to events in

the meeting facility.

- Terrace – The 1,713 square foot terrace will be adaptable for private events.
- Other Space – Other space will include 31,178 square feet for a registration area, offices, restrooms, storage area, back of house area, loading dock and a technical room.

The second floor of the project will include 104,764 square feet of space which will have a similar layout to the first floor, to be serviced by the first floor kitchen. The mezzanine level of the project will include 20,461 square feet of space, which will include a 1,000 square foot board room, offices, storage area, back of house area, and a technical room.

The Project site is located in the Marina District within the Atlantic City Tourism District and is an area previously designated in need of rehabilitation. In 1994, the City Council of Atlantic City designated the entire city as an area in need of rehabilitation pursuant to the Local Redevelopment and Housing Law. The Applicant expects approval of the Project site plan by the Casino Redevelopment Authority (“CRDA”) in the first quarter of 2013. Construction is expected to commence in the second or third quarter of 2013, with completion in the fourth quarter of 2014.

The Applicant intends to satisfy the program’s Green Building requirements through either Pay for Performance or LEED Silver compliance and has represented that the proposed Project budget reflects such compliance. The Applicant anticipates that the Project will create 140 new hotel, food and beverage and meeting services jobs (55 full-time positions and 85 part-time positions), as well as 340 temporary construction jobs.

Project Ownership

The Applicant’s total assets were \$1.4 billion, excluding affiliate balances, including current assets of \$85.5 million as of December 31, 2011. Total liabilities were \$1.2 billion as of December 31, 2011, including current liabilities of \$38.7 million and long term debt of \$897 million. Net equity was \$255 million at December 31, 2011. For the year ended December 31, 2011, net revenues were \$470 million, income from operations was \$9 million and the company posted a loss for the year of \$12.3 million. Affiliates of the Applicant employ 9,124 full time and 1,222 part time employees at Harrah’s Atlantic City Resort and its New Jersey affiliates.

The Applicant is wholly owned by Caesars Entertainment Corporation (“Caesars”). Caesars intends to form a separate non-gaming affiliate that will own the land and building comprising the Project. The Applicant will then assign its rights under the ERG grant to the non-gaming affiliate. Caesars owns, operates, or manages, through various subsidiaries, 52 casinos in 12 U.S. states and seven countries. The majority of these casinos operate in the United States and England under the Caesars, Harrah’s, and Horseshoe brand names. On January 28, 2008, Caesars Entertainment was acquired by affiliates of Apollo Global Management, LLC (“Apollo”) and affiliates of TPG Capital, LP in an all-cash transaction. As a result of the Acquisition and through December 31, 2011, the stock was not publicly traded. Effective February 8, 2012, as the result of the Company’s initial public offering, the common stock trades on the NASDAQ Global Select Market under the symbol CZR. Caesars’ total assets were \$28.5 billion, including current assets of \$1.8 billion as of December 31, 2011.

Total liabilities were \$27.5 billion as of December 31, 2011, including current liabilities of \$1.6 billion and long term debt of \$19.8 billion. Net equity was \$1 billion at December 31, 2011. For the year ended December 31, 2011, net revenues were \$8.8 billion, income from operations was \$876 million and the company posted a loss for the year of \$688 million.

Project Uses

<i>Uses</i>	<i>Total Project Costs</i>	<i>ERG Eligible Project Costs</i>
Hard Costs	\$ 114,013,000	\$ 114,013,000
Financing and Other Costs	15,553,500	14,553,500
Professional Services	4,259,500	4,259,500
Section 177 Donation Waiver	9,531,375	0
CRDA Administrative Fee	1,237,500	0
TOTAL USES	\$ 144,594,875	\$ 132,826,000

The ERG eligible project costs above exclude advertising and marketing costs, which are ineligible. In addition, total project costs include \$9,531,375 representing a Section 177 Donation Waiver toward a new CRDA project and CRDA's administrative fee of \$1,237,500, as required by CRDA in conjunction with their funding of the Project as further explained below. These CRDA related costs are ineligible under the ERG program.

Project Sources

The Applicant will be utilizing the following sources to complete the Project:

<i>Sources</i>	<i>Amount</i>
Developer Equity	\$ 34,656,000
Section 177 Donation Waiver	9,531,375
IAT Funds (CRDA)	46,237,500
Debt	54,170,000
TOTAL SOURCES	\$ 144,594,875

On November 20, 2012, CRDA approved a resolution reserving \$46,237,500 million in Investment Alternative Tax Obligations ("IAT"), contributed by the Applicant and its affiliates, toward the Project. This amount includes \$45 million for Project costs and \$1,237,500 for CRDA's administrative fee. In conjunction with this reservation of IAT funds, an affiliate of the Applicant has agreed to donate \$9,531,375 in cash or realty toward a proposed public marketplace project that is currently being evaluated by CRDA ("Section 177 Donation Waiver"). IAT funds are held by the CRDA through a statutory investment arrangement and belong to both CRDA and the contributing licensee. The CRDA has the statutory right to put bonds to the licensees for financing of CRDA sponsored projects, which would earn a statutory return, currently 2.7%. Any funds held by CRDA earn below market bank interest rates, as one-third of these returns are shared with CRDA.

The Applicant has satisfied the 20% equity participation requirement based on the anticipated cash equity contribution of \$34.7 million. The Applicant anticipates that it will be able to secure \$54.17 million in debt financing at an interest rate of 15% to be repaid over an eight year term after completion of construction. The Applicant established this assumption through discussions with their primary bank and through their bank's survey of approximately twelve likely interested financing sources for the Project.

The Project sources and uses above reflect the ERG subsidy excluded. The Project gap is calculated based on the Equity Internal Rate of Return identified in the gap analysis, which will be discussed below. These returns are calculated with and without the ERG cash flow to compare the returns.

Gap Analysis

EDA staff has reviewed the application to determine if there is a shortfall in the project development economics pertaining to the return on the investment for the developer and their ability to attract the required investment for this project. Staff analyzed the pro forma and projections of the project and compared the returns with and without the ERG over 10 years. For purposes of this analysis, consistent with financing secured by another Authority project in Atlantic City, it was assumed that debt financing would be secured at 13% over a 15 year repayment term rather than the terms anticipated by the Applicant. In addition, equity reflected in the gap analysis includes cash equity of \$34,656,000, IAT funds contributed by the Applicant and its affiliates of \$46,237,500, and \$9,531,375 of required Section 177 Donation Waiver, which totals \$90,424,875. (IAT funds were reflected as equity in the gap analysis because the Applicant is an affiliate of the existing resort/casino and the gap analysis includes incremental revenues generated not only by the stand-alone new facility, but also all incremental revenues generated at the existing resort/casino as well.)

Without ERG	With ERG
Equity IRR 11.28%	Equity IRR 13.14%

With the benefit of the ERG, the Equity IRR is 13.14%. The new Hurdle Rate Model provided by the EDA's contracted consultant Jones Lang LaSalle ("JLL") and approved by the Members of the Authority at the Board Meeting on November 15, 2012 indicates a maximum IRR of 13.26% for a convention center project in Atlantic City. If we assume that the appropriate expected return for IAT funds is 2.7%, the blended hurdle rate for this type of project based on the Hurdle Rate Model would be 6.75%.

There are shortfalls to using the Hurdle Rate Model, however, for this type of project. Because this Project is deemed to be a large complex destination type project, the Hurdle Rate Model does not accommodate this type of Project. In addition, the Hurdle Rate Model reflects that there is not an adequate number of comparable projects in Atlantic City and as such, the 6.75% IRR represents an interpolation of IRR's from cities other than Atlantic City. 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 26% to 30%. When blended with the 2.7% hurdle rate on the IAT funds, this results in a hurdle rate range

for this Project of 11.63% to 13.16%. As indicated in the chart above, the Project would not otherwise be completed without the benefit of the ERG based on a hurdle rate range of 11.63% to 13.16% and the ERG incentive allows the Applicant to achieve market rate returns and move forward with the Project.

Net Positive Benefit Analysis

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 \$60.5 million. Additionally, there is \$4.9 million in one-time tax benefits generated by the Project. The total cumulative discounted net benefits after taking into account the 10% cushion is \$59.4 million. The following taxes were included in the Net Positive Benefit calculation:

- 1] 66% of the incremental annual corporate business tax;
- 2] 66% of the incremental gross income tax;
- 3] 100% of the incremental one-time tax generated from the Project's construction;
- 4] 100% of the incremental indirect tax revenues from spending and earnings;
- 5] 100% of the incremental sales tax generated by the retail portion of the Project

The net benefits analysis includes incremental revenues generated not only by the stand-alone new facility but also all incremental revenues generated at the existing resort as well. Sales taxes are included in the calculation, as the project is deemed to be a destination facility. The Applicant provided a market assessment prepared by The Innovation Group, a third-party consultant, which demonstrated that the Project will generate substantial increased incremental tax revenue from other tax jurisdictions (the "Applicant Market Analysis"). The gap analysis includes 140 new full time and part time retail jobs projected by the Applicant and 340 construction jobs.

Other Statutory Criteria

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

The economic feasibility and the need of the redevelopment incentive grant agreement to the viability of the redevelopment project. The likelihood that the project shall, upon completion, is 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.

Prior to approval of the \$45 million funding reservation for this project, CRDA commissioned an independent market analysis of the Project ("CRDA Market Analysis") to determine: 1) The Project's impact on existing meeting and conference centers in Atlantic City, including the Atlantic City Convention Center, 2) whether the Project is consistent with CRDA's objectives for the Tourism District, 3) whether the Project will substantially benefit the Tourism District, the City of Atlantic City, businesses and entities other than the casino hotel and related facilities, and 4) whether the Project does not exclusively benefit, improve or increase the assessed value of the

casino hotel and related facilities. Based on the results of this analysis prepared by Johnson Consulting, the Project demonstrates the ability to provide significant incremental impact. This report estimates an aggregate benefit of \$29.8 million in new gaming, hotel rooms and other non-gaming revenues in addition to the Project revenues, with approximately \$26.5 million in additional indirect and induced economic impact in the region and the potential generation of up to 633 new full-time equivalents upon Project completion.

As further support of the CRDA Market Analysis, the Applicant Market Analysis also demonstrated the ability of the Project to gain significant market capture in the new target market. This analysis maintains that the Northeast is underserved in terms of large-scale dedicated meeting facilities in the Applicant's target market. Conclusions were supported with research on the industry and competitive market, empirical data both in Atlantic City and other markets, and survey data based on the results of a survey of meeting planners conducted specifically for this assessment. The Applicant Market Assessment also supported the Applicant's revenue assumptions provided in their proforma of the Project.

The Project also appears to be economically feasible based on the financial strength and prior experience and track record of the Applicant, who has significant experience with casino resorts and related facilities. Specifically, this Project will feature many of the same characteristics as Caesars Palace in Las Vegas. Furthermore, the Project will be supported by Caesars' national sales team which may decrease the amount of time necessary for the Project to reach stabilization.

The Project has an anticipated IRR of 11.28% without the ERG and 13.14% with the ERG. As further explained previously, the ERG incentive grant is needed for the viability of the project. Based on the expected generation of \$1.7 million of incremental direct annual corporate, 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 extent of economic and social distress in the municipality and the area to be affected by the redevelopment project. The extent to which the redevelopment project will advance State, regional and local development and planning strategies, promote job creation and economic development and have a relationship to other major projects undertaken within the municipality.

In 2011, the State Legislature passed legislation signed by the Governor to take measures to revitalize Atlantic City through redevelopment projects attracting visitors. P.L. 2011 c.18 provided for the establishment of the Atlantic City Tourism District and required CRDA to adopt a Master Plan to attract development in Atlantic City. CRDA recently adopted a Master Plan for the Atlantic City Tourism District and the Project is consistent with the Master Plan's goal for future build-out within the Marina District.

Atlantic City reported an unemployment rate of 13% for the month of September 2012 and Atlantic County's unemployment rate was 12.1% for the same month. Both of these figures are significantly above the State of New Jersey's 9.8% unemployment rate reported in September 2012 and the 7.8%

rate for the entire US at the same date. The jobs created as a result of this project will provide important employment opportunities for local residents. The project will generate approximately 140 new, direct jobs upon completion, as well as 340 temporary construction jobs. Sales tax generation by this Project is estimated at \$1.2 million annually along with one time construction materials tax generation from the Project estimated at \$3.7 million, as well as annual incremental real estate taxes of \$2.2 million, payroll taxes of approximately \$160,000 and corporate taxes of approximately \$450,000).

Recommendation

Authority staff has reviewed the Harrah's Atlantic City Holding Inc.'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 an Incentive Grant Agreement with the Applicant and the State Treasurer, subject to final review and approval of the Office of the Attorney General. All disbursements under the ERG program are subject to annual appropriation by the New Jersey State Legislature.

Closing of the Incentive Grant Agreement and the reimbursement of any taxes is contingent upon the Applicant meeting the following conditions regarding the Project:

1. The State Treasurer's approval of the ERG Grant; and
2. Copies of all required State and federal government permits, copies of all local planning and zoning board approvals and evidence of site control for the redevelopment Project; and
3. 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.

Reimbursement shall commence upon:

1. Completion of construction and issuance of a permanent certificate of occupancy;
2. Submission of a detailed list of all eligible costs, which costs shall be certified by a CPA and satisfactory to the NJEDA; and
3. Sufficient new taxes have been paid to the NJ Treasury and appropriated. (Incremental taxes at the existing resort/casino will not be eligible for reimbursement under this award. Only taxes generated by the new facility will be eligible for reimbursement.)

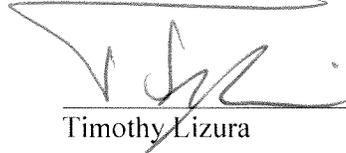
The NJ Treasury annually tracks taxes received from job sites and remits reimbursement equal to a percentage of funds collected during the year.

It is recommended that the members authorize the CEO of the EDA to execute any assignment agreements necessary to effectuate this transaction.

Total Eligible Project Costs: \$132,826,000

Eligible Taxes for Reimbursement: Sales and other eligible taxes not to exceed \$24,128,000 over 20 years.

Recommended Grant: Not to exceed 18.17% of eligible costs in an amount not to exceed \$24,128,000 to be paid over a maximum period of 20 years.



Timothy Lizura

Prepared by: Christine Caruso

NJEDA Economic Impact Model

NJEDA Economic Impact Model (2008 RIMS Data)		
County Number		1
Address	777 Harrah's Boulevard	
County	Atlantic	
Ongoing Jobs(Direct)	140	
One Time Jobs(Direct)	340	
State & Local Direct Ongoing	Services	Select Industry Sector
Sales Tax	\$1,198,426	@7%
Corporate Income Tax (CBT)	\$299,214	@9%
Gross Income Tax	\$104,756	@4%
Misc. State Tax Revenue	\$0	Input
Property Tax (Default to Total Const Value*3%)	\$2,191,113	@4%
Direct Ongoing Annual Taxes	\$3,793,509	a
State Indirect Ongoing		
Annual Corp Spending	\$17,441,567	Direct Output Composite
Final Demand Output Multiplier	1.46x	Direct Output Composite Multiplier
Indirect Annual Spending	\$8,084,166.30	Direct Output Composite*(Direct .Mult.-1)
At 3.5 % Tax Rate	\$282,946	b
Annual Payroll	\$3,928,363	Direct Earnings Composite
Indirect Effect Earnings Multiplier	1.49x	Direct Earnings Composite Multiplier
Indirect Earnings	\$1,912,720.14	Direct Earnings Composite*(Indirect .Mult.-1)
At 4% Tax Rate	\$76,509	c
Indirect Ongoing Annual Taxes	\$282,946	b
Total State Ongoing Net Benefits		
Annual Net Benefit	\$4,152,964	a+b+c
Cumulative Net Benefit (20yrs w/ 3% yearly inflation)	\$111,591,697	
Present Value @6%	\$60,473,521	d
One Time		
Construction Value	\$73,037,100	@300% ^f
Direct One Time Taxes on Spending	\$5,112,597	Count to total only if project is NOT in a UEZ zone.
Direct Construction Multiplier	1.45x	
Indirect One Time Spending	\$33,129,629	
Spending Tax Rate	7.0%	
Ind One Time Taxes on Spending	\$2,319,074	
Assumed Portion of Const. on Labor	50%	Input
Dir One Time Earnings	\$36,518,550	
Earnings Tax Rate	5%	Input
Dir One Time Taxes on Earning	\$1,825,928	
Direct Effect Earnings Multiplier	1.40x	
Indirect One Time Earnings (50% of Construction)	\$14,527,079	
Earnings Tax Rate	5%	Input
Ind One Time Taxes on Earnings	\$726,354	
Total One Time Tax Benefits	\$4,871,355	e
Total State Benefits		
Total One Time Tax Benefits	\$4,871,355	e
Total State Ongoing Benefits (PV @ 6%)	\$60,473,521	d
Total Benefits	\$65,344,876	d+e
Implied Maximum Loan at 110% Coverage Ratio Before Adjustments	\$59,404,433	



GROW NEW JERSEY ASSISTANCE PROGRAM

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

APPLICANT: Deep Foods Incorporated

PROJECT LOCATION:	1090 Springfield Road	Union Township	Union County
	1075 Garden State Road	Union Township	Union County
	1079 Garden State Road	Union Township	Union County

GOVERNOR'S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Deep Foods Incorporated, a member of the Deep Foods Group, is a family owned and operated manufacturer of authentic all natural Indian cuisine. The company, which is headquartered in Union Township, has conducted business in New Jersey for almost 35 years. Its many brands include DEEP, Tandoor Chef, Hot Mix, Udupi, Bansi, and others. The applicant has demonstrated the financial ability to undertake the project.

The Authority has previously provided assistance for Deep Foods by issuing tax-exempt bond financing for its affiliate Nandan, LLC, through which Deep Foods leases its real estate and equipment at 1090 Springfield Road.

MATERIAL FACTOR/NET BENEFIT:

Due to excess market demand for its products, Deep Foods has been formulating plans to expand its operations over the last several years. The company had determined that its best options for expansion were to either purchase an adjacent property if it became available or vacate its current facility and relocate to a larger one. During 2010, the owner of two adjacent properties expressed a desire to sell and by December 2011, The Deep Foods Group had purchased both facilities by creating the real estate holding companies Vastu Union 1075 and Vastu Union 1079. The desired timing of the seller forced Deep Foods to act, but the company maintains that its intention in purchasing these facilities was only to preserve all of its options for expansion. Deep Foods did not inhabit or equip the new buildings and these facilities remain vacant today.

At present, Deep Foods is continuing to evaluate expansion plans in both New Jersey and Pennsylvania. If the company pursues the expansion in New Jersey, it would lease space from its affiliate at the two facilities adjacent to its current site and the three buildings would form a campus containing approximately 170,000 sq ft of space. Deep Foods would invest an estimated \$5,700,524 in building renovations and \$21,206,769 in equipment and machinery as part of the project.

The alternative plan is to relocate out of state by leasing a 180,000 sq ft facility in Easton, Pennsylvania. Should the company pursue this option, the Deep Foods Group would sell the properties at 1075 Garden State Road, 1079 Garden State Road, and 1090 Springfield Road. The company would also pay or refinance the outstanding \$1,275,000 on the tax-exempt bonds issued through the Authority. The Deep Foods Group has provided sufficient evidence to demonstrate that it has the financial wherewithal to relocate to the leased facility in Easton, while holding the properties in Union until such time that they could be leased or sold.

The applicant has requested a grant of tax credits through the Grow NJ program to provide an incentive to choose New Jersey which would result in the retention of 275 jobs and the creation of 175 new jobs in the Garden State. The location analysis submitted to the Authority shows New Jersey to be the more expensive option and as a result the management of Deep Foods Incorporated has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate. It is estimated that the project would have a net benefit to the State of \$118.8 million over the 15 years that the company would be committed to keep the jobs here.

FINDING OF JOBS AT RISK:

The applicant has certified that the 275 New Jersey jobs listed in the application are at risk of being located outside the State. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

APPROVAL REQUEST:

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

After the approval of this project and other projects for consideration by the Authority today, the total amount of tax credits approved under the Grow New Jersey Assistance Program will increase to \$391,577,293 and the total combined approvals under HUB and Grow New Jersey to \$1,419,007,531.

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than \$20 million after board approval, but no later than July 28, 2017.
3. No employees that are subject to a BEIP, BRRAG, or Urban Transit Hub are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, or Urban Transit Hub is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

<u>Grant Calculation</u>	
BASE GRANT PER EMPLOYEE:	\$5,000
BONUS INCREASES:	
(\$1,000 per item with a max of \$3,000)	
INDUSTRY:	1,000
PUBLIC TRANSIT:	0
HIGH SALARIES:	0
AFFECTED SITE:	<u>0</u>
BONUS PER EMPLOYEE:	<u>\$1,000</u>
TOTAL GRANT PER EMPLOYEE:	\$6,000
ELIGIBLE JOBS:	
New Jobs:	175
Retained Jobs:	<u>275</u>
Total:	450
ANNUAL CREDIT AMOUNT (\$4,000,000 max):	\$2,690,729.30*

TOTAL AMOUNT OF AWARD: \$ 26,907,293*

TERM: 10 years

ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 26,907,293

QUALIFIED INCENTIVE AREA: PA-1

MEDIAN WAGES: \$ 21,270

STATEWIDE BASE EMPLOYMENT: 275

PROJECT IS: Expansion Relocation

CONSTRUCTION: Yes No

DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** K. McCullough

*The grant amount is limited to the eligible capital investment for the project.



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: December 11, 2012

SUBJECT: Grow New Jersey Assistance Program

Background:

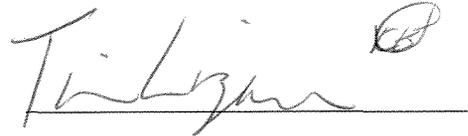
The Grow New Jersey Assistance Program (Grow NJ) is an incentive program designed to encourage capital investment, job retention, and job growth. The Act, which was signed by Governor Christie on January 5, 2012, authorizes the Authority to award a tax credit of up to \$40,000,000 per applicant. To be eligible for the program, a business shall make capital investments of at least \$20,000,000 at a qualified business facility at which it will employ at least 100 full-time employees in retained full-time jobs, or create at least 100 new full-time jobs in an industry deemed by the EDA to have a significant impact on the State's economy. Qualified eligible businesses may receive tax credits of \$5,000 per year for a period of ten years for each new or retained full-time job to be located at the qualified business facility plus a bonus award of up to \$3,000 per job per year for a period of ten years if the business meets additional criteria.

Projects are presented to the Members for approval based on the best estimates of the applicants at the time of approval. As projects progress, these estimates may evolve and need to be revised. In instances where the overall award amount would not increase, staff is requesting the authority to amend components of the approval including the number of eligible positions to be created or retained as well as eligibility for the bonus awards in order to accurately reflect the status of the project. In the event that there is a change in the number of eligible positions, staff will revise its analysis to ensure that the project will still yield a net positive benefit to the State of at least 110% of the tax credit amount.

For example, at the time of certification, a company may report that its actual employment numbers are below its original estimates, however the salaries of those employees have exceeded expectations and are now above the statewide average. Under this delegated authority, staff would have the ability to reduce the number of jobs on the grant while adding any bonus award, as described in the statute, for which the company provides evidence of eligibility. These adjustments would allow the company to maintain, but not exceed, the total grant award as originally approved by the Members.

Recommendation:

The Members are requested to delegate to staff the authority to amend elements of an approval under the Grow New Jersey Assistance Program, provided that the action taken by staff would not result in an increase in the amount of the grant and that the project would still yield a net positive benefit to the State of 110% of the tax credit amount.

A handwritten signature in black ink, appearing to read "Tim Lujan", is written over a horizontal line. To the right of the signature is a small, circular stamp or mark.

Prepared by: K. McCullough

BOARD MEMORANDUMS



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura,
President and Chief Operating Officer

DATE: December 11, 2012

SUBJECT: Medco Health Solutions, Inc. – P09810
Franklin Lakes, New Jersey
\$2,556,288 Business Employment Incentive Program Grant (“BEIP”)

Medco Health Solutions of Willingboro, Inc. – P11078
Willingboro, New Jersey
\$2,975,312 Business Employment Incentive Program Grant (“BEIP”)

Modification Request:

1. Consent to the acquisition of Medco Health Solutions, Inc., (“Medco”) and its subsidiaries by Express Scripts, Inc. (“Express Scripts”);
2. Consent to the addition of Medco Health Services, Inc., (“Medco Health”) a wholly-owned subsidiary to the Medco grant.

Background

Medco is one of the nation’s leading providers of managed prescription drug and patient health management programs. Medco Health Solutions of Willingboro, LLC (“Medco Willingboro”) a wholly owned subsidiary of Medco, services include network claims, processing, home delivery services, patient care and direct home delivery to patients.

Medco was awarded two (2) BEIP grants to expand its operations in New Jersey.

In November, 1997, the members approved an 80%/10 year grant to Medco to support the Company with its relocation and expansion efforts to Franklin Lakes and the creation of 317 new jobs. The Minimum Eligibility Threshold of 75 was reached in 1998, and this grant is in the final year of its post payment phase. Current employment as of November 2012 is 678, and to date \$36.2 million has been disbursed under the grant.

In April, 1999, the members approved a 70%/10 year grant to Medco to locate its distribution facility in Willingboro, and the creation of 815 new jobs. The Minimum Eligibility Threshold of 25 was reached in 2001. Current employment is 882 and \$5.8 million has been disbursed under the grant

In January 2010, Medco realigned its operations in an internal corporate restructure. As a result, the employees of Medco's Franklin Lakes facility were transferred to a newly formed, wholly owned subsidiary, Medco Health. Also at that time Medco Pharmacy, LLC, a wholly owned subsidiary of Medco, became the legal parent of Medco Health Solutions of Willingboro, LLC.

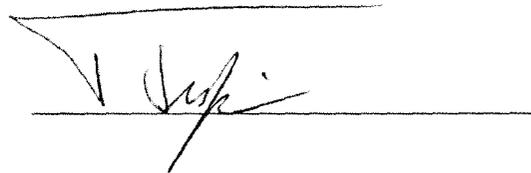
On April 2, 2012, Express Scripts acquired Medco and its subsidiaries for \$29 billion (in cash and stock). As a result of the acquisition, a newly formed holding company named Express Scripts Holding Company, Inc. ("Express Scripts Holding"), now owns 100% of Medco.

Since the acquisition, as part of Express Scripts assessment of its operational needs, the company has laid off approximately 300 employees in New Jersey as of September 2012. The layoffs will not affect the BEIP as these grants are not subject to the 80% statewide employment requirements. Future plans for staffing changes are unknown at this time.

Staff has reviewed the acquisition and internal corporate restructure along with the legal matters presented and found no disqualifying issues. Staff has also reviewed the financial statements of Medco and Express Scripts Holding and has determined that the companies are economically viable.

Recommendation:

Consent to the acquisition of Medco Health Solutions, Inc. and its subsidiaries by Express Scripts and the addition of Medco Health Services, Inc. to the Medco Health Solutions, Inc. grant, as these companies have been determined to be economically viable. These changes will not substantially impact the company's jobs numbers as both grants are now in the post payment stage.

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

Prepared by: Charlene M. Craddock and Natalia Nagovsky



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: December 11, 2012

SUBJECT: Lonza Group Ltd. and subsidiaries to Lonza America, Inc. and subsidiaries
BEIP Application P37418
BRRAG Application P37427

MODIFICATION REQUEST

Consent to the change in the applicant and grantee from Lonza Group Ltd. and subsidiaries to Lonza America, Inc. and subsidiaries.

BACKGROUND

On May 8, 2012, Lonza Group Ltd. and subsidiaries were approved by the Board Members for a BRRAG, estimated at \$333,000 to retain 148 existing employees and an estimated 60% BEIP grant of \$691,800 to create an additional 40 new jobs.

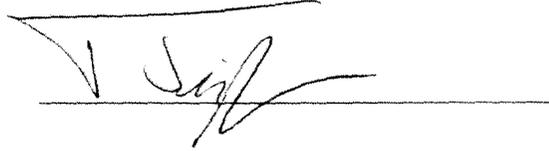
Lonza America, Inc., a wholly owned subsidiary of Lonza Group, started operations in the U.S. in 1969 with a focus on chemical specialties. In 2011, the Lonza Group acquired Arch Chemicals, a global biocides company, to create a Microbial Control division providing solutions to destroy or to inhibit the growth of harmful microorganisms in the areas of water treatment, personal care, health and hygiene, industrial preservation, materials protection, and wood treatment. Arch Chemicals has operations in Allendale and South Plainfield, NJ. The BEIP and BRRAG were material factors for the company to retain the Arch Chemical employees and consolidate the operations with Lonza America in NJ.

Originally, the applicant was determined economically viable based on the consolidated financial statements of Lonza Group, Ltd. Lonza Group, headquartered in Switzerland, does not want to be a party to the grant agreements, citing that Lonza America, Inc., as the U.S. parent should be the applicant. The company has requested that applicant be changed to Lonza America and subsidiaries, which includes Lonza, Inc. and Arch Chemicals.

Lonza America, Inc. and subsidiaries have demonstrated that it is economically viable. All other terms and conditions of the prior approval of the BEIP and BRRAG grants remain the same.

RECOMMENDATION

Members of the Board are requested to consent to the change in the applicant to Lonza America, Inc. and subsidiaries, as these companies are the U.S. subsidiaries of Lonza Group Ltd., which will retain and create jobs in NJ and have been determined to be economically viable.

A handwritten signature in black ink, appearing to read "V. Singh", is written over a horizontal line. The signature is stylized and cursive.

Prepared By: Teresa Wells



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: December 11, 2012

SUBJECT: Tropical Cheese Industries, Inc. ("TCI")
\$45,000 UEZ Energy Sales Tax Exemption ("U-STX")

Approval Request:

Consent to the approval of TCI's application to participate in the U-STX program.

Background

TCI, established in 1982, is a manufacturer of natural Hispanic style cheeses as well as cultured dairy products such as drinkable yogurts and pourable creams. TCI distributes the majority of its products via its own fleet of trucks to customers in the tri-state area, as well as parts of New England. The company operates out of a facility in Perth Amboy, New Jersey. TCI is currently an Urban Enterprise Zone ("UEZ") program participant and was most recently recertified in October 2012.

To participate in the U-STX program, a company must be a UEZ-certified manufacturer with at least 250 full-time employees, at least 50% of whom are involved in the manufacturing process. TCI has 259 full-time employees in a UEZ certified facility in Perth Amboy, of which 51% are involved in the manufacturing process. In addition, the company has certified that it is not in default with any other State program.

The Department of Labor and Workforce Development has confirmed that the company is in good standing. They have also received a valid Tax Clearance Certificate from the Division of Taxation.

The estimated annualized U-STX benefit to TCI is \$45,000, which is based on the prior twelve months electric and gas usage multiplied by 7% sales tax.

Recommendation

Consent to the approval of TCI's application to participate in the U-STX program. TCI has met all of the program requirements, and the approval would be valid through December 11, 2013.

Prepared by: Tyshon Lee



MEMORANDUM

TO: Members of the Authority

FROM: Tim Lizura
President and COO

DATE: December 11, 2012

SUBJECT: NextStage Capital II, L.P.

Request:

Approval is requested to amend the terms of the \$2 million investment in NextStage Capital II, L.P. ("NCII") that was approved on March 15, 2012. At the time of EDA board approval, the offering memo for NCII allowed for a fund size of up to \$40 million with a minimum fund size of \$20 million. To date, the fund has raised approximately \$12 million and is looking to close on a first round of investments in early 2013. As a result, approval is requested to provide an initial investment equal to 10% of the total first round with a \$1 million minimum and \$2 million maximum investment. In addition, approval is requested to participate in a subsequent round with an investment equal to 10% of the total round with a minimum investment of \$500,000. Of note, the aggregate investment from all rounds shall not exceed \$2 million and the EDA's commitment shall remain unchanged at \$2 million.

Background:

On November 16, 2011, the Authority published a competitive solicitation for a \$5 million investment in a venture fund or funds that would in turn invest in early stage technology companies. The solicitation required a minimum fund size of \$20 million. The program was created to fill a void in the State as numerous early stage venture firms have decided not to establish new funds. The Authority identified SSBCI as an appropriate funding source of the program due to the 1:10 public-to-private ratio requirement and the fact that the EDA's prior venture investments produced an average ratio in excess of 1:25.

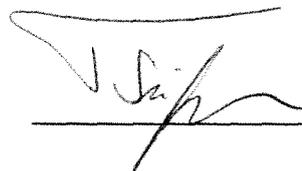
In total, the EDA received four responses to the solicitation which were reviewed by a "Selection Committee" comprised of three EDA employees. The Selection Committee scored and ranked the candidates based on several factors including the ability to raise match funding, investing experience and the commitment to New Jersey. As a result, the Selection Committee recommended proceeding with two investments: a \$3 million investment in OVIII and a \$2 million investment in NCII. Both investments were approved on March 15, 2012.

At the time of approval, NCII was in the process of being formed by NextStage Capital II GP, LLC. It was stated that the fund would be at minimum a \$20 million fund that would seek to make approximately 15 investments in early stage technology companies located in the mid-Atlantic region with a focus on New Jersey. Due to market conditions the fundraising efforts have advanced slower than expected. To date, the NCII has raised a total of \$12 million (excluding the EDA's \$2 million commitment) and has another \$10 million of soft circled investments. The capital raised to date will be used to make equity investments in five prospective companies that are in advanced stages of due diligence. Of note, two of the prospects are located in New Jersey. The practice of multiple rounds is common among venture funds to assure being opportunistic for quality investments.

NCII is part of the NextStage family of funds that was formed in 2006. It is managed by a group of business executives including Terry Williams (Founder of TWC Group which was sold to Manpower/COMSYS), Rob Adams (formerly a Vice President at Safeguard Scientifics and a CPA at Ernst & Young) and Dan McKinney (formerly a Vice President at Safeguard Scientifics and a CPA at KPMG). Together, the team has over 75 years of operating and investment experience. Of note, the EDA has an existing relationship with NextStage via a \$400,000 investment in NextStage Capital I, which has produced satisfactory results to date.

Recommendation:

Approval is requested to modify the terms of the investment as proposed. This approval will permit an initial investment equal to 10% of the total first round with a \$1 million minimum and \$2 million maximum investment and an investment in a subsequent round equal to 10% of the total round with a minimum investment of \$500,000. Within two years after the first close, the Authority will close on the second round. Of note, the aggregate investment from the multiple closings shall not exceed \$2 million.



Prepared by: Sean V.M. Brady, Senior Credit Underwriter



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura, President/Chief Operating Officer

DATE: December 11, 2012

SUBJECT: PNC Business Growth Fund

On September 14, 2004, the Board approved the “New Jersey Business Growth Fund” (BGF) which expanded the relationship between PNC Bank and the Authority. This program supports our small business strategy and enhances our ability to meet the needs of New Jersey small businesses. Through the Business Growth Fund, PNC agreed to make \$100 million in low interest loans available to fund New Jersey companies committed to job creation or retention (for manufacturers). Capital made available by PNC Bank is offered at below market interest rates, with a fixed or variable rate option. EDA provides either a 25% or 50% guarantee on loans of up to \$3 million for qualified projects under the program.

Since program inception, 319 projects have been closed, which represents approximately \$150 million in loans with approximately \$46 million in Authority guarantees. 2012 volume to date is 20 projects approved, which represents \$11.4 million in bank loans with \$2.9 million in Authority guarantees. Of that total, 20 projects have closed for \$9.9 million in bank loans with \$2.5 million in Authority guarantees. Average loan size is approximately \$450,000.

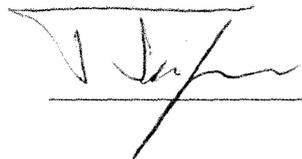
There are 178 loans in the active portfolio, which represents \$75.3 million in loans with EDA guarantee exposure of approximately \$22.8 million. It should be noted that under the agreement with PNC, the maximum aggregate exposure to the Authority is \$10 million. The last review of the BGF portfolio was in June 2012, and was deemed satisfactory. Overall, loans were closed in conformity with approvals and documented properly.

At this time, there is one project in the active portfolio that is delinquent. To date, ten guarantees totaling \$1.7 million have been transferred to Special Loan Management. Of those, six guarantees totaling \$865,000, have been called since the start of the program in 2004 including two EDA guarantees in 2012 (totaling \$398,000). One guarantee in the program has been written off (\$39,000). An additional five guarantees totaling \$782,000 will be written off by end of the year. A total of six write offs will then have been taken since program inception. These six guarantees are the same six guarantees that have been called.

The agreement with PNC will expire on December 31, 2012. PNC has requested that the Authority extend the program for an additional year, with a commitment of \$25 million in loan volume. The interest rate in effect for the program, which is either a fixed rate based on the five year Treasury + 250 bp (current indicative rate is 3.13%), or a variable rate based on WSJ Prime minus 50 bp (current indicative rate is 2.75%), will remain the same. These rates compare favorably to conventional commercial loan rates being offered, which are currently in the 4% - 5% range. It is requested that the CEO continue to have authority to negotiate alternative interest rate changes, not to exceed 50 bp, as may be requested by PNC.

Under the current program, applicants must demonstrate that there will be at least one job created for each \$50,000 of Authority exposure. We are recommending a modification to this requirement to allow for job retention. Main Street Program funds would be utilized for those projects, and projects would need to meet the eligibility requirements of the Main Street Program. It is anticipated that with this change, a greater number of businesses will be assisted through the program.

It is recommended that the "New Jersey Business Growth Fund" program be extended for one year with the program modification described above. This program supports our small business strategy and enhances our ability to meet the needs of New Jersey small businesses. To effectuate this, the Agreement with PNC Bank will be amended subject to DAG review.



A handwritten signature in black ink, appearing to be "S. Mania", is written over a horizontal line. The signature is stylized and cursive.

Prepared by: S. Mania



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: December 11, 2012

SUBJECT: Write Off of Loans

Request:

Write off the loans listed on the attached grid with recourse. EDA retains its legal rights against the borrower and/or guarantors, and will pursue collection of these loans through litigation.

Background:

Pursuant to the Authority's loan servicing policies and as required by generally accepted accounting principles, all active loans in Special Loan Management are reviewed periodically to identify those to be removed as assets on the Authority's financial statements (i.e. "written off"). Staff considers the payment history, company operations, collateral value in liquidation and the strength of personal guarantors to assess which loans offer limited likelihood of future recovery and should be written off.

Presently, staff is recommending the write-off with recourse of the five (5) loans on the attached grid that total \$2,310,872. As these loans are written off with recourse, EDA retains its legal rights against the borrower and/or guarantors, and will pursue collection of these loans through litigation. All are rated Loss and are fully (100%) reserved.

Recommendation:

Write off the loans on the attached grid with recourse. Staff will continue to monitor these for the potential of future recovery.

Prepared by: Jerome T. Stesney

**LOANS WRITTEN OFF WITH RECOURSE
DECEMBER 11, 2012**

Name	Origination Date	Original Amount	Current Balance	Background
TimeSight Systems, Inc. (Edison Innovation Fund)	October 22, 2009	\$800,000	\$665,457	TimeSight Systems, Inc. developed a solution to increased storage requirements of high resolution video used in surveillance industry. The loan was transferred to SLM due to payment default caused by severe cash flow problems. Attempts by EDA staff to resolve the issue were unsuccessful. Main investor would no longer fund operations and the business closed. Legal action will be initiated to obtain judgment against obligor. The loan is secured by a first lien on corporate assets deemed to have no liquidation value and first lien on intellectual property shared parri passu with Bridge Bank with an undetermined if any value.
ILS Grand, LLC (Direct Loan)	January 30, 2009	\$615,000	\$456,810	ILS Grand, LLC d/b/a Karlan Services, Inc. is a treatment, storage and disposal facility for precious metal recovery. No payments have been made since September 2011. The loan is secured by a second mortgage on commercial property with no equity due to senior lien amount, a second lien on corporate assets deemed to have no liquidation value and a \$100K assignment of certificate of deposit. Borrower filed chapter 7 bankruptcy. Legal action will be initiated to obtain judgment against non-bankrupt guarantors.
Old Pike Investments, LLC (Direct Loan)	July 20, 2009	\$510,000	\$437,750	Old Pike Investments, LLC is a real estate holding company affiliated with A-I Millwork in Waterford, NJ. A-I produced wooden doors, staircases and moldings for the residential home building industry. The company ceased operations in August 2012. No payments have been made since June 2012. The loan is secured by a 2nd mortgage on the project property. The senior mortgage holder is in process of foreclosing. Due to the amount of the senior lien, little to no equity exists to secure EDA's subordinate position.
449 Blair Associates, LLC (LDFF Loan)	February 11, 2009	\$450,000	\$394,971	449 Blair Road Associates, LLC is a real estate holding company formed to purchase the project property for the operating company, Perth Amboy Tire, Inc., a tire dealership that has ceased operations. The loan is secured by a second mortgage on commercial property with no equity due to senior lien amount and a subordinate lien on business assets with no liquidation value. Borrower unable to continue loan payments due to cash flow problems. Senior lien holder foreclosing on commercial property. EDA mortgage will be extinguished. Legal action will be initiated to obtain judgment against personal guarantors.
Joseph DeAngelis and Michael Reed (Statewide Loan Pool)	March 27, 2007	\$400,000	\$355,884	Joseph DeAngelis and Michael Reed own and operate Flex Family Fitness Center in Bridgeton, NJ. The fitness center does not generate sufficient cash flow to service its debt. No payments have been made since February 2012. Agent bank, Sun National, has initiated foreclosure. EDA's participation is secured by a subordinate position in Sun National's first mortgage position. Based on a May 2012 appraisal, no equity exists to secure EDA's subordinate position.
TOTAL			\$2,310,872	



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President and COO
DATE: December 11, 2012
SUBJECT: Projects Approved Under Delegated Authority - **For Informational Purposes Only**

The following project was approved under Delegated Authority in November 2012:

New Jersey Business Growth Fund:

- 1) Anything II, LLC (P37792), located in Westville Borough, Gloucester County, is a newly formed real estate holding company that was created to purchase a certain commercial property. The property will be leased to Nellie's Provisions Inc., a wholesale meat broker that provides delicatessen products to specialty shops and is the primary supplier of Primo Hoagies Franchise locations, which has grown to 75 locations. Anything II, LLC and Nellie's Provisions Inc. are related through common ownership. PNC Bank approved a \$665,999 term loan with a five-year, 25% guarantee of principal outstanding, not to exceed \$166,499.75. Proceeds will be used to purchase commercial real estate, to which the operating business will be relocated. Currently, the company has seventeen employees and plans to create twenty new jobs over the next two years.
- 2) Greenlight Auto Specialist Corporation (P37829), located in Oaklyn borough, Camden County, was formed in 2007 as an auto insurance brokerage agency. PNC Bank approved a \$185,000 mortgage, contingent upon a 25% EDA guarantee initially, not to exceed \$46,250. Proceeds will be used to purchase the commercial property in which they are currently operating under a lease. The company currently has five employees and plans to create three new positions within the next two years.
- 3) Wisco Promo & Uniform Inc. or Nominee (P37779), located in Saddle Brook Township, Bergen County, was formed in 2002 as a uniform wholesaler, and provides customer screen printing and embroidery services. PNC Bank approved a \$1,100,000 bank loan with a five year, 25% guarantee of principal outstanding, not to exceed \$275,000. Proceeds will be used to purchase the commercial property in which they currently operate under a lease. The company currently has four employees and plans to create six new positions within the next two years.

Community Economic Development Program:

- 1) Millville Urban Redevelopment Corporation (P37784), located in Millville City, Cumberland County, is a not-for-profit corporation that was formed in 2011 to help improve the economic well-being of the City of Millville by providing and promoting collaborative partnerships, promoting and assisting growth and development of the businesses within the Millville economic community. The corporation was approved for a Community Economic Development Program loan in the amount of \$50,000. Loan proceeds will be used for pre-development costs related to building a proposed Cumberland County Arts & Business Innovation Center in Millville.

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Prepared by: D. Lawyer
DL/gvr



MEMORANDUM

TO: Members of the Authority

FROM: Tim Lizura
President and Chief Operating Officer

RE: Technical Assistance for Small Businesses (TA)
(For Information Only)

DATE: December 11, 2012

This memo is for informational purposes. It provides an update on the performance under the Technical Assistance (TA) contract with UCEDC and informs the members that the contract for Technical Assistance for Small Businesses will be renewed for a second year as permitted by the November 2011 Board approval. Under the contract, UCEDC is required to provide technical assistance services to start-up and existing small businesses as well as women owned and minority enterprises statewide. The term of the contract is three years at a cost of \$300,000 per year. This renewal will be the first renewal for calendar year 2013 and is based on UCEDC's satisfactory performance under the contract through September 2012.

Background

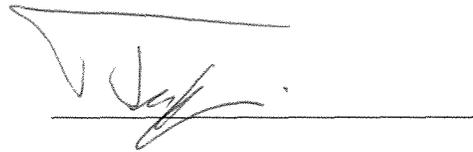
Through a competitive RFP process, EDA awarded UCEDC with a contract to deliver technical assistance (TA) services statewide. The EDA's objective was to support a customer-focused approach through various but integrated delivery methods to different business sectors and lifecycle stages, including but not limited to small businesses, women and minority enterprises.

EDA outlined key deliverables for the first year of UCEDC's contract against which UCEDC reports results on a quarterly basis. Staff monitors UCEDC's performance and reviews the quarterly reports. Through third quarter 2012, UCEDC has met or exceeded a number of the deliverables and it is noted that economic and industry trends impacted UCEDC's ability to achieve greater results in some of the categories, particularly in the area of financing. In an effort to improve these results, UCEDC has implemented strategies to build relationships with local and regional business organizations and partner with other TA providers as well as incorporate and utilize their best practices and resources to assist prospects and clients. In addition, UCEDC will implement a structured geographical plan for workshops and training sessions to build consistency in the marketplace and efficiency in delivery.

In the wake of Hurricane Sandy, UCEDC is experiencing a significant increase in inquiries and referrals that will greatly impact the results for the fourth quarter 2012 and likely continue into the first half of 2013. Based on the strategies UCEDC will be implementing, it is anticipated that they will meet or exceed a majority of the performance measures by year end. Going forward into 2013, it is anticipated that these efforts will result in a stronger performance and a more equitable distribution of services between the northern and southern parts of New Jersey.

Staff Action

Based upon the EDA Board action in November 2011 and the satisfactory performance of UCEDC against EDA's key deliverables, staff will implement the second year of the UCEDC contract for 2013 at a cost of \$300,000.

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

Prepared by: L. Wallick

REAL ESTATE



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: December 11, 2012

RE: FMERA Purchase & Sale Agreement with AcuteCare Management Services, LLC

Summary

The Members are asked to consent to the Fort Monmouth Economic Revitalization Authority (“FMERA”) entering into a redevelopment agreement with AcuteCare Management Services, LLC (“AcuteCare”) for the project described within FMERA’s Purchase and Sale Agreement with AcuteCare for the former Patterson Army Health Clinic (the “Clinic”) in the Oceanport section of the former Fort Monmouth.

Background

FMERA was created by P.L. 2010, c. 51 (“the Act”) to carry out the coordinated and comprehensive redevelopment and revitalization of Fort Monmouth. The Act designates the Authority as a designated redeveloper for any property acquired by or conveyed to FMERA and authorizes FMERA to enter into redeveloper agreements with the New Jersey Economic Development Authority (“Authority”) for the redevelopment of the Fort, while also allowing FMERA to enter into redevelopment agreements directly with private developers.

FMERA executed a Memorandum of Agreement (“MOA”) with the Army as of June 25, 2012 that enabled the Army to formally accept FMERA’s Economic Development Conveyance (“EDC”) application and begin the process of conveying Phase One properties to FMERA for redevelopment. The Clinic is located within the Fort’s Phase One area.

In anticipation of the execution of the MOA and the Army’s acceptance of the EDC application, in August 2011, FMERA issued a Request for Proposals for the early lease of the Clinic, with an obligation to purchase, and received one qualified proposal from AcuteCare. Its affiliate, AcuteCare Health System, LLC, operates long term acute care hospitals that provide diagnostic, medical treatment, and rehabilitation services to patients in New Jersey. The company also provides various programs and services, such as pulmonary/ventilator, medically complex, complex wound care, and low tolerance rehabilitation programs. AcuteCare Health System, LLC

was founded in 2002 and is based in Lakewood, with a hospital location in Long Branch.

In its proposal, AcuteCare proposed to reuse the property as a medical facility. AcuteCare indicated that it intends to serve the elderly, veterans and other patients. Renovation of the facility by AcuteCare would also avoid the need to demolish this building at an approximate cost of \$1 million.

At its February 2012 meeting, the FMERA Board authorized staff to pursue negotiations for the lease and ultimate sale of the Clinic to AcuteCare, subject to adoption of a Reuse Plan amendment. FMERA's initial discussions with AcuteCare contemplated that it would enter into an interim lease with the Army and sublease the Clinic to AcuteCare to facilitate the company's renovations and occupancy. The Army, however, expedited its review of the Clinic's environmental condition and issued a draft Finding of Suitability to Transfer ("FOST") for public review and comment in August. Consequently, the Clinic will be available for conveyance in December, making an interim lease unnecessary.

At its October 2012 meeting, the FMERA Board authorized the execution of a Purchase & Sale Agreement ("PSA") with AcuteCare. AcuteCare will pay \$2,733,300 for the property, reflecting the mid-point between MAI appraisals obtained by FMERA and AcuteCare. The purchaser will renovate the building in several phases, with AcuteCare commencing renovation work for its initial phase within 9 months of closing and completing the work within 36 months. Purchaser will secure its obligation to complete this work by posting a \$2 million performance bond acceptable to FMERA. The purchaser will also be obligated to invest \$5 million (\$3 million in equipment and \$2 million in renovations) and create 50 new jobs on the property within 3 years of receiving a certificate of occupancy for its initial phase. To the extent that AcuteCare fails to achieve 50 new jobs at the property, it will pay FMERA a penalty of \$1,500 for each job not created, not to exceed \$75,000, which the purchaser shall secure with a bond or letter of credit acceptable to FMERA. In the event that AcuteCare does not complete the initial renovations in the time frame required under the PSA (together with any extensions granted by FMERA under the agreement), FMERA will have the option of repurchasing the property for its then-current appraised value.

In addition to purchaser's satisfactory completion of due diligence and other standard contingencies, the closing of title is contingent on AcuteCare: entering into a development agreement with Oceanport, if necessary; executing an agreement with Monmouth County, if off-site County road improvements are necessary; and determining that the proposed assessment and resulting tax levy are acceptable. The closing is also subject to FMERA acquiring title from the Army; adopting Reuse Plan Amendment #2; and adopting final land use regulations. The parties will endeavor to satisfy these contingencies within 6 months, which time period will automatically extend for one additional 6 month period, if necessary. In August 2012, FMERA formally started the process for adopting Reuse Plan Amendment #2. The 45-day comment period has expired and FMERA expects to complete the 2nd Reuse Plan Amendment at its December 2012 Board meeting.

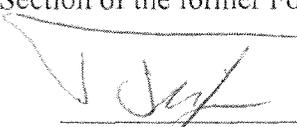
The attached PSA is in substantially final form. The final form of the document may be subject to revision, although the basic terms and conditions will remain consistent with its current form. The final terms of the PSA will be subject to the approval of FMERA's Executive Director and the Attorney General's Office.

Based on the redevelopment provisions of the Purchase and Sale Agreement between FMERA and AcuteCare and the fact that AcuteCare seeks to develop the Clinic for its own use, Authority staff concludes that a redevelopment agreement between FMERA and AcuteCare is sufficient and that it is not necessary for the Authority to enter into a redevelopment agreement with AcuteCare for its first phase of development of the Clinic.

Trenton and Eatontown Office staffs intend to finalize an Authority/FMERA designated redeveloper agreement for the balance of the Fort property in early 2013. In the interim and in order to accommodate AcuteCare's redevelopment schedule, I am asking the Members to consent to FMERA entering into this particular redevelopment agreement with AcuteCare for development of the Clinic.

Recommendation

In summary, I am requesting that the Members consent to FMERA entering into a redevelopment agreement with AcuteCare Management Services, LLC for redevelopment of the former Patterson Army Health Clinic in the Oceanport Section of the former Fort Monmouth property.



Timothy J. Lizura
President/Chief Operating Officer

Attachment: Draft Purchase & Sale Agreement

Prepared by: Donna T. Sullivan & David E. Nuse



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: Right of Entry Agreement Extension
Authority Owned Property
South East Avenue and Pamphylia, Bridgeton, NJ

DATE: December 11, 2012

Summary:

I am requesting the Members' approval to enter into its standard Right of Entry Agreement with Tri-County Community Action Partnership for a two (2) year term in order to finalize its environmental investigation of Authority-owned property in Bridgeton, New Jersey with the option to extend the Right of Entry Agreement, if necessary, in accordance with the delegated authorities outlined in the Real Estate Division Operating Authority.

Background:

In 1986 the Authority guaranteed a \$1,081,435 Industrial Development Bond to Corpac Industries, Inc. The bond was secured by a mortgage on the subject property. Corpac was never able to get the business operational and ultimately filed bankruptcy, and the Authority acquired ownership of the 4.75 acres of vacant land through a deed in lieu of foreclosure from Corpac.

Tri-County Community Action Partnership (TCCAP) is a federally-designated Community Action Program (CAP) for Cumberland, Gloucester and Salem counties in southern New Jersey. The agency's mission is to provide services that improve the quality of life and promote self-sufficiency. TCCAP is interested in developing the property with a 24,000 square foot neighborhood shopping center known as Southeast Gateway Plaza.

In 2008 and again in 2010, the Members previously approved a Right of Entry Agreement allowing TCCAP and its consultant to enter the property to perform environmental testing activities. Those Right of Entry Agreements have expired and TCCAP has requested a renewal in order to complete their testing. The additional environmental testing is required in order to issue a final report and conclusion. TCCAP's environmental consultant has been working with the New Jersey Department of Environmental Protection in order to review any and all current environmental records regarding the subject premises.

TCCAP has recently qualified for a Hazardous Discharge Site Remediation Fund (HDSRF) grant in the amount of \$130,342.00 from the New Jersey Department of Environmental Protection in order to complete their remedial investigation.

TCCAP will continue to indemnify the Authority and provide insurance coverage naming the Authority as an additional insured. Copies of reports generated by TCCAP's investigation will be shared with the Authority. The final terms of the Right of Entry Agreement will be subject to the approval of the Chief Executive Officer and the Attorney General's Office.

Recommendation:

In summary, I am requesting the Members' approval to execute the Authority's standard Right of Entry Agreement with Tri-County Community Action Partnership for two (2) years, on terms acceptable to the Chief Executive Officer, President/Chief Operating Officer and the Attorney General's Office with an option to extend, if necessary, as authorized under the Real Estate Division Operating Authority.



Timothy J. Lizura
President/Chief Operating Officer

Prepared by: Cathleen Schweppenheiser



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura
President/Chief Operating Officer
RE: The Technology Centre of New Jersey Operating Budget – 2013
DATE: December 11, 2012

Summary

I am requesting the Members' approval of the attached 2013 operating budget ("2013 Budget") for the Technology Centre of New Jersey, L.L.C. ("LLC").

Background

The LLC is the entity formed by the Authority's joint venture with the AFL-CIO Building Investment Trust (BIT). The Authority, through its Real Estate Division, is the LLC's managing member. As managing member, the Authority is charged with the day-to-day operations of the Technology Centre, including the preparation of an annual operating budget.

Attached, for your review and approval, is the Technology Centre's 2013 budget, which includes projected revenues and budgeted expense categories. The 2013 budget is based on projections using 2012 actual costs and revenues with inflationary adjustments where anticipated.

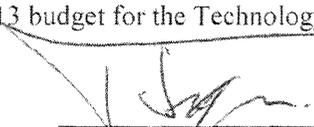
The attached budget includes the forecasted year end 2012 results, which indicate that the project will have sufficient revenue to support the 2013 operating budget. Net Income for 2012 is estimated to be \$1,772,500 with projected \$1,931,000 in cash payments, and \$110,000 in accrued payments, to the BIT for their preferred rate of return. Administration Fees accrued and payable to the Authority are estimated at \$178,000 for 2012.

2013 projected Net Cash Flow is higher than 2012 primarily due to a new tenant, Watson Pharmaceuticals. Payment of the Authority's Administration Fee and the BIT's guaranteed preferred return payments, which were accrued in 2012, will be fully paid in 2013.

The LLC's 2013 projected Return on Investment is estimated to be approximately 5.4%. Pursuant to the Operating Agreement, implementation of the annual budget is subject to approval by the BIT.

Recommendation

I am requesting that the Members approve the attached 2013 budget for the Technology Centre of New Jersey, L.L.C.



Timothy J. Lizura
President/Chief Operating Officer

Attachment

Prepared by: Christine Roberts

