NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

July 10, 2014

MINUTES OF THE MEETING

Members of the Authority present: Al Koeppe, Chairman; Rob Romano representing the State Treasurer; Christopher Hughes representing the Commissioner of the Department of Banking and Insurance; Fred Zavaglia representing the Commissioner of the Department of Labor and Workforce Development; Colleen Kokas representing the Commissioner of the Department of Environmental Protection; Public Members: Joseph McNamara, Vice Chairman; Larry Downes, Charles Sarlo, Massiel Medina Ferrara, Philip B. Alagia, and Harold Imperatore, Third Alternate Public Member.

Present via conference call: Public Member Fred B. Dumont.

Absent: Public Members Jerry Langer, William J. Albanese, Sr., and Rodney Sadler, Non-Voting Member.

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

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 June 10, 2014 regular and executive session meeting minutes. A motion was made to approve the minutes by Mr. Zavaglia, seconded by Mr. McNamara, and was approved by the 10 voting members present.

Ms. Ferrara abstained because she was not present.

CEO Brown extended a welcome to three new board members Massiel Medina Ferrara, Philip B. Alagia, and William J. Albanese, Sr.

CEO Brown thanked former board member Elliot Kosoffsky for his six years of service.

CEO Brown also thanked Fred Zavaglia, who is leaving his position as Chief of staff, Dept. of Labor for his years of service.

CEO Brown acknowledged Camden Mayor Dana Redd who was in the audience.

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

BOND PROJECTS

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: Centro Comunal Borincano d/b/a El Centro Comunal Borincano **APPL.#39521**
LOCATION: Camden/Camden
PROCEEDS FOR: Refinancing
FINANCING: $1,628,400 Tax-exempt bond
MOTION TO APPROVE: Mr. McNamara **SECOND:** Ms. Kokas **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Ms. Ferrara abstained from voting.
Mr. Alagia entered the meeting at this time.

LOANS/GRANTS/GUARANTEES

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

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

PROJECT: Tisha Perez **APPL.#**38568
LOCATION: Marlboro/Monmouth
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $301,310 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Mr. McNamara **SECOND:** Ms. Kokas **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

PROJECT: Kurtin's Service Center, Inc. **APPL.**#38692
LOCATION: Passaic/Passaic
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $150,990 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Hughes **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

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

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

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

PROJECT: Cliflake Associate, LLC **APPL.**#39083
LOCATION: Clifton/Passaic
PROCEEDS FOR: Remedial Action
FINANCING: $1,000,000 (50% Innocent Party Grant) Hazardous Discharge Site Remediation Fund Grant
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

PROJECT: Camden Redevelopment Agency (Meadows at Pyne Point BDA) **APPL.**#39477
LOCATION: Camden/Camden
PROCEEDS FOR: Remedial Action, Site Investigation
FINANCING: $381,314 Hazardous Discharge Site Remediation Fund Grant
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. McNamara **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

PROJECT: Woodbridge Township (DPW) **APPL.#**39393
LOCATION: Woodbridge/Middlesex
PROCEEDS FOR: Remedial Investigation
FINANCING: $92,476 Hazardous Discharge Site Remediation Fund Grant
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Zavaglia **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

PROJECT: Superior Manufacturing Property Management, LLC **APPL.#**39520
LOCATION: Bayonne/Hudson
PROCEEDS FOR: Remedial Investigation
FINANCING: $200,000 Hazardous Discharge Site Remediation Fund Loan
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. McNamara **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

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

EDISON INNOVATION FUND

PROJECT: Ivy Sports Medicine, LLC **APPL.#**39102
LOCATION: Montvale/Bergen
PROCEEDS FOR: Growth Capital
FINANCING: $1,000,000 Edison Innovation VC Growth Fund Program Loan
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Ms. Kokas **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

ANGEL INVESTOR TAX CREDIT PROGRAM

FOR INFORMATION ONLY: Summary of Angel Investor Tax Credit Program projects recommended for approval.

INVESTOR: David R. Fischell **APPL.**#39503
TECHNOLOGY BUSINESS: Svelte Medical Systems, Inc.
LOCATION: New Providence/Union **BUSINESS:** Medical Device
QUALIFIED INVESTMENT: $1,780,000
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

INVESTOR: Robert Fischell **APPL.**#39555
TECHNOLOGY BUSINESS: Svelte Medical Systems, Inc.
LOCATION: New Providence/Union **BUSINESS:** Medical Device
QUALIFIED INVESTMENT: $1,107,576
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

INVESTOR: Robert W. Croce **APPL.**#39557
TECHNOLOGY BUSINESS: Svelte Medical Systems, Inc.
LOCATION: New Providence/Union **BUSINESS:** Medical Device
QUALIFIED INVESTMENT: $800,000
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

ITEM: Budget request for a competitive solicitation for technology startup shared space
REQUEST: To approve funding and issuance of a competitive solicitation for new shared space development project(s) for technology entrepreneurs and startups
MOTION TO APPROVE: Mr. Zavagalia **SECOND:** Ms. Kokas **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

INCENTIVE PROGRAMS

ECONOMIC REDEVELOPMENT AND GROWTH PROGRAM

ITEM: GLTC Partners 2014, LLC
Residential Economic Redevelopment and Growth Grant Program
P # 38867

REQUEST: To approve the application of GLTC Partners 2014, LLC for a Trenton, Mercer County residential project for the issuance of tax credits pursuant to the Residential Economic Redevelopment and Growth Grant program of the Authority as set forth in the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161 for an award not to exceed $4,740,220.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 10

RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

ITEM: GLTC Partners 2014, LLC
Residential Economic Redevelopment and Growth Grant Program
P # 38866

REQUEST: To approve the application of GLTC Partners 2014, LLC for a Trenton, Mercer County residential project for the issuance of tax credits pursuant to the Residential Economic Redevelopment and Growth Grant program of the Authority as set forth in the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161 for an award not to exceed $6,384,259.

MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 10

RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

ITEM: Hotel 1160, L.L.C or Affiliate
Economic Redevelopment and Growth Grant Program
P # 39423

REQUEST: To approve the application of Hotel 1160, L.L.C for a Newark, Essex County project for the issuance of tax credits pursuant to the Economic Redevelopment and Growth Grant program of the Authority as set forth in the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161 for an award not to exceed $6,638,580.

MOTION TO APPROVE: Mr. Downes **SECOND:** Ms. Kokas **AYES:** 10

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

GROW NEW JERSEY ASSISTANCE PROGRAM

PROJECT: AP&G Co., Inc. **APPL.**#39523
LOCATION: Bayonne/Hudson
ANNUAL GRANT AWARD: $1,125,000 10-year term
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Imperatore **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

PROJECT: Frontage Laboratories, Inc. **APPL.**#39517
LOCATION: Seacaucus/Hudson
ANNUAL GRANT AWARD: $237,500, 10-year term
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Zavaglia **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

Mr. Sarlo recused himself because one of the parties is a client of his firm.
Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

PROJECT: Holtec International **APPL.**#38929
LOCATION: Camden/Camden
REQUEST: To approve the finding of jobs as risk
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

PROJECT: Holtec International **APPL.**#38929
LOCATION: Camden/Camden
ANNUAL GRANT AWARD: $26,000,000, 10-year term
ITEM: Approve policy for Grow NJ projects that use the alternate award method that divides the total capital investment by the total number of full-time jobs in which the Net Benefit to the State will be recalculated if the CPA certification shows a 10% or more reduction of the number of eligible jobs, capital investment, or payroll from the amounts approved by the Board. If the Net Benefit analysis does not support awarding a tax credit for the entire amount of the capital investment, then the amount of the award will be reduced accordingly.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Zavaglia **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

PROJECT: Jacmel Jewelry **APPL.**#39470
LOCATION: Secaucus/Hudson
ANNUAL GRANT AWARD: $300,000, 10-year term
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Downes **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Post Closing Delegated Authority Approvals for 2nd Quarter 2014.

FOR INFORMATION ONLY: Summary of the incentives modifications and Salem/UEZ renewal extensions that were approved in the 2nd Quarter ending June 30, 2014.

FOR INFORMATION ONLY: Summary of Angel Investor Tax Credit Program projects approved under delegated authority during the second quarter of 2014.

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

New Jersey Business Growth Fund Program: Scheininger Real Estate, LLC (39543)

NJ Main Street Program: Broadway Packaging Solutions, Inc. and Broadway Kleer-Guard (P39240)

Small Business Fund Program: CorFish Creative LLC (P39454); Tuckers Management LLC (P39433)

Stronger NJ Loan Program: 29 Beach Road LLC (P39366); FJS Foods, Inc. (P39346); Lakewood Candies LLC (P38639); Long Key Marina, Inc. (P39191); Opirhory Real Estate Inc. (P38982); Reilly Bonner Funeral Home LLC (P39343); Stesor Enterprises, Inc. (P38975)

Camden ERB: WebiMax LLC (P39172)

New Jersey Business Growth Fund – Modification: 1401 West Chapel, LLC & Metro Public Adjustment, Inc. (P39507)

Direct Loan Program – Modification: Big Top Arcade, Inc. (P39042); Tuckers Management, LLC (P39433)

Stronger NJ Loan Program - Modification: Charlroy Corporation d/b/a Charlroy Motel (P39044)

REAL ESTATE

ITEM: Intergovernmental Agreement between New Jersey Economic Development Authority and New Jersey Housing and Mortgage Finance Agency Technology Centre of New Jersey, North Brunswick, New Jersey

REQUEST: To approve to enter into an Intergovernmental Agreement with the New Jersey Housing and Mortgage Finance Agency created in, but not of, the New Jersey Department of Community Affairs, to allow both NJHMFA's continued use of the Authority's disaster recovery site located at the Commercial Center for Innovative Technology in North Brunswick, NJ and a delegation of authority to the President/Chief Operating Officer to enter into extensions of this Agreement for four additional one year periods through August 15, 2019.

MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. Imperator **AYES:** 10

RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

FOR INFORMATION ONLY: Summary of approvals made pursuant to Delegated Authority for Leases and ROE/Licenses in April, May and June 2014.

ITEM: Mid-Atlantic Aviation Partnership Memorandum of Understanding and Rutgers, The State University Memorandum of Understanding

REQUEST: To approve 1) the execution of the attached Memorandum of Understanding for the Mid-Atlantic Aviation Partnership and 2) the execution of the attached Memorandum of Understanding for services to be provided by Rutgers, The State University in conjunction with the implementation of the NJ Unmanned Aircraft System Consortium

MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Downes **AYES:** 10

RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

OFFICE OF RECOVERY

PROJECT: DC Plastic Products Corp. **APPL.#39429**
LOCATION: Bayonne/Hudson
PROCEEDS FOR: Working capital
FINANCING: $1,200,000 Stronger NJ Business Loan
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Ms. Kokas **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

PROJECT: DC Plastic Products Corp. **APPL.#39430**
LOCATION: Bayonne/Hudson
PROCEEDS FOR: Purchase of equipment and machinery
FINANCING: $3,800,000 Stronger NJ Business Loan
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. McNamara **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

PROJECT: Superior Manufacturing Property Management LLC **APPL.#39558**
LOCATION: Bayonne/Hudson
PROCEEDS FOR: Purchase of equipment and machinery
FINANCING: $500,000 Direct Term Loan
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

PROJECT: Providence Seashore House LLC **APPL.#39524**
LOCATION: Atlantic City/Atlantic
PROCEEDS FOR: Renovation of existing building
FINANCING: $444,736 Stronger NJ Business Loan
MOTION TO APPROVE: Ms. Kokas SECOND: Mr. Downes **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

PROJECT: Providence Seashore House LLC **APPL.#39388**
LOCATION: Atlantic City/Atlantic
PROCEEDS FOR: Working capital
FINANCING: $371,480 Stronger NJ Business Loan
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Zavaglia **AYES: 10**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

ITEM: Superstorm Sandy New Program Creation: Energy Resilience Bank
REQUEST: To approve two documents related to the creation of the Energy Resilience Bank, proposed under the New Jersey Department of Community Affairs, Community Development Block Grant Disaster Recovery (CDBG-DR), Substantial Amendment for the second allocation of CBDG-DR Funds.
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. Imperator **AYES: 10**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

ITEM: Delegations Regarding Disqualification Matters
REQUEST: To establish additional delegations for certain disqualification matters related to applicants to the Stronger NJ financial assistance programs.
MOTION TO APPROVE: Mr. Downes **SECOND:** Ms. Kokas **AYES: 10**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

ITEM: Stronger NJ Business Grant Program Appeals – Gert's Snack & Spices, Sandy Beach Ventures, Scrooge & Marley, and Stuart Levine
REQUEST: To approve the Hearing Officer's report to uphold the declinations for Gert's Snack & Spices, Sandy Beach Ventures, Scrooge & Marley, and Stuart Levine.
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Imperator **AYES: 10**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

PUBLIC COMMENT

Mr. Rod Bryant, Camden Churches for Organized People, asked why some much incentive money was being provided for 250 new full time jobs for the Holtec International project. Chairman Koeppe explained that much of the decision is driven by the EDA's obligation under the legislation where capital investment is also considered.

Mr. Bryant stated that 19% of Camden's residents are unemployed, and asked how the EDA would ensure their employment in the Holtec project. Chairman Koeppe stated that it was out of the realm of the EDA and referred him to Camden's Mayor Dana Redd who was present in the audience.

EXECUTIVE SESSION

The next item was to adjourn the public session of the meeting and enter into Executive Session to discuss a real estate matter. The minutes will be made public when the need for confidentiality no longer exists.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McNamara **AYES: 10**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

Ms. Ferrara abstained from voting.
Mr. Alagia abstained from voting.

There being no further business, on a motion Mr. Downes, and seconded by Mr. McNamara, the meeting was adjourned at 12:00 pm.

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

Kim Ehrlich, Sr. Governance & Outreach Officer
Assistant Secretary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Michele Brown
Chief Executive Officer

DATE: July 10, 2014

SUBJECT: Agenda for Board Meeting of the Authority July 10, 2014

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Bond Projects

Loans/Grants/Guarantees

Edison Innovation Fund

Incentive Programs

Board Memorandums

Real Estate

Office of Recovery

Executive Session

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

June 10, 2014

Waterfront Technology Center, Camden, NJ

MINUTES OF THE MEETING

Members of the Authority present: Al Koeppe, Chairman; State Treasurer Andrew Sidamon–Eristoff; Commissioner Kenneth Kobylowski of the Department of Banking and Insurance; Fred Zavaglia representing the Commissioner of the Department of Labor and Workforce Development; Public Members: Larry Downes, Jerry Langer, Harold Imperatore, Third Alternate Public Member; and Rodney Sadler, Non-Voting Member

Present via conference call: Public Members Fred B. Dumont, and Charles Sarlo.

Absent: Colleen Kokas representing the Commissioner of the Department of Environmental Protection; Public Members: Joseph McNamara, Vice Chairman; and Elliot M. Kosoffsky, Second Alternate Public Member.

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

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

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the May 16, 2014 regular meeting minutes. A motion was made to approve the minutes by Commissioner Kobylowski, seconded by Mr. Langer, and was approved by the 9 voting members present.

Chairman Koeppe introduced Camden Mayor Redd, who welcomed the Board to Camden and thanked the Board for their support.

Tim Lizura gave a presentation on the Economic Opportunity Act of 2013 and how it pertains to Camden.

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

CAMDEN PROJECTS

ECONOMIC REDEVELOPMENT AND GROWTH PROGRAM

ITEM: Broadway Housing Partners LLC
Residential Economic Redevelopment and Growth Grant Program
P # 39374

REQUEST: To approve the application of Broadway Housing Partners LLC for a Camden, Camden County residential project for the issuance of tax credits pursuant to the Residential Economic Redevelopment and Growth Grant program of the Authority as set forth in the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161 for an award not to exceed $6,119,890.

MOTION TO APPROVE: Mr. Downes **SECOND:** Commission Kobylowski **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

GROW NEW JERSEY ASSISTANCE PROGRAM

PROJECT: Philadelphia 76ers, L.P. APPL.#39274
LOCATION: Camden/Camden
ANNUAL GRANT AWARD: $8,204,050, 10-year term
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Imperator **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

REAL ESTATE

ITEM: Waterfront Technology Center at Camden
Lease Agreement with Rutgers, The State University of New Jersey

REQUEST: To approve a the execution of a lease amendment with Rutgers, The State University of New Jersey for an additional approximately 3,826 square feet of fifth floor laboratory space at the Waterfront Technology Center at Camden, resulting in leased premises totaling 9,019 square feet.

MOTION TO APPROVE: Mr. Imperator **SECOND:** Comm. Kobylowski **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

AUTHORITY MATTERS

ITEM: Memorandum of Understanding
Capital City Redevelopment Corporation

REQUEST: To approve the execution of a Memorandum of Understanding between the Authority and Capital City Redevelopment Corporation (CCRC) as an inter- department governmental agreement confirming the mutual understanding and intention between the agencies with respect to the provision of the Authority's support services to CCRC.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Langer **AYES:** 9

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ITEM: Mid-Atlantic Aviation and Research Partnership

This item was held from consideration

BOND PROJECTS

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: Greater Brunswick Charter School, Inc. **APPL.#39491**
LOCATION: New Brunswick/Middlesex
PROCEEDS FOR: Refinancing, Renovation of existing building
FINANCING: $1,450,000 Tax-Exempt Bond; $300,000 Taxable Series B Bond
MOTION TO APPROVE: Mr. Langer **SECOND:** Mr. Downes **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Greater Brunswick Charter School, Inc. **APPL.#39473**
LOCATION: Newark Brunswick/Middlesex
PROCEEDS FOR: Refunding
FINANCING: $6,750,000 Refunding Bond
MOTION TO APPROVE: Mr. Downes **SECOND:** Comm. Kobylowski **AYES: 9**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

DIRECT LOANS

ITEM: Direct Loan and Guarantee Programs – Proposed Rule Amendments
REQUEST: To approve proposed rule amendments to revise certain terms and requirements for eligibility under the EDA's Direct Loan and Guarantee Programs, based on revisions to the Authority's core loan programs approved by the Board on May 16, 2014.
MOTION TO APPROVE: Commissioner Kobylowski **SECOND:** Mr. Langer **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

PROJECT: Danic Five, LLC **APPL.#39368**
LOCATION: Elizabeth/Union
PROCEEDS FOR: Acquisition of existing building
FINANCING: $2,000,000 Direct loan
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Langer **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

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

PROJECT: Jessica Diaz **APPL.#**38943
LOCATION: Hasbrouck Heights/Bergen
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $77,279 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Langer **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PROJECT: Tomasello Auto Center **APPL.#**38923
LOCATION: Ventnor/Atlantic
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $258,222 Petroleum UST Remediation, Upgrade and Closure Fund Grant
MOTION TO APPROVE: Mr. Downes **SECOND:** Commissioner Kobylowski **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

INCENTIVE PROGRAMS

ECONOMIC REDEVELOPMENT AND GROWTH PROGRAM

ITEM: Irvington Seniors Urban Renewal 2013, LLC
Residential Economic Redevelopment and Growth Grant Program
P # 39093

REQUEST: To approve the application of Irvington Seniors Urban Renewal 2013, LLC for an Irvington, Essex County residential project for the issuance of tax credits pursuant to the Residential Economic Redevelopment and Growth Grant program of the Authority as set forth in the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161 for an award not to exceed $9,603,567.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Dumont **AYES:** 9

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

GROW NEW JERSEY ASSISTANCE PROGRAM

PROJECT: Baked by Melissa APPL.#39417
LOCATION: North Bergen/Hudson
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Langer **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PROJECT: Baked by Melissa APPL.#39417
LOCATION: North Bergen/Hudson
ANNUAL GRANT AWARD: $1,297,500 10-year term
MOTION TO APPROVE: Mr. Langer **SECOND:** Mr. Downes **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PROJECT: Eltman, Eltman, & Cooper PC APPL.#39415
LOCATION: Jersey City/Hudson
ANNUAL GRANT AWARD: $560,000, 10-year term
MOTION TO APPROVE: Mr. Langer **SECOND:** Mr. Downes **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

PROJECT: Interpool, Inc. d/b/a TRAC Intermodal APPL.#39455
LOCATION: Plainsboro/Middlesex
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. Langer **SECOND:** Commissioner Kobylowski **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: Interpool, Inc. d/b/a TRAC Intermodal APPL.#39455
LOCATION: Plainsboro/Middlesex
ANNUAL GRANT AWARD: $980,000, 10-year term
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. Downes **AYES:** 9

RESOLUTION ATTACHED AND MARKED EXHIBIT: 14
PROJECT: IT Cosmetics, LLC APPL.#39460
LOCATION: Jersey City/Hudson
ANNUAL GRANT AWARD: $441,750, 4-year term
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Imperator **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: Metropolitan Foods, Inc. APPL.#39422
LOCATION: Wayne/Passaic
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. Downes **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

PROJECT: Metropolitan Foods, Inc. APPL.#39422
LOCATION: Wayne/Passaic
ANNUAL GRANT AWARD: $1,848,750, 10-year term
MOTION TO APPROVE: Mr. Langer **SECOND:** Mr. Zavaglia **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

PROJECT: Princeton Tectonics APPL.#39420
LOCATION: Pennsauken/Camden
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Commissioner Kobylowski **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

PROJECT: Princeton Tectonics APPL.#39420
LOCATION: Pennsauken/Camden
ANNUAL GRANT AWARD: $2,211,000, 10-year term
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. Downes **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

PROJECT: RMTS, LLC APPL.#39139
LOCATION: Jersey City/Hudson
ANNUAL GRANT AWARD: $271,250, 10-year term
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Imperatore **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

PROJECT: Sutherland Asset I, LLC and subsidiaries APPL.#39414
LOCATION: New Providence/Union
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Langer **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

PROJECT: Sutherland Asset I, LLC and subsidiaries APPL.#39414
LOCATION: New Providence/Union
ANNUAL GRANT AWARD: $320,000, 10-year term
MOTION TO APPROVE: Mr. Downes **SECOND:** Commissioner Kobylowski **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

PROJECT: Rent the Runway, Inc. APPL.#39416
LOCATION: Secaucus/Hudson
REQUEST: To approve the finding of jobs at risk
MOTION TO APPROVE: Mr. Imperator **SECOND:** Commissioner Kobylowski **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

PROJECT: Rent the Runway, Inc. APPL.#39416
LOCATION: Secaucus/Hudson
ANNUAL GRANT AWARD: $1,455,750, 10-year term
MOTION TO APPROVE: Commissioner Kobylowski **SECOND:** Mr. Langer
AYES: 9 **RESOLUTION ATTACHED AND MARKED EXHIBIT: 24**

FILM TAX CREDIT TRANSFER PROGRAM

PROJECT: The Christmas Pearl Productions Limited Liability Company
MAX AMOUNT OF TAX CREDITS: $409,692
MOTION TO APPROVE: Mr. Langer **SECOND:** Mr. Downes **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

BOARD MEMORANDUMS

ITEM: Atlantic States Cast Iron Pipe Company
UEZ Energy Sales Tax Exemption Application
PURPOSE: To address the legal matters of Atlantic States Cast Iron Pipe Company related to its application for a UEZ Energy Sales Tax Exemption
MOTION TO APPROVE: Mr. Langer **SECOND:** Mr. Zavaglia **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 26

ITEM: Atlantic States Cast Iron Pipe Company
$250,000 UEZ Energy Sales Tax Exemption
REQUEST: To approve Atlantic States Cast Iron Pipe Company's application to participate in the U-STX program.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Langer **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 27

ITEM: Incentives Delegations
REQUEST: To 1) Approve new delegations to staff to approve Urban Enterprise Zone tax credits in a maximum amount of $100,000; and 2) Expand the current Economic Recovery Growth Grant delegations to collaterally assign reimbursements to monetize projects to include the assignment of HUB and GROW NJ tax credits for this same purpose.
MOTION TO APPROVE: Mr. Downes **SECOND:** Commissioner Kobylowski **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 28

ITEM: Margaritaville, Inc. and Jakeabob's Bay, Inc.
Union Beach, Monmouth County
P#39400
REQUEST: To increase the $400,000 Direct Term Loan approved on May 16, 2014 to $450,000 and allow EDA fees to be paid out of loan proceeds at closing.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Langer **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 29

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

NJ Main Street Program: 2MAFS, LLC and Berry Fresh Farms, Inc. (P39226 & P39155); CM&E Con, Inc. (P39345)

Premier Lender Program: 480 Oberlin Avenue, LLC (38875)

Small Business Fund Program: AMB Enterprises LLC (38323); Galloway Realty, LLC (P39295)

Stronger NJ Loan Program: Kohr's Frozen Custard The Original, Inc. d/b/a Kohr's Frozen Custard (P39353); Northshore Sportech, Inc. d/b/a Northshore Menswear (P38565); Riverside Marina & Yacht Sales LLC (P39154); The Music Man, LLC (P39379)

Camden ERB: Pricerite of Mt. Ephraim Ave. LLC (P39392)

Direct Loan Program: Garden State Consumer Credit Counseling, Inc. d/b/a/ Novadebt (P39359)

NJ Main Street Program – Modification: Triad Advisory Services, Inc. (39419)

REAL ESTATE

ITEM: Memorandum of Understanding and Feasibility Budget
Agriculture, Health and Taxation Buildings (Trenton) Feasibility Study
REQUEST: To approve a Memorandum of Understanding with the Division of Property Management & Construction to prepare a Feasibility Study for the Health Lab, Agriculture and Health Administration, and Taxation Buildings in Trenton.
MOTION TO APPROVE Commissioner Kobylowski **SECOND:** Mr. Langer **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 30

ITEM: Construction of Interim Parking Lot
Former Riverfront State Prison Site, Camden, NJ
REQUEST: To approve the award of a construction services contract and to establish an updated contract budget for the construction of an interim parking lot located on the former Riverfront State Prison site located in Camden, NJ.
MOTION TO APPROVE: Mr. Downes **SECOND:** Commissioner Kobylowski **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 31

OFFICE OF RECOVERY

ITEM: Superstorm Sandy New Program Creation: Energy Resilience Bank
This item was held from consideration

PROJECT: OptiJob, Inc. **APPL.#39210**
LOCATION: Bay Head/Ocean
PROCEEDS FOR: Working capital
FINANCING: $505,664 Stronger NJ Business Loan
MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Commissioner Kobylowski **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 32

PROJECT: Wehrlen Bros. Marina L.L.C. **APPL.#39082**
LOCATION: Brick/Ocean
PROCEEDS FOR: Working Capital
FINANCING: $664,481 Stronger NJ Business Loan
MOTION TO APPROVE: Mr. Downes **SECOND:** Commissioner Kobylowski **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 32

PROJECT: Wehrlen Bros. Marina L.L.C. **APPL.#39490**
LOCATION: Brick/Ocean
PROCEEDS FOR: Construction
FINANCING: $3,633,703 Stronger NJ Business Loan
MOTION TO APPROVE: Mr. Langer **SECOND:** Mr. Downes **AYES:** 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 32

ITEM: Stronger NJ Business Grant and Stronger NJ Business Loan appeal process modification

REQUEST: To approve modifications to the Stronger NJ Business Grant and Loan Program appeal process to provide additional considerations to applicants.

MOTION TO APPROVE: Mr. Langer **SECOND:** Commissioner Kobylowski **AYES:** 9

RESOLUTION ATTACHED AND MARKED EXHIBIT: 33

ITEM: Stronger NJ Neighborhood &Community Revitalization – Streetscape Revitalization Program – Round One Appeal

REQUEST: To approve the Hearing Officer's recommendation to uphold the declination of the Stronger NJ Neighborhood & Community Revitalization – Streetscape Revitalization Program (Round One) for Somers Point.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Langer **AYES:** 9

RESOLUTION ATTACHED AND MARKED EXHIBIT: 34

ITEM: Stronger NJ Neighborhood &Community Revitalization – Development and Public Improvement Projects – Round One Recommendations

REQUEST: To approve moving seven applicants to the next phase of the Neighborhood and Community Revitalization Program, Development and Public Improvement Round One review process.

MOTION TO APPROVE: Mr. Zavaglia **SECOND:** Mr. Downes **AYES:** 8

RESOLUTION ATTACHED AND MARKED EXHIBIT: 35

PUBLIC COMMENT

Mr. Scott O'Neil, Chief Executive Officer of the Philadelphia 76ers thanked Chairman Koeppe, Ms. Brown, Mr. Lizura, and the Board. He also thanked Mayor Redd for her leadership in Camden.

Mr. Kelly Francis, a Camden resident, asked if the 76ers would be creating entry level jobs suitable for the residents of Camden.

Mayor Redd replied that the City had been in discussion with the team for some time and she was working with the Department of Labor and Workforce Development on employee training and hiring programs for this project and others soon to come to Camden.

Mr. Francis stated that he was concerned about the tax abatements provided to projects such as the Broadway Housing Partners and that he felt the abatements contribute to the structural deficit in the City.

Mr. Francis then stated that he was anticipating industrial or commercial development on the former Riverfront State Prison site and that he hoped that the parking was only temporary.

Mr. Koeppe confirmed that the parking was intended to be temporary, and thanked Mr. Francis for his remarks.

EXECUTIVE SESSION

The next item was to adjourn the public session of the meeting and enter into Executive Session to discuss a real estate transaction. The minutes will be made public when the need for confidentiality no longer exists.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Langer **AYES: 9**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 36

The next item was to vote on the real estate transaction discussed in Executive Session
MOTION TO APPROVE: Mr. Downes **SECOND:** Treasurer Sidamon-Eristof **AYES: 9**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 37

There being no further business, on a motion Mr. Langer, and seconded by Mr. Downes, the meeting was adjourned at 12:00 pm.

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

Kim Ehrlich, Sr. Governance & Outreach Officer
Assistant Secretary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Michele A. Brown
Chief Executive Officer

DATE: July 10, 2014

RE: Chief Executive Officer's Report to the Board

OVER 600 STRONGER NJ GRANTS APPROVED FOR SANDY-IMPACTED BUSINESSES

The EDA marked a significant milestone at the end of June with the approval of over 600 Stronger NJ Business grants totaling more than $29.5 million; over 83 percent of approved funds have been disbursed to date.

Progress under the program is a testament to the streamlined application and review process implemented in February, as well as the individualized workshops EDA has hosted to further expedite approvals and disbursements . In total, 60 workshops have been held, allowing for one-on-one meetings with 685 applicants. In partnership with Staples in Brick, EDA will also host a second "Documentation Day" on July 9, allowing business owners with applications to have copies of required documents made free of charge.

Through the Community Development Block Grant-Disaster Recovery programs that EDA administers, a total of over $112 million has been approved through the end of June, including $39.2 million under the Stronger NJ Business Loan Program and $43.5 million under the Stronger NJ Neighborhood & Community Revitalization Program.

JUNE RIBBON-CUTTING CEREMONIES SIGNIFY INVESTMENT, NEW JOBS IN NJ

In June, New Jersey celebrated new and expanded facilities for three companies – FlightSafety, Inc. in Bergen County, GENEWIZ, Inc. in Middlesex County, and JPMorgan Chase Bank in Hudson County.

FlightSafety marked the completion of its state-of-the-art training center in Moonachie in early June. The professional aviation training company was deciding whether to expand its Bergen County-based Teterboro Learning Center or its Delaware facility. The legacy Grow New Jersey program helped encourage FlightSafety to remain in New Jersey and retain 100 jobs. The company's expansion and extensive renovations have increased the size of the Center by 50 percent.

On June 16, GENEWIZ, Inc. celebrated its new 11,000-square-foot administrative facility in South Plainfield. The global contract research organization (CRO), which specializes in genomic services, is a graduate of the EDA's Commercialization Center for Innovative Technologies (CCIT) in North Brunswick. While at CCIT, the company grew from four employees occupying 1,600 square feet to 33 employees in 4,800 square feet. To support its continued expansion in New Jersey and the creation of 30 new jobs, the company executed a Business Employment Incentive Program (BEIP) grant in 2013.

At the end of June, JPMorgan Chase hosted a private ribbon-cutting ceremony to commemorate its decision to remain and expand in Hudson County. The company, which purchased 800,000 square feet of office space, plans to create a technology and operations hub in Jersey City. The Grow New Jersey-supported project involves the creation of 1,000 new jobs, the retention of 2,600 existing jobs and the investment of over $76 million. Aside from New Jersey, JPMorgan Chase also considered locations in Delaware and Ohio.

FOUNDERS & FUNDERS SUPPORTS OVER 30 COMPANIES AT INAUGURAL EVENT

On June 10, Lt. Governor Kim Guadagno helped kick off the first New Jersey Founders & Funders event, a new initiative aimed at spurring the growth of early-stage technology and life sciences companies. Hosted at CCIT, Founders & Funders helped to directly connect 32 New Jersey-based entrepreneurs with investors.

Participating companies included LINX impact, LLC, a veteran-owned venture firm focused on accelerating the adoption and expansion of Mobile Health Devices; Aucta Pharmaceuticals, a drug product development company with offices in China and CCIT; and OncoDe-Med, Inc., a corporation focused on cutting-edge technologies for the early diagnosis and follow-up of tumors. Investors included ff Venture Capital, Edison Ventures, Genacast Ventures, KEC Ventures, Milestone Venture Partners, NewSpring Capital, NextStage Capital, Osage Venture Partners, Jumpstart NJ Angel Network, Klifer Capital, and SoundBoard Angel Fund.

EDA will host New Jersey Founders & Funders quarterly, with the next event scheduled for September 17.

To drive the commercialization of innovative technology within the State, EDA offers a continuum of assistance to support companies at every stage of growth. In addition to Founders & Funders, the Technology Business Tax Certificate Transfer (NOL) Program also offers support to companies that are not currently profitable. The program allows emerging technology and life sciences companies to sell New Jersey net operating loss carryover and research and/or research and development tax credits to profitable businesses in order to raise cash to finance their growth and operations. Due by July 1 each year, the EDA received 58 applications from businesses looking to share the $60 million allocation available this year.

Other efforts include the Angel Investor Tax Credit program, which was signed into law by Governor Christie in January 2013. The program provides credits against New Jersey corporation business or gross income tax for 10 percent of a qualified investment in certain emerging technology businesses. Since EDA began accepting applications to the program last July, 43 investments have been approved representing the injection of $27.4 million of capital into New Jersey companies. For qualified investments made between January 1, 2012 and July 1, 2013, investors were required to complete applications before the first of this month. To date in 2014, EDA received a total of 115 applications, with 89 submitted in June alone.

MARINA AT FORT MONMOUTH OPENS FOR BUSINESS

Interim operator AP Development Partners, LLC announced last month that the marina at Fort Monmouth would be ready for boat traffic by June 28th, with the restaurant and bar set to open on Independence Day.

In October 2013, FMERA issued a Request for Offers to Purchase (RFOTP) for the marina in Oceanport, a 3.9 acre parcel located on Oceanport and Riverside Avenues. The property includes a 71-slip marina

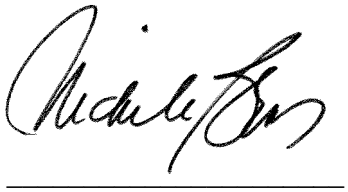
and boat launch ramp on Oceanport Creek, a 2,600-square-foot boat house, and off-street parking. As FMERA continues to evaluate the proposals received in January 2014, a subsequent Request for Proposals (RFP) was issued for an interim marina operator to ensure that the public would have access this summer.

2014 CLOSED PROJECTS

To date in 2014, the EDA has closed financing and incentives totaling more than $210 million for 74 projects that are expected to support the creation of more than 2,420 new jobs and involve total public/private investment of over $498 million in New Jersey's economy.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 20 events in June. These included the Southern New Jersey Development Council's Construction Forecast in Mount Laurel, I.CON: The Industrial Conference in Jersey City, and a Biopharmaceutical and Medical Technology Roundtable discussion led by Lt. Governor Guadagno and the Healthcare Institute of New Jersey.



COMBINATION PRELIMINARY AND BOND RESOLUTIONS

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

APPLICANT: Centro Comunal Borincano d/b/a El Centro Comunal Borincano P39521

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

PROJECT LOCATION: 438 Martin Luther King Blvd. Camden City (T/UA) Camden

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

APPLICANT BACKGROUND:

Centro Comunal Borincano d/b/a El Centro Comunal Borincano Day Care Center, established in August 1976 in Camden, NJ, is a 501(c)(3) not-for-profit organization which provides childcare services and education to preschool children, primarily serving Camden's Spanish speaking population. The 16,000 sq. ft. project facility can serve up to 72 preschoolers plus 112 infants. Antonia Plaza is the Executive Director and Roberto Crespo is the Board President.

The applicant received prior Authority assistance in 2007 to construct the project facility with an $800,000 loan from the Camden Economic Recovery Board plus a $560,000 EDA direct loan from the Fund for Community Economic Development. In addition, other sources of funds for the 2007 construction project included a $400,000 NJRA loan and an $800,000 mortgage loan from PNC Bank.

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

APPROVAL REQUEST:

Authority assistance will enable the applicant to refinance the outstanding balances of the 2007 EDA direct loan, the NJRA loan and the PNC loan in the amount of $1,368,533 plus pay a portion of the costs of issuance. Bond proceeds will also be used to prepay a portion of the outstanding balance of the 2007 ERB loan in amount of $234,000. The Authority is also processing under delegated authority the request from the applicant to subordinate the remaining balance of the ERB to the new tax-exempt bond financing. Any difference in the bond amount and the project costs will be funded by Fulton Bank with a conventional loan.

Beyond repaying the State agencies who supported the initial project, the applicant expects to save approximately $70,000 annually in debt service payments.

FINANCING SUMMARY:

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

AMOUNT OF BOND: $1,628,400 Tax-exempt bond

TERMS OF BOND: 20 years; Fixed interest rate for 5 years based on the tax-exempt equivalent of the 5 yr. Federal Home Loan Bank rate plus 250 basis points; subject to call options and rate resets at the same index on each 5 year anniversary. Estimated rate as of 5/14/14 is 3.25%.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	$1,602,533
Finance fees	$89,000
Legal fees	$40,000

TOTAL COSTS	$1,731,533

JOBS: At Application 45 Within 2 years 2 Maintained 0 Construction 0

PUBLIC HEARING: 07/10/14 (Published 06/25/14) **BOND COUNSEL:** McManimon,Scotland & Bauman

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

LOANS/GRANTS/GAURANTEES

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

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

DATE: July 10, 2014

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

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

UST Residential Grant	
Tisha Perez	$301,310
UST Commercial Grant:	
Kurtin's Service Center, Inc.	$150,990
Total UST for July 2014	**$452,300**

Prepared by: Kathy Junghans

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

APPLICANT: Tisha Perez P38568

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:

Between July 2010 and January 2013, Tisha Perez received an initial grant in the amount of $14,357 under P30647 and a supplemental grant in the amount of $150,989 under P37333 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 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 additional supplemental grant funding in the amount of $301,310 to perform the approved scope of work at the project site. Because the aggregate supplemental funding including this request is $452,299, it exceeds the maximum $100,000 staff delegated approval of supplemental funds and therefore requires EDA's board approval. The total funding for this project to date is $466,656.

The NJDEP oversight fee of $30,131 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: $301,310

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade,Closure,Remediation	$301,310
NJDEP oversight cost	$30,131
EDA administrative cost	$250
TOTAL COSTS	$331,691

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Kurtin's Service Center, Inc. P38692

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

PROJECT LOCATION: 25-27 Passaic Ave. Passaic City (T/UA) Passaic

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

APPLICANT BACKGROUND:

Between August 1999 and December 2009, Kurtin's Service Center received an initial grant in the amount of $140,070 under P11068 and supplemental grants totaling $188,773 under P11068s, P17717, and P27864 to close five 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 additional remedial activities.

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 now requesting additional supplemental grant funding in the amount of $150,990 to perform the approved scope of work at the project site. Because the aggregate supplemental funding including this request is $328,872, it exceeds the maximum $100,000 staff delegation approval of supplemental funds and therefore requires EDA board approval. The total funding for this project to date is $479,833.

The NJDEP oversight fee of $15,100 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: $150,990

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	$150,990
NJDEP oversight cost	$15,100
EDA administrative cost	$500
TOTAL COSTS	$166,590

APPROVAL OFFICER: K. Junghans

PETROLEUM UNDERGROUND STORAGE TANK REMEDIATION UPGRADE AND CLOSURE FUND

LOANS AND/OR GRANTS

SCHEDULE A

Applicant and/or Nominee	Project Number	Site	Grant Amount	Loan Terms
Tisha Perez	**P38568**	**6 Dickson Road Marlboro Township Monmouth County**	**$301,310**	**No Interest: No Repayment**
Kurtin's Service Center, Inc.	**P38692**	**25-27 Passaic Avenue Passaic City Passaic County**	**$150,099**	**No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act**

DRAFT

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: July 10, 2014

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

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

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

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

Summary:

	# of Grants	$ Amount
Leaking tank grants awarded	48	$807,908
Non-leaking tank grants awarded	0	$0

Applicant	Description	Grant Amount	Awarded to Date
Allen, Jasmine (P39023)	Initial grant for upgrade, closure and remediation	$5,882	$5,882
Allen, Michael and Denise (P39029)	Initial grant for upgrade, closure and remediation	$8,402	$8,402
Altieri, Joseph K. (P38948)	Initial grant for upgrade, closure and remediation	$5,424	$5,424
Bergson, Robert (P38876)	Initial grant for upgrade, closure and remediation	$25,132	$25,132
Blace, Kevin (P38027)	Initial grant for upgrade, closure and remediation	$43,592	$43,592
Castano, Susan (P39354)	Supplemental grant for upgrade, closure and remediation	$86,422	$231,681*
Chambers, John and Elizabeth (P39034)	Initial grant for upgrade, closure and remediation	$32,807	$32,807
Ciliano, Robert and Susanne (P39038)	Partial initial grant for upgrade, closure and remediation	$3,462	$3,462
Colaluca, Jr., Anthony (P38924)	Supplemental grant for upgrade, closure and remediation	$15,999	$238,978*
Community YMCA, The	Supplemental grant for upgrade,	$28,503	$243,981*

Applicant	Description	Grant Amount	Awarded to Date
(P38822)	closure and remediation		
Connolly, James (P38919)	Supplemental grant for upgrade, closure and remediation	$45,965	$130,274*
Corter, Michael and Mary (P39062)	Initial grant for upgrade, closure and remediation	$7,971	$7,971
Csizmadia, Laszlo (P39047)	Supplemental grant for upgrade, closure and remediation	$15,725	$31,808
DeSimone, Rudy (P38745)	Initial grant for upgrade, closure and remediation	$6,639	$6,639
DeStefano, Anthony (P39019)	Initial grant for upgrade, closure and remediation	$8,718	$8,718
Delnero, Mary Ellen (P39057)	Supplemental grant for upgrade, closure and remediation	$22,332	$216,553*
Dooley, Sean and Amy (P38801)	Initial grant for upgrade, closure and remediation	$9,982	$9,982
England, Jeff (P38668)	Initial grant for upgrade, closure and remediation	$12,635	$12,635
Eromenok-Nielsen, Darlene (P38832)	Initial grant for upgrade, closure and remediation	$38,765	$38,765
Fowler, Lisa (P39022)	Initial grant for upgrade, closure and remediation	$3,908	$3,908
Fregonese, Debbie (P38610)	Initial grant for upgrade, closure and remediation	$1,200	$1,200
Genung, Matthew and Kimberly (P38938)	Initial grant for upgrade, closure and remediation	$10,834	$10,834
Greco, Kathleen (P38586)	Initial grant for upgrade, closure and remediation	$3,500	$3,500
Hartman, Michael and Nancy (P38927)	Supplemental grant for upgrade, closure and remediation	$3,781	$8,848
Kaplan, Rebecca and David (P38808)	Initial grant for upgrade, closure and remediation	$35,820	$35,820
Kelly, Gloria (P39056)	Supplemental grant for upgrade, closure and remediation	$10,765	$23,752
Lamborn, Lucille (P39046)	Supplemental grant for upgrade, closure and remediation	$86,510	$172,094*
Larkin, Michael and Marie (P38920)	Partial supplemental grant for upgrade, closure and remediation	$3,169	$22,849
Lidsky, Audry and Barton (P39024)	Initial grant for upgrade, closure and remediation	$13,747	$13,747
Lucas, Beth (P38946)	Initial grant for upgrade, closure and remediation	$9,082	$9,082
Moczula, Martha (P38143)	Initial grant for upgrade, closure and remediation	$5,236	$5,236
Molnar, Ilona (P38659)	Initial grant for upgrade,	$7,496	$7,496

Applicant	Description	Grant Amount	Awarded to Date
	closure and remediation		
Nicholson, Sylvia (P38672)	Initial grant for upgrade, closure and remediation	$7,142	$7,142
Palmieri, Joseph (P38670)	Initial grant for upgrade, closure and remediation	$3,609	$3,609
Putney, Cheryl (P39032)	Initial grant for upgrade, closure and remediation	$24,615	$24,615
Reed, Lola (P39035)	Initial grant for upgrade, closure and remediation	$9,995	$9,995
Reisel, Jeffrey S. (P38852)	Initial grant for upgrade, closure and remediation	$4,679	$4,679
Rocco, Joe and Terrie (P38023)	Initial grant for upgrade, closure and remediation	$12,264	$12,264
Rupeikis, Michael (P39026)	Initial grant for upgrade, closure and remediation	$9,259	$9,259
Sadlon, Danielle (P38890)	Initial grant for upgrade, closure and remediation	$24,891	$24,891
Saik, Kathleen (P38673)	Initial grant for upgrade, closure and remediation	$9,023	$9,023
Silvia, Jack and Jean (P38646)	Initial grant for upgrade, closure and remediation	$14,816	$14,816
Sincoff, Jay and Marcia (P38362)	Supplemental grant for upgrade, closure and remediation	$3,544	$13,463
Smith, Arthur and Linda (P34327)	Supplemental grant for upgrade, closure and remediation	$13,380	$20,628
Smith, Dana (P38856)	Initial grant for upgrade, closure and remediation	$4,800	$4,800
Tuchowska, Anna (P39028)	Initial grant for upgrade, closure and remediation	$6,197	$6,197
Weiss, Cynthia (P37964)	Initial grant for upgrade, closure and remediation	$31,276	$31,276
Wolfe, Julie (P38880)	Initial grant for upgrade, closure and remediation	$9,013	$9,013
48 Grants	**Total Delegated Authority funding for Leaking applications.**	**$807,908**	

*This amount includes grants approved previously by the Board and this award does not exceed the supplemental aggregate limit.

Timothy Lizura

Prepared by: Kathy Junghans, Finance Officer

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: July 10, 2014

SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

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

HDSRF Commercial Grant:

Cliflake Associates, LLC	$ 1,000,000

HDSRF Municipal Grants:

Camden Redevelopment Agency	$ 381,314
Woodbridge Township	$ 92,476
	$ 473,790

HDSRF Commercial Loan:

Superior Manufacturing Property Management, LLC	$ 200,000

Total HAZ funding for July 2014	**$ 1,673,790**

Prepared by: Kathy Junghans

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS DISCHARGE SITE REMEDIAT'N PROG GRANT

APPLICANT: Cliflake Associates, LLC P39083

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

PROJECT LOCATION: 64 Lakeview Avenue Clifton City (T/UA) Passaic

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

APPLICANT BACKGROUND:

Cliflake Associates, LLC is the owner of project site, which is a commercial warehouse located in Clifton. The NJDEP Office of Brownfield Reuse has found the applicant's proposal for financial assistance to be administratively and technically complete and has approved funding to be provided in the form of a Hazardous Discharge Site Remediation Innocent Party Grant under N.J.S.A. 58:10B-Subsection 4, Series A. This Innocent Party Grant has been calculated off 50% of the approved remedial action project costs of $2,000,000. ($1,000,000)

The scope of work involves remedial action activities including soil sampling and groundwater monitoring, along with receptor and ecological evaluations.

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of $1,000,000 to perform the approved scope of work at the project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $1,000,000 (50% Innocent Party Grant)

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	$2,000,000
EDA administrative cost	$500
TOTAL COSTS	$2,000,500

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Camden Redevelopment Agency (Meadows at Pyne Point BDA) P39477

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

PROJECT LOCATION: North 5th and Erie Street Camden City (T/UA) Camden

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

APPLICANT BACKGROUND:

Camden Redevelopment Agency (CRA) is the owner of a vacant property, identified as Block 746, Lots 16, 45, 46 and 47, which has areas of concern (AOCs). The CRA owns the project site which is located in a Brownfield Development Area (BDA) and has satisfied proof of site control. It is the applicant's intent upon completion of the environmental investigation activities to redevelop the project site for residential use.

The NJDEP Office of Brownfield Reuse has found the applicant's proposal for financial assistance to be administratively and technically complete and has approved funding to be provided in the form of a Hazardous Discharge Site Remediation under N.J.S.A. 58:10B-Subsection 2, Series A.

According to the Legislation, a grant can be awarded to a municipality up to 75% of the costs of Remedial Action (RA) for projects within a BDA. The grant has been calculated off 75% of RA costs $463,072 ($347,304) and Site Investigation (SI) costs ($34,010). The remaining 25% of the RA costs are being funded by the developer.

APPROVAL REQUEST:

The applicant is requesting grant funding to perform SI & RA in the amount of $381,314 to perform the approved scope of work at the Meadows Pyne Point project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $381,314

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	$463,072
Site investigation	$34,010
EDA administrative cost	$500
TOTAL COSTS	$497,582

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Woodbridge Township (DPW) P39393

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

PROJECT LOCATION: 225 Smith Street Woodbridge Township (T/UA) Middlesex

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

APPLICANT BACKGROUND:

Between March 2010 and August 2011, Woodbridge Township received an initial grant in the amount of $50,396 under P29341 and a supplemental grant in the amount of $32,306 under P34947 to perform Preliminary Assessment and Site Investigation activities. The project site identified as Blocks 41.C & 41, Lots 3.A, 1.A, & 1.B is the former Woodbridge Department of Public Works ("DPW") which has potential environmental areas of concern (AOCs). The Township of Woodbridge currently owns the project site and has satisfied proof of site control. It is the Township's intent to redevelop the project site for municipal use buildings.

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

APPROVAL REQUEST:

The Township of Woodbridge is requesting grant funding to perform RI in the amount of $92,476 for the approved scope of work at the DPW project site. Because the aggregate supplemental funding including this request is $124,782, it exceeds the maximum $100,000 staff delegation approval of supplemental funds and therefore requires EDA board approval. The total funding for this project to date is $175,178.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $92,476

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Investigation	$92,476
EDA administrative cost	$500
TOTAL COSTS	$92,976

APPROVAL OFFICER: K. Junghans

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS DISCHARGE SITE REMEDIAT'N PROG PROGRAM

APPLICANT: Superior Manufacturing Property Management, LLC P39520

PROJECT USER(S): DC Plastic Products Corp. * * - indicates relation to applicant

PROJECT LOCATION: 86 Hobart Avenue Bayonne City (T/UA) Hudson

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

APPLICANT BACKGROUND:

Superior Manufacturing Property Management LLC is the real estate holding company for DC Plastic Products Corp. Superior Manufacturing Property Management LLC is owned by Dr. David Moskovits. DC Plastic Products Corp. is a blown-film extruder of plastic bags in Bayonne, NJ. DC Plastic Products Corp. began operation in 2011 as a woman-owned business ("WOB") after completing the acquisition of DC Plastics Inc. DC Plastic Products Corp. is owned by Yolanda Moskovits, the wife of Dr. David Moskovits who was the owner of DC Plastics Inc. DC Plastics Inc. had been in operation since 1984 serving predominately the state and local government markets for trash bags.

APPROVAL REQUEST:

Approve a $200,000 loan under the HDSRF program.

FINANCING SUMMARY:

LENDER: Hazardous Discharge Site Remediation Fund

AMOUNT OF LOAN: $200,000

TERMS OF LOAN: The loan will be structured as a 5-year term with a fixed rate of interest equal to the Federal Discount Rate set at time of approval or closing (whichever is lower) with a floor of 5.00%. No payments will be required and interest will be accrued. The loan will have a full balloon payment (principal plus interest) due at the end of the 5 year term or upon sale of the property, whichever occurs first.

PROJECT COSTS:

Remedial investigation	$200,000
TOTAL COSTS	$200,000 *

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

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

HAZARDOUS DISCHARGE SITE REMEDIATION FUND

DIRECT LOANS AND GRANTS

SCHEDULE A

GRANT PROGRAM

Applicant and/or Nominee	*Project Number*	*Site Name and Address*	*Grant*	
			Amount	*Terms*
Cliflake Associates, LLC	**P39083**	**64 Lakeview Avenue Clifton City Passaic County**	**$1,000,000**	**No Interest; No Repayment**

MUNICIPAL GRANT PROGRAM

Applicant and/or Nominee	*Project Number*	*Site Name and Address*	*Grant*	
			Amount	*Terms*
Camden Redevelopment Agency	**P39477**	**North 5th and Erie Street Camden City Camden County**	**$381,314**	**No Interest; No Repayment**
Woodbridge Township	**P39393**	**225 Smith Street Woodbridge Township Middlesex County**	**$92,476**	**No Interest; No Repayment**

DRAFT

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: July 10, 2014

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

Pursuant to the delegations approved by the Board in May 2006, the Chief Executive Officer ("COO") with a Director may approve new grants under the Hazardous Discharge Site Remediation Fund up to $100,000 and may approve supplemental awards for existing grants (of any size) up to an aggregate of $100,000, provided that the aggregate amount of the supplemental awards do not exceed $100,000.

Below is a summary of the Delegated Authority approval processed by staff during the second quarter of 2014.

Applicant	Description	Grant	Cumulative award to Date
City of Hackensack P38857	Supplemental Grant to perform Remedial Investigation activities	$85,512	$85,512
Township of Kearny P39180	Initial Grant to perform Remedial Investigation activities	$45,948	$45,948
George Kelly, Jr. P38933	25% Matching Grant to perform Remedial Action activities	$9,799	$9,799
MMH II, LLC P39185	50% Innocent Party Grant to perform Remedial Action activities	$80,041	$80,041
Alex Nedoszytko P38420	25% Matching Grant to perform Remedial Action	$2,695	$ 2,695
Township of Neptune P39180	Supplemental Grant to perform Remedial Investigation activities	$87,333	$87,333
City of Perth Amboy P39183	Supplemental Grant to perform Remedial Action activities	$25,290	$25,290

City of Pleasantville P39183	Initial Grant to perform Remedial Investigation activities	$20,286	$20,286
8 Grants	**Total Grant Funding for Second Quarter 2014**	**$356,904**	**$684,724**

Timothy Lizura

Prepared by: Kathy Junghans

EDISON INNOVATION FUND

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - EDISON INNOVATION VC GROWTH FUND PROGRAM

APPLICANT: Ivy Sports Medicine, LLC P39102

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

PROJECT LOCATION: One Paragon Drive Montvale Borough (N) Bergen

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

APPLICANT BACKGROUND:

Ivy Sports Medicine, LLC ("Ivy" or the "Company"), formed in 2011, is a private orthopedic device company that develops, manufactures and markets innovative tissue growth and repair products. The Company's strategy is to provide sports medicine surgeons with a suite of products aimed at providing total clinical solutions to specific anatomical areas. The Company's first commercial products are the Collagen Meniscus Implant ("CMI®"), a novel biomaterial for growth and repair of a damaged meniscus, and the SharpShooter® Tissue Repair System, a meniscal suturing device. Their current product offering is aimed at capitalizing on the clinical trend toward meniscus preservation.

APPROVAL REQUEST:

Approval is requested for a $1,000,000 loan as proposed.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $1,000,000

TERMS OF LOAN: Interest rate of 9.8% with a 6-month interest deferral period, followed by an 18-month interest-only period, and then a 36-month term and amortization.

PROJECT COSTS:

Growth Capital	$1,000,000
TOTAL COSTS	$1,000,000

JOBS: At Application 4 Within 2 years 10 Maintained 0 Construction 0

DEVELOPMENT OFFICER: C. Caruso **APPROVAL OFFICER:** Temporary

ANGEL INVESTOR TAX CREDIT PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: July 10, 2014

SUBJECT: Angel Investor Tax Credit Program

On January 31, 2013, the New Jersey Angel Investor Tax Credit Act was signed into law with Regulations approved by the Members of the Board in June 2013. The New Jersey Angel Investor Tax Credit Program establishes credits against corporate business tax or New Jersey gross income tax in the amount of 10% of a qualified investment made into New Jersey emerging technology businesses as of January 1, 2012. The program has an annual approval cap of $25 million in tax credits per calendar year. Year-to-date 2014 there have been 15 investments approved for $442,000 in tax credits, representing the injection of $4.42 million of capital into New Jersey emerging technology and life sciences companies. The following investors are recommended for approval and are described on the attached project summaries:

Application Number	Investor	NJ Emerging Technology Company	Qualified Investment	Proposed Tax Credit
P39503	David R. Fischell	Svelte Medical Systems, Inc.	$1,780,000	$178,000
P39555	Robert Fischell	Svelte Medical Systems, Inc.	$1,107,576	$110,757.60
P39557	Robert W. Croce	Svelte Medical Systems, Inc.	$800,000	$80,000
		Total:	**$3,687,576**	**$368,757.60**

Prepared By: David Ackerman

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

APPLICANT(S)/ANGEL INVESTOR:
David R. Fischell P39503

APPLICANT(S)/ANGEL INVESTOR LOCATION:
Fair Haven, NJ

NJ EMERGING TECHNOLOGY BUSINESS:
Svelte Medical Systems, Inc.

TECHNOLOGY BUSINESS NJ LOCATION:
675 Central Ave., Suite 2 New Providence Borough Union County

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

TECHNOLOGY BUSINESS BACKGROUND:
Svelte Medical Systems, Inc. (Svelte) was founded in 2007 with a mission to address key clinical issues in the cardiovascular stent market by improving stent deliverability, reducing procedural costs and improving safety. Svelte has developed the lowest profile and most deliverable balloon expandable stent in the market, along with technology to create a non- inflammatory Drug Eluting Stent (DES).

INDUSTRY:

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

DESCRIPTION OF QUALIFIED INVESTMENT:
The applicant presented a combination of 1) a transfer of cash in exchange for a convertible note that subsequently converted to equity, and 2) a non-refundable investment of cash in exchange for stock in the company.

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

QUALIFIED INVESTMENT DATE:		10/28/2013
QUALIFIED INVESTMENT:	$	1,780,000.00
TAXPAYER APPROVAL YEAR: (**2014**)	$	178,000.00
TOTAL NUMBER OF EMPLOYEES (Worldwide):		12
NEW JERSEY FULL-TIME EMPLOYMENT AT APPLICATION:		11

DEVELOPMENT OFFICER: D. Ackerman **APPROVAL OFFICER:** D. Ackerman

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

APPLICANT(S)/ANGEL INVESTOR:
Robert Fischell P39555

APPLICANT(S)/ANGEL INVESTOR LOCATION:
Dayton, MD

NJ EMERGING TECHNOLOGY BUSINESS:
Svelte Medical Systems, Inc.

TECHNOLOGY BUSINESS NJ LOCATION:
675 Central Ave., Suite 2 New Providence Borough Union County

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

TECHNOLOGY BUSINESS BACKGROUND:
Svelte Medical Systems, Inc. (Svelte) was founded in 2007 with a mission to address key clinical issues in the cardiovascular stent market by improving stent deliverability, reducing procedural costs and improving safety. Svelte has developed the lowest profile and most deliverable balloon expandable stent in the market, along with technology to create a non- inflammatory Drug Eluting Stent (DES).

INDUSTRY:

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

DESCRIPTION OF QUALIFIED INVESTMENT:
The applicant presented a combination of 1) a transfer of cash in exchange for a convertible note that subsequently converted to equity, and 2) a non-refundable investment of cash in exchange for stock in the company.

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

QUALIFIED INVESTMENT DATE:		10/28/2013
QUALIFIED INVESTMENT:	$	1,107,576.00
TAXPAYER APPROVAL YEAR: (**2014**)	$	110,757.60
TOTAL NUMBER OF EMPLOYEES (Worldwide):		12
NEW JERSEY FULL-TIME EMPLOYMENT AT APPLICATION:		11

DEVELOPMENT OFFICER: D. Ackerman **APPROVAL OFFICER:** D. Ackerman

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

APPLICANT(S)/ANGEL INVESTOR:
Robert W. Croce P39557

APPLICANT(S)/ANGEL INVESTOR LOCATION:
Stuart, FL

NJ EMERGING TECHNOLOGY BUSINESS:
Svelte Medical Systems, Inc.

TECHNOLOGY BUSINESS NJ LOCATION:
675 Central Avenue, Suite 2 New Providence Borough Union County

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

TECHNOLOGY BUSINESS BACKGROUND:
Svelte Medical Systems, Inc. (Svelte) was founded in 2007 with a mission to address key clinical issues in the cardiovascular stent market by improving stent deliverability, reducing procedural costs and improving safety. Svelte has developed the lowest profile and most deliverable balloon expandable stent in the market, along with technology to create a non- inflammatory Drug Eluting Stent (DES).

INDUSTRY:

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

DESCRIPTION OF QUALIFIED INVESTMENT:
The applicant presented a combination of 1) a transfer of cash in exchange for a convertible note that subsequently converted to equity, and 2) a non-refundable investment of cash in exchange for stock in the company.

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

QUALIFIED INVESTMENT DATE:		10/28/2013
QUALIFIED INVESTMENT:	$	800,000.00
TAXPAYER APPROVAL YEAR: (2014)	$	80,000.00
TOTAL NUMBER OF EMPLOYEES (Worldwide):		12
NEW JERSEY FULL-TIME EMPLOYMENT AT APPLICATION:		11

DEVELOPMENT OFFICER: D. Ackerman **APPROVAL OFFICER:** D. Ackerman

ANGEL INVESTOR TAX CREDIT

APPLICANT	NJ EMERGING TECHNOLOGY BUSINESS AND NJ BUSINESS LOCATION	QUALIFIED INVESTMENT	PROPOSED TAX CREDIT
David R. Fischell	Svelte Medical Systems, Inc.	$1,780,000	$178,000
Robert Fischell	Svelte Medical Systems, Inc.	$1,107,576	$110,757.60
Robert W. Croce	Svelte Medical Systems, Inc.	$800,000	$80,000

DRAFT

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

RE: Budget request for a competitive solicitation for technology startup shared space

DATE: July 10, 2014

Request:
The Members are requested to approve funding and issuance of a competitive solicitation for new shared space development project(s) for technology entrepreneurs and startups. The budget request is for $1 million to fund acquisition, improvements and/or fixed assets associated with development of a new or expanding facility. The funding for this solicitation and ultimate award(s) will be funded from the Authority's Economic Recovery Fund. Successful projects will be financed with term loan(s) that include the ability to have a portion of the loan forgiven if milestone tied to growing the state's technology community are met.

Background:
Over the last 12 months, the Technology & Life Sciences (TLS) group has received numerous inquiries for support of technology-focused shared office space projects from entrepreneurs, universities, municipalities and real estate developers. The demand for tech coworking among the civic and business community in NJ is the result of several trends:

- Successful models of name brand coworking spaces on both the East and West coasts
- Policy research indicating collaborative spaces are preferred by the next generation of innovation workers
- Anecdotal evidence of NJ startup leakage to vibrant communities in neighboring states
- Lack of affordable space for emerging technology startups and accelerator graduates

It is anticipated that many of the respondents to the solicitation will be in Smart Growth Areas. The most attractive projects are located near urban transit hubs - Jersey City, Hoboken, Newark – anchored by strong commitment to innovation programming, startup community management and strategic collaboration with universities and enterprise.

The request for project financing is segmented between acquisition for land/property and working capital, leasehold improvements and furniture and fixed assets. The financing challenge for these projects lies in the credit profile of the borrower. Whereas the Authority's typical business loans are underwritten against owner-occupied real estate in industries with well-understood cash flows, the tech coworking model is relatively new, and often entails re-leasing space to fledgling companies

To mitigate the collateral and business risk, staff proposes a competitive solicitation for up to $1 million to fund the development of a shared space (or spaces) project, supported by incentives that are aligned with growing the regional technology startup community.

Shared Space Model:

Today's shared spaces are an evolution of traditional incubators. The best operators are adept at managing real estate, providing affordable services and fostering community culture to help startups grow into sustainable businesses.

The typical shared space model includes:

- Common area and/or dedicated private workspace
- Month-to-month leases sold as membership fees
- Critical business services at reduced rates
- Hosting of tech accelerators and entrepreneur education programs
- Structured introductions to angel, venture and strategic investors
- Marketing and evangelism of member companies

Solicitation Terms & Conditions

Borrower: For-profit developer of technology shared space projects

Amount: Up to $1,000,000 to be used for acquisition, lease improvements, working capital and/or furniture and fixed assets

Sources of Repayment: Rent/membership fees paid by tech startup and entrepreneur tenants and/or course content fees

Terms

- Base interest rate fixed at 5-yr US Treasury rate plus 100 basis points with a floor of 3%
- For acquisition financing,
    - up to 15-yr term with 2-yr principal moratorium and full amortization for the remaining term and up to a maximum 20-year amortization
- For working capital, improvements and furniture and fixed assets
    - up to 5-yr term, 6-month principal moratorium and maximum 10-year amortization
- For lease improvements, the term of the lease must be equal or greater than 5 years
- Funding to occur via milestone disbursements
- Minimum borrower equity contribution of 20% of total project costs
- Signed LOIs for minimum 25% of membership capacity at the time of closing
- Project to be for New shared space or 50% expansion of existing space for emerging and startup technology companies

- Borrower must establish a strategic partnership with a NJ-University or NJ Corporate Sponsor
- Minimum 100 square feet rentable space per $5,000 requested from the Authority
- Minimum project space of 3,000 square feet

Incentives

- 50% of the loan to be forgiven per specific economic development milestones to be agreed upon at the time of approval and based upon project submission.
  Examples of the milestones which will be measured may include:
  - Tech startup companies per square foot as demonstrated by membership enrollment
  - Number of entrepreneurial programs implemented with NJ research universities
  - Minimum rental revenue achievement
  - Demonstrable alliances with regional tech startup communities
  - Preferred rates on business services for tenant tech companies

Selection Criteria:

The Authority will issue a competitive solicitation for technology and technology-related shared spaces for entrepreneurs and startup companies. Respondents will be competitively ranked, with each project standing on its individual merits, against scoring criteria in the following categories:

Economic Development

- Located in a distressed or underdeveloped area
- Structured education and business development programming
- NJ Talent and Student development plan
- Project in an Urban Transit Hub location

Business Model

- Defined model for mentoring startups with product and business development
- Detail on any supplemental income streams such as course content, education, coding, etc.
- Focus on companies operating in high growth industries such as internet software, advanced manufacturing, digital health and financial technology
- Clear go-to-market strategy for attracting entrepreneurs and startups
- Identified key strategic partnerships
- Identified pipeline of member companies

Strategic Partnerships

- Agreements or LOIs in place with objective of growing entrepreneurial capacity, which can include mentors, course content partners, real estate partner, service providers and required University or Corporate partner
- Focus on commercializing University or Corporate technology assets
- Structured approach to hiring NJ University graduates with STEM degrees

Management

- Experience growing startup community
- Prior successful experience in running coworking or similar space
- Technology project management and/or new product development experience
- Buy/sell experience raising angel & VC
- Management time commitment to the project
- Management financial commitment to the project
- Understanding and experience in the NJ Tech Startup Community

Evaluation Process:

Given discussions under the earlier proposed NCR program, Staff anticipates more applicants funding requests than the proposed available funding. All submissions will be reviewed and rated against the scoring criteria noted above, with each project standing on its individual merits. Determinations will be based on information provided on the application submission, and any supplements requested by EDA. An Authority staff review committee has been identified and includes members from a cross section of EDA disciplines including Technology & Life Sciences, Real Estate, Community Development and Underwriting.

The award will be recommended for approval with the highest ranking score. If the top competitively ranked project does not use the entire allocation, the second competitively ranked project shall also be recommended for approval. In the event there is insufficient funding available for the second ranking project's request, the EDA staff will inquire if a partial funding amount is of interest to the applicant and if not the third ranking project will be recommended and the pattern will continue. The projects recommended for funding according to this process described and the declinations will be brought to the Authority Board for consideration.

In the event there are no qualified submissions that have accurately addressed the criteria and submission requirements, the Authority reserves the right, in their sole discretion, to NOT make any recommendations or awards under the RFP.

Estimated Timeline:

The Authority intends to publish the solicitation following the ten-day veto period following approval at the July 2014 Board meeting. Interested applicants will have through the end of September to apply and Authority anticipates request for approval of selected project(s) at the November 2014 Board meeting.

Recommendation:

To approve a $1 million budget for the competitive solicitation of new or expanded (as noted above) shared space costs for NJ Technology companies.

Prepared by: Kathleen W. Coviello

INCENTIVE PROGRAMS

ECONOMIC REDEVELOPMENT AND GROWTH (ERG) PROGRAM

The following summary is provided for information only. Full eligibility and review criteria can be found in the program's rules.

ECONOMIC REDEVELOPMENT AND GROWTH (ERG) PROGRAM

Created by law in 2012, and substantially revised through P.L. 2013, c. 161, the intent of this program is to provide State incentive grants to a developer, or non-profit organization on behalf of a qualified developer, to capture new State incremental taxes derived from a project's development to address a financing gap, with $600 million authorized for qualified residential projects.

Per N.J.S.A. 34:1B-207 et seq. / N.J.A.C. 19:31-4 and the program's rules, the applicant must:

- Have a redevelopment project that is located in a qualifying area and not have begun any construction at the project site prior to submitting an application, except: if the EDA determines the project would not be completed otherwise; or if the project is undertaken in phases, a developer may apply for phases which construction has not yet commenced.
- Demonstrate to the EDA that 1) the project shall be constructed in accordance with certain minimum environmental standards; 2) except with regards to a qualified residential project, the project will yield a net positive benefit equaling at least 110% of the grant assistance to the State of 75% of the useful life of the project, not to exceed 20 years; and 3) that a financing gap exists.
- Meet a 20% equity requirement.

Staff Review:

- A comprehensive net benefit analysis is conducted to ensure the project has a positive net benefit to the State of at least 110%. The economic impact model used by the EDA includes multipliers from the RIMS II data base, published by the US Department of Commerce, along with internal econometric analysis and modeling to assess economic outputs, impacts and likely jobs creation.

Amount of award based upon:

- Up to 75% of annual incremental State tax revenues or 85% in a Garden State Growth Zone (GSGZ) generated by the project over a term of up to 20 years, provided the combined amount of reimbursements do exceed 20% of total project cost, or 30% in a GSGZ.
- The maximum amount of any grant, including any increase in the amount of reimbursement, shall be up to 30% of total project cost, except for projects in a GSGZ, which may be up to 40%.
- Bonus amounts of up to 10% of total project cost are available if the project is: In distressed municipality which lacks adequate access to nutritious food and will include a supermarket, grocery store or prepared food establishment; In distressed municipality which lacks adequate access to health care/services and will include a health care and services center; Transit project; Qualified residential project with at least 10% of residential units reserved for moderate income housing; In highlands development credit receiving area or redevelopment area; Disaster recovery project; Aviation project; Tourism destination project; or Substantial rehabilitation or renovation of an existing structure(s).

Qualified Residential Projects:

The law authorizes $600 million in incentives for qualified residential projects that the EDA administers as tax credits pursuant to P.L. 2013, c. 161, as follows: 1) $250 million for projects within 8 southernmost counties, of which: $175 million for projects in Camden; $75 million for projects in municipalities with a 2007 MRI Index of 400 or higher; and $250 million for projects in: Urban Transit Hubs that are commuter rail in nature, GSGZ, Disaster recovery projects, and SDA municipalities located in Hudson County that were awarded State Aid in FY 2013 through the Transitional Aid to Localities Program; 2) $75 million for projects in distressed municipalities, deep poverty pockets, highlands development credit receiving areas or redevelopment areas; and 3) $25 million for projects located within a qualifying ERG incentive area

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: July 10, 2014

RE: **GLTC Partners 2014, LLC**
Residential Economic Redevelopment and Growth Grant Program ("RES ERG")
P #38867

Request

The Members are asked to approve the application of GLTC Partners 2014, LLC (the "Applicant") for a Project located in Trenton, Mercer County (the "Project"), for the issuance of tax credits pursuant to the RES ERG program of the Authority as set forth in the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161 ("Act").

The total costs of the Project are estimated to be $18,674,280 and of this amount $15,800,733 are eligible costs under the RES ERG program. The recommendation is to give 30% of eligible costs, not to exceed $4,740,220.

GLTC Partners, LLC, located in Westlake Village, California is the applicant and developer for the Project's financing, and an affiliate of California Commercial Investment Group ("CCIG").

Formed in 1995, CCIG is a full service acquisition, asset/ property management, and development firm with vast experience in the area of affordable housing. CCIG currently owns and manages approximately 45 properties with over 4,500 units, including senior affordable apartment complexes, conventional apartment communities, and investment units located in 20 states across the nation.

Project Description

Trent Center East, located at 511-537 Greenwood Avenue in Trenton, Mercer County, is one of the Sponsor's two projects seeking to rehabilitate two existing apartment buildings for senior citizens, ages 55 and older on the Trent Center Campus in Trenton. Trent Center East is an existing 14-story building containing 228 units. The building contains approximately 158,175 square feet of interior space, with 148 efficiencies and 80 one-bedroom units.

The proposed rehabilitation includes upgrading the HVAC system; elevator and emergency generator replacement; improving the security system; replacing interior and exterior doors; updating kitchens and appliances; updating bathrooms; painting; parking lot repairs; replacing parking lot lights, curbing, and landscaping.

The majority of renovations will be conducted with tenants in place. Where more extensive work is being done, the tenant will be relocated to a vacant unit.

The apartment building receives a wide range of medical and general support services for the tenants conveniently located on the site, in addition to recreation programs, transportation, libraries, banking, an onsite post office, religious services, and mini markets.

The property is located within a Smart Growth Area and an Urban Coordinating Council (UCC) Target Area. The Trenton Train Station is two blocks south of the Project and New Jersey Transit buses stop on Greenwood Avenue.

The Applicant plans to adhere to HMFA's Green Building standards by meeting the Energy Star Requirements as a condition of its tax credit funding.

An estimated completion date for the rehabilitation of the project complies with the RES ERG deadline of July 28, 2015.

Although applicants for the RES ERG program are not required to maintain certain employment levels, it is estimated that this Project, per the Applicant, will create approximately 20 temporary construction jobs during rehabilitation and 6 full time positions created at the project site as a result of the ERG subsidy.

Project Ownership

Trent-Center Apartments, Inc., Trent Center East, Inc., and Congregation Brothers of Israel currently own the property. A Purchase Agreement has been executed between the owners and California Commercial Investment Group Inc. and/or Assignee. The acquisition cost of the Trent Center East Building has been recognized as $5,112,000.

The applicant for the Project's financing has formed a limited partnership, known as Trent Center East Senior Apartments Urban Renewal Limited Partnership, such entity also to be known as the "Sponsor" and/or "Borrower." Union Seniors Association, a California non-profit corporation, comprised of Gary Collett and Louis Melman will be the general partner of the Sponsor. The equity investor, WNC Associates, Inc., will hold 99.99% ownership interest. The remaining interest will be equally divided amongst Mr. Collett and Mr. Melman.

The appraisal report dated March 27, 2014 requested by Citibank concludes an appraised value of $7,200,000.

Project Uses
The Applicant proposes the following uses for the Project:

Uses	*Total Project Costs*	*RES ERG Eligible Amount*
Acquisition of Land and Buildings	$ 5,112,100	$ 5,112,100
Construction & Site Improvements	7,719,849	7,719,849
Professional Services	747,500	747,500
Financing & Other Costs	2,453,386	1,456,704
Contingency	764,580	764,580
Development Fee	1,876,865	0
TOTAL USES	**$ 18,674,280**	**$ 15,800,733**

ERG eligible project costs exclude ineligible costs aggregating $2,873,547, which include the developer fee of $1,876,865 and Reserve Escrows of $996,682. The Applicant has provided an appraisal prepared for the permanent lender, Citi Community Capital, which concludes an appraised value of $7,200,000.

Sources of Financing	*Amount*
Conduit Loan Perm Debt	$ 6,264,000
ERG Tax Credit Equity	3,555,165
Equity	
Existing Reserves	594,445
Income during operations	425,514
LIHTC	6,529,333
Deferred Developer Fee	1,305,823
Total	**$ 18,674,820**

The Applicant received a Declaration of Intent in the amount of $19 million from the New Jersey Housing and Mortgage Financing Agency ("NJHMFA") for short-term construction financing from their Conduit Bond Program on September 18, 2013. The Project will be anticipating a firm commitment at HMFA's July 10 board meeting. Of note, as part of its approval, NJHMFA reviews and approves the development fee of the Project including requiring a portion of the fee to be deferred.

As part of its permanent financing structure, the Applicant has received a commitment from WNC to provide the Low Income Housing Tax Credit equity and RES ERG Tax Credit equity for a total of $10,085,498. The LIHTC is based on a price of $0.93 for each dollar of Federal Tax Credits and $0.75 for each dollar of State Tax Credits allocated to the investment of the project. In addition, the Applicant anticipates receiving a Freddie Mac permanent loan from CITI in the amount of $6,624,000.

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 RES ERG over a period

of 16 years. The term includes one year of construction and 15 years of cash flow, which corresponds to the time when the Project is permitted to be sold or converted from affordable housing per the federal subsidies being utilized.

Without RES ERG	With RES ERG
Equity IRR (-0.84%)	Equity IRR 12.26%

The Project's economics suggest that the RES ERG benefit will have a material effect on the Applicant's decision and ability to advance the Project. **With the benefit of the RES ERG, the Equity IRR is 12.26% this return is below the rate per the Hurdle Rate Model provided by our contracted consultant, Jones Lang LaSalle, which indicates a maximum IRR of 18.08% for a residential project in Trenton.**

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 project shall, upon completion, be capable of generating new tax revenue in an amount in excess of the amount necessary to reimburse the developer for project costs incurred, as provided in the redevelopment incentive grant agreement.

Trent Center East Senior Apartments was constructed in 1975 and currently has vacancy rates around 7%. Renovations will update an aging building and provide senior housing to the residents of Trenton, NJ. Post-completion, the project is anticipated to operate with sufficient cash flow for the foreseeable future. However, without the State credit equity, the Applicant represents that the Project is not feasible due to the initial funding gap to rehabilitate a project that will provide safe, affordable housing to the senior population residing in the City of Trenton.

The Project currently has a Housing Assistance Payment ("HAP") contract with the U.S. Department of Housing and Urban Development ("HUD") due to expire June 30, 2014. The Sponsor anticipates entering into another HAP contract for a 20-year term.

The Authority is in receipt of a Market Feasibility Analysis dated March 27, 2014 on the Project prepared by Carduner Valuation Services Incorporated, a third party consultant who issued their determination of current and future market conditions. The study demonstrates the continued market demand for the Project and supports the financial assumptions included in the Project proforma.

The Project has an anticipated IRR of (-0.84%) without the RES ERG and 12.26% with the RES ERG. The RES ERG incentive grant is needed for the viability of the Project and to encourage the Applicant to undertake the capital investment, which is required to complete the proposed development.

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.

The Project is located in Trenton, NJ Mercer County, an area that has struggled economically and socially due to a declining employment base, lack of outside investment and poor schools. This development will help provide a significant economic investment into a much needed area. The project fills the need for affordable senior housing in the City of Trenton.

Recommendation

Authority staff has reviewed the application for GLTC Partners 2014, LLC and finds that it is consistent with eligibility requirements of the Act. It is recommended that the Members approve and authorize the Authority to issue a commitment letter to the Applicant.

Issuance of the RES ERG tax credits are contingent upon the Applicant meeting the following conditions:

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the RES ERG; and

2. Evidence of site control and site plan approval for the Project; and

3. Copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project.

Tax Credits shall be issued upon:

1. Completion of construction and issuance of a Certificate of Occupancy (no later than July 28, 2015; and

2. Submission of a detailed list of all eligible costs, which costs shall be certified by a CPA and satisfactory to the NJEDA; and

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: $15,800,733.

Eligible Tax Credits and Recommended Award: Not to exceed $4,747,220, which equates to 30% of eligible project costs over 10 years.

Timothy Lizura

Prepared by: Jenell Johnson

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: July 10, 2014

RE: **GLTC Partners 2014, LLC**
Residential Economic Redevelopment and Growth Grant Program ("RES ERG")
P #38866

Request

The Members are asked to approve the application of GLTC Partners 2014, LLC (the "Applicant") for a Mercer County residential project (the "Project") for the issuance of tax credits pursuant to the RES ERG program of the Authority as set forth in the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161 ("Act").

The total costs of the Project are estimated to be $25,367,353 and of this amount $21,280,863 are eligible costs under the RES ERG program. The recommendation is to give 30% of eligible costs, not to exceed $6,384,259.

GLTC Partners, LLC, located in Westlake Village, California is the applicant and developer for the Project's financing, and an affiliate of California Commercial Investment Group ("CCIG").

Formed in 1995, CCIG is a full service acquisition, asset/ property management, and development firm with vast experience in the area of affordable housing. CCIG currently owns and manages approximately 45 properties with over 4,500 units, including senior affordable apartment complexes, conventional apartment communities, and investment units located in 20 states across the nation.

Project Description

Trent Center West, located at 465 Greenwood Avenue in Trenton, Mercer County, is one of the Sponsor's two projects seeking to rehabilitate two existing apartment buildings for senior citizens, ages 55 and older on the Trent Center Campus in Trenton. The existing building is a 14-story high

rise building containing 246 units that has provided affordable rental housing for the past 30 years. The project will remain affordable for the duration of the deed restriction.

The building contains approximately 190,720 square feet of interior space, with 45 efficiencies and 186 one-bedroom and 15 two-bedroom units.

The proposed rehabilitation for the proposed scope of work will consist of: upgrading the HVAC system; elevator and emergency generator replacement; improving the security system; replacing interior and exterior doors; updating kitchens and appliances; updating bathrooms; painting; parking lot repairs; replacing parking lot lights, curbing, and landscaping.

The majority of renovations will be conducted with tenants in place. Where more extensive work is being done, the tenant will be relocated to a vacant unit.

The apartment building receives a wide range of medical and general support services for the tenants conveniently located on the site, in addition to recreation programs, transportation, libraries, banking, onsite post office, religious services, and mini markets.

The property is located within a Smart Growth Area and an Urban Coordinating Council (UCC) Target Area. The Trenton Train Station is two blocks south of the Project and New Jersey Transit buses stop on Greenwood Avenue.

The Applicant stated that the project will meet the Green requirements of HMFA's Energy Star Standards.

An estimated completion date for the rehabilitation of the project complies with the RES ERG deadline of July 28, 2015.

Although applicants for the RES ERG program are not required to maintain certain employment levels, it is estimated that this Project, per the Applicant, will create approximately 20 temporary construction jobs during rehabilitation and 6 full time positions created at the project site as a result of the ERG subsidy.

Project Ownership

Trent Center Apartments, Inc., Trent Center West, Inc., and Congregation Brothers of Israel currently own the property. A purchase Agreement has been executed between the owners and California Commercial Investment Group Inc. and/or Assignee. The acquisition cost per the purchase and sale agreement of the Trent Center West building has been recognized as $9,237,900.

The Applicant for the Project's financing has formed a limited partnership, known as Trent West Senior Apartments Urban Renewal Limited Partnership, such entity also to be known as the "Sponsor" and/or "Borrower." Union Seniors Association, a California non-profit corporation, comprised of Gary Collett and Louis Melman will be the general partner of the Sponsor. The equity investor, WNC Associates, Inc., will hold 99.99% ownership interest. The remaining interest will be equally divided amongst Mr. Collett and Mr. Melman.

Project Uses
The Applicant proposes the following uses for the Project:

Uses	*Total Project Costs*	*RES ERG Eligible Amount*
Acquisition of Land and Buildings	$ 9,237,900	$ 9,237,900
Construction & Site Improvements	8,567,066	8,567,066
Professional Services	745,000	745,000
Financing & Other Costs	3,712,093	1,892,597
Contingency	838,300	838,300
Development Fee	2,266,994	0
TOTAL USES	**$ 25,367,353**	**$ 21,280,863**

ERG eligible project costs exclude ineligible costs aggregating $4,086,490, which include the developer fee of $2,266,994 and Reserve Escrows of $1,819,496. The Applicant has provided an appraisal from an independent third party, which determined the value of the building is $13,600,000.

Sources of Financing	*Amount*
Davis Penn Permanent Loan	$ 6,535,668
Section 236 IRP	3,275,000
Equity:	
ERG	4,788,194
LIHTC	8,380,128
Deferred Developer Fee	1,074,565
Income From Operations	81,742
Existing Reserve	1,232,056
Total	**$ 25,367,353**

The Applicant received a Declaration of Intent in the amount of $12.7 million from the New Jersey Housing and Mortgage Financing Agency ("NJHMFA") for short-term construction financing from their Conduit Bond Program on September 18, 2013. The Project will be anticipating a firm commitment at NJHMFA's July 10 board meeting. Of note, as part of its approval, NJHMFA reviews and approves the development fee of the Project including requiring a portion of the fee to be deferred.

As part of its permanent financing structure, the Applicant has received a commitment from WNC to provide the Low Income Housing Tax Credit equity and RES ERG Tax Credit equity for a total of $13,168,322. The LIHTC are based on $0.91 for each dollar of Federal Tax Credits and $0.75 for each dollar of Res Erg Tax Credits. In addition, the Applicant received a permanent loan commitment from Davis Penn Mortgage in the amount of $6,535,668. In addition, the Project is currently benefitting from Section 236 Interest Reduction Payments (IRP). The IRP enables the Sponsor to obtain Federal Housing Administration (FHA) mortgage insurance and an IRP subsidy. The subsidy took the form of an IRP, which the Department of Housing and Urban Development (HUD) paid directly to the Agency, reducing the Sponsor's interest rate. The Sponsor's interest rate is reduced because a portion of their loan's required principle is paid by HUD. HUD pays a portion

of the payment to reduce the credit risk for the lender, which in return reduces the interest rate for the Applicant. Existing reserves as required from NJHMFA will be used as a source of equity along with income from current operations.

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 RES ERG over a period of 16 years. The term includes one year of construction and 15 years of cash flow, which corresponds to the time when the Project is permitted to be sold or converted from affordable housing per the federal subsidies being utilized.

Without RES ERG	With RES ERG
Equity IRR (0.34%)	Equity IRR 15.19%

The Project's economics suggest that the RES ERG benefit will have a material effect on the Applicant's decision and ability to advance the Project. **With the benefit of the RES ERG, the Equity IRR is 15.19% (based on the developer's contributed capital). This return is below the rate per the Hurdle Rate Model provided by our contracted consultant, Jones Lang Lasalle, which indicates a maximum IRR of 18.08% for a residential project in Trenton.**

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 project shall, upon completion, be capable of generating new tax revenue in an amount in excess of the amount necessary to reimburse the developer for project costs incurred, as provided in the redevelopment incentive grant agreement.

Trent Center West Senior Apartments was constructed in 1975 and currently has vacancy rates over 10%. Renovations will update an aging building and provide senior housing to the residents of Trenton, NJ. The vacancy rates are also projected to decrease due to the improvements being made to the project. Post-completion, the Project is anticipated to operate with sufficient cash flow for the foreseeable future. However, without the state credit equity, the Applicant represents that the Project is not feasible due to the initial funding gap to rehabilitate a project that will provide safe, affordable housing to the senior population residing in the City of Trenton.

This Project is currently benefitting from IRP. The Section 236 program enables the Sponsor to obtain Federal Housing Administration (FHA) mortgage insurance and an IRP subsidy. The subsidy took the form of an IRP, which the Department of Housing and Urban Development (HUD) paid directly to HMFA, reducing the Sponsor's interest rate. The Sponsor has been required to rent to low-moderate income households and to abide by the Sec. 236 regulations. The new borrowing entity intends to keep the IRP payments for the remainder of the term, abiding to the same regulatory agreements needed to keep the IRP payments in place. The total remainder of the IRP

payments in the estimated amount of $3,275,000 is reflected in the underwriting as a capital source of funds, in which bonds will be issued against.

The Authority is in receipt of a Market Feasibility Analysis dated February 10, 2014 on the Project prepared by Novogradac and Company, a third party consultant who issued their determination of current and future market conditions. The study demonstrates the continued market demand for the Project and supports the financial assumptions included in the Project proforma.

The Project has an anticipated IRR of (-1.39%) without the RES ERG and 15.42% with the RES ERG. The RES ERG incentive grant is needed for the viability of the Project and to encourage the Applicant to undertake the capital investment, which is required to complete the proposed development.

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.

The Project is located in Trenton, NJ, Mercer County, an area that has struggled economically and socially due to a declining employment base, lack of outside investment and poor schools. This development will help provide a significant economic investment into a much needed area. The project fills the need for affordable senior housing in the city of Trenton.

Recommendation

Authority staff has reviewed the application for GLTC Partners 2014, LLC and finds that it is consistent with eligibility requirements of the Act. It is recommended that the Members approve and authorize the Authority to issue a commitment letter to the Applicant.

Issuance of the RES ERG tax credits are contingent upon the Applicant meeting the following conditions:

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the RES ERG; and

2. Evidence of site control and site plan approval for the Project; and

3. Copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project.

4. The project must remain affordable for the term of the deed restriction.

Tax Credits shall be issued upon:

1. Completion of construction and issuance of a certificate of occupancy (no later than July 28, 2015; and

2. Submission of a detailed list of all eligible costs, which costs shall be certified by a CPA and satisfactory to the NJEDA; and

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: 21,280,863

Eligible Tax Credits and Recommended Award: Not to exceed $6,384,259, which equates to 30% of eligible project costs over 10 years.

Timothy Lizura

Prepared by: Jenell Johnson

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: July 10, 2014

RE: **Hotel 1160, L.L.C. or Affiliate**
Economic Redevelopment and Growth Grant Program
P #39423

Request

The Members are asked to approve the application of Hotel 1160 L.L.C. ("Hotel 1160"or the "Applicant") for reimbursement of certain taxes for a Newark, Essex 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 $22,160,500. The total qualified costs under the ERG Act are $21,888,600. Standard commercial ERG reimbursement is 20% of eligible cost. This project is eligible to receive 30% due to it being considered a substantial rehabilitation. The recommendation is to give 30% of eligible costs, not to exceed $6,638,580.

Project Description

Hotel 1160 LLC is a newly formed special purpose entity which proposes to undertake redevelopment of an obsolete and vacant office building located at 1160 Raymond Boulevard. The project site was formerly occupied by Catholic Health & Human Services and is to be transformed into a prestigious full-service hotel. Once completed, the twelve-story hotel would feature 110 new rooms, a breakfast dining area, meeting space, a fitness center, indoor pool, business center and other amenities. The Applicant will comply with the green building standards set forth in the green building manual prepared by the Department of Community Affairs as part of the implementation of this project.

The property is located on Raymond Boulevard in the heart of Newark's downtown district and within only a few blocks of the city's institutions of higher education, including the New Jersey Institute of Technology, Rutgers University and Seton Hall School of Law. It is also within a few blocks of the city's museums, the New Jersey Performing Arts Center, and The Prudential Center, which is home to professional and amateur sports teams, as well as an active entertainment venue.

The property is located within walking distance to Newark Penn Station, providing visitors easy access to the proposed lodging accommodations.

The hotel will be designed to accommodate the extended-stay segment, which is needed in Newark to serve and support multiple markets, including business, education, health care and tourist's. The hotel will be managed by HMB Management, Inc. HMB Management is related to the ownership entity and anticipates approval to operate under the Hilton Homewood Suites Trademark. Atul Patel is the CEO and Chairman of HMB Management, Inc. The project would require investment of more than $12 million to renovate and refit the building's systems to accommodate the new use.

In its April 4, 2014 Market Study prepared by HVS Consulting and Valuation Services, due to the subject property's proximity to Newark International Airport and New York City, as well as strong local corporate demand, the study forecasts that the new supply will be fully absorbed by 2016 with market-wide occupancy stabilization projected at 75.9% in 2017.

Newark hosts more than 60,000 workers daily and over 1.5 million visitors each year. The city also is home to over 50,000 students, faculty and staff located at six colleges and universities within walking distance of downtown Newark. Newark plans to transform the downtown area into a 24/7 regional destination to live, work, shop, and play for northern New Jersey. In an effort to attract increasing numbers of large events to the city's venues, including major sports tournaments and entertainment events, in addition to capturing more spending to increase the economic impact of those events, the city is promoting the development of hotels in the downtown area that appeal to a variety of price points. When Newark adopted its 2012 Master Plan, the city targeted the creation of 1,000 new hotel rooms by 2025.

The project is estimated to create 105 construction jobs. Upon completion, Hotel 1160 is expected to create approximately 30 new full-time and 20 new part-time positions with an annual blended average wage of approximately $33,537 before benefits, for a total annual payroll in excess of $1.5 million.

Construction is anticipated to start this summer with an estimated completion date of August 31, 2015.

Project Ownership

Hari Newark LLC, an entity related by common ownership to the applicant (a single purpose entity) entered into an agreement of sale with AES 1160 Partners, LLC on July 14, 2013 for a purchase price of $5,000,000. Hari Newark LLC and AES 1160 LLC are unrelated parties and have no common ownership/interest.

Hotel 1160 LLC is owned by 19 individuals, two of whom own at least 10%. Atul Patel owns 10.5% and Hemant Patel owns 15%. There are 17 other members; each member owns less than 10%. The condominium property was purchased by Hari Newark LLC in an arm's length transaction. The Applicant will assume ownership from Hari Newark LLC.

Atul Patel has been in the hospitality industry for over 20 years. His core focus has been dedicated to developing and managing hotels. Hemant Patel joined Atul as an investor in 2009.

Below is a list of hotels Atul and Hemant developed together:

- Hilton Garden Inn-Bridgewater, NJ
- Holiday Inn Express-Meadowlands, NJ
- Homewood Suites, Edgewater, NJ
- Homewood Suites, East Rutherford, NJ
- Hampton Inn, Westbury NY

According to Trip Advisor, the above hotels received four out of five stars, and they are all a recipient for the 2014 certificate of excellence.

Project Uses

Uses	*Total Amount*	*ERG Eligible Amount*
Acquisition & Land	$ 5,000,000	$ 5,000,000
Improvements	$ 12,700,500	$ 12,700,500
Professional Services	$ 505,000	$ 505,000
Financing Costs	$ 3,525,000	$ 3,525,000
Contingency	$ 20,000	$ 20,000
Permits/Fees	$ 160,000	$ 138,100
Pre Opening Expenses	$ 250,000	$0
TOTAL USES	**$ 22,160,500**	**$ 21,888,600**

The ERG eligible amount above excludes ineligible costs such as marketing.

Project Sources

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

Sources	*Amount*
Construction Loan	$ 15,115,500
Developer Equity	$ 7,045,000
TOTAL SOURCES	**$ 22,160,500**

Hotel 1160, LLC has received a term sheet from M&T bank for a loan amount up to $15,115,500. The loan amount will be subject to the "as completed" appraised value, indicating a maximum loan to value of no more than 70%. Any shortfall in value will result in a commensurate reduction in the loan amount in order to maintain the required loan to value. The Applicant also anticipates contributing over $7,000,000 in equity representing almost 32% of the total project cost.

The project sources and uses above reflect the project with the ERG subsidy not included. 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.

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 11 years (one year to build and 10 years of cash flow).

Without ERG	**With ERG**
Equity IRR 7.55%	Equity IRR 12.03%

As indicated in the chart above, the project would not otherwise be completed without the benefit of the ERG. **With the benefit of the ERG, the Equity IRR is 12.03% which is moderately below the Hurdle Rate Model provided by EDA's contracted consultant Jones Lang LaSalle which indicates a maximum IRR of 14.70% for a hotel project located in Newark.**

Net Positive Benefit Analysis

NJSA 19:31-4.5 requires that in order to determine eligibility for the ERG award, the Authority undertake a fiscal impact analysis by determining whether public assistance provided to the proposed development will result in net positive economic benefits to the State for a period equal to 75% of the useful life of the Project, not to exceed 20 years. The Authority has conducted the required Net Benefit Analysis and has found that the present value of the Net Positive Benefits to the State at a 6% discount rate over a 20 year period is $14,300,000 (including the $1.8 million of one-time tax benefits). The following taxes were included in the Net Positive Benefit calculation:

1] 100% of the incremental annual corporate business tax;
2] 100% 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;

This analysis assumes that there are no incremental sales taxes generated for purposes of determining the net benefits. The net positive benefit analysis includes 30 new full time positions with an annual blended wage of approximately $33,000 before benefits, for a total annual payroll in excess of $1 million. The Net Benefit analysis supports the information noted.

The project is not deemed a destination facility, as such, none of the taxes collected by the State can be deemed net new based on Authority policy. The present value of the net benefits is reduced by the present value of all local and State grants, including the ERG award to the project, resulting in the present value of the Net Positive Benefits to the State of $6.3 million. It is noted that total sales taxes estimated generated by the project to the State of New Jersey is $9.1 million over the 20 year period of the ERG.

Other Statutory Criteria

In order to be eligible for the program, the project must exhibit the following:

The economic feasibility and the need of the redevelopment incentive agreement to the viability of the 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 the project costs as provided in the redevelopment agreement.

A review of the market study performed by HVS Consulting and Valuation Services (as of April 4, 2014) concludes the various financial and operating projections and plans are reasonable. The proposed site has the opportunity to be developed into a hotel that is anticipated to feature an attractive, limited-service extended-stay product, serving the downtown Newark market. Based on HVS' consideration of the proposed hotel's anticipated product quality, prime location, and review of the competitive hotel's historical performance, they have selected a stabilized occupancy of 75% in 2018 for the proposed subject hotel.

Based on the expected generation of $300,000 in year one (with modest increases each year thereafter), in the amount of incremental State and local direct taxes over the 20 year period and a 75% rebate of eligible taxes, there are adequate funds to support the reimbursement of taxes to the Applicant as outlined in the analysis. Per the project's financial returns as mentioned earlier and to obtain the funding necessary to develop this project, there is a demonstrated need for the redevelopment incentive grant agreement.

The Project appears to be economically feasible based on the financial strength and prior experience and track record of the Applicant's portfolio in the hospitality industry within the last twenty years.

The Project has an anticipated IRR of 7.55% without the ERG and 12.03% with the ERG. As explained previously, the Applicant represents that the ERG incentive grant is needed for the viability of the Project.

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

The Project is located in downtown Newark, Essex County. Essex County is located in the northeastern part New Jersey. For many decades, Newark has combated a negative perception stemming from crime and safety statistics, which has caused a "cycle of disinvestment." Newark's local officials are actively working to alter this perception by offering creative incentives to spur commercial development and to retain existing businesses. Newark has a handful of prominent corporations that have built their headquarters in the area and have reinvested into the city. The rehabilitation of the underutilized property will improve the social distress by building upon the city's broader redevelopment goals and social objectives. The project will generate substantial incremental real estate, personal income tax, and local hotel occupancy tax revenues. The project will create approximately 105 construction jobs, and 30 new full time and 20 part time positions,

generating substantial economic activity in the region. Hotel 1160 is located on direct access routes for public transit and is accessible to an economically disadvantaged workforce.

Recommendation

Authority staff has reviewed the Hotel 1160 L.L.C. application and finds that it is consistent with eligibility requirements of the Act. The Treasury has reviewed the application and 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 Hotel 1160, L.L.C. meeting the following conditions regarding the Project:

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant in its application to the Authority for the ERG; and
2. Evidence of site control and site plan approval for all properties within the Project;

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 satisfactory to the NJEDA; and
3. New tax revenues have been paid to the NJ Treasury and appropriated.

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: $21,888,600.

Eligible Taxes for Reimbursement: Sales and other eligible taxes not to exceed $6,638,580 over 20 years.

Recommended Grant: 30% of actual costs, not to exceed **$6,638,580 to be paid over a maximum period of 20 years.**

Prepared by: Jenell Johnson

GROW NEW JERSEY ASSISTANCE PROGRAM

The following summary is provided for information only. Full eligibility and review criteria can be found in the program's rules.

GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)

Created by law in 2012, and substantially revised through P.L. 2013, c. 161, the intent of this program is to provide tax credits to eligible businesses which make, acquire or lease a capital investment equal to or greater than certain minimum capital investment amounts at a qualified business facility at which it will employ certain numbers of employees in retained and/or new full-time jobs.

Per N.J.S.A. 34:1B-242 et seq. / N.J.A.C. 19:31-18 and the program's rules, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, i.e.: Industrial/Rehabilitation Projects-$20 sq. ft.; Industrial/New Construction Projects-$60 sq. ft.; Office/Rehabilitation Projects-$40 sq. ft.; and Office/New Construction-$120 sq. ft.
  Minimum capital investment amounts lowered to 2/3 in GSGZs and in eight southernmost counties

- Retain full-time jobs and/or create new full-time jobs in an amount equal to or greater than, the applicable minimum requirements, as follows: Tech start ups and manufacturing businesses - 10 new/25 retained FT jobs; Other targeted industries - 25 new/35 retained FT jobs; All other businesses/industries - 35 new/50 retained FT jobs.
  Minimum employment numbers lowered to 3/4 in GSGZs and in eight southernmost counties

- Demonstrate that: the qualified business facility is constructed to certain minimum environmental / sustainability standards; the proposed capital investment and resultant retention and creation of eligible positions will yield a net positive benefit equaling at least 110% of requested tax credit allocation amount prior to taking into account the value of requested tax credit, and shall be based on benefits generated during the first 20 years following project completion (30 years for mega project or project in GSGZ and, for GSGZ-Camden, 35 years and equal to 100% of requested allocation); and, the award of tax credits will be a material factor in the business's decision to create or retain the minimum number of full-time jobs (if the site was acquired within 24 months prior to project application, the business shall provide evidence relating to viable alternatives to the site and ability to dispose of or carry the costs of the site, if the business moves to the alternate site).

Staff Review:

- A comprehensive net benefit analysis is conducted to ensure the project has a positive net benefit to the State of at least 110%. The economic impact model used by the EDA includes multipliers from the RIMS II data base, published by the US Department of Commerce, along with internal econometric analysis and modeling to assess economic outputs, impacts and likely jobs creation.
- For material factor, staff reviews cost benefit analyses provided by the company regarding other out-of-state sites under consideration and cost of rent, property taxes, and utility costs; and, also investigates any existing labor contracts or real estate ownership that would render a re-location out of New Jersey impractical or cost prohibitive.
- For intra-State job transfers, EDA Board shall make a separate determination to verify and confirm that the jobs are at risk of leaving the state, the date(s) at which the EDA expects that those jobs would actually leave, or with respect to projects in a GSGZ-Camden, that the provision of tax credits under the program is a material factor in the businesses decision to make a capital investment and locate there, as attested to in a CEO certification.
- If the business reduces the total number of its full-time employees in the State by more than 20% from the tax period prior to approval, then the business shall forfeit its credit for that tax period and going forward until such time as its full-time employment in the State has increased to the 80% level.

Amount of award based upon:

- Base, gross and maximum amounts of tax credits for each new or retained full-time job, follows:

Project Type	**Base Amount** *Per Job/Per Year*	**Gross Amount** *Per Job/Per Year*	**Maximum Amount** *To be Applied Annually*
Mega Project	$5,000	$15,000	$30 million
GSGZ Project	$5,000	$15,000	$30 million/*$35 million-Camden*
UTHTC Municipality	$5,000	$12,000	$10 million
Distressed Municipality	$4,000	$11,000	$8 million
Priority Area	$3,000	$10,500	$4 million *(Not more than 90% of withholdings)*
Other Eligible Area	$500	$6,000	$2.5 million *(Not more than 90% of withholdings)*
Disaster Recovery Project	$2,000	$2,000	

- Bonus – The amount of tax credit shall be increased if the qualified business facility meets any of the following priority criteria or other additional or replacement criteria determined by EDA from time to time in response to evolving economic or market conditions:

Bonus Type	**Bonus Amount**
Deep poverty pocket or Choice Neighborhoods Transportation Plan area	$1,500
Qualified incubator facility	$500
Mixed-use development with sufficient moderate income housing on site to accommodate 20% of full-time employees	$500
Transit oriented development	$2,000
Excess capital investment in industrial site for industrial use (e*xcludes mega projects)*	$3,000 maximum
Excess capital investment in industrial site for industrial use (m*ega projects or GSGZ projects)*	$5,000 maximum
Average salary in excess of county's existing average or in excess of average for GSGZ	$1,500 maximum
Large numbers of new and retained full-time jobs 251 to 400 401 to 600 601 to 800 801 to 1,000 1,001+	 $500 $750 $1,000 $1,250 $1,500
Business in a targeted industry	$500
Exceeds LEED "Silver" or completes substantial environmental remediation	$250
Located in municipality in eight southernmost counties with a MRI Index greater than 465	$1,000
Located within a half-mile of any new light rail station	$1,000
Projects generating solar energy for onsite use	$250

- Final Total Tax Credit Amount – Except for in GSGZ-Camden, the final total amount of tax credit, following the determination by EDA of the gross amount of tax credits, shall equal to 100% of the gross amount of tax credits for each new full-time job; and 50% for each retained full-time job.

- For tax credits in excess of $40 million, the amount available to be applied by the business annually shall be the lesser of the permitted statutory maximum amount or an amount determined by EDA necessary to complete the project, determined through staff analysis of all locations under consideration and all lease agreements, ownership documents, or substantially similar documentation for the business's current in-State locations and potential out-of State location alternatives.

- Limits on Annual Tax Credits – The amount of tax credits available to be applied by the business annually shall not exceed certain amounts: GSGZ/Camden-$35,000,000; Mega Project/Growth Zone-$30,000,000; Urban Transit Hub - $10,000,000; Distressed Municipality - $8,000,000; Priority Areas - $4,000,000 (not more than 90% of withholdings); and Other Eligible Areas - $2,500,000 (not more than 90% of withholdings).

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

APPLICANT: AP&G Co., Inc. P39523

PROJECT LOCATION: 60 Lexington Avenue (61-81 East 2nd St) Bayonne City Hudson County

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

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

AP&G's current headquarters, manufacturing and warehouse facilities are located in Brooklyn, New York. The Company has outgrown its current space and is exploring options to move into a more modern and efficient space.

MATERIAL FACTOR/NET BENEFIT:
The business has been occupying a total of 121,000 sf of space in two Brooklyn buildings. These owned facilities house 105 AP&G employees. For its relocation plans, the company is considering a possible relocation to New Jersey. AP&G has identified a 171,000 sf facility in Bayonne for purchase. The main alternative would be staying at its current facilities in New York.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of AP&G Co., Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Steven Frisch, the President/CEO of AP&G Co., Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $27.6 million over the 20 year period required by the Statute.

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

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

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

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

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

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

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

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

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$3,420,000	$17,000,000
New Jobs	10	150
Retained Jobs	25	N/A

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

Base Grant	**Requirement**	**Proposed by Applicant**
Distressed Municipality	Base award of $4,000 per year for projects located in a designated Distressed Municipality	Bayonne City is a designated Distressed Municipality.
Increase(s) Criteria		
Capital Investment in Excess of Minimum (non-Mega)	An increase of $1,000 per job for each additional amount of capital investment that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $3,000	The proposed capital investment of $17,000,000 is 397% above the minimum capital investment resulting in an increase of $3,000 per year.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Distressed Municipality		$4,000
INCREASES PER EMPLOYEE:		
Capital Investment in Excess of Minimum (non-Mega):	$3,000	
Targeted Industry (Manufacturing):	$ 500	
INCREASE PER EMPLOYEE:		$3,500
PER EMPLOYEE LIMIT:		
Distressed Municipality	$11,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		$7,500
AWARD:		
New Jobs:	150 Jobs X $7,500 X 100% =	$1,125,000
Retained Jobs:	0 Jobs X $7,500 X 50% =	$ 0
	Total:	**$1,125,000**
ANNUAL LIMITS:		
Distressed Municipality	$8,000,000	
TOTAL ANNUAL AWARD		**$1,125,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$17,000,000
NEW FULL-TIME JOBS:	150
RETAINED FULL-TIME JOBS:	0

NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$27,587,066
TOTAL AMOUNT OF AWARD	$11,250,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$56,208
SIZE OF PROJECT LOCATION:	171,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
STATEWIDE BASE EMPLOYMENT:	0

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

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.

3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: M. Abraham

APPROVAL OFFICER: D. Sucsuz

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

APPLICANT: Frontage Laboratories, Inc. P39517

PROJECT LOCATION: 200 Meadowlands Parkway Secaucus Town Hudson County

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

APPLICANT BACKGROUND:
Frontage Laboratories, Inc., incorporated in Pennsylvania in 2004, performs services in the pharmaceutical development industry. The company helps biopharmaceutical organizations advance their research and development efforts with full service offerings, including bioanalysis, preclinical and clinical studies, analytical testing and product development support from discovery stages through late-stage clinical trials and contract drug development service, including GMP/GLP sample analysis. The company also provides product development, bioequivalence and analytical services to generic and consumer health pharmaceutical companies to support new drug applications.

With eight state-of-the art research facilities and more than 300 professionals in the US and China, Frontage has enabled biopharmaceutical and generic companies of all sizes to advance hundreds of molecules through clinical development and commercial launch in global markets. The company is headquartered and operates a chemistry laboratory, manufacturing and controls (CMC) facility in Exton, PA; as well as a clinical trial manufacturing (CTM) facility in Hackensack, NJ with approximately 30 employees. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
The company is evaluating locations to expand its clinical testing to accommodate multiple early stage clinical studies that are larger in size, as well as the ability to accommodate clinical studies at all stages of drug development. This would significantly expand the facility's scope of work, expecting to create an additional 50 jobs in Secaucus, NJ or Philadelphia, PA.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Frontage Laboratories, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Song Li, the CEO of Frontage Laboratories, Inc. that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $11 million over the 20 year period required by the Statute.

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

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

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

Non-Industrial – New Construction Projects $120

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

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

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

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

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

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$1,320,000	$1,798,500
New Jobs	25	50
Retained Jobs	35	N/A

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

Base Grant	**Requirement**	**Proposed by Applicant**
Distressed Municipality	Base award of $4,000 per year for projects located in a designated Distressed Municipality	Secaucus is a designated Distressed Municipality
Increase(s) Criteria		
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500	The proposed median salary of $73,500 exceeds the Hudson County median salary by 46.98% resulting in an increase of $250 per year.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health,	The applicant is a Life Sciences business.

	or Finance excluding a primarily warehouse, distribution or fulfillment center business	

Grant Calculation

BASE GRANT PER EMPLOYEE:
Distressed Municipality $4,000

INCREASES PER EMPLOYEE:
Jobs with Salary in Excess of County/GSGZ Average: $ 250
Targeted Industry (Life Sciences): $ 500

INCREASE PER EMPLOYEE: $ 750

PER EMPLOYEE LIMIT:
Distressed Municipality $11,000

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

AWARD:

New Jobs:	50 Jobs X $4,750 X 100% =	$237,500
Retained Jobs:	0 Jobs X $4,750 X 50% =	$ 0,000
	Total:	**$237,500**

ANNUAL LIMITS:
Distressed Municipality $8,000,000

TOTAL ANNUAL AWARD **$237,500**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 1,798,500
NEW FULL-TIME JOBS:	50
RETAINED FULL-TIME JOBS:	0
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 11,081,611
TOTAL AMOUNT OF AWARD	$ 2,375,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 73,500
SIZE OF PROJECT LOCATION:	33,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial

STATEWIDE BASE EMPLOYMENT: 30

PROJECT IS: (X) Expansion ( ) Relocation

CONSTRUCTION: (X) Yes ( ) No

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

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

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

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

APPLICANT: Holtec International P38929

PROJECT LOCATION: 2500 S Broadway Camden City Camden County

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

APPLICANT BACKGROUND:
Holtec International is a leading edge, diversified energy technology company with an engineering and technology headquarters in Marlton, New Jersey. The company's strategic focus is in the fields of nuclear, fossil, solar and geothermal energy with a global client base. Holtec is the largest provider of storage and transport systems for spent nuclear fuel in North America. In addition to nuclear fuel, the company is an industry leader in the design and supply of critical heat exchange equipment such as steam generators, surface condensers, air cooled condensers, and feed-water heaters to the global power industry.

Since 2009, the company has been at the forefront in developing a new generation small modular nuclear reactor, named SMR-160, which will provide power to 1.75 million people around the world. The company plans to build a state of the art, greenfield manufacturing facility and design center for Holtec's SMR-160 components as well as expanding its current line of nuclear products, heat exchange equipment and other weldments for delivery to the company's customers worldwide. The company will not generate, transport, or store nuclear fuel at this facility. Holtec has explored several options for locating the project and is now choosing between Camden, New Jersey and Charleston, South Carolina. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
The proposed project is located in Camden, NJ, a city that ranked 566 out of 566 municipalities in the 2007 New Jersey Municipal Revitalization Index. In recognition of Camden's inability to attract investment, in the New Jersey Economic Opportunity Act, the Legislature declared that Camden and the other Garden State Growth Zones presented significant challenges to development and created incentives unique to Camden and other similarly situated Garden State Growth Zones to overcome these barriers.

The management of Holtec International has indicated that the grant of tax credits is a material factor in the company's decision whether or not to locate the project in Camden. The Authority is in receipt of an executed CEO certification by Dr. Krishna Singh, the CEO of Holtec, which states that the Grow New Jersey award is a material factor in the company's decision to make the capital investment and locate the project in Camden. The CEO certification also states that the application has been reviewed and the information submitted and representations contained therein are accurate.

Staff reviewed the project and finds support for management's assertion that the award of tax credits is a material factor in the company's decision to locate in Camden. If Holtec chooses the Camden option, the company would enter a ground lease with the South Jersey Port Corporation for land on the waterfront in South Camden where it would construct a 600,000 sq ft manufacturing facility and design center. Holtec would set up a Garden State Growth Zone Development Entity to develop the project and own the improvements. This would result in a capital investment of $260,000,000 and the project would bring 395 jobs to Camden that would not otherwise exist in the city. Charleston, South Carolina is a lower cost option for the facility and consequently Holtec is requesting an incentive through the Grow New Jersey program to locate the project in Camden.

The Grow New Jersey program calls for projects to be completed and the accompanying tax credits issued within three years of the Authority's approval of the project. In extenuating circumstances, the Authority may grant two six-month extensions of the deadline, however, in no event shall the incentive effective date occur later than four years following the date of approval by the Authority. Due to the size of the project and the complexity involved in constructing and equipping the facility, Holtec has requested for the Authority to grant the two six-month extensions jointly with the approval of the award.

This project represents a significant positive step forward for Camden's redevelopment efforts, bringing a state of the art manufacturing and design center to the city. It is estimated that the project would have a net benefit to the State of $155,520 over the 35 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

As an Industrial - New Construction Project for a Manufacturing business in Camden County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$24,000,000	$260,000,000
New Jobs	8	235
Retained Jobs	19	160

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. Projects located in Camden are eligible to receive per employee as a tax credit the total amount of capital investment for the project divided by the number of employees, subject to the following limits, provided that the project represents a net positive benefit to the State:

New or Retained Jobs	Capital Investment	Maximum Annual Tax Credit	Limit on Total Tax Credit
35+	$5,000,000	$2,000,000	$20,000,000
70+	$10,000,000	$3,000,000	$30,000,000
100+	$15,000,000	$4,000,000	$40,000,000
150+	$20,000,000	$5,000,000	$50,000,000
250+	**$30,000,000**	**Cap. Inv./10**	**Not Limited**

Provided the company complies with all other program requirements, a reduction in the number of new or retained full-time jobs indicated in the company's annual report below the number certified in the initial CPA certification shall proportionately reduce the amount of tax credits the company may apply against liability in the relevant tax period. Also, if the number of new and retained full-time jobs, as indicated by the company's annual report, is reduced below the required number in the table above, the tax credits that the business may take shall be subject to the annual limit corresponding to the new and retained full-time jobs.

ESTIMATED ELIGIBLE CAPITAL INVESTMENT: $260,000,000
NEW FULL-TIME JOBS: 235
RETAINED FULL-TIME JOBS: 160

NET BENEFIT TO THE STATE (NET OF AWARD): $ 155,520
TOTAL AMOUNT OF AWARD: $260,000,000
TERM: 10 years
MEDIAN WAGES: $ 86,265
SIZE OF PROJECT LOCATION: 600,000 sq. ft.
STATEWIDE BASE EMPLOYMENT: 160
PROJECT IS: ( ) Expansion (X) Relocation
CONSTRUCTION: (X) Yes ( ) No

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval. Applicant has 3 years plus two six-month extensions to submit its CPA certification, but in no event can the tax credit be issued more than 4 years from the date of board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.

4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. The Net Benefit to the State will be recalculated if the CPA certification shows a 10% or more reduction of the number of eligible jobs, capital investment, or payroll from the amounts approved by the board. If the Net Benefit analysis does not support awarding a tax credit for the entire amount of the capital investment, then the amount of the award will be reduced accordingly.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the the award of the Grow New Jersey tax credits is a material factor in the applicant's decision to make a capital investment and locate in Camden; 2) approve the proposed Grow New Jersey grant to encourage Holtec International to locate in Camden. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: J. Kenyon **APPROVAL OFFICER**: K. McCullough

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

APPLICANT: Jacmel Jewelry, Inc. P39470

PROJECT LOCATION: 401 Penhorn Avenue Secaucus Town Hudson County

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

APPLICANT BACKGROUND:
Founded in 1977, Jacmel Jewelry, Inc. is one of the country's largest fine jewelry manufacturers and distributors. It supplies leading companies across all tiers of retail including department stores, specialty stores, mass merchants, television channels and e-commerce with Jewelry. Its commitment to product development and consistently providing its customers with new products and the latest trends can be seen in its New York City headquarters. The 25,000 sf. facility includes a full design studio with over 15 designers, a packaging & graphic design team, a sample making department with state of the art CAD/CAM and rapid prototype technology and two showrooms along with executive offices, sales, merchandising and planning departments. Its production facilities include a 600 employee company owned factory in the Dominican Republic along with offices in Italy, China and Thailand to manage other production partners around the world. Product is distributed through Jacmel's 100,000 sf. distribution center in Long Island City as well as a network of other distribution facilities around the country. Together, Jacmel employs over 1,000 people worldwide and has won numerous awards from key retail partners for its excellence in product development, merchandising and logistics.

The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
The company is considering leasing a facility in Secaucus, New Jersey or Norwalk, Connecticut to house its new operations and distributions center. Both locations under consideration are equally accessible to the company's New York City headquarters and will have an equivalent impact on the company's ability to retain current employees and recruit replacement employees where necessary. The company notes the portability of its business operations and that there is no required business reason for them to be located in NJ. The one-time cost of moving to New Jersey will be $135,000 greater than Connecticut.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Jacmel Jewelry, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Jack Rahmey, the CEO of Jacmel Jewelry Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $7.3M million over the 20 year period required by the Statute.

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

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

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

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

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

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

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

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

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

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$645,640	$685,000
New Jobs	35	75
Retained Jobs	50	N/A

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

Base Grant	**Requirement**	**Proposed by Applicant**
Distressed Municipality	Base award of $4,000 per year for projects located in a designated Distressed Municipality	Secaucus is a designated Distressed Municipality
Increase(s) Criteria		
NA		

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Distressed Municipality		$4,000
INCREASES PER EMPLOYEE:		
NA	$ 0	
INCREASE PER EMPLOYEE:		$ 0
PER EMPLOYEE LIMIT:		
Distressed Municipality	$11,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		$4,000
AWARD:		
New Jobs:	75 Jobs X $4,000 X 100% =	$300,000
Retained Jobs:	0 Jobs X $4,000 X 50% =	$ 0
	Total:	**$300,000**
ANNUAL LIMITS:		
Distressed Municipality	$ 8,000,000	
TOTAL ANNUAL AWARD		**$300,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 685,000
NEW FULL-TIME JOBS:	75
RETAINED FULL-TIME JOBS:	N/A
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 7,336,071
TOTAL AMOUNT OF AWARD	$ 3,000,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	$ 20,000
SIZE OF PROJECT LOCATION:	16,141 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
STATEWIDE BASE EMPLOYMENT:	0

PROJECT IS: ( ) Expansion (X) Relocation

CONSTRUCTION: (X) Yes ( ) No

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: D. Ubinger **APPROVAL OFFICER**: J. Horezga

BOARD MEMORANDUMS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

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

DATE: July 10, 2014

SUBJECT: Delegated Authority Approvals for 2nd Quarter 2014
For Informational Purposes Only

The following post-closing actions were approved under delegated authority during the second quarter of 2014:

Name	EDA Credit Exposure	Action
Shining School, Inc.	$ 496,083	Subordination of EDA's direct loan to an additional $2 million in senior debt provided by Fulton Bank through a $3,629,445 direct purchase tax-exempt bond approved by the members in May 2014.

Conduit Bonds (EDA has no credit exposure.)	
The Pennington School	Reduce the tax exempt Bond's variable interest rate from 68% of (30 day LIBOR + 275pbs) to 70% of (30 day LIBOR + 1.425%) and modify certain financial covenants.
Youth Consultation Service, Inc.	Modify the Debt Service Coverage Ratio covenant and consent to the Bank's waiver of certain covenant defaults.
810 Broad Street Urban Renewal Company, LLC	Substitute Crown Bank with HRSIH Newark Hotel, LLC as Senior Lender, approve an increase in the senior loan from $9.7 million to $14 million and extend the project's completion date 9 months from March 1, 2014 to December 1, 2014.
Board of Trustees of Passaic County Elks Cerebral Palsy Center	Amend the bond's financial reporting covenants.

Benedictine Abbey of Newark	Extend the Bond's mandatory redemption date 5 1/2 years from December 2015 to June 15, 2021 to preserve lower cost LIBOR pricing, increase the minimum denomination to $250,000 and restrict the transfer of Bonds to institutional investors during any LIBOR index rate period.
Cadbury at Cherry Hill, Inc.	Modify certain financial covenants and waive the DSCR covenant violations.

Loans Written-Off under Delegated Authority

As required by generally accepted accounting principles, loans that are nonperforming, offer limited likelihood of future recovery and have been fully reserved are to be written off. Special Loan Management officers conduct a quarterly portfolio review, and with concurrence from management, recommend loans to be written off pursuant to delegated authority. The loans listed below were written off during the second quarter 2014.

EDA and/or its participation banks retain their legal rights against the borrower and/or guarantors and pursue collections of these loans through litigation.

Name	Exposure	Description
Ruby Real Estate Management, Inc. (Aamco Transmissions)	$ 252,927	Consent to settlement in full of the subject $1,099,985 PNC Bank loan for a payment of $600,000. EDA will obtain a recovery on its paid BGF guarantee of $150,000 net of expenses, if any; the balance will be written off without recourse.
Aestus Therapeutics, Inc.	$ 100,000	The Edison R&D wraparound loan is unsecured and payments are severely delinquent. The company has closed and recovery is unlikely.
All About Hair Salon, Inc.	$ 40,745	The business closed in August 2012 and the borrower has stopped making payments on the former NJ Development Authority (SWME) loan. EDA's first lien on business assets and a second mortgage on principal's residence provide no equity due to senior lien amount, and therefore do not provide any recovery.

Prepared by: Daniel Weick

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: July 10, 2014

SUBJECT: Incentives Modifications
(For Informational Purposes Only)

Since 2001, and most recently in June, 2014, the Members have approved delegations to the President/Chief Operating Officer for post closing incentive -modifications that are administrative and do not materially change the original approvals of these grants.

Attached is a list of the incentive modifications and Salem/UEZ renewal extensions that were approved in the 2nd quarter ending June 30, 2014.

Prepared by: C. Craddock

ACTIONS APPROVED UNDER DELEGATED AUTHORITY
QUARTER ENDING JUNE 2014

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

Name	Modification	Approved Award
American Home Assurance Company and Affiliated/AIG (3 Gnts)	Location change	$17,870,000 collectively
Antenna Software, Inc.	Acquisition & name change	$ 437,120
ExiService Holdings, Inc., et al	Name change; add & remove related entities	$ 4,150,000
Imclone Systems Corporation (3 Gnts)	Name change	$35,744,136 collectively
Jeffries & Company, Inc.	Acquisition & name change	$ 2,040,720

SALEM/UEZ ENERGY SALES TAX EXEMPTION

Name	Location	# of Employees/% Involved in Manufacturing	Benefit
Ardagh Glass, Inc.	Salem, NJ	284/88%	$ 950,000
Ardagh Glass, Inc.	Bridgeton, NJ	360/86%	$ 550,000
General Mills Operations	Vineland, NJ	384/95%	$ 215,000
J.E. Berkowitz, LP.	Pedricktown, NJ	150/76%	$ 650,000

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORIT

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura, President and Chief Operating Officer

DATE: July 10, 2014

SUBJECT: Technology & Life Sciences - Delegated Authority Approvals for 2nd Quarter 2014
For Informational Purposes Only

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

Investor	Technology Company	Investment amount	Tax Credit amount
Nelson Ferreira	Noveda Technologies	$ 400,000	$ 40,000
Soundboard Angel Fund	PrazAs Learning	$ 100,000	$ 10,000
David Fischell	Svelte Medical Systems	$ 1,000,000	$ 100,000
Richard Jackson	Edge Therapeutics	$ 100,000	$ 10,000
Benjamin Rosenberg	VectraCor	$ 100,000	$ 10,000
David R. Victor Revocable Trust	Edge Therapeutics	$ 100,000	$ 10,000
DJ&J, LLC	Edge Therapeutics	$ 250,000	$ 25,000
Sara E. Harris	Kiswe Mobile	$ 25,000	$ 2,500
Jeong H. Kim Revocable Trust	Kiswe Mobile	$ 720,000	$ 72,000
Jeong H. Kim Revocable Trust	Kiswe Mobile	$ 300,000	$ 30,000
Thompson Family Revocable Trust	PrazAs Learning	$ 100,000	$ 10,000
Total		**$ 3,195,000**	**$ 319,500**

Prepared by:
Kathleen Coviello
David Ackerman

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

DATE: July 10, 2014

SUBJECT: Projects Approved Under Delegated Authority - **For Informational Purposes Only**

The following projects were approved under Delegated Authority in June 2014:

New Jersey Business Growth Fund:

1) Scheininger Real Estate, LLC (P39543), located in Kenilworth Borough, Union County, is a real estate holding company that was formed to purchase the project property. The operating company, US Brass & Copper Corp. d/b/a Flexine, manufactures a large variety of hoses and related components. PNC Bank approved a $1,350,000 loan with a five-year, 25% guarantee of principal outstanding, not to exceed $337,500. The Company currently has thirteen employees.

NJ Main Street Program:

1) Broadway Packaging Solutions, Inc. and Broadway Kleer-Guard (P39240) are located in Monroe Township, Middlesex County. Broadway Packaging Solutions, Inc. ("BPS") was formed in 2010 to manufacture packaging materials and supplies. Broadway Kleer-Guard Corporation was founded in 1945 as a packaging materials distributor and supplies manufactured by BPS. The Provident Bank approved a $3,000,000 line of credit contingent upon a six month, 25% Authority guarantee of principal outstanding, not to exceed $500,000 under the Main Street Line of Credit Program. Currently, the Company has 23 employees and plans to create ten new positions within the next two years.

Small Business Fund Program:

1) CorFish Creative LLC (P39454), located in Collingswood Borough, Camden County, is doing business as The Pop Shop in Collingswood. The Pop Shop restaurant was established in 2005, featuring a 1940s-1950s theme, with an authentic soda fountain. Fulton Bank approved a $285,000 term loan contingent upon a 25%, five year Authority guarantee of principal outstanding, not to exceed $71,250. Proceeds will be used to refinance existing debt and for working capital and to purchase new equipment and repair existing equipment. The Company currently has 65 employees and plans to create five new jobs over the next two years.

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

2) Tuckers Management LLC (P39433), located in Beach Haven Borough, Ocean County, was formed to own the liquor license and equipment for the operating company, Tuckers Restaurant. Tuckers Restaurant was a successful business for over 50 years until heavy damage from Superstorm Sandy caused the restaurant to shut down. The owner, Martin Grims owns other successful restaurants such as The Plantation, Daddy O's as well as White Dog Café and Moshulu in Pennsylvania. The Authority approved a $400,000 direct loan under the Small Business Fund Program. Proceeds will be used to fund equipment. The Company plans to create 100 positions within the next two years.

Stronger NJ Loan Program:

1) 29 Beach Road LLC (P39366), located in Monmouth Beach Borough, Monmouth County, is a real estate holding company for the project property. Formed in 2003, the Company is comprised of four retail stores on the first floor and eight offices on the second floor that are occupied by unrelated tenants. The property sustained wind and flood damage during Superstorm Sandy and the owner used insurance proceeds and a home equity line of credit to repair the property. The Company was approved for a $90,010 working capital loan under the Stronger NJ Business Loan Program. Proceeds will be used for working capital to recover from the storm. EDA completed a financial review for a construction loan. Final approval is subject to satisfactory DEP environmental review.

2) FJS Foods, Inc. (P39346), located in Manasquan Borough, Monmouth County, was founded in 1991 and operates four beachfront businesses: an arcade, Gee Gees Restaurant, Sand Dune Café and ice cream shop, and Sea Breeze Grill. The Company sustained significant loss during Superstorm Sandy and were approved for a $394,140 working capital loan. Proceeds will be used to reimburse the Company for working capital expenses incurred in 2014.

3) Lakewood Candies LLC (P38639), located in Lakewood Township, Ocean County, was started by Chaim Gross on January 1, 2009 as an online retailer of candies and an eclectic variety of non-perishable items. Lakewood Candies did not suffer damage in Superstorm Sandy. However, in October 2013 the Company relocated its business and employees to a 49,000 square foot building it purchased in Lakewood, NJ. Lakewood is in Ocean County, which is one of the nine most impacted counties. Lakewood Candies through its move and the increase in employee headcount by 83% will contribute to the revitalization of local economy and thus qualifies under the Economic Revitalization criteria of "Employment Increase." The Applicant was approved for a $1,206,974 working capital loan under the Stronger NU Business Loan Program to help fund this expansion.

4) Long Key Marina, Inc. (P39191), located in Ocean Township, Ocean County, has been in operation since 1970 with the current owner, Vincent Spadafora, who has been operating the marina for the past 38 years. The Company operates a full service marina, with boat storage and slips, fuel sales and boat repair services. During Superstorm Sandy, Long Key suffered flooding to the main building and total damage to their boat lift. The Company was approved for a $437,818 working capital loan under the Stronger NJ Business Loan Program. Proceeds will be used to reimburse the Company for working capital expenses incurred during 2013 including inventory and other working capital expenses such as insurance, utilities and rent.

5) Opirhory Real Estate Inc. (P38982), located in Garfield City, Bergen County, was founded in 1984 by the current owner as a real estate brokerage company that provides residential, commercial, rental and relocation real estate services in Bergen and Passaic Counties. The Company was approved for a $96,421 working capital loan under the Stronger NJ Business Loan Program. Proceeds will be used to fund the Company for working capital expenses expected in 2014. This will include increased expenses resulting from the opening of a second office location in Toms River, Ocean County and other working capital expenses, such as payroll and rent.

6) Reilly Bonner Funeral Home LLC (P39343), located in Belmar Borough, Monmouth County, is a full service funeral home that has been family owned and operated since 1946. The Company experienced wind and water damage during Superstorm Sandy and was approved for a $352,625 working capital loan under the Stronger NJ Business Loan Program. Proceeds will be used to reimburse the Company for working capital expenses incurred during 2013, including payroll, utilities and rent.

7) Stesor Enterprises, Inc. (P38975), located in Bridgewater Township, Somerset County, has been in operation since 1983 as a full service caterer, offering onsite catered events at its two banquet facilities and offsite catering at customers' venues. Stesor suffered flooding and wind damage to its main office and banquet facility located in Bridgewater during Superstorm Sandy and was approved for a $77,382 working capital loan under the Stronger NJ Business Loan Program. Proceeds will be used to reimburse the Company for working capital expenses incurred during 2013, including inventory and other working capital expenses such as payroll, insurance, utilities and rent.

Camden ERB:

1) WebiMax LLC (P39172), located in Camden City, Camden County, was founded in 2008 as a buyer to business lead generation business and later transformed into an online marketing company that provides search engine optimization, web site design, reputation management, consulting and online social media services to its clients. The Company is leasing 8,755 square feet of space and was approved for a $131,325 Business Lease Incentive Grant over a five-year period. The Company has 80 employees and plans to create 25 new jobs over the next two years.

New Jersey Business Growth Fund - Modification:

1) 1401 West Chapel, LLC & Metro Public Adjustment, Inc. (P39507) are located in Cherry Hill Township, Camden County. 1401 West Chapel, LLC is a real estate holding entity formed to purchase the project property. Metro Public Adjustment, Inc. was started in 1993 as a public insurance adjuster. The Company currently has over 400 property inspectors and 20 field adjusters. PNC Bank approved a five year renewal of a $281,018 bank loan with a 25% Authority guarantee of principal outstanding, not to exceed $70,254.50. Original loan proceeds were used to purchase commercial real estate. All other terms and conditions of the original approval remain unchanged.

Direct Loan Program - Modification:

1) Big Top Arcade, Inc. (P39042), located in Seaside Heights Borough, Ocean County, was founded in 1974 as an arcade and concession shop on the Boardwalk at Seaside Heights. On April 8, 2014 the members of the Board approved an $894,974 direct term loan in addition to two loans under the Stronger NJ Business Loan Program totaling $1,131,493. The direct term loan amount was increased by $30,768 (3.44%) to cover an increased payoff amount of an existing mortgage and an increased working capital need.

2) Tuckers Management, LLC (P39433), located in Beach Haven Borough, Ocean County, owns the project property. The operating company, Tuckers Restaurant, LLC was a successful business for over 50 years until the restaurant suffered heavy damage from Superstorm Sandy. On June 13, 2014, the Company was approved for a $400,000 direct loan under the Small Business Fund program to purchase equipment. The original approval included an assignment of the liquor license. It was later discovered the seller had an encumbrance on the license as part of the purchase agreement. The borrower has agreed to reduce the loan amount by $40,000 to $360,000 and remove the liquor license from the required collateral. All other terms and conditions of the original approval remain unchanged.

Stronger NJ Loan Program - Modification:

1) Charlroy Corporation d/b/a Charlroy Motel (P39044) was approved on April 24, 2014 for a $238,755 working capital loan under the Stronger NJ Business Loan Program. Subsequent to the original approval, the Company realized that the revenues used in part to determine the amount of the loan was higher than the actual revenues for the loan period. Using the actual revenues in the analysis increased the loan amount to $322,667. All other terms and conditions of the original approval remain unchanged.

Prepared by: D. Lawyer
DL/gvr

REAL ESTATE

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: Intergovernmental Agreement between New Jersey Economic Development Authority and New Jersey Housing and Mortgage Finance Agency
Technology Centre of New Jersey, North Brunswick, New Jersey

DATE: July 10, 2014

Summary

I am requesting the Members' approval to enter into an Intergovernmental Agreement ("Agreement") with the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") created in, but not of, the New Jersey Department of Community Affairs, to allow both NJHMFA's continued use of the Authority's disaster recovery site located at the Commercial Center for Innovative Technology ("CCIT") in North Brunswick, NJ and a delegation of authority to the President/Chief Operating Officer to enter into extensions of this Agreement for four additional one year periods through August 15, 2019.

Background

In 2011, NJHMFA contacted the Authority requesting permission to install, maintain and operate equipment at the Authority's disaster recovery site and facilities located at CCIT for their electronic data as more fully described in the attached Intergovernmental Agreement. The Authority previously consented to NJHMFA's use by way of an Intergovernmental Agreement between the parties dated August 16, 2011 which was executed pursuant to the Real Estate Division's Delegated Authority. Pursuant to its terms, this agreement was extended for two terms of one year each and will expire on August 15, 2014.

NJHMFA, at no cost to the Authority, will continue to be responsible for maintaining and operating its disaster recovery equipment and system as well as installing any new or additional equipment and all costs and expenses associated with that system. NJHMFA will also provide insurance coverage naming the Authority as an additional insured.

NJHMFA has agreed to pay an annual fee of $3,600.00 for incremental facilities costs based on utilization of the disaster recovery site, subject to an increase if the Authority's operating costs also rise. NJHMFA will provide all security, maintain insurance, and maintain and repair any damage to the site caused by its use.

The attached form of Intergovernmental Agreement is in substantially final form. The final document will be subject to revision, although basic terms and conditions will remain consistent with those in the attachment. Final terms of the Intergovernmental Agreement will be subject to the approval of the President/Chief Operating Officer and the Attorney General's Office.

Recommendation

In summary, I am requesting the Members' approval to enter into an Intergovernmental Agreement with the New Jersey Housing and Mortgage Finance Agency for the operation, maintenance, security, power and connectivity of NJHMFA's equipment and use of the Authority's disaster recovery site located at the Commercialization Center for Innovative Technologies on terms generally consistent with the attached document and acceptable to the President/Chief Operating Officer and the Attorney General's Office. Additionally, I am requesting a delegation of authority to the President/Chief Operating Officer to enter into four one year extensions through August 15, 2019, based on the conditions stated above.

Timothy J. Lizura

Attachment
Prepared by: Cathleen Schweppenheiser

INTERGOVERNMENTAL AGREEMENT BETWEEN

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

AND

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

THIS **INTERGOVERNMENTAL AGREEMENT ("Agreement")** is made as of the _____ day of _____, 2014 by and between the New Jersey Economic Development Authority ("EDA"), with a place of business at 36 West State Street, P.O. Box 990, Trenton, New Jersey, and the New Jersey Housing and Mortgage Finance Agency ("HMFA"), a body corporate and politic created in, but not of, the New Jersey Department of Community Affairs pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, N.J.S.A. 55:14K-1 *et seq.*, with a place of business at 637 South Clinton Avenue, Trenton, New Jersey.

PURPOSE

The purpose of this Agreement is to set forth the terms of an agreement by and between EDA and HMFA for HMFA use of EDA's disaster recovery site and facilities. Pursuant to N.J.S.A. 52:14-2, two departments are authorized to "unite in co-operative work in line germane to the duties of said departments" through an intergovernmental agreement. The provision of a disaster recovery site and facilities are germane to both the EDA and the NJHMFA.

UNDERSTANDING

1. This Agreement shall serve to supersede the Intergovernmental Agreement between the parties dated August 16, 2011 and amended by a First Extension to Intergovernmental Agreement dated as of August 16, 2012 and a Second Extension to Intergovernmental Agreement dated as of August 16, 2013 (collectively the "Prior Agreement"). The term of the Prior Agreement expires on August 15, 2014.

2. EDA has reviewed the scope of the disaster recovery equipment that HMFA proposes to use and agrees that HMFA may use the EDA disaster recovery site located at The Commercialization Center for Innovative Technologies, 675 US Highway One, North Brunswick, NJ 08902, including space, security, power, and connectivity, for the installation of such equipment. Refer to DR Equipment List attached hereto as Exhibit A.

3. HMFA will be responsible for installing and maintaining HMFA disaster recovery equipment and systems in the disaster recovery site. HMFA will keep the disaster recovery site in good order, repair and condition, and promptly and adequately repair all damage caused by HMFA, other than ordinary wear and tear. EDA is under no obligation to install, inspect, or maintain HMFA's disaster recovery equipment.

4. HMFA will provide EDA with a list of all HMFA IT personnel authorized to access the disaster recovery site. HMFA will provide periodic updates of the staffing list to EDA's Chief Information Officer. Refer to HMFA DR Alternate Site Contacts attached hereto as Exhibit B. HMFA will have background checks conducted on all assigned staff and, upon request, will provide copies to EDA staff. EDA will provide designated HMFA IT personnel with security access cards to the building and to the secure disaster recovery room.

5. HMFA will work with EDA on additional connectivity, including from the disaster recovery site to the Internet, and VPN connectivity between the disaster recovery site and HMFA.

6. EDA or HMFA may terminate this Agreement upon 90 calendar days advance notice to the parties. If the Agreement is terminated under this section, EDA and HMFA shall complete all unfinished and ongoing obligations under the Agreement. If it is terminated, HMFA will have the right to remove any equipment it has installed, provided that such removal does not disrupt the EDA's disaster recovery services.

7. HMFA will pay EDA an annual fee of $3,600 for incremental facilities costs based on utilization for use of the disaster recovery site and/or connectivity, payable within thirty (30) days of execution of this Agreement or any renewal thereof. After six months, EDA will perform an audit of its costs related to HMFA's use of the disaster recovery site to determine if the annual fee is sufficient to covering its operating costs. If HMFA's annual fee is not sufficient to reimburse EDA for its costs, then EDA and HMFA will negotiate an increase to the annual fee, as mutually determined and agreed.

8. HMFA will maintain insurance coverage insuring against claims, demands or actions for personal injuries or death resulting from the use or operation of the disaster recovery site with limits of not less than One Million Dollars ($1,000,000) any one occurrence, in an aggregate amount of Five Million Dollars ($5,000,000) and for damage to property in an amount of not less than Five Hundred Thousand Dollars ($500,000). HMFA will provide a certificate of insurance to EDA, naming EDA as an additional insured.

9. This Agreement shall be effective upon the date set forth in the preamble above and shall remain in effect for one (1) year commencing August 16, 2014 and expiring on August 15, 2015. EDA has the option to extend the term of this Agreement for four (4) additional one (1) year terms.

10. All notices, demands or communications to any party to this Agreement shall be sent to the addresses set forth below:

EDA: NJ Economic Development Authority
36 West State St.
PO Box 990
Trenton, NJ 08625-0990
Attn: Chief Information Officer

HMFA: NJ Housing and Mortgage Finance Agency
637 So. Clinton Ave.
PO Box 18550
Trenton, NJ 08650-2085
Attn: Director of Information Technology

11. There are no third party beneficiaries to this Agreement.

12. HMFA will reimburse EDA for and HMFA shall pay any and all liability, loss, cost, damage, claims, judgment or expense, including reasonable attorney's fees and expenses, which EDA may sustain, be subject to or incur by reason of any claim, suit or action arising out of HMFA's use of the disaster recovery site, but subject to the provisions of the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq. and the New Jersey Tort Claims Act (N.J.S.A. 59: 2-1 et seq.) including but not limited to N.J.S.A. 59:2-10; provided, however, that EDA will not be reimbursed for its own negligence or willful misconduct.

13. This Agreement shall not be construed to create any rights on behalf of any person or entity other than the Parties. Neither this Agreement nor any rights or duties hereunder may be assigned or delegated

by Parties hereto without the written consent of the other Party and any such purported assignment or delegation shall be null and void and of no force or effect.

14. This Agreement shall bind and benefit the parties and their respective successors and assigns. This Agreement is the entire understanding between the parties and supersedes any prior agreements or understandings whether oral or written. This Agreement may not be amended except by a written instrument executed by both parties. If any provision of this Agreement is found to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement will not be affected or impaired. Each party represents to the other that the person signing on its behalf has the legal right and authority to execute, enter into and bind such party to the commitments and obligations set forth herein.

15. This Agreement shall be governed by and construed under the laws of the State of New Jersey.

16. This Agreement may be signed in counterparts, each of which shall be an original for all purposes, but all of which taken together shall constitute but one and the same Agreement.

IN WITNESS HEREOF, the EDA and HMFA have executed this Agreement as of the date first above written:

New Jersey Economic Development Authority

ATTEST:

_____ _____

Timothy J. Lizura
President/Chief Operating Officer

Date:_____

ATTEST:

New Jersey Housing and Mortgage Finance Agency

_____ _____

By:

Date:_____

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: July 10, 2014

SUBJECT: Real Estate Division Delegated Authority for Leases, CCIT Grants, and Right of Entry (ROE)/ Licenses for Second Quarter 2014
For Informational Purposes Only

The following approvals were made pursuant to Delegated Authority for Leases and ROE/ Licenses in April, May and June 2014.

LEASES / CCIT GRANTS

TENANT	LOCATION	TYPE	TERM	S.F.	CCIT GRANT
Hurel Corporation	CCIT	Lease Renewal	One Year	1125 sf	N/A
Kamat Pharmaceuticals	CCIT	Lease Amendment-larger space	7 ½ months	1000sf	N/A
Bellerophon f.k.a IKARIA	CCIT	Lease Renewal	One Year	3200 sf	N/A
Celvive	CCIT	Lease Renewal	One Year	800 sf	N/A
GeneAssess	CCIT	Lease Renewal	One Year	800 sf	N/A
Aucta Pharmaceuticals	CCIT	New Lease	One Year	1125 sf	N/A
Conversion Energy Enterprise (CEE)	CCIT	Lease Holdover	Month to month	800 sf	N/A
Nanion Technologies	CCIT	Lease Holdover	Month to Month	1125 sf	N/A
Vasade Biosciences	CCIT	Lease Holdover	Month to Month	800 sf	N/A
VESAG Health (fka Vyzin)	CCIT	Lease Renewal	One Year	125sf	N/A

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

RIGHT OF ENTRY/LICENSES

ENTITY	LOCATION	TYPE	CONSIDERATION
No. Brunswick Volunteer Fire Company—Fund Raising Circus	Tech Expansion Lot	ROE	No consideration for use of lot from 5/16/14-5/20/14
Middlesex County Fair (advertising trailer)	Tech Expansion Lot	ROE	No consideration for use of lot from 7/30/14-8/12/14.

Timothy J. Lizura
President/ Chief Operating Officer

Prepared by: Donna T. Sullivan

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: July 10, 2014

RE: Mid-Atlantic Aviation Partnership Memorandum of Understanding and Rutgers, The State University Memorandum of Understanding

Summary

The Members are asked to approve 1) the execution of the attached Memorandum of Understanding for the Mid-Atlantic Aviation Partnership (MAAP) and 2) the execution of the attached Memorandum of Understanding for services to be provided by Rutgers, The State University in conjunction with the implementation of the NJ Unmanned Aircraft Systems (UAS) Consortium for a fee of $250,000.

Background

The Federal Aviation Administration (FAA) Modernization and Reform Act of 2012 required the FAA to establish a program to integrate UAS into the National Air Space (NAS) at six test sites to support the development and validation of FAA standards and regulations for commercial development. In response to this congressional mandate, the FAA issued a Screening Information Request (SIR) for Unmanned Aircraft Systems Test Site (UASTS). Rutgers, the State University of New Jersey (RU) teamed with the Virginia Polytechnic Institute and State University (VT), along with various governmental, academic and aviation-related entities from New Jersey and Virginia, to establish a loosely formed consortium known as the MAAP for the purpose of responding to the SIR. On December 30, 2013, the FAA announced that RU and VT were awarded a UAS Test Site designation. The FAA then entered into an Other Transaction Agreement (OTA) with VT, which is the primary contracting entity with the FAA. The OTA grants the permission to fly and operate one of the six test sites.

Universities from the State of Maryland also submitted a proposal in response to the FAA's SIR. In September of 2013, VT, RU, the University of Maryland (UMD) and the University System of Maryland (USM) executed a Memorandum of Understanding which recognized the benefit of joining forces to benefit the entire Mid-Atlantic Region by forming one joint Test Site Team in the event either team was selected as a UASTS by the FAA. Upon the UASTS award to the VA/NJ team, Maryland was incorporated into MAAP.

UAS Industry

The projected economic impact of integration of UAS in the NAS for civil and commercial use is widely recognized as significant. The Association for Unmanned Vehicle Systems International (AUVSI) released the "Economic Impact of Unmanned Aircraft Systems Integration in the United States", which concluded that the nationwide impact will exceed $13.6 billion in the first three years after integration, accumulating to $82.1 billion by 2025, with the creation of more than 103,000 new jobs. It goes on to point out that states which create favorable regulatory and business environments for the industry and the technology will benefit most.

The potential commercial applications for the UAS technology, currently utilized primarily in the defense industry, are numerous, including agricultural, public safety, telecommunications, environmental and mapping. A well-known example is Amazon's plan to use unmanned aircraft to deliver packages.

MAAP Memorandum of Understanding

MAAP's three universities and three states now wish to more formally establish the MAAP consortium by executing a Memorandum of Understanding (MOU) outlining the intentions and roles of the parties for implementation of the UASTS. The parties include the three states (the Maryland Department of Business & Economic Development, the Commonwealth of Virginia, and the New Jersey Economic Development Authority) and three universities (VT, RU and UMD).

The proposed MOU, which expires on December 31, 2016, establishes the MAAP consortium as an entity formed to jointly provide oversight and recommendations to the UASTS awarded for the Mid-Atlantic region, and to ensure that the test site will operate as a team of equals. The nine members of the Board of Directors will include three representatives from each state: one from a governmental agency, one from a university, and one industry representative. The Executive Director, who is an employee of VT, is Rose Mooney, who has an extensive engineering background include nine years of management experience in the UAS industry.

The Executive Director will brief the MAAP Board, and each state will designate an Associate Director. The MOU specifies that it does not enable the MAAP Board to incur liabilities or make binding decisions. The purpose of MAAP is to review reports and provide advisory non-binding recommendations only to the Executive Director respecting the operation of its UASTS and to establish and enhance job creation and capital investment in the three states. Further, MAAP will create recommendations to allocate among the three states any and all business arising from or generated by this consortium. The MOU also provides for establishing sub-recipient OTA agreements from VT to RU and UMD. In turn, it is anticipated that RU and UMD will seek sub-sub recipient agreements with other public and private parties to utilize its UASTS.

RU Memorandum of Understanding and NJ UASTS Consortium

In conjunction with the establishment of MAAP, each State will independently form its own consortium. New Jersey's strong aviation resources include the William J. Hughes Technical Center and various other federal aviation facilities, as well as the Atlantic City Airport. RU, as the lead entity, has developed a Business Plan for the NJ UASTS Consortium to outline the

approach, process and funding requirements for implementing the NJ Test site, with the goal of becoming self-sustaining within three years.

The Authority will engage the services of RU to establish the NJ UAS Consortium for a fee of $250,000. RU's mission is to promote sustained economic growth and job creation throughout New Jersey and the nation by implementing and operating a cooperative, state-of-the-art UAS Test Site. RU will organize, create and lead a full service research, engineering, technical and operational test facility to support the emerging UAS sector, including research, innovation, commercialization, manufacturing and operations in New Jersey.

Recommendation

In summary, I am asking the Board Member's approval to 1) execute the attached Memorandum of Understanding for the Mid-Atlantic Aviation Partnership and 2) executed the attached Memorandum of Understanding with Rutgers, the State University, to establish the NJ UAS Consortium for a fee of $250,000.

Timothy J. Lizura
President/Chief Operating Officer

Prepared by: Christine Roberts

MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING (this "MOU"), dated as of the _____ of _____, 2014, by and among the MARYLAND DEPARTMENT OF BUSINESS & ECONOMIC DEVELOPMENT (hereinafter "MDBED"), the COMMONWEALTH OF VIRGINIA (hereinafter "Commonwealth"), acting by and through its Secretary of Technology, (hereinafter "Virginia"), the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ("NJEDA"), Virginia Polytechnic Institute and State University (hereinafter "VT"), Rutgers, The State University of New Jersey (hereinafter "Rutgers") and the University of Maryland (hereinafter "UMD") (either or all of which may be referred to as "Party'" or "Parties") provides:

WITNESSETH:

WHEREAS, the Federal Aviation Administration ("FAA") has awarded an Other Transaction Agreement ("OTA") to VT for the operation of one of six sponsored Unmanned Aircraft System ("UAS") Test Sites; and

WHEREAS, VT, Rutgers and UMD executed a memorandum of understanding as of September 9, 2013 agreeing to form a joint test team and to collaboratively manage the UAS Test Site operation: and

WHEREAS, the Parties recognize that VT will promptly enter into subrecipient agreements with Rutgers and UMD that will set forth the legal obligations of VT, Rutgers and UMD and that pursuant to the subrecipient agreements, Rutgers and UMD may enter into sub- subrecipient agreements with other parties; and

WHEREAS, the Parties are seeking to encourage job creation and capital investment in Maryland, Virginia, and New Jersey and hope to leverage the physical and intellectual aerospace assets in the mid-Atlantic region, and

WHEREAS, the Parties intend to establish a consortium known as the Mid-Atlantic Partnership ("MAAP") to review reports and provide recommendations regarding job creation and capital investment; and

WHEREAS, it is the intent of the Parties that all legally binding action will be taken pursuant to the OTA, the subrecipient agreements and the sub-subrecipient agreements, and that any action, recommendation or position taken pursuant to this MOU or MAAP will be strictly advisory in nature;

WHEREAS, the understandings set forth herein represent the intentions of the Parties to date but are not binding on any of the Parties, and

NOW, THEREFORE, in consideration of the foregoing, the Parties here to agree to the following:

1) The Parties agree to review reports and make recommendations about the operation of the UAS Test Site and related job creation and capital investment in Maryland, Virginia and New Jersey. The process the Parties will use in their review is detailed in the attached charter of the MAAP. The Parties acknowledge that neither this MOU nor the MAAP charter enable the Parties to enter into contracts or other agreements, incur any liability whether express or contingent or make binding decisions and that any action taken pursuant to this MOU and the MAAP charter are intended to be advisory only.

2) Definitions:

   a) Party and Parties refer singularly or collectively to the Maryland Department of Business and Economic Development, NJEDA , the Commonwealth of Virginia, and to VT, Rutgers and UMD.

b) Participating State Agencies may include:
   i) Maryland
      (1) Maryland Aviation Administration of the Maryland Department of Transportation
   ii) Commonwealth of Virginia
      (1) Secretary of Commerce and Trade,
      (2) Secretary of Technology,
      (3) Secretary of Public Safety and Homeland Security,
      (4) Department of Aviation, and
      (5) Virginia Economic Development Partnership
   iii) New Jersey Economic Development Authority
      (1) Business Action Center in the Department of State
      (2) New Jersey Department of Military and Veterans Affairs
      (3) New Jersey Department of Transportation

3) The mission of the operation of the UAS Test Site is to facilitate the risk based approach to safe integration of UAS into the National Airspace System (NAS) coexisting with Commercial and General Aviation through:
   a) Progressive research and development
   b) Developmental testing
   c) Rigorous and controlled preflight operational test and evaluation
   d) Operational testing and evaluation flight operations
   e) Structured deployment in a progressive NAS environment
   f) Being an economic engine for the UAS industry in the Mid-Atlantic region.

4) The goal of this MOU and the MAAP is to receive reports on the progress of operation of the UAS Test Site, consider recommendations and provide guidance to the operator of the UAS Test Site to facilitate its mission and further the related goals of job creation and capital investment in Maryland, Virginia and New Jersey. The Parties agree to use the MAAP charter as a methodology for meeting those goals.

5) Miscellaneous:
   a) Expiration: This MOU shall expire December 31, 2016.
   b) Notices: All notices, communications and other information provided under this MOU shall be in writing and shall be given by (i) personal delivery, (ii) a nationally recognized overnight courier (providing confirmation receipts) for delivery on the following business day, (iii) confirmed facsimile, iv) email, receipt confirmed, or (v) first class mail postage prepaid, as follows:

      To :
      Maryland Department of Business & Economic Development
      401 East Pratt Street
      Baltimore, MD 21202
      Attention: Secretary Dominick Murray

With a copy to:

Maryland Department of Business and Economic Development
401 East Pratt Street
Baltimore, MD 21202
Attention: Office of Military & Federal Affairs

To the Commonwealth, to:

Commonwealth of Virginia
Patrick Henry Building
1111 East Broad Street
Richmond, Virginia 23219
Attention: Secretary of Technology

With a copy to:

Commonwealth of Virginia
Patrick Henry Building
1111 East Broad Street
Richmond, Virginia 23219
Attention: Secretary of Commerce and Trade

To the NJEDA, to:

Donna Sullivan
New Jersey Economic Development Authority
P.O.Box 990
36 W. State Street
Trenton, NJ 08625

To Virginia Tech to:

Executive Director, UAS Test Site
Kelly Hall, 325 Stanger St.
Institute of Critical Technology and Applied Science
Virginia Tech
Blacksburg, VA 24061

To Rutgers to:

Susan Kilduff
Associate Dean, Administration and Planning
School of Engineering
98 Brett Road

Piscataway, NJ 08854

With a copy to:

Elizabeth Minott
Associate General Counsel
Office of General Counsel
Winants Hall
7 College Ave.
New Brunswick, NJ 08901

To UMD to:

Director, UMD UAS Test Site
22335 Exploration Drive, Suite 100
Lexington Park, MD 20653

6) This MOU may be amended at any time by written agreement of all the Parties.

7) This MOU is not intended to have any third party beneficiaries or to create a binding contract among the Parties.

8) Each Party has the right, in its sole discretion, to terminate this MOU at any time upon written notice to all of the other Parties.

9) This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding as of the date first written above.

Signatories:

MARYLAND DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

By:_____
Name: The Honorable Dominick E. Murray
Title: Secretary, Department of Business & Economic Development

COMMONWEALTH OF VIRGINIA

By:_____
Name: The Honorable Karen Jackson
Title: Secretary of Technology

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

By:_____

Name: Michele Brown

Title: Chief Executive Officer

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

By:_____

Name: Charles W. Steger

Title: President

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY

By: _____

Name: Robert Barchi

Title: President

UNIVERSITY OF MARYLAND

By:_____

Name: Wallace D. Loh

Title: President

MID-ATLANTIC AVIATION PARTNERSHIP TEAM CHARTER

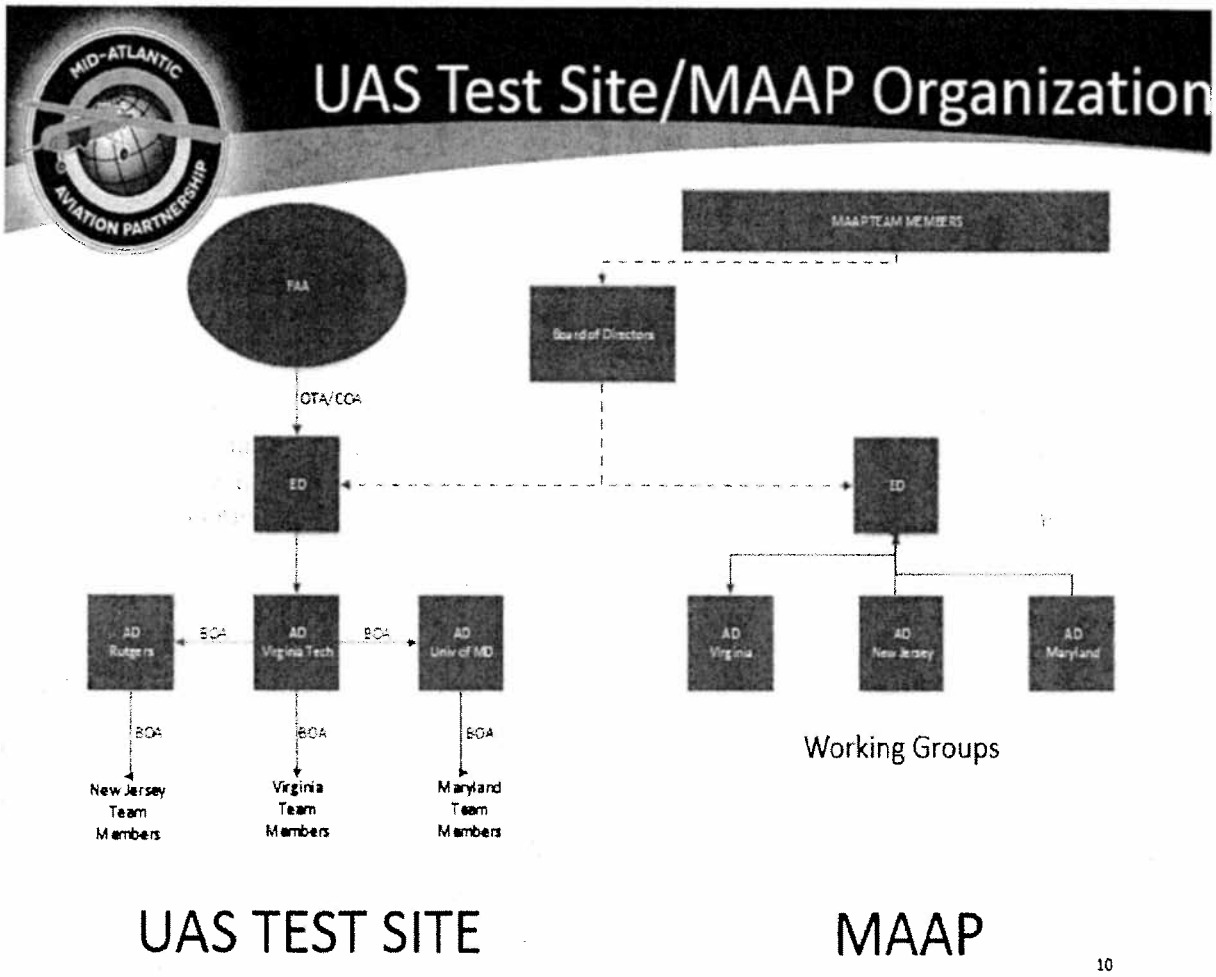
1. **PURPOSE.** This document provides a framework for cooperation and collaboration among Mid-Atlantic Aviation Partnership (MAAP) team members.

2. **BACKGROUND.** The MAAP is a consortium from Virginia, New Jersey and Maryland that has been formed to jointly review and provide recommendations to Virginia Tech as the grantee of one of six Federal Aviation Administration (FAA) Unmanned Aircraft System (UAS) test sites and to promote the growth of the UAS industry in the Mid-Atlantic region. While Virginia Tech has been designated as the UAS Test Site Operator by the FAA, the MAAP's intent is to provide recommendations so that the UAS Test Site will operate as a team of equals with the Commonwealth of Virginia and the States of New Jersey and Maryland as represented by Virginia Tech, Rutgers, the State University of New Jersey and the University of Maryland as peers in the operation of the UAS Test Site and the MAAP. The MAAP will provide oversight and recommendations to the UAS Test Site. The operations of the UAS Test Site will be governed by the Other Transaction Agreement between Virginia Tech and the FAA, the sub-recipient agreements that Virginia Tech will execute with Rutgers and with the University of Maryland, and sub-sub-recipient agreements entered into by each university with other parties.

3. **MISSION.** The MAAP is a collaboration among stakeholders in the Commonwealth of Virginia, the State of New Jersey and the State of Maryland , which will provide recommendations for the operation of the UAS Test Site, the goal of which is to:
    - Facilitate a safe-focused, risk-based approach to integration of UAS into the National Airspace System (NAS) in order to:
        - Conduct progressive research and development
        - Plan and execute rigorous and controlled test and evaluation including developmental, preflight and flight operations.
        - Establish and develop airworthiness standards and certification processes; and
        - Cooperate with military and civil aviation authorities for structured deployment in a progressive NAS environment
    - Become an economic engine for the UAS industry in the Mid-Atlantic region by:
        - Leading research, development and commercialization beyond NAS integration
        - Promoting products and services offered
        - Aggressively pursuing business development opportunities; and
        - Promoting and supporting the development of a highly trained UAS workforce

4. **VISION.** That the UAS Test Site serve as a recognized leader in the UAS sector by providing the safest, most efficient and effective, full-spectrum UAS services while creating economic, research, educational and training opportunities for the UAS community.

5. ORGANIZATIONAL STRUCTURE, ROLES AND RESPONSIBILTIES



a. BOARD OF DIRECTORS

- Membership. There will be three members from each state
  1. One from an office or authority of the state or commonwealth;
  2. One each from Rutgers, the State University of New Jersey; the University of Maryland; and Virginia Tech; and
  3. One industry representative from each state selected by the AD, as defined below.
- Membership terms will be three years with renewal at the discretion of the state or commonwealth.
- Each member will have a vote.

- Meetings will occur at the board's discretion and may be conducted by video teleconference or conference call. All members are expected to attend either in person or by proxy. A majority, currently five, of the members shall constitute a quorum provided there is at least one member in attendance from each State.
- The role of the Board of Directors is to:
    1. Provide strategic recommendations to the Executive Director (ED).
    2. Receive reports and comment on strategic plans; and
    3. Monitor operations of strategic business practices, shared cost elements, policies and procedures.
- The Board of Directors will provide input into the ED's annual performance evaluation.
- A two-thirds majority, currently six, of the board members, provided there is one affirmative vote from a member from each State, can recommend removal of the ED to Virginia Tech. Such recommendation will be non-binding on Virginia Tech.
- All other votes will be by vote of a majority, currently five, of the board members, provided there is at least one affirmative vote from a member from each State.

b. **EXECUTIVE DIRECTOR.** The ED will be a Virginia Tech employee that serves as the executive director of both the UAS Test Site and the MAAP.
    - **Duties and Responsibilities:** The ED will be responsible for the strategic direction and all aspects of operation of the MAAP and the UAS Test Site and will lead, manage, and create consensus among a diverse team of engineering, technical and business professionals and resources across the enterprise.
    - **Relationships:** As ED of the UAS Test Site, the ED will report to the Director, Institute for Critical Technology and Applied Science at Virginia Tech. As ED of the MAAP, the ED will brief, be advised and receive recommendations from the MAAP Board of Directors. The ED will not serve on the Board of Directors either directly or by proxy.
    - **ASSOCIATE DIRECTOR.** Each state shall provide an Associate Director (AD) to operate the UAS Test Site in their respective states and to assist the leadership of the MAAP. AD's will work in close collaboration with the ED to carry out the mission of the UAS Test Site and the MAAP. AD's will not serve on the Board of Directors either directly or in a proxy role.

c. **WORKING GROUPS AND COMMITTEES.** The MAAP will set up working groups and committees to address specific issues and to develop, review and update strategic plans, business plans, technical and safety documents. These working groups and committees may be either temporary or standing in nature. Every effort will be made to ensure approximately equal participation from the three states. There will be one or more chairs appointed by the ED or Board of

Directors that will keep the ED and Board informed of progress, issues and requirements. Team members are expected to actively participate in working groups and committees to facilitate the governance and success of the MAAP. Specific committees that may be considered include the following:

- **UASTS OPERATIONS COMMITTEE.** This committee will consist of the ADs from each of the three states. The committee will meet as needed by conference call or video teleconference and should meet face to face at least quarterly. The purpose of the committee is to report activities ongoing and planned in each state and to recommend business rules to determine where business should be conducted. For each recommendation, it is anticipated that the three members will reach a consensus on a recommendation on how to distribute the business. In cases where this is not possible, the case will be referred to the ED for decision. Where there are repeated cases in which consensus cannot be reached, this will be referred to the Board of Directors for discussion. The committee is also expected to provide recommendations for changes to existing business processes and business rules and to share best practices with the MAAP.
- **MEMBERSHIP COMMITTEE.** The initial membership committee shall consist of a Board representative from each state as selected by unanimous vote of the Board, as well as the ED and state AD for a total of seven members. In anticipation that the MAAP may become more than an advisory board in the future, the committee will make recommendations to define and establish the process for future MAAP membership. The committee will establish the rights, privileges, responsibilities and obligations, including financial if any, for future MAAP membership and such recommendations must include provisions for membership withdrawal upon request by the member or unanimous vote of the Board. The membership process must be approved by unanimous vote of the Board. This Charter for the MAAP may only be amended by unanimous consent of the board members. In the event MAAP becomes more than an advisory board in the future, the MOU and this charter will be amended and additional documentation will be required.
- **RESEARCH COMMITTEE:** The MAAP shall establish a Research Committee made up of at least one but not more than three faculty participants from each university member of the MAAP. The purpose of the Research Committee is to provide advice and guidance to the ED with regard to technical issues relating to awards and tasks to be performed. The Research Committee will review and approve by majority vote the recommendations on research plans.

Draft 07/08/2014

MEMORANDUM OF UNDERSTANDING BETWEEN RUTGERS UNIVERSTIY, THE STATE UNIVERSITY AND THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

This Memorandum of Understanding (MOU), made as of _____ ____, 2014, will confirm the mutual understanding and intention between the Rutgers, The State University ("Rutgers") and the New Jersey Economic Development Authority ("NJEDA", and collectively, Rutgers and NJEDA are the referred to as the "Parties") as to the following:

WHEREAS, NJEDA was created pursuant to N.J.S.A. 34:1B-1 et seq. for the purpose of promoting gainful employment opportunities and increasing tax ratables in the State of New Jersey (the "State") ; and

WHEREAS, the Federal Aviation Administration ("FAA") awarded an Other Transaction Agreement ("OTA") to Virginia Polytechnic Institute ("VT") for the operation of one of six sponsored Unmanned Aircraft System Test Sites ("UASTS") and VT, Rutgers and the University of Maryland executed a memorandum of understanding dated as of September 9, 2013 agreeing to form a joint test team, to collaboratively manage the UASTS operation and intending to enter into subrecipient agreements in the near future to memorialize their respective obligations under the OTA; and

WHEREAS, because the integration of Unmanned Aircraft System ("UAS") into the national airspace will create thousands of jobs and have a very significant economic impact, the NJEDA has determined to support the development of this industry by engaging the services of Rutgers to undertake the early stages of its development in New Jersey, which will be accomplished through its participation in the UASTS; and

WHEREAS, Rutgers has presented to the NJEDA a Strategic Business Plan dated June 11, 2014 ("Strategic Business Plan") that outlines Rutgers' vision for the development of the UAS industry in New Jersey, and has agreed to consult with the NJEDA and to report to NJEDA the progress of the development of the UAS industry on a regular basis; and

WHEREAS, the NJEDA has determined that the Strategic Business Plan, which includes an analysis of the steps required to not only encourage UAS but also to make UAS profitable, sets forth a viable road map to the development of UAS in New Jersey; and

WHEREAS, it is in the best interest of the Parties to enter into this MOU regarding the development of the UAS industry in New Jersey; and

WHEREAS, the Parties enter into this MOU as an inter-department governmental agreement pursuant to N.J.S.A. 52:14-1 et seq.

NOW, THEREFORE, NJEDA and Rutgers, in order to effectively and efficiently carry out their respective statutory mandates, agree to the following:

1.Rutgers will organize, create and lead a full service research, engineering, technical and operational test facility to support the emerging UAS sector, including research, innovation, commercialization, manufacturing and operations in New Jersey. To the best of its ability , from July 2014 through July 2015, Rutgers will undertake the Planning and Implementation Phase and commence the Operation Phase as defined and outlined in its Strategic Business Plan, (Attachment A) in a fiscally responsible way contingent on the timing and receipt of the balance of funding from other sources identified in the Strategic Business Plan. These activities, include, but are not be limited to:

- NJConsortium Leadership Team. To form the NJ Consortium leadership team as a streamlined, multi-talented team not later than October 2014. The team will consist of an Associate Director ("AD"), Chief Engineer/Safety Officer, Aviation SME, and administrative assistant.
- Membership. To create a corporate structure for and begin securing membership in the NJ Consortium through formal agreements (e.g., Non Disclosure Agreements, Membership Agreements, Research Agreements) by October 2014.
- Advisory Teams. To establish a Management Advisory Team and a Technical Advisory Team by October 2014.
- Collaborative Research Environment. To define a plan to incrementally create a collaborative research environment capable of performing R&D by September 2014. This includes the requirements for an initial infrastructure and laboratories; data communications; external interfaces between academic and private laboratories; and a flight operations command center to manage flight operations.
- Outreach. To develop and begin execution of an Outreach Plan by November 2014. This includes the development and use of outreach tools (e.g., website, marketing materials), participation in local media events and public forums, attendance at aviation symposiums (e.g., ATCA Symposium and Conference), advertising in aviation publications, and outreach to potential sources funding (i.e., stakeholders, grants, engineering support contracts).
- Business Management and Operations. To develop business management and operations plans and procedures for all business areas including financial, contracts, accounting, business development (e.g., bids, proposals, grants), and cost/rate structures by November 2014.

2. Rutgers has presented budget estimates in its Strategic Business Plan. As a condition to payment hereunder, Rutgers will present a line item budget to NJEDA by _____, 2014 setting forth the proposed use of funds to be received hereunder for NJEDA's review and approval. Upon submission by Rutgers of receipts or other evidence of expenditures that correspond to the line item budget, the NJEDA agrees to pay not more than $250,000, provided that all receipts must be submitted by July 31, 2015.

3. Rutgers agrees to submit written reports on a quarterly basis to the NJEDA relating to its progress in meeting the goals set forth in Section 1. To the extent studies or plans, including but not limited to feasibility studies and additional business plans (other than submissions to the FAA), are undertaken during the Planning and Implementation Phase and the Operation Phase, said studies and plans will be the joint and several property of Rutgers and NJEDA.

4. Rutgers agrees to meet with NJEDA at least quarterly to discuss the achievement of goals under the Strategic Business Plan, the development of the UAS industry and the incorporation of the use of best practices in the growth of the industry and Rutgers' role in its development.

5. Rutgers agrees that the formal documentation of the NJ Consortium will recognize NJEDA as a tier one member entitled to the benefits, including royalties and other revenues, of membership.

6.. Rutgers will identify a Rutgers staff member who will be the primary contact staff for the NJEDA regarding UAS matters.

7. This MOU shall not take effect unless approved by the Board of the NJEDA and executed by the authorized representatives of NJEDA and Rutgers. This MOU becomes effective immediately upon execution and shall remain in effect for one (1) year, unless terminated sooner pursuant to subsection 8 below.

8. The Parties are entering into this MOU for the sole purpose of evidencing the mutual understanding and intention of the Parties with respect to the NJEDA engagement of the services of Rutgers.. It may be amended, modified, and supplemented at any time by mutual consent and in writing signed by the undersigned or their designees. This MOU may also be terminated by either Party upon 60 days prior written notice to the other, provided that all obligations that may have been paid for in advance are completed. There are no third party beneficiaries of this MOU.

9. All notices, demands or communications to any party to this MOU shall be sent to the addresses set forth below or as may be otherwise modified in writing:

NJEDA: _____

_____

_____

_____

Rutgers: _____

_____

_____

_____

10. This MOU may be signed in counterparts, which, when taken as a whole, shall constitute one and the same document.

IN WITNESS HEREOF, NJEDA and Rutgers have executed this MOU on the dates below:

For the New Jersey Economic Development Authority:

Name: _____

Signature: _____

Title: _____

Date: _____

For Rutgers, The State University:

Name: _____

Signature: _____

Title: _____

Date: _____

OFFICE OF RECOVERY

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

APPLICANT: DC Plastic Products Corp. P39429

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

PROJECT LOCATION: 12-T East Second Street Bayonne City (T/UA) Hudson

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

APPLICANT BACKGROUND:

DC Plastic Products Corp. is a blown-film extruder of plastic bags in Bayonne, NJ. DC Plastic Products Corp. began operation in 2011 as a woman-owned business ("WOB") after completing the acquisition of DC Plastics Inc. DC Plastic Products Corp. is owned by Yolanda Moskovits, the wife of Dr. David Moskovits who was the owner of DC Plastics Inc. DC Plastics Inc. had been in operation since 1984 serving predominately the state and local government markets for trash bags.

APPROVAL REQUEST:

Approve a $1,200,000 working capital loan under the Stronger NJ Business Loan program. Applicant did not receive a Stronger NJ Business Grant.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $1,200,000

TERMS OF LOAN: 24 months of 0% interest followed by 216 months of interest payments based on the 5 year US Treasury rate. Rate reset at the 10 year anniversary. During the first 18 months of the loan no principal payments are due followed by 222 months of principal payments in an amount adequate to fully amortize the loan. The first $50,000 of this working capital loan will be forgiven after 1 year after closing provided certain conditions under the loan program are met.

PROJECT COSTS:

Purchase of equipment & machinery	$3,800,000
Renovation of existing building	$1,262,350
Working capital	$1,200,000
HDSRF	$200,000
Finance fees	$10,750
TOTAL COSTS	$6,473,100

JOBS: At Application 21 Within 2 years 28 Maintained 21 Construction 10

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

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

APPLICANT: DC Plastic Products Corp. P39430

PROJECT USER(S): Superior Manufacturing Property Management LLC * - indicates relation to applicant

PROJECT LOCATION: 70 Hobart Street Bayonne City (T/UA) Hudson

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

APPLICANT BACKGROUND:

DC Plastic Products Corp. is a blown-film extruder of plastic bags in Bayonne, NJ. DC Plastic Products Corp. began operation in 2011 as a woman-owned business ("WOB") after completing the acquisition of DC Plastics Inc. DC Plastic Products Corp. is owned by Yolanda Moskovits, the wife of Dr. David Moskovits who was the owner of DC Plastics Inc. DC Plastics Inc. had been in operation since 1984 serving predominately the state and local government markets for trash bags.

APPROVAL REQUEST:

Approval of a $3,800,000 construction loan under the Stronger NJ Business Loan program.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $3,800,000

TERMS OF LOAN: 24 months of 0% interest followed by 216 months of interest payments based on the 5 year US Treasury rate. Rate reset at the 10 year anniversary. During the first 24 months of the loan or until a Temporary Certificate of Occupancy is issued, whichever is earlier, no principal payments are due. Thereafter,principal payments in an amount adequate to fully amortize the loan over the remaining 20 years will be due.

PROJECT COSTS:

TOTAL COSTS	$0 *

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

JOBS:	At Application	Within 2 years	Maintained	Construction
	0	0	0	0
	21	28	21	10

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

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - DIRECT LOAN PROGRAM

APPLICANT: Superior Manufacturing Property Management LLC P39558

PROJECT USER(S): DC Plastic Products Corp. * * - indicates relation to applicant

PROJECT LOCATION: 86 Hobart Avenue Bayonne City (T/UA) Hudson

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

APPLICANT BACKGROUND:

Superior Manufacturing Property Management LLC is the real estate holding company for DC Plastic Products Corp. Superior Manufacturing Property Management LLC is owned by Dr. David Moskovits. DC Plastic Products Corp. is a blown-film extruder of plastic bags in Bayonne, NJ. DC Plastic Products Corp. began operation in 2011 as a woman-owned business ("WOB") after completing the acquisition of DC Plastics Inc. DC Plastic Products Corp. is owned by Yolanda Moskovits, the wife of Dr. David Moskovits who was the owner of DC Plastics Inc. DC Plastics Inc. had been in operation since 1984 serving predominately the state and local government markets for trash bags.

APPROVAL REQUEST:

Approve a $500,000 direct term loan.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $500,000

TERMS OF LOAN: Interest only payment for the first twenty-four (24) months followed by 96 months of principal and interest payments based on a 18-year amortization at a fixed rate equal to the 5-year UST, subject to a 2% floor, plus 200 bps. Rate reset at each 5 year anniversary at the same index and spread.

PROJECT COSTS:

TOTAL COSTS	$0 *

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

JOBS:	At Application	Within 2 years	Maintained	Construction
	0	0	0	0
Jobs on Related P039429	21	28	21	10

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

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

APPLICANT: Providence Seashore House LLC P39524

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

PROJECT LOCATION: 35 South Annapolis Avenue Atlantic City (T) Atlantic

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

APPLICANT BACKGROUND:

Providence Seashore House, LLC ("PSH" or "Company") is a real estate holding company that owns the project located at 35 South Annapolis Avenue, Atlantic City, Atlantic County, which is occupied by a pediatric medical daycare facility, Providence Pediatric Medical Daycare, an affiliated company. The Company's corporate headquarters are located in West Berlin, Camden County. PSH was founded in 2005 by the current owner, Leanna Roman Lozada.

APPROVAL REQUEST:

$444,736 construction loan is requested under the Stronger NJ Business Loan Program. PSH did not receive funding under the Grant Program.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $444,736

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

PROJECT COSTS:

Renovation of existing building	$444,736
TOTAL COSTS	$444,736

JOBS:	At Application	Within 2 years	Maintained	Construction
	0	0	0	0
Jobs on Related P039388	3	16	19	0

DEVELOPMENT OFFICER: A. Busanich **APPROVAL OFFICER:** H. O'Connell

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

APPLICANT: Providence Seashore House LLC P39388

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

PROJECT LOCATION: 35 South Annapolis Avenue Atlantic City (T) Atlantic

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

APPLICANT BACKGROUND:

Providence Seashore House, LLC ("PSH" or "Company") is a real estate holding company that owns the project located at 35 South Annapolis Avenue, Atlantic City, Atlantic County, which is occupied by a pediatric medical daycare facility, Providence Pediatric Medical Daycare, an affiliated company. The Company's corporate headquarters are located in West Berlin, Camden County. PSH was founded in 2005 by the current owner, Leanna Roman Lozada.

APPROVAL REQUEST:

A $371,480 working capital loan is requested under the Stronger NJ Business Loan Program. PSH did not receive funding under the Grant Program.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $371,480

TERMS OF LOAN: 24 months of 0% interest followed by 336 months of interest payments based on the 5 year US Treasury rate. Rate reset at each 10 year anniversary. During the first 18 months of the loan no principal payments are due followed by 342 months of principal payments in an amount adequate to fully amortize the loan. The first $50,000 of the loan will be forgiven one year after closing provided certain conditions under the loan program are met.

PROJECT COSTS:

Working capital	$371,480
TOTAL COSTS	$371,480

JOBS: At Application 3 Within 2 years 16 Maintained 19 Construction 0

DEVELOPMENT OFFICER: A. Busanich **APPROVAL OFFICER:** H. O'Connell

STRONGER NJ BUSINESS LOAN PROGRAM

SCHEDULE A

Applicant	Loan Amount	Rate and Terms
DC Plastic Products Corp. (P39429) Working Capital	$1,200,000	24 months of 0% interest followed by 216 months of interest payments based on the 5 year US Treasury rate. Rate reset at the 10 year anniversary. During the first 18 months of the loan no principal payments are due followed by 222 months of principal payments in an amount adequate to fully amortize the loan. The first $50,000 of this working capital loan will be forgiven after 1 year after closing provided certain conditions under the loan program are met.
DC Plastic Products Corp. (P39430) Construction	$3,800,000	24 months of 0% interest followed by 216 months of interest payments based on the 5 year US Treasury rate. Rate reset at the 10 year anniversary. During the first 24 months of the loan or until a Temporary Certificate of Occupancy is issued, whichever is earlier, no principal payments are due. Thereafter, principal payments in an amount adequate to fully amortize the loan over the remaining 20 years will be due.
Providence Seashore House LLC (P39388) Working Capital	$371,480	24 months of 0% interest followed by 336 months of interest payments based on the 5 year US Treasury rate. Rate reset at each 10 year anniversary. During the first 18 months of the loan no principal payments are due followed by 342 months of principal payments in an amount adequate to fully amortize the loan. The first $50,000 of the loan will be forgiven one year after closing provided certain conditions under the loan program are met.
Providence Seashore House LLC (P39524) Construction	$444,736	24 months of 0% interest followed by 336 months of interest payments based on the 5 year US Treasury rate. Rate reset at each 10 year anniversary. During the first 24 months of the loan or until a Temporary Certificate of Occupancy is issued no principal payments are due followed by 336 months of principal payments in an amount adequate to fully amortize the loan.

DRAFT

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: July 10, 2014

RE: Superstorm Sandy New Program Creation: Energy Resilience Bank

Request:

The Members are requested to approve two documents related to the creation of the Energy Resilience Bank ("ERB"), proposed under the New Jersey Department of Community Affairs ("DCA"), Community Development Block Grant Disaster Recovery ("CDBG-DR"), Substantial Amendment for the Second Allocation of CBDG-DR Funds ("Second Action Plan"). The Second Action Plan was approved by the U.S. Department of Housing and Urban Development ("HUD") on May 30, 2014. The attached documents in substantially final form, also listed below, set out the general roles and responsibilities and flow of funding in relation to ERB, which is to be administered in partnership with the New Jersey Board of Public Utilities ("BPU"). The EDA/DCA Subrecipient also trues up the Authority's current funding allocation for the programs under the initial Action Plan. The members also are requested to authorize execution by the Chief Executive Officer of these documents, subject to final review by the Attorney General's Office.

- An amendment to EDA's current Subrecipient Agreement with DCA allowing for the administration of ERB using up to $200 million through the second allocation of CDBG-DR funding;
- Approval of a new Subrecipient Agreement with BPU which establishes the roles and responsibilities for the joint administration of ERB and allows for program delivery and administrative funding.

Background:

In addition to the severe damage to homes, property, businesses and infrastructure caused by Superstorm Sandy, significant energy-related challenges emerged during the storm. Widespread and prolonged electrical outages resulting from powerful winds and rising flood waters caused wastewater treatment plants to cease operations. Pump stations failed without power, leading to flood waters overwhelming public buildings and causing substantial damage. Hospitals and shelters – dependent on diesel back-up generators – were forced to contemplate evacuation in light of diesel fuel supply challenges. Town centers and other public buildings were rendered

unusable because of a lack of electricity, and power loss caused New Jersey's entire transit network to delay in re-instating critical transportation services to the region.

Those wastewater and water treatment plants, hospitals, schools, and other public buildings with resilient energy solutions were able to continue to operate even when the larger electrical grid was down. Distributed generation technologies – technologies such as combined heat and power, fuel cells, and solar with storage – proved extremely resilient following Superstorm Sandy. When configured to "island" – i.e., operate independently of the larger electrical grid – these distributed generation technologies can harness the energy being produced to sustain critical operations.

To address the recovery needs and future resilience of these most critical facilities, in March of this year, NJDCA submitted the proposed Second Action Plan to HUD which laid out, among other programs, the creation and administration of ERB as a partnership with NJBPU. The Second Action Plan provided a total of $200 million to ERB which EDA and BPU will co-administer to fund islanding of distributive generation projects at critical facilities to ensure a highly reliable power supply during future weather events and electrical grid failures.

In the coming months the Members will be requested to approve an ERB Compliance Document/Guide to Program Funds, which will outline the program parameters through which grants and loans will be provided to the initial group of critical facilities. This initial group is expected to be wastewater treatment facilities and water plants. Loan and grant funding is expected to be made available for other types of facilities following this initial launch.

Recommendation:

The Members are requested to approve two documents related to the creation of ERB, under DCA's HUD-approved Second Action Plan. These attached documents in substantially final form, also listed below, set out the general roles and responsibilities and flow of funding in relation to ERB, which is to be administered in partnership with BPU. The EDA/DCA Subrecipient also trues up the Authority's current funding allocation for the programs under the initial Action Plan. The members also are requested to authorize execution by the Chief Executive Officer of these documents, subject to final review by the Attorney General's Office.

- An amendment to EDA's current Subrecipient Agreement with DCA allowing for the administration of ERB using up to $200 million through the second allocation of CDBG-DR funding;
- Approval of a new Subrecipient Agreement with BPU which establishes the roles and responsibilities for the joint administration of ERB and allows for program delivery and administrative funding.

Attached:

First Amendment to the Subrecipient Agreement between NJDCA and NJEDA
Subrecipient Agreement Between NJBPU and NJEDA

Prepared by: Nikki Ouellette and Gina Behnfeldt

DRAFT

STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS

INTERAGENCY AGREEMENT
WITH THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

IMPLEMENTING GRANT UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY ("CDBG-DR") PROGRAM

This First Amendment to the Subrecipient Agreement (the "First Amendment") is made and entered into on this __ day of _____, 2014 by and between the NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS ("DCA"), and the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ("EDA").

The DCA shall be referred to as ("GRANTEE"). GRANTEE and the EDA may sometimes hereinafter be collectively referred to as the "Parties" and individually as a "Party."

PREAMBLES

WHEREAS, GRANTEE and the EDA entered into a subrecipient agreement, effective May 21, 2013, (the "Agreement") which made available to EDA up to four hundred sixty million and 00/100 dollars ($460,000,000.00) of CDBG-DR funds for the purpose of funding GRANTEE's activities under the Economic Revitalization Program; and

WHEREAS, Action Plan Amendment Number 4 to New Jersey's Initial Action Plan for the Utilization of CDBG-DR Funds in Response to Superstorm Sandy, which was approved by HUD on January 8, 2014, adjusted the funds made available to the EDA Grants/Forgivable Loans to Small Businesses Program to $100,000,000; a transfer of $160,000,000 from EDA to housing programs.

WHEREAS, a second allocation of CDBG-DR funds was appropriated to the State of New Jersey (the "State") for disaster recovery efforts from Superstorm Sandy in November 2013; and

WHEREAS, Action Plan Amendment Number 7 to New Jersey's Initial Action Plan for the Utilization of CDBG-DR Funds in Response to Superstorm Sandy, which was approved by HUD on May 30, 2014 provides for the use of funds from the second allocation by GRANTEE in the amount of: i) $5,000,000 for the Tourism Marketing Campaign (Section 3.4.1), and ii) $200,000,000 to create and maintain the New Jersey Energy Resilience Bank ("ERB") to address Statewide energy resilience needs (Section 3.5.2 of); and

WHEREAS, pursuant to Section VII (F) of the Agreement, the Parties are required to amend the Agreement to reflect the change in CDBG-DR funding allocated to the EDA

and the incorporation of new activity under the EDA-administered Economic Revitalization Program. The amended total of CDBG-DR funds made available to EDA reflected in this Amendment is up to five hundred five million and 00/100 dollars ($505,000,000).

NOW, THEREFORE, in consideration of the promises and the mutual representations, warranties, and covenants herein contained, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree to amend the Agreement as follows:

I. Section I General Definitions. Economic Revitalization Program definition is revised to the following:

"Economic Revitalization Program", for purposes of this Agreement, means Section 4.3 of the Action Plan and shall also include the New Jersey Energy Resilience Bank set forth in Section 3.5.2 under Section 3.5 Infrastructure and the Tourism Marketing Campaign detailed within the guidelines of the Action Plan and updated in the ensuing Action Plan Amendment Number 7.

II. Section II (A). Grant Award, is deleted in its entirety and the following is substituted in lieu thereof:

A. Grant Award

Subject to the terms and conditions of this Agreement, the GRANTEE, as administrator of the CDBG-DR Program, shall make available to Subrecipient disaster recovery funds up to the gross amount of five hundred five million, and 00/100 ($505,000,000) Dollars (the "Grant Funds") for the purpose of funding GRANTEE's activities under the Action Plan and subsequent amendments related to the Economic Revitalization Program (the "Program"). The Parties acknowledge that $5 million of the above-referenced Grant Funds represent additional monies allocated to the EDA for its tourism marketing campaign; Subrecipient's receipt of this sum is contingent upon HUD's approval of the State's waiver request to increase by $5 million the State's cap on using CDBG-DR monies for tourism. The Grant Funds must be expended by Subrecipient within two years of the date that HUD executes each grant agreement with GRANTEE for all or a portion of the Grant Funds, with final grant agreement to be executed on or by September 30, 2017, unless an extension is hereinafter granted in writing by HUD or as approved by GRANTEE. Subrecipient is required to ensure all contracts (with subrecipients, recipients, and Contractors) clearly stipulate the period of performance or the date of completion.

III. A new subsection II (D) 1 (e) shall be added and provide as follows:

e) **Infrastructure** - Subrecipient will facilitate the Programs defined in Section 3.5 of Amendment 7 to the Action Plan in order to best position the State to be prepared for future disasters by setting policies and standards aimed at realizing smart infrastructure investment, identifying resilience opportunities, and using

technological innovation and mitigation designs to meet future challenges and hazards.

IV. A new subsection II(D) 1 (f) shall be added and provide as follows:

(f) **New Jersey Energy Resilience Bank**–Subrecipient will provide technical and financial support, including but not limited to grants and low-interest loans, to critical facilities in the State to realize energy resilience projects or enhancements to existing energy infrastructure. GRANTEE acknowledges that the ERB program will be administered by the EDA in conjunction with the Board of Public Utilities (BPU) pursuant to the terms of a memorandum of understanding, dated as of the date hereof, which may be amended from time to time; however EDA remains solely responsible for all obligations contained within the Agreement as Subrecipient of CDBG-DR funds.

V. Section II (D) 2 The Budget

A. The first paragraph is deleted in its entirety and the following is substituted in lieu thereof:

Activity/Item	**Maximum Amount**
Tourism/Marketing	$30,000,000
Grants/Forgivable Loans	$100,000,000
Direct Loans	$100,000,000
Neighborhood and Community Revitalization	$75,000,000
New Jersey Energy Resilience Bank	**$200,000,000**
TOTAL	**$505,000,000**

The total budget of $505,000,000 includes Administrative Expenses of up to $2,525,000 and Activity Delivery Costs of up to $75,750,000.

This reflects the changes contained in Action Plan Amendments 5 and 7.

B. The following additional paragraph is added:

"The Parties may agree, in writing, to a revision of the Budget or a reallocation of funds between categories within the Budget without the need to amend this Agreement; provided however, that in no case shall any such revisions or reallocations exceed the total allocation under the Agreement."

C. "Administrative Expenses" - "$2,300,000 (Two Million Three Hundred Thousand Dollars)" shall be deleted and "$2,525,000 (Two Million Five Hundred Twenty Five Thousand Dollars) "shall be substituted in lieu thereof.

D. "Activity Delivery Costs" – "$69,000,000 (Sixty Nine Million Dollars)" shall be deleted and "$75,750,000 (Seventy Five Million Seven Hundred Fifty Thousand Dollars" shall be substituted in lieu thereof.

VI. Section II (D) 3 Performance Requirements

The following additional paragraph is added following the fourth bullet:

"Subrecipient will make best efforts to launch ERB in August 2014. Subrecipient intends to complete all ERB-related Activities of the Program, including 100% expenditure of ERB-allocated funds that have been drawn down no later than two years from the execution date of each Grant Agreement between GRANTEE and HUD, and it shall endeavor to assist as many individual qualifying facilities as is practicable given the Grant Fund allocation for ERB. Activity completion and expenditure requirements do not apply to Activities separately funded through the Subrecipient's or GRANTEE's receipt and expenditure of Program Income.

Subrecipient agrees to use best efforts to comply with intermediate benchmarks as follows:

- $30 million obligated under a Grant Agreement between GRANTEE and HUD within 1 year of execution of this Agreement
- An additional $40 million obligated under a Grant Agreement between GRANTEE and HUD within each 1 year anniversary of execution of this Agreement for the next 3 years
- An additional $50 million obligated under a Grant Agreement between GRANTEE and HUD within the 5th anniversary of execution of this Agreement, unless such date is otherwise stipulated in writing by GRANTEE and HUD.

GRANTEE authorizes an extension of the dates contained in this section to reflect that all Action Plan 1 funds obligated under the Grant Agreement dated May 13, 2013, as amended, must be expended by May 13, 2015. The funds disbursed in subsequent tranches must be expended within 2 years of the date the funds are obligated by HUD to GRANTEE."

VII. Section II(D) 10 LMI Benefit

This Section shall be amended by adding the following sentence: "Notwithstanding the foregoing, Subrecipient shall use best efforts to ensure that 60% of the Grant Funds allocated to ERB are expended for activities that benefit low and moderate income families."

VIII. Section III Payment Process; Compensation

This Section shall be amended by adding an additional sentence to subsection B as follows:

"Payment of Activity Delivery Costs and Administrative Expenses incurred by the New Jersey Board of Public Utilities ("BPU") in connection with its implementation of the New Jersey Energy Resilience Bank shall be provided to BPU via electronic funds transfer."

IX. It is further agreed and understood that the language in this First Amendment shall supersede any language to the contrary contained in the Agreement and that all other terms and conditions of the Agreement shall remain the same, unchanged and in full force and effect.

X. Any capitalized word not defined herein shall have the meaning ascribed to it in the Agreement.

The Parties have executed on the date set forth next to their respective signatures below, but effective as of the date first above written.

STATE OF NEW JERSEY, DEPARTMENT OF COMMUNITY AFFAIRS

Name:_____

Title:_____

Date:_____

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Name:_____

Title:_____

Date:_____

DRAFT

SUBRECIPIENT AGREEMENT BETWEEN BOARD OF PUBLIC UTITLITIES AND NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

IMPLEMENTING GRANT UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY PROGRAM

This Subrecipient Agreement ("EDA-BPU Subrecipient Agreement" or "Agreement") is made and entered into on this __ day of _____, 2014 by and between the NEW JERSEY BOARD OF PUBLIC UTILITIES ("BPU") and the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ("EDA").

The EDA and the BPU may sometimes hereinafter be collectively referred to as the "Parties" and individually as a "Party," both instrumentalities of the State of New Jersey (the "State").

PREAMBLES

WHEREAS, the New Jersey Department of Community Affairs ("DCA") and the EDA entered into a subrecipient agreement, effective May 21, 2013, (the "EDA-DCA Subrecipient Agreement") which made available to EDA up to four hundred sixty million and 00/100 dollars ($460,000,000.00) in Community Development Block Grant Disaster Recovery ("CDBG-DR") monies for the purpose of funding EDA's activities under the Economic Revitalization Program; and

WHEREAS, Action Plan Amendment ("APA") Number 7 to New Jersey's Initial Action Plan for the Utilization of CDBG Funds in Response to Superstorm Sandy ("Action Plan"), which was approved by the U.S. Department of Housing and Urban Development ("HUD") on May 30, 2014, provides for the use of funds from a second allocation of CDBG-DR monies by DCA; and

WHEREAS, this second allocation includes CDBG-DR funds in the amount of $200,000,000 to be used by EDA jointly with BPU to develop and maintain the New Jersey Energy Resilience Bank ("ERB") to address Statewide energy resilience needs (Section 3.5.2 of APA Number 7) ; and

WHEREAS, the EDA-DCA Subrecipient Agreement was amended accordingly on {fill in} (the "First Amendment") ("EDA-DCA Subrecipient Agreement" and "First Amendment" collectively referred to herein as the "Amended Agreement") to reflect the additional CDBG-DR funds for ERB, as well as other CDBG-DR funding changes which resulted in a total CDBG-DR budget to EDA of five hundred five million and 00/100 dollars ($505,000,000). The Amended Agreement is attached hereto as Appendix A and is incorporated herein.

WHEREAS, pursuant to the Amended Agreement between EDA and DCA and this EDA-BPU Subrecipient Agreement dated ____, the ERB program will be administered by the EDA in conjunction with the BPU; and

WHEREAS, New Jersey's citizens, communities and emergency management personnel were faced with significant challenges when widespread and prolonged electrical outages resulted from Superstorm Sandy's powerful winds and rising flood waters; and

WHEREAS, critical facilities such as water and wastewater treatment plants, hospitals, schools and other public buildings must have access to reliable and resilient energy in order to serve the citizens of New Jersey; and

WHEREAS, distributed generation technologies –such as combined heat and power, fuel cells, and solar cells with storage – when combined with the ability to "island" – i.e., operate independently of the larger electrical grid – can help facilities to continue offering services in the event of a future electrical outage; and

WHEREAS, New Jersey has encouraged the use and deployment of distributed generation technologies for some time, including pursuant to the State's 2011 Energy Master Plan, which committed to developing 1,500 megawatts of new distributed generation resources where net economic and environmental benefits can be demonstrated; and

WHEREAS, because of the initial cost associated with pursuing distributed generation technologies and islanding capabilities, many critical facilities do not currently have in place energy resilience capacity; and

WHEREAS, the approved ERB is designed to continue to pursue innovation and build energy resilience by helping to encourage the development of distributed generation projects, microgrids, and other resilient technology designs at critical facilities throughout the State; and

WHEREAS, the ERB, to achieve its objectives, will provide technical and financial support, such as flexible financing that may include grants and low-interest loans, loan guarantees, loan loss reserve coverage, and other forms of financing to critical facilities, as set forth in the Action Plan, as it may be amended from time to time, and

WHEREAS, the BPU has a long tradition of promoting innovative and energy-efficient technologies, offering financial assistance to clean energy projects, and ensuring the reliability and resilience of the power grid; and

WHEREAS, the EDA has developed considerable expertise in providing New Jersey institutions with innovative financing products and in deploying federal and State funds, particularly in the wake of recent natural disasters; and

WHEREAS, on account of the foregoing, the State has determined that EDA and BPU are most qualified to jointly administer the ERB; and

WHEREAS, a bedrock principle of the State's comprehensive approach to recovery has been to leverage available federal, State, private and philanthropic recovery resources in a coordinated way to maximize their impact for recovery; and

WHEREAS, a long-term objective of the ERB is to attract more private capital to finance resilient distributed generation projects in New Jersey; and

WHEREAS, CDBG-DR funds administered by HUD and intended to address "unmet needs" not satisfied by other recovery resources – are a major source of funding that could be leveraged in the creation of the ERB in combination with State funds; and

WHEREAS, the BPU has made a clear commitment to support the financial sustainability and flexibility of the ERB with BPU clean energy funds, in accordance with applicable statutory requirements; and

WHEREAS, the CDBG-DR funds are being administered by the DCA and any use of those funds by other agencies requires coordination with the DCA; and

WHEREAS, the ERB is not intended to be a new instrumentality of the State, but rather a program jointly operated by the Parties for the objective of promoting energy resilience throughout the State in a manner fully consistent with the approved Action Plan and ensuing amendments; and

WHEREAS, the Parties enter into this EDA-BPU Subrecipient Agreement as an inter-department governmental agreement pursuant to N.J.S.A. 52:14-1 et seq. to set forth their understanding as to the respective duties and responsibilities of each Party in connection with the joint implementation of the ERB and the use of all federal and other funding sources for that purpose.

NOW, THEREFORE, in consideration of the promises and the mutual representations, warranties, and covenants herein contained, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

I. General Definitions

All capitalized words not otherwise defined herein shall have the meaning ascribed to them in the Amended Agreement (Appendix A).

II. Scope of Agreement

A. Grant Award

Subject to the terms and conditions of the Amended Agreement, the DCA, as New Jersey's designated recipient of the CDBG-DR Program funds, has agreed that it shall make available to EDA CDBG-DR funds up to the gross amount of five hundred five million and 00/100 ($505,000,000) Dollars (the "Grant Funds") for the purpose of funding EDA's activities under the Action Plan and subsequent amendments related to the Economic Revitalization Program (the "Program"), as defined in the Amended Agreement. The $505,000,000 includes an aggregate of $305,000,000 for EDA's four initial activities under the Program as described in the EDA-DCA Subrecipient Agreement and $200,000,000 for the BPU and EDA's administration of the ERB as described in the First Amendment. The Grant Funds must be expended by EDA within two years of the date that HUD executes each grant agreement with DCA for all or a portion of the Grant Funds, with the final grant agreement expected to be executed by HUD and DCA on or by September 30, 2017 ("Final Grant Agreement"), unless an extension is hereinafter granted in writing by the appropriate federal authority and/or as approved by DCA. EDA is required to ensure all contracts (with subrecipients, recipients, and Contractors) clearly stipulate the period of performance or the date of completion. BPU hereby acknowledges that the period of performance or the date of completion of this EDA-BPU Subrecipient Agreement is within two years of the date that the CDBG-DR funds are obligated under the Final Grant Agreement.

B. Implementation of Agreement

BPU's rights and obligations under this Agreement are as a subrecipient as set forth in 24 CFR 570.501. BPU is responsible for complying with said regulations and for implementing the ERB in a manner satisfactory to the DCA and HUD and consistent with any applicable guidelines and standards that may be required as a condition of DCA's providing the funds, including but not limited to all applicable CDBG Program Administration and Compliance requirements set forth by this Agreement and the Statement of Assurances (attached hereto as Appendix B) executed by BPU and made a part hereof. The provision of a portion of the Grant Funds under this Agreement for administration of the ERB is specifically conditioned on BPU's compliance with this provision and all CDBG-DR Program and CDBG regulations, guidelines and standards.

III. The Budget

The total amount of CDBG-DR monies allocated by DCA for funding the ERB is $200,000,000, which includes Administrative Expenses of up to $1,000,000 and Activity Delivery Costs of up to $30,000,000. The EDA agrees to allow DCA to reimburse the BPU's Administrative Expenses and Activity Delivery Costs allocable to the ERB according to the agreed upon annual budget to be jointly approved by BPU and EDA as set forth below, provided the following conditions are met:

1. The ERB Executive Director or the Deputy Director will review and approve timesheets for the ERB staff to ensure that they are in compliance with HUD requirements and APA Number 7 pertaining to the ERB. The BPU time sheets and other supporting data will be provided to EDA in a format that is compatible with inputting the information into the Sandy Integrated Recovery Operations and Management System ("SIROMS"); and

2. All requests for reimbursement sought by BPU shall be properly allocable to Administrative Expenses and Activity Delivery Costs incurred by BPU in connection with its implementation of the ERB program as set forth in the annual budget.

The BPU and the EDA will work together to develop and approve a mutually agreed upon annual budget for the ERB by June 30th of each Fiscal Year with the exception of the first Fiscal Year. The first Fiscal Year's ERB budget shall be developed and presented to both Boards, along with the initial approval of the program compliance filing, guides and applications. The mutually agreed upon annual budget will include the use of CDBG and SBC Program Income to ensure the sustained capitalization of the ERB.

IV. The Energy Resilience Bank

A. Purpose/Source of Funds

The Parties agree to jointly operate the ERB, the purpose of which is to help promote energy resilience of New Jersey's critical facilities through financing of energy efficiency and renewable energy projects as outlined in the Action Plan, as it may be amended from time to time, which is posted on DCA's website at http://www.state.nj.us/dca/divisions/sandyrecovery/. Through the respective Boards of the BPU and EDA, the ERB will have the authority to fund any project that satisfies the minimum threshold requirements, as outlined in the ERB program guide, guidelines and/or protocols, subject to the terms of the Action Plan, as it may be amended from time to time, and any constraints on availability of funds.

ERB will be capitalized with monies both from the CDBG-DR allocation as set forth in the First Amendment and BPU clean energy monies obtained through payment of the Societal Benefits Charges ("SBC") which are deposited in the Clean Energy Trust Fund, established pursuant to the Electric Discount and Energy Competition Act, N.J.S.A. 48:3-60-109. In consultation with EDA, BPU agrees to determine the amount of funding and the purposes of the funding to be allocated to ERB on an annual basis, subject to the provisions set forth in Section 48:3-60(a)(3) of EDECA. The annual clean energy funds may be used for administrative costs as approved in the annual budget. BPU endeavors to allocate up to an aggregate amount of $150,000,000 of SBC funding between Fiscal Year 2015 and Fiscal Year 2018, subject to appropriation and the availability of funds.

B. Duties of the BPU

BPU will contribute its expertise in the areas of energy, technical considerations, and resilience benefits, among others. Its specific responsibilities include:

Design

1. Jointly develop with EDA standard application forms (including intake and full applications forms).

2. Jointly develop with EDA initial program eligibility criteria (including technical criteria), financial products, guidelines and/or protocols, and project scoring methodology. In addition, BPU will jointly work with EDA on proposed changes to the foregoing, as necessary, subject to BPU and/or EDA Board approval(s), if required.

3. Jointly draft with EDA standard funding agreements for the ERB's financial products.

4. In conjunction with EDA, establish the technical, operational and financial conditions to be met by facilities in order to receive (where applicable) any loan forgiveness.

5. Together with EDA, develop project-specific requirements and/or conditions which must be agreed to and/or satisfied (as applicable) as pre-conditions to closing an ERB financing with a successful applicant.

Marketing and Outreach

6. Jointly publicize and market the ERB's financing programs with the EDA and other State agencies. Such publicity may include, but not be limited to general information sessions with prospective applicants, public "town hall" meetings, press releases, distribution of marketing materials or public notices of grant and/or loan availability, including posting on the ERB website(s).

7. Jointly draft public relations/marketing material related to public announcements about the ERB.

8. Together with EDA, provide general information to prospective applicants that may include optional pre-application conference regarding viable distributed generation technologies, general facility considerations, the benefits of resilient/distributed generation technology or other technical matters.

9. Jointly with EDA, monitor and track pre-application inquiries.

Application Processing and Evaluation

10. Together with EDA, set up a link on the ERB website(s) to receive application-related inquiries, particularly those focused on technical aspects of the ERB, and respond to such inquiries by posting a publicly accessible answer on the website(s).

11. Evaluate applications on the basis of technical feasibility, criticality and resiliency.

12. Make project-specific assessments to maximize cost effectiveness, including recommending additional clean energy program options for which qualified applicants may apply, if BPU authorizes the use of both funding sources.

13. Reject or approve (pending co-approval by EDA Board, where appropriate) any completed applications to be funded in whole or in part with SBC monies, and notify applicants in accordance with program guidelines consistent with Subsection D of this Section.

14. Jointly with EDA, develop and manage the appeals process for unsuccessful applicants.

15. In coordination with the New Jersey Department of Environmental Protection ("DEP"), assist applicant, when possible, to stimulate expedient processing of State and federal approvals required for the project approval process.

16. Notify EDA of a recipient's successful completion of loan forgiveness or grant milestone in accordance with program guidelines and requirements, as applicable.

Administration and Staffing

17. Provide constructive input to the EDA in its hiring of the Executive Director, which will be an EDA employee. The ERB Executive Director will report as applicable to both Boards. With constructive input from the EDA, hire a Deputy Director, which will be an employee of BPU. The Deputy Director will as applicable report to both Boards.

18. Hire, train and manage performance of any other ERB-focused staff at the BPU.

19. Manage pre-construction, construction and post-construction inspections, including the intake and processing of all required and applicable HUD construction certifications requirements such as Davis Bacon, and Section 504 compliance.

Reporting and Compliance

20. Jointly with EDA, assist in providing all necessary technically-based or other information regarding ERB-specific metrics and metrics necessary for EDA to meet

HUD reporting requirements, including but not limited to the national objective, Davis Bacon, and Section 504 compliance.

21. Work in collaboration with the EDA to facilitate all aspects of program delivery and compliance.

C. Duties of EDA

The EDA will contribute its expertise in the financial aspects of the ERB and federal and State compliance requirements.

Design

1. Jointly develop with BPU standard application forms (including intake and full application forms).

2. Jointly develop with BPU initial program eligibility criteria (including technical criteria), financial products, guidelines and/or protocols, and project scoring methodology. In addition, EDA will jointly work with BPU on proposed changes to the foregoing, as necessary, subject to BPU and/or EDA Board approval(s), if required.

3. Jointly draft with BPU standard funding agreements for the ERB's financial products.

4. In conjunction with BPU, establish the technical, operational and financial conditions to be met by facilities in order to receive (where applicable) any loan forgiveness.

5. Together with BPU, develop project-specific requirements and/or conditions which must be agreed to and/or satisfied (as applicable) as pre-conditions to closing an ERB financing with a successful applicant.

6. Manage the ERB's financial portfolios.

7. Facilitate the sustained capitalization of the ERB through innovative financing.

Marketing and Outreach

8. Jointly publicize and market the ERB's financing programs with the BPU and other State agencies. Such publicity may include, but not be limited to general information sessions with prospective applicants, public "town hall" meetings, press releases, distribution of marketing materials or public notices of grant and/or loan availability, including posting on the ERB website(s).

9. Jointly draft public relations/marketing material related to public announcements about the ERB.

10. Together with BPU, provide general information to prospective applicants that may include optional pre-application conference regarding viable distributed generation technologies, general facility considerations, the benefits of resilient/distributed generation technology or other technical matters, and financial options that may be open to facilities, as well as opportunities for third-party financing. .

11. Jointly with BPU, monitor and track pre-application inquiries.

Application Processing and Evaluation

12. Together with BPU, set up a link on the ERB website(s) for those having any application-related inquiries, particularly those focused on financial products, CDBG-DR requirements or other financial considerations, and respond to such inquiries by posting a publicly accessible answer on the website(s).

13. Intake applications for ERB financing and determine the completeness of accompanying materials with assistance from BPU on technical details.

14. Conduct a financial review and perform due diligence of applicants and projects which have successfully completed BPU technical review to determine financial feasibility.

15. Reject or approve (pending co-approval by BPU Board, where appropriate) any completed applications to be funded in whole or in part with CDBG-DR monies, and notify applicants in accordance with ERB program guidelines.

16. Jointly with BPU, develop and manage the appeals process for unsuccessful applicants.

17. Following approval of applications from both BPU and EDA, (or from delegated authority, if applicable) finalize financing agreements with applicants and send a pre-closing package to applicants.

18. Disburse ERB funds based on agreed upon milestones to approved applicants in accordance with program guidelines and requirements, and any EDA and/or BPU conditions.

19. Provide customer relationship management, including collecting financial information, accepting and monitoring of repayments (if applicable), creating and maintaining general accounting records of the terms of financing, notifying loan recipients of any late or delinquent payments, and initiating collection actions when required, in coordination with the State Attorney General's Office.

20. Upon notification by BPU of a recipient's successful completion of loan forgiveness and/or grant milestone in accordance with program guidelines and requirements, make appropriate notifications to recipient (if applicable).

Internal Operations and Staffing

21. With constructive input from the BPU, hire an Executive Director, which will be an employee of EDA. The Executive Director will, as applicable, report to both Boards. Provide constructive input to the BPU in its hiring of the Deputy Director, which will be a BPU employee. The ERB Deputy Director will, as applicable, report to both Boards.

22. Hire, train and manage performance of any other ERB-focused staff at the EDA.

Reporting and Compliance

23. Publish on a regular basis reports which may include descriptions of ERB activities, success stories, performance statistics and challenges of the ERB sufficient to help the public understand its activities and post the foregoing on the ERB website(s).

24. As further detailed in the EDA Subrecipient Agreement, EDA will gather and report all necessary information required by HUD for disbursement of CDBG-DR funds, including information required for any report and auditable trail.

D. Decision Making

1. While the BPU and EDA Boards will ultimately vote to approve, reject or modify applications, subject to any delegations, the following shall be the process for the evaluation of all ERB projects, not solely those funded with CDBG-DR or other federal, State or private funds:

    i. Technical Review. BPU staff is responsible for evaluating applicant projects on whether they meet the technical requirements for funding by the ERB, technical feasibility, cost effectiveness, resilience benefit and facility criticality as outlined by ERB program guides. BPU staff, under the direction of the Deputy Director, also is responsible for preparing the technical components of the evaluation of each project proposal in accordance with the ERB program guides, guidelines and protocols.

    ii. Credit Review. EDA staff will be responsible for considering the financial analysis of the applicant and project, and recommending funding terms and amounts for each project. EDA staff will perform financial analyses, recommend funding sources, terms and amounts, and prepare the credit report for each project proposal, in accordance with the ERB program guides, guidelines and protocols.

    iii. Executive Director. The Executive Director is an employee of the EDA who is ultimately responsible for managing the pipeline of ERB investments, overseeing review, selection and closing of individual transactions, and

recommending the direction of the ERB. The Executive Director shall report to both the EDA and BPU Boards and be ultimately responsible for implementing the Boards' directives for the ERB.

2. BPU Board - The BPU Board will vote to approve, reject or modify the recommendation of staff concerning whether to finance each project based on BPU staff's recommendation as to technical criteria being met and on EDA staff's recommendation resulting from the underwriting review of the project.

3. EDA Board - The EDA Board will vote or delegate certain decisions to staff to determine whether to provide financing to each project based on EDA staff's recommendation resulting from the underwriting review of the project and on BPU staff's recommendation as to technical criteria being met.

4. Approval of both Boards (or approval of EDA and BPU staff if they have been delegated authority, if applicable) is required for a project to receive both CDBG-DR and SBC funding from the ERB.

5. The BPU Board will approve or reject applications seeking solely SBC funds, and the EDA Board will approve or reject applications seeking solely CDBG-DR funds.

6. Both the EDA and the BPU will jointly agree as to the use of any CDBG and SBC Program Income.

7. The ERB staff will seek delegations of authority from their respective Boards as necessary to strive to enable maximum efficiencies in the administration of the ERB.

E. Project Selection

In recognition of the ERB's objectives and the need for transparency throughout its processes, the Parties will evaluate and select all projects in accordance with established ERB program compliance filings, applications and guides, approved by the EDA and BPU Boards and publically available on the ERB website(s). Any material amendments or alterations of the ERB program guides are to be separately approved by the respective Boards of the BPU and the EDA with any appropriate public notice and opportunity for comment as may be required.

At least initially, the Parties envision accepting the ERB applications on a rolling basis. Completed applications will be reviewed in the order in which they are received, provided they are complete. The Parties reserve the authority to jointly modify the process of review and selection of projects consistent with the Action Plan and this Agreement.

Selection Criteria

1. Minimum Threshold Criteria – In order for a project to be eligible for ERB financing, the project must meet the minimum requirements for program eligibility,

technical feasibility, cost effectiveness, CDBG-DR requirements, and financial viability, as outlined in the ERB program guides, guidelines and/or protocols.

2. Evaluative Criteria – All projects which satisfy the minimum threshold criteria referenced above will be evaluated in accordance with the ERB program guides, guidelines and/or protocols.

Approval Process

Subject to satisfaction of all other HUD criteria, the Parties expect to recommend financing to any project which meets the minimum threshold criteria as described in the ERB program guides, guidelines and/or protocols, subject to but not limited to the following restriction: The ERB staff may determine that the quantity of financing requested for eligible projects is likely to exceed the remaining capital of the ERB. In such case, the EDA and BPU, with appropriate notice, will restructure ERB fund allocation in a feasible manner that may include awarding funds to the highest-scoring projects based on clear scoring guidelines established and posted by the ERB, for example. In the event that CDBG funding is exhausted and SBC funding is to be used exclusively in funding ERB projects, EDA and BPU agree to decide whether the nature of the ERB and the Parties responsibilities thereunder should change. As part of the assessment, the Parties will reassess all ERB guidelines, including the continued role and function of EDA in the ERB process and the applicability of HUD/CDBG requirements and APA Number 7.

F. Subsequent Revisions to ERB Program Guides

In light of the dynamic environment in which the ERB operates, the Parties anticipate the need for ongoing development of guides, processes, new credit products or refined selection criteria by ERB staff. The Parties recognize that this flexibility must be balanced against the need for transparency and predictability in ERB policies for the benefit of current and future applicants. To achieve both these objectives, ERB staff shall consider the following steps:

1. Internal evaluation of potential revisions to the main aspects of the ERB program guides, guidelines and/or protocols consistent with this Agreement, the Action Plan and applicable statutory criteria.
2. The Parties will provide public notice of the changes and an opportunity for comment when needed.
3. Once changes have been agreed upon by the ERB staff, the BPU and EDA Boards (if required) and HUD or DCA, when necessary, the Parties will update information on the ERB's website(s) to inform potential and existing applicants, along with the future date of effect of those changes.

G. Eligible Costs

BPU and EDA shall receive and use Grant Funds for Eligible Costs. Eligible Costs under this Agreement include those applied to eligible activities, as defined in the current, pending and future applicable Action Plan and Action Plan Amendment(s), that are recovery-related, and are otherwise in furtherance of the intent of this Agreement and the goals and objectives as set forth herein, when approved by the DCA in accordance with eligibility rules under CDBG guidelines and subject to limitations established by the DCA.

EDA will, as part of the project feasibility analysis, establish and implement processes and procedures to prevent any duplication of benefits as defined by Section 312 of the Stafford Act. Guidance to assist in preventing a duplication of benefits is provided in a notice published in the Federal Register at 76 FR 71060 (November 16, 2011). EDA processes must verify all sources of disaster assistance for each activity, determine an applicant's unmet need(s) before awarding assistance, and ensure Participating Parties agree to repay the assistance if they later receive other disaster assistance for the same purpose.

In accordance with 24 CFR 58.6(b), EDA and BPU agree that they will not provide any Grant Funds to an applicant that had previously received federal flood disaster assistance conditioned on obtaining and maintaining flood insurance and the applicant failed to obtain and maintain such insurance.

H. Job Relocation Clause

HUD has waived provisions of 42 U.S.C. 5305(h), 24 CFR 570.210, and 24 CFR 570.482(h); EDA and BPU may provide assistance to any applicant that was operating in the disaster-declared labor market area before the date of the disaster and has since moved, in whole or in part, from the affected area to another state or to a labor market area within New Jersey to continue business.

I. Building Code Standards

For all projects that include construction or rehabilitation, BPU shall meet or shall cause recipients of Grant Funds to meet all State and local building code requirements, in addition to those cited in Appendix D (Construction, Alterations, and Rehabilitation) attached hereto and incorporated herein. Further, BPU and EDA must undertake and promote, and cause recipients of Grant Funds to consider, hazard mitigation techniques and the utilization of green technologies and practices where doing so is feasible and cost-effective.

J. Mitigation

BPU and EDA agree to encourage those receiving any Grant Funds to incorporate preparedness and mitigation measures into all rebuilding activities to minimize damage in the event of future floods and/or hurricanes.

K. Assurances

BPU and EDA shall be responsible for administering the ERB in compliance with all applicable State and federal laws and regulations. It shall be BPU's and EDA's responsibility to require that all of its Sub-subrecipients, grantees, borrowers, Contractors, and all tiers of their subcontractors, adhere to all applicable State and federal laws and regulations, and to conduct all necessary monitoring for such compliance. As to laws and regulations which apply to the use of CDBG funds, BPU is concurrently executing the Statement of Assurances, attached hereto as Appendix B, which shall be deemed to be requirements of this Agreement to the extent that they are applicable. As to any other laws and regulations which may apply to construction projects, BPU is responsible for determining the applicable laws and regulations and ensuring compliance therewith.

Notwithstanding the foregoing, DCA is responsible for environmental review, decision making and other action that would otherwise apply to HUD under the National Environmental Policy Act of 1969 and other related provisions of law, since under CDBG regulations, BPU and EDA are expressly prohibited from assuming such responsibility. EDA and BPU agree, however, that they will not commit any Grant Funds to a project until they have approval from the New Jersey Department of Environmental Protection to do so, and HUD approves a certification of compliance with environmental laws and request for release of funds.

BPU and EDA agree to comply with all applicable federal CDBG, Disaster Recovery, and cross-cutting statutes and regulations as more fully detailed in Appendix B, subject to waivers cited in the Federal Register / Vol. 78, No. 43 / Tuesday, March 5, 2013, Department of Housing and Urban Development, [Docket No. FR–5696–N–01] Allocations, Common Application, Waivers, and Alternative Requirements for Grantees Receiving Community Development Block Grant (CDBG) Disaster Recovery Funds in Response to Hurricane Sandy.

L. Cooperation with HUD and the DCA

BPU and EDA each hereby binds itself, certifies, and assures that it will comply with all federal, State, and local regulations, policies, guidelines and requirements, as they relate to the application, in acceptance and use of State and federal funds. The Parties expressly acknowledge that the matters which are the subject of this Agreement are under the CDBG Disaster Recovery Program administered by HUD, which by its emergency nature is subject to ongoing modification and clarifications. The Parties' obligations under this Agreement are subject to compliance with applicable statutes and regulations of the CDBG program, as modified by exceptions and waivers previously granted and which may hereinafter be granted by HUD. BPU and EDA agree that in connection with their respective rights and obligations under the Agreement, they shall cooperate with HUD and DCA regarding the administration and audit of the ERB, including compliance with

various operating and reporting procedures which may hereinafter be promulgated by the DCA and/or HUD.

M. LMI Benefit

Pursuant to the regulations promulgated by HUD for the CDBG-DR Program, the aggregate use of CDBG-DR funds shall principally benefit Low and Moderate Income Families in a manner that ensures that at least 50% of the Grant Funds are expended for activities that benefit such persons. In furtherance of this Statewide goal, EDA and BPU agree to use best efforts to ensure that at least 60% of the Grant Funds allocated for ERB are expended for activities that benefit Low and Moderate Income Families. This LMI benefit shall be tracked by EDA to DCA on a reporting schedule to be determined.

N. Contract Monitor/Performance Measures

The contract monitor for the EDA on this Agreement is the Chief Executive Officer of the EDA, or her designee. The performance measures for this Agreement shall include the successful performance and completion of BPU's obligations as provided in this Agreement and any attachments, as well as all guidelines for the ERB. BPU shall submit to the EDA on a schedule and dates to be provided by the EDA, a report of project progress and beneficiary data in a format to be provided by the EDA. Reporting requirements may require BPU to obtain data from third parties (i.e. persons that receive Grant Funds or other beneficiaries of the program(s), including Sub-subrecipients, grantees, and/or borrowers funded under this Agreement, tenants/operators/users of facilities or equipment acquired or improved with Grant Funds provided under this Agreement). It shall be the BPU's obligation to implement any contractual arrangements it may need for use of, and access to, such data.

BPU must, in advance of signing subcontracts related to this Agreement, ensure that Sub-subrecipients, developers, Contractors and/or other third party entities have in place adequate financial controls and procurement processes and have established procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act.

Pursuant to HUD's waiver of 24 CFR 570.492, EDA and/or DCA shall make reviews and audits, including onsite reviews of any Sub-subrecipients, designated public agencies, and units of local government as may be needed to meet the requirements of 42 U.S.C. 5304(e)(2), as amended. In the event of noncompliance, the EDA and/or DCA shall take such actions as may be appropriate to prevent a continuance of the deficiency, mitigate any adverse effects or consequences, and prevent a recurrence.

O. Conflict of Interest

Except for approved eligible administrative and personnel costs, none of the BPU's designees, agents, members, officers, employees, consultants or members of its governing body, or anyone who is in a position to participate in a decision-making process or gain inside information with regard to the Project, has or shall have any

interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work performed in connection with the Project or in any Activity, or benefit there from, which is part of this Agreement at any time during or after such person's tenure unless all procedures for an exception have been documented and submitted in writing to the EDA and the EDA has approved such exception.

The procedures for requesting, documenting, and submitting a request for an exception from the Conflict of Interest provisions shall include the applicable procedures delineated in 24 CFR 570.489(h)(4) and in the New Jersey Conflicts of Interest Law, N.J.S.A. 52:13D-12 et seq. and Executive Order No. 189. This Conflict of Interest provision shall be in addition to the requirements in the "Common Rule," 24 CFR Part 84, 24 CFR Part 85, 24 CFR 570.611, 24 CFR 570.489(h).

The BPU agrees to abide by the provisions of 24 CFR 84.42 and 24 CFR 570.611, which include (but are not limited to) the following:

1. The BPU shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by federal funds.

2. No employee, officer or agent of the BPU shall participate in the selection, or in the award, or administration of, a contract supported by federal funds if a conflict of interest, real or apparent, would be involved.

3. No covered persons who exercise or have exercised any functions or responsibilities with respect to assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the assisted activity, or with respect to the proceeds from the assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the DCA, BPU, EDA, or any designated public agency.

4. BPU will establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

V. PAYMENT PROCESS; COMPENSATION

Subject to the requirements in Section III of this Agreement ("The Budget"), EDA shall submit to DCA Draw Down requests for payment of Administrative Expenses and

Activity Delivery Costs incurred by BPU in connection with performing its duties and responsibilities hereunder. .Such Draw Down requests and the consideration of their payment by DCA shall conform to the standards and procedures set forth in the Amended Agreement. Pursuant to the First Amendment, DCA has agreed that, once approved, such payments shall be made directly to BPU via electronic funds transfer.

Indirect costs are not reimbursable under this Agreement. Eligible travel expenses incurred under this Agreement shall be paid in accordance with the Grant Agreement.

In the event of non-compliance with this Agreement, the EDA or DCA may withhold payment to the BPU until the EDA or DCA, as applicable, deems the BPU has brought the ERB within compliance. Noncompliance on any aspect funded under this Agreement may serve as a basis to withhold payment on other funds payable under this Agreement.

VI. TERM OF AGREEMENT; TERMINATION OR SUSPENSION OF AGREEMENT

A. Term of Agreement

This Agreement shall be deemed effective upon execution by both Parties and the service on the EDA of a BPU Board Order approving execution of the Agreement. The Agreement shall continue in full force until such time as BPU and EDA no longer are exercising any supervision or control over any of the Grant Funds, including CDBG and SBC Program Income, unless terminated prior to such time in accordance with the terms and conditions of this Agreement.

B. Termination/Suspension for Cause

Either Party may, after giving reasonable written notice specifying the effective date, suspend or terminate this Agreement in whole or in part if either Party materially fails to comply with any term of this Agreement, which shall include, but not be limited, to the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD or DCA guidelines, policies or directives as may be applicable at any time;

2. Failure, for any reason, of either Party to fulfill in a timely and proper manner the material obligations under this Agreement;

3. Submission by BPU of reports to the EDA, DCA, HUD, or any of their auditors, that are incorrect or incomplete in any material respect, or

4. Ineffective or improper use of Grant Funds as provided for under this Agreement.

Notwithstanding anything hereinabove to the contrary, each Party agrees that it shall not exercise its right to suspend or terminate this Agreement until it shall have given written notice to the other Party of the alleged non-compliance and has given such Party a reasonable amount of time to correct and/or cure the alleged non-compliance.

C. Termination for Convenience

The EDA may terminate the Agreement in whole or in part at any time by giving at least thirty (30) days prior written notice to BPU with written notification setting forth the reason(s), if any, for termination.. Upon receipt of notice, BPU shall, unless the notice directs otherwise, immediately discontinue all activities set forth in the Section IV B ("Duties of the BPU"), except as may otherwise be legally required pursuant to a binding commitment to perform.

BPU may terminate the Agreement in whole or in part at any time by giving at least thirty (30) days prior written notice to EDA, with such written notification setting forth the reasons for termination, the effective date, and in the case of partial termination, the portion to be terminated. However, if, in the case of partial termination, the EDA determines that the remaining portion of the BPU's duties hereunder will not accomplish the purposes of the ERB, the EDA may terminate the Agreement in its entirety under this paragraph or the Termination/Suspension for Cause provision of this Agreement.

D. Termination Due to Unavailable Funding

The continuation of this Agreement is contingent upon the appropriation and release of sufficient funds to the EDA to fulfill the requirements of this Agreement. Failure of the appropriate authorities to approve and provide an adequate budget to the EDA for fulfillment of this Agreement shall constitute reason for termination of the Agreement by either Party. BPU shall be paid for all authorized services properly performed prior to termination.

E. Obligations Governing Use of CDBG Funds Survive Termination

Termination of this Agreement under any of the foregoing provisions shall not alter or diminish either Party's obligations governing the use of CDBG funds under applicable statutes and regulations or under this Agreement and/or terminate any of either Party's obligations that survive the termination of this Agreement. Such obligations and/or duties may include but are not limited to the following: (1) duty to maintain and provide access to records; (2) duty to monitor and report on the use of any Grant Funds expended or awarded to either Party in compliance with all terms, conditions and regulations herein; (3) the duty to enforce compliance with terms of grants or loans issued by either Party under this Agreement; and (4) the duty to monitor, collect and manage CDBG and SBC Program Income, if applicable.

F. Payment Upon Termination

Except as in the event of termination or suspension for cause, BPU shall be entitled to payment of Administrative Expenses and Activity Delivery Costs no later than ninety (90) days from the date of termination contained within the notice, to the extent that requests represent expenses incurred for eligible activities satisfactorily completed during the term of the Agreement and are otherwise payable under the terms of this Agreement.

VII. ADMINISTRATIVE REQUIREMENTS

A. Documentation and Record-Keeping

1. Records to be Maintained

The Parties shall maintain all Project records required by 24 CFR 570.506 and as more fully detailed in Appendix C (Records and Retention) attached hereto and incorporated herein.

2. Access to Records

With respect to those records referenced in subsection 1 above, the Parties shall comply with the retention and access requirements set forth in 24 CFR 570.506. The DCA, the State Comptroller, HUD, the Comptroller General of the United States, and any of their duly authorized representatives or agents, shall have access to any books, documents, papers and records of the Parties which are directly pertinent to this Agreement for the purpose of audits, examinations, and making excerpts and transcriptions.

Each Party understands that applicant information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the DCA's or either Party's responsibilities with respect to services provided under this Agreement, is prohibited by either Party unless written consent is obtained from such applicant requesting financing and, in the case of a minor, that of a responsible parent/guardian. Notwithstanding the foregoing, either Party, as an instrumentality of the State, shall be required to provide such access to applicant information as may be required by the New Jersey Open Public Records Act, NJSA 47:1A-A et seq and as may otherwise be required by law. In the event that either Party determines that it is required to provide access to applicant information pursuant to the foregoing, it agrees to provide notification of such disclosure to the other Party and to the DCA.

The Parties shall provide citizens with reasonable access to records regarding the past use of CDBG funds, consistent with applicable State and local laws regarding public records, privacy and obligations of confidentiality.

All records, reports, documents, or other material or data, including electronic data, related to this Agreement and/or obtained or prepared by the Parties, and all repositories

and databases compiled or used, regardless of the source of information included therein, in connection with performance of the services contracted for herein shall become the property of the Party which obtained or prepared such information, unless otherwise mutually agreed by the Parties, and provided that such Party has ownership rights in the foregoing and same is not subject to third party rights pursuant to a legally binding agreement.

3. Close-outs

Either Party's obligation under this Agreement shall not end until all close-out requirements as set forth in 24 CFR 570.509 are completed. The terms of this Agreement shall remain in effect during any period that either Party is exercising any supervision or control over CDBG-DR funds, including CDBG or SBC Program Income.

4. Audits and Inspections

In addition to any other audit requirements set forth in this Agreement, EDA and BPU agree to comply with the OMB Circular 128, "Audits of State and Local Governments", which mandates that a comprehensive single audit (A-33) be performed by the independent auditor of all federally funded awards administered by EDA or BPU, including the Grant Funds covered by this Agreement. It is hereby agreed that the DCA, the State Comptroller, HUD, Office of Inspector General, HUD monitors, and auditors contracted by any of them, shall have the option of auditing all records and accounts of EDA, BPU and/or their borrowers, grantees, Contractors, subcontractors and subrecipients (collectively, the "Audit Parties") that relate to this Agreement at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data upon providing the Audit Parties, as appropriate, with reasonable advance notice. EDA and BPU shall comply, and shall require the other Audit Parties to comply, with all relevant provisions of State law pertaining to audit requirements, including NJ OMB Circular Letter 98-07 and NJ State Grant Compliance Supplement (available on the internet at http://www.state.nj.us/treasury/omb/grant.htm). Any deficiencies noted in audit reports must be fully cleared within thirty (30) days after receipt by EDA, BPU, or the other Audit Parties, as appropriate.

Failure of either Party and/or the other Audit Parties to comply with the above audit requirements will constitute a violation of this Agreement and may, at the DCA's option, result in the withholding of future payments and/or return of Grant Funds paid under this Agreement. Each Party agrees, and shall require the other Audit Parties to agree, to have an annual audit conducted in accordance with current State policy concerning such audits, OMB Circulars A-133 and A-128, and 24 CFR 85.26.

Applicant Data: BPU and EDA shall maintain applicant data demonstrating eligibility for services provided. Such data shall include, but not be limited to, applicant name, address or other basis for determining eligibility, and description of service provided.

Such information shall be made available to DCA monitors or their designees for review upon request.

B. Procurement

Each Party shall comply with the requirements of 24 CFR 85.36 (except paragraph a) and the current State policy and State regulations and requirements regarding procurement, including but not limited to Executive Order 125 (Christie 2013). This requirement is in addition to whatever State laws may apply to procurement by the respective Party.

VIII. COMPLIANCE PROVISIONS

A. Program Income

1. Recording Program Income

CDBG Funds: EDA shall collect and record CDBG Program Income generated by activities funded in whole or in part by CDBG funds under this Agreement.

CDBG Program Income, which is defined in 24 CFR 570.500(a) and further clarified in the Federal Register notice, (HUD Allocations, Common Application, Waivers, and Alternative Requirements for Grantees Receiving Community Development Block Grant Disaster Recovery Funds in Response to Hurricane Sandy, March 5, 2013) means any gross income received by EDA or BPU that was directly generated from the use of the Grant Funds. This includes, but is not limited to payments of principal and interest on any CDBG-funded portion of ERB loans made by EDA, as well as interest earned on CDBG Program Income pending disposition of the income, but excluding interest earned on Grant Funds held in a revolving loan account, which must be returned to DCA for remittance to HUD. By way of example and for clarification purposes only, if an ERB loan is funded 50% with CDBG monies and 50% SBC monies, 50% of such loan repayment shall be considered CDBG Program Income and 50% shall be considered SBC Program Income, as defined herein below.

CDBG Program Income received before or after closeout of the Activity that generated the CDBG Program Income shall be used for additional disaster recovery activities and shall be treated as additional disaster recovery CDBG funds subject to the requirements of this Agreement and shall be used in accordance with the DCA's Action Plan.

It is expected that DCA will establish a CDBG Program Income account specifically for EDA in the DCA's DRGR and will record as part of the financial transaction the receipt and expenditure of CDBG Program Income from ERB. EDA agrees to submit a quarterly report to the DCA detailing receipt and uses of CDBG Program Income.

SBC Funds: EDA shall collect and record SBC Program Income generated by activities funded in whole or in part by SBC funds under this Agreement.

The term SBC Program Income shall mean any gross income received by EDA and/or BPU in connection with ERB that was directly generated from the use of SBC funds. This includes, but is not limited to payments of principal and interest on any SBC-funded portion of ERB loans made by EDA and/or BPU, interest earned on SBC Program Income pending disposition of the income, and interest earned on SBC funds held in a revolving loan account.

SBC Program Income received before or after closeout of the Activity that generated the SBC Program Income should be used for ERB purposes and should be used in accordance with the APA Number 7 and Section IV of this Agreement, unless the EDA and BPU Board, if required, agree otherwise in writing.

EDA shall establish a SBC Program Income account specifically for SBC funds and shall record as part of the financial transaction the receipt and expenditure of SBC Program Income by EDA. EDA agrees to submit a quarterly report to the BPU detailing receipt and uses of SBC Program Income. BPU agrees to provide information EDA may request in order to satisfy its ERB reporting requirements to DCA and/or HUD.

2. Use of CDBG Program Income

EDA agrees to create, operate and maintain one or more revolving loan funds compliant with all CDBG requirements and the DCA Program Income Policy and to deposit all CDBG Program Income receipts into these funds. BPU and EDA shall create processes for the administration of the revolving loan funds, eligibility requirements, application processes, underwriting criteria, and related policies and procedures. Pursuant to Section III of this Agreement, all CDBG Program Income receipts generated by activities funded under this Agreement must be deposited into the revolving loan funds and may only be used for additional disaster recovery and revitalization activities. A maximum of 5% (five percent) of CDBG Program Income receipts may collectively be used by EDA and/or BPU for eligible administrative expenses related to operation of the revolving loan fund.

3. Change of Use

The requirements of 24 CFR Section 570.489(j) regarding change of use of real property applies to real property within EDA's or BPU's control which was acquired or improved in whole or in part using CDBG-DR funds in excess of the threshold for small purchase procurement (24 CFR 85.36). These standards apply from the date CDBG-DR funds are first spent for the property until five years after closeout of the Grant Funds.

B. Use and Reversion of Assets

The use and disposition of immovable property, equipment and remaining Grant Funds under this Agreement shall be in compliance with all CDBG regulations, which include but are not limited to the following:

1. BPU shall transfer to the EDA any Grant Funds on hand and any accounts receivable attributable to the use of Grant Funds under this Agreement at the time of expiration, cancellation, or termination, but BPU shall be entitled to retain any SBC monies allocated for use in the ERB.

2. Immovable property under EDA's or BPU's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of $25,000 shall be used to meet one of the CDBG National Objectives set forth in 24 CFR 570.208 until five (5) years after expiration of this Agreement (or such longer period as the DCA deems appropriate). If EDA or BPU, as applicable, fails to use such immovable property in a manner that meets a CDBG National Objective for the prescribed period of time, EDA or BPU, as applicable, shall pay to the DCA an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property. Such payment shall constitute CDBG Program Income to the DCA. EDA or BPU, as applicable, may retain real property acquired or improved under this Agreement after the expiration of the five-year period, or such longer period as the DCA deems appropriate.

3. In all cases in which equipment acquired, in whole or in part, with Grant Funds is sold, the proceeds shall be CDBG Program Income (prorated to reflect the extent to which Grant Funds received under this Agreement were used to acquire the equipment). Equipment not needed by EDA or BPU, as applicable, for activities under this Agreement shall be (a) transferred to the DCA for the CDBG program or (b) retained by EDA or BPU, as applicable, after compensating the DCA an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment.

IX. GENERAL CONDITIONS

A. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the Parties. In the event that BPU contracts with third parties to perform any of the services to be performed hereunder, such third parties shall at all times remain an "independent contractor" to BPU with respect to the provision of such services. The EDA shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, with respect to such third party contracts.

B. Hold Harmless/Indemnity Contractors/Subcontractors

To the extent that BPU is permitted to and utilizes the services of any third parties in performance of BPU's duties and obligations under this Agreement, any contract entered into shall contain a provision that the Contractor and/or subcontractor shall hold BPU, EDA and DCA harmless and defend and indemnify EDA, BPU and DCA from any and

all claims, actions, suits, charges and judgments whatsoever that arise out of the Contractor and/or subcontractor's performance or nonperformance of the services.

C. Workers' Compensation

BPU shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

D. Insurance and Bonding

Unless expressly waived in writing by EDA, BPU shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond, or equivalent insurance acceptable to the EDA.

E. DCA/HUD Recognition

BPU and EDA shall ensure recognition of the role of the DCA and HUD in providing services through this Agreement. All activities, facilities and items used pursuant to this Agreement shall be prominently labeled as to funding source. In addition, BPU and EDA will include a reference to the support provided herein in all publications made possible with Grant Funds made available under this Agreement.

F. Amendments

The BPU or EDA may amend this Agreement at any time provided that such amendments make specific reference to this Agreement and are executed in writing and signed by a duly authorized representative of each Party. Such amendments shall not invalidate this Agreement, nor relieve or release the BPU or EDA from its obligations under this Agreement, except as may otherwise be provided. Amendments will generally be required when any of the following are anticipated: i) revision to the scope or objectives of the ERB, including purpose or beneficiaries; ii) need to extend the availability of ERB funds; iii) revision that would result in the need for additional funding; and iv) expenditures on items for which applicable cost principles (OMB Circulars A-87 and A-122) require prior approval (see 24 CFR 570.200h for pre-award/pre-agreement costs).

Any change to ERB program guides, guidelines and/or protocols will not require an amendment to this Agreement, but will require the Parties' approvals as outlined in the ERB program guides, guidelines and/or protocols.

The EDA may, in its discretion, require that this Agreement be amended to conform to federal, State or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed EDA and BPU.

G. No Assignment

No Party may transfer or assign this Agreement or transfer or assign any of its rights or assign any of its duties hereunder without the express prior written consent of the other Party. However, if the Parties do mutually agree to an assignment, all rights and obligation set forth herein shall inure to the benefit of the Parties and to their respective successors and assigns.

H. Severability

The terms and provisions of this Agreement are severable. Unless the primary purpose of this Agreement would be frustrated, the invalidity or unenforceability of any term or condition of this Agreement shall not affect the validity or enforceability of any other term or provision of this Agreement. The Parties intend and request that any judicial or administrative authority that may deem any provision invalid, reform the provision, if possible, consistent with the intent and purposes of this Agreement, and if such a provision cannot be reformed, enforce this Agreement as set forth herein in the absence of such provision.

I. Entire Agreement

This Agreement, including all Appendices and documents referenced herein and incorporated by reference, constitutes the entire understanding and reflects the entirety of the undertakings between the Parties with respect to the subject matter hereof, superseding all negotiations, prior discussions and preliminary agreements. There is no representation or warranty of any kind made in connection with the transactions contemplated hereby that is not expressly contained in this Agreement.

J. No Authorship Presumptions

Each of the Parties has had an opportunity to negotiate the language of this Agreement in consultation with legal counsel prior to its execution. No presumption shall arise or adverse inference be drawn by virtue of authorship. Each Party hereby waives the benefit of any rule of law that might otherwise be applicable in connection with the interpretation of this Agreement, including but not limited to any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the Party who (or whose counsel) drafted that provision. The rule of no authorship presumption set forth in this paragraph is equally applicable to any Person that becomes a Party by reason of assignment and/or assumption of this Agreement and any successor to a signatory Party.

K. Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of New Jersey.

L. No Personal Liability of Individual Representatives

No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any official, trustee, officer, agent or employee of any corporate Party in his or her individual capacity, and neither the officers of any Party nor any official executing this Agreement shall be personally liable with respect to this Agreement or be subject to any personal liability or accountability under this Agreement by reason of the execution and delivery of this Agreement.

M. Delay or Omission

No delay or omission in the exercise or enforcement of any right or remedy accruing to a Party under this Agreement shall impair such right or remedy or be construed as a waiver of any breach theretofore or thereafter occurring. The waiver of any condition or the breach of any term, covenant, or condition herein or therein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or any other term, covenant or condition herein or therein contained.

N. Prohibited Activity

Each Party is prohibited from using, and each Party shall require that its borrowers, grantees, subrecipients, Contractors and sub-contractors are prohibited from using, the Grant Funds provided herein or personnel employed in the administration of the ERB for political activities, inherently religious activities, lobbying, political patronage, nepotism activities, and supporting either directly or indirectly the enactment, repeal, modification or adoption of any law, regulation or policy at any level of government. Each Party will comply with the provision of the Hatch Act (5 U.S.C. 1501 *et seq.*), which limits the political activity of employees.

O. Safety

Each Party shall exercise proper precaution at all times for the protection of persons and property and shall be responsible for all damages or property, either on or off the worksite, which occur as a result of his or her performance of the work. The safety provisions of applicable laws and building and construction codes, in addition to specific safety and health regulations described by 29 CFR 1926, shall be observed and each Party shall take or cause to be taken such additional safety and health measures as each Party may determine to be reasonably necessary.

P. Fund Use

Each Party agrees not to use proceeds from this Agreement to urge any elector to vote for or against any candidate or proposition on an election ballot, nor shall such Grant Funds be used to lobby for or against any proposition or matter having the effect of law being considered by the New Jersey Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a

proposition on any election ballot or a proposition or matter having the effect of law being considered by the New Jersey Legislature or any local governing authority.

Each Party shall certify, and shall require that its borrowers, grantees, subrecipients, Contractors and any sub-contractors certify, that they have complied with the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) and that they will not and have not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee or a member of Congress in connection with obtaining any federal contract, grant or any other award covered by 31 U.S.C. 1352. Each Party shall disclose, and shall require that each of its borrowers, grantees, subrecipients, Contractors and sub-contractors also disclose, any lobbing with non-federal funds that takes place in connection with obtaining any federal award.

Q. Subcontractors

Each Party may enter into subcontracts with third parties for the performance of any part of such Party's respective duties and obligations. In no event shall the existence of a subcontract operate to release or reduce the liability of either Party to the other Party for any breach in the performance of that Party's or any of its subcontractor's duties.

R. Copyright

No materials, including but not limited to reports, maps, or documents produced as a result of this Agreement, in whole or in part, shall be available to either Party for copyright purposes. Any such material produced as a result of this Agreement that might be subject to copyright is the property of and all rights shall belong to the DCA, except as may otherwise be provided in a third party contract related to the implementation of the ERB.

Software and other materials owned by either Party prior to the date of this Agreement and not related to this Agreement shall be and remain the property of the respective Party.

The Parties shall cooperate to provide to each other any and all documents in their possession requested by the other Party in connection with the specific awards made under this Agreement, subject to claims of attorney-client and/or deliberative privilege. All records, reports, documents and other material delivered or transmitted to one Party by the other Party shall remain the property of that original Party and shall be returned to that original Party, upon request, at termination, expiration or suspension of this Agreement.

S. Drug Free Workplace Compliance

BPU and EDA hereby certify that they shall provide a drug-free workplace in compliance with the Drug-Free Workplace Act of 1988, as amended and with 24 CFR part 21. Further, there shall be a provision mandating compliance with the Drug-Free Workplace Act of 1988, as amended, in any contracts executed by and between either Party and any

third parties funded using Grant Funds under this Agreement in accordance with 48 FAR part 23.500, et seq, and 48 CFR part 52.223-6.

T. Notices

Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be either hand-delivered or mailed, postage prepaid by first-class mail, registered or certified, return receipt requested, or delivered by private, commercial carrier, express mail, such as Federal Express, or sent by, telecopy or other similar form of rapid transmission confirmed by written confirmation mailed (postage prepaid by first-class mail, registered or certified, return receipt requested or private, commercial carrier, express mail, such as Federal Express) at substantially the same time as such rapid transmission. All such communications shall be transmitted to the address or numbers set forth below, or such other address or numbers as may be hereafter designated by a Party in written notice to the other Party compliant with this Section.

To the DCA:
Department of Community Affairs
Office of Legal & Regulatory Affairs
101 South Broad Street
Trenton, New Jersey 08625
Facsimile: 609-984-6696

To EDA:
New Jersey Economic Development Authority
36 West State Street__
Trenton, New Jersey 08625
Facsimile: 609-984-4301

To the BPU:
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
PO Box 350
Trenton, New Jersey 08625
Facsimile: 609-777-3348
Attention: Board Secretary and Office of Clean Energy

U. Applicability of Provisions Included/Excluded from Agreement

Failure to expressly reference any applicable federal or State regulation, statute, public law, Executive Order, agency directive or OMB Circular will not exempt either Party from compliance with such applicable law or regulation, and all applicable provisions not included will be deemed as inserted herein.

Likewise, execution of this Agreement will not obligate either Party to comply with any regulation, statute, public law, Executive Order, agency directive or OMB Circular, if not otherwise applicable to the use of the CDBG funds provided herein or to the particular

projects performed under this Agreement, even though it may be referenced in this Agreement or in the Appendices.

X. No Third Party Beneficiary

Nothing herein is intended and nothing herein may be deemed to create or confer any right, action, or benefit in, to, or on the part of any person not a party to this Agreement. This provision shall not limit any obligation which either Party has to DCA or HUD in connection with the use of CDBG funds, including the obligations to provide access to records and cooperate with audits as provided in this Agreement.

XI. Miscellaneous

A. This Agreement is being entered into for the sole purpose of evidencing the mutual understanding and intention of the Parties with respect to the joint administration of the ERB.

B. The recitals appearing in the Preambles are made part of this Agreement and are specifically incorporated herein by reference.

C. The Parties shall administer their responsibilities under this Agreement consistent with New Jersey Department of Treasury requirements, the Action Plan as it may be amended from time to time, ERB program guides, guidelines and/or protocols, any relevant State and federal requirements, to the extent applicable, and the Amended Agreement.

D. This Agreement may be executed in counterparts, each of which shall be an original, but all of which shall together constitute one (1) and the same instrument.

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The Parties have executed and delivered this Agreement on the date set forth next to their respective signatures below, but effective as of the date set forth above.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

_____

Name:_____

Title:_____

Date:_____

BOARD OF PUBLIC UTILITIES

Name:_____

Title:_____

Date:_____

The execution of this Agreement by the Parties above has been received and acknowledged by the signature below:

DEPARTMENT OF COMMUNITY AFFAIRS

Name:_____

Title:_____

Date:_____

APPENDIX A
AMENDED AGREEMENT

[TO BE INSERTED]

APPENDIX B
SUBRECIPIENT STATEMENT OF ASSURANCES

BPU hereby assures and certifies that:

1. It possesses legal authority to serve as a subrecipient of a Community Development Block Grant for Disaster Recovery ("CDBG - DR") and to execute the proposed Energy Resilience Bank (ERB) under the Action Plan.

2. Its governing body has duly adopted, or passed as an official act, a resolution, motion or similar action authorizing the signing of the ERB Subrecipient Agreement with EDA and directing and authorizing the person identified as the official representative of the BPU to act in connection with the CDBG-DR funds, sign all understandings and assurances contained therein, and to provide such additional information as may be required.

3. Subject to Section IV M of the Agreement, it will develop the CDBG-DR program and use the CDBG-DR Grant Funds so as to give maximum feasible priority to activities that will benefit low and moderate income families, aid in the prevention or elimination of slums or blight, or meet other community development needs having urgency.

4. It will adhere to 76 FR 71060 (published November 16, 2011) regarding duplication of benefit requirements applicable to the CDBG-DR program.

5. It will establish safeguards to prohibit employees from using official positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties, in accordance with CDBG regulations.

6. It will abide by and enforce the conflict of interest requirement set forth in 24 CFR §570.611, 24 CFR §85.36 and 24 CFR §84.42.

7. It will comply with the provisions of the Hatch Act that limit the political activity of employees and the HUD regulations governing political activity at 24 CFR §570.207.

8. It will comply with HUD rules prohibiting the use of CDBG funds for inherently religious activities, as set forth in 24 CFR §570.200(j), except for circumstances specified in the Department of Housing and Urban Development Allocations, Common Application, Waivers, and Alternative Requirements for Grantees Receiving Community Development Block Grant (CDBG) Disaster Recovery Funds in Response (March 5, 2013). Funding for rehabilitating or reconstructing a storm-damaged or destroyed building may be appropriate where a facility is not used exclusively for the benefit of the religious congregation (i.e., a homeless shelter, food pantry, adult literacy or child care center). When used for both religious and secular purposes, CDBG-DR funds may pay the portion of eligible rehabilitation or construction costs attributable to the non-religious use.

9. It will give the State and HUD, and any of their representatives or agents, access to and the right to examine all records, books, papers, or documents related to the Grant Funds.

10. It will comply with the provisions in 24 CFR §570.200(c) regarding special assessments to recover capital costs if imposed.

11. It certifies that no federally appointed funds will be used for lobbying purposes regardless of level of government.

12. It will comply, and require sub-subrecipients, developers, CBDOs, and/or lower tier Contractors to comply with the drug-free workplace requirements contained at 24 CFR, Part 24, Subpart F and established by the Drug-Free Workplace Act.

13. BPU agrees to comply with the following requirements, subject to waivers cited in the Federal Register / Vol. 78, No. 43 / Tuesday, March 5, 2013, Department of Housing and Urban Development, [Docket No. FR–5696–N–01] Allocations, Common Application, Waivers, and Alternative Requirements for Grantees Receiving Community Development Block Grant (CDBG) Disaster Recovery Funds in Response to Hurricane Sandy:

    a. BPU agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subparts J and K of these regulations, except that (1) BPU does not assume DCA's environmental responsibilities described in 24 CFR 570.604 and (2) BPU does not assume DCA's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

    b. BPU also agrees to comply with all other applicable federal, State and local laws, regulations and policies governing the Grant Funds available under this Agreement to supplement rather than supplant funds otherwise available.

    c. BPU shall require any sub-subrecipient, developer, CBDO or lower-tier Contractor funded in whole or in part with Grant Funds to comply with the following mandatory contract provisions:

    FINANCIAL MANAGEMENT AND PROCUREMENT

        i. OMB Circular A-87 (Cost Principles for State, Local and Indian Tribal Governments) as amended and made part of State regulations;
        ii. A-102 (Grants and Cooperative Agreements with State and Local Governments), as amended and made part of State regulations;
        iii. OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations), revised;
        iv. 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments) and

v. Certification by BPU's Contractors, and each tier of subcontractors, that such Contractors and subcontractors are not on the List of Parties Excluded from Federal Procurement or Nonprocurement Programs promulgated in accordance with Executive Orders 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR part 24 (CDBG funds may not be provided to excluded or disqualified persons);
vi. 24 CFR 570.489: Program Administrative Requirements;
vii. 24 CFR 570.490: Recordkeeping requirements; and
viii. It will comply with all requirements imposed by the State concerning special requirements of law, program requirements, and other administrative requirements; and
ix. 24 CFR Section 570.489(j) regarding change of use of real property. These standards apply to real property within BPU's control (including activities undertaken by sub-subrecipients) which was acquired in whole or in part using CDBG-DR funds in excess of the small purchase procurement threshold in 24 CFR 85.36. These standards apply from the date CDBG-DR funds are first spent until five years after the closeout of the Program.
    1. BPU may not change the use or planned use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made, without first providing citizen review and comment and either:
        a. The new use meets one of the national objectives and is not a building for the general conduct of government;
        b. The requirements of 24 CFR Section 570.489(j) are met.
    2. If the change of use does not qualify, BPU may retain or dispose of the property if the CDBG-DR program is reimbursed for the fair market value of the property, less any portion of the value that is attributable to non-CDBG-DR funds.
    3. Following the reimbursement the property will no longer be subject to any CDBG-DR requirements.

ENVIRONMENTAL IMPACT

BPU may not begin any Project Activities without prior written consent of the New Jersey Department of Environmental Protection ("Department") and DCA, as follows.

For all activities undertaken, BPU agrees that it will provide information as needed to the New Jersey Department of Environmental Protection for site-specific activities.

This will include, but is not limited to:

i. Providing the names of all facilities receiving federal assistance so that the Department can ensure that the facilities are listed on the United States Environmental Protection Agency's (EPA) list of violating;

ii. Providing site-specific information regarding the age, location and prior ground disturbance of all facilities assisted, to determine compliance requirements with Section 106 of the National Historic Preservation Act of 1966, and the Preservation of Archaeological and Historical Data Act of 1966. and the provisions of 24 CFR Part 55 and Executive Order 11988, as amended by Executive Order 12148, relating to evaluation of flood hazards;

iii. It will work with the Department to ensure beneficiaries comply with the flood insurance purchase requirement of Section 202(a) of the Flood Disaster Protection Act of 1973, 42 U.S.C. §4001 et seq., which requires the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of HUD as an area having special flood hazards. For purposes herein, the phrase "federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect federal funding. Additionally:

a. BPU will follow Department procedures and mechanisms to ensure that assisted property owners comply with all flood insurance requirements, prior to providing assistance, as well as post-assistance requirements related thereto,

b. *Flood insurance purchase requirements.* HUD does not prohibit the use of CDBG–DR funds for existing residential buildings in the Special Flood Hazard Area (SFHA) (or ''100-year'' floodplain). With respect to flood insurance, a HUD-assisted homeowner for a property located in the SFHA must obtain and maintain flood insurance in the amount and duration prescribed by FEMA's National Flood Insurance Program. Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) mandates the purchase of flood insurance protection for any HUD assisted property within the SFHA.

c. *Future Federal assistance to owners remaining in a floodplain.* (1) Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a) prohibits flood disaster assistance in certain circumstances. No Federal disaster relief assistance may be used to make a payment (including any loan assistance payment) to a person for repair, replacement, or restoration for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditioned on the person first having obtained flood insurance and the person has subsequently failed to obtain and maintain flood insurance. BPU may

not provide CDBG disaster assistance for the repair, replacement, or restoration to a person who has failed to meet this requirement.

d. BPU will assist the Department as to ensure that in the event of transfer of any property having received CDBG-DR assistance, the transferor notifies the transferee in writing of the requirements to 1) Obtain flood insurance, if the property is not insured as of the date of transfer; 2) Maintain flood insurance; 3) Require the transferor, if there is failure to notify the transferee, to reimburse the federal government in the amount of any subsequent disaster relief assistance if such funds are expended on the property after the date of transfer.

iv. BPU will cooperate with the Department to require all assisted properties to be elevated, repaired, reconstructed or newly-constructed (including both commercial and residential properties) in accordance with the newly-released FEMA Base Flood Elevation Maps (reference table 2-6 in the state's Action Plan).

v. In accordance with 24 CFR 58.6(b), BPU agrees that it will not provide any Grant Funds to a small business that had previously received federal flood disaster assistance conditioned on obtaining and maintaining flood insurance and the small business failed to obtain and maintain such insurance.

Through the Department, BPU and beneficiaries of Program assistance will be required to comply with:

vi. Executive Order 11990, Protection of Wetlands;

vii. the Coastal Zone Management Act Sections 307(c)(d);

viii. In relation to water quality:

a. Executive Order 12088, as amended by Executive Order 12580, relating to the prevention, control and abatement of water pollution

b. The Safe Drinking Water Act of 1974 (42 U.S.C. §§ 201, 300(f) et seq. and U.S.C. §349), as amended, particularly Section 1424(e) (42 U.S.C. §§ 300h-303(e)), which is intended to protect underground sources of water. No commitment for federal financial assistance can be entered into for any project which the U.S. Environmental Protection Agency determines may contaminate an aquifer which is the sole or principal drinking water source for an area; and

c. Executive Order 12088, as amended by Executive Order 12580, relating to the prevention, control and abatement of water pollution; The Federal Water Pollution Control Act of 1972, as amended, including the Clean Water Act of 1977, Public Law 92-212 (33 U.S.C. §1251, et seq.) which provides for the restoration and maintenance of the chemical, physical and biological integrity of the nation's water.

ix. The Endangered Species Act of 1973 (50 CFR 402), as amended;

x. The Fish and Wildlife Coordination Act of 1958, as amended;

xi. Wild and Scenic Rivers Act of 1968 {Sections 7(b) and (c)}, as amended

xii. Executive Order 11738, providing for administration of the Clean Air Act and the Federal Water Pollution Control Act With Respect to Federal Contracts, Grants, or Loans, and Environmental Protection Agency regulations (40 CFR part 15);

xiii. The Clean Air Act of 1970 (Sections 176(c), (d),and 40 CFR 6, 51, 93), which prohibits engaging in, supporting in any way, or providing financial assistance for, licensing or permitting, or approving any activity which does not conform to the State implementation plan for national primary and secondary ambient air quality standards.

xiv. The Farmland Protection Policy Act, 7 U.S.C.A. §4201 et seq., which requires recipients of federal assistance to minimize the extent to which their projects contribute to the unnecessary and irreversible commitment of farmland to nonagricultural uses;

xv. Executive Order 12898: Federal Actions To Address Environmental Justice in Minority Populations and Low-Income Populations, February 11, 1994;

xvi. Noise abatement and control requirement found at 24 CFR 51B;

xvii. Provisions of 24 CFR 51C, explosive and flammable operations;

xviii. Provisions of 24 CFR 58.5(i) relating to toxic chemicals and radioactive materials;

xix. Sections 1012 and 1013 of Title X of the Housing and Community Development Act of 1992 (Public Law 102-550, as amended). The regulation appears within Title 24 of the Code of Federal Regulation as part 35 (codified in 24 CFR 35). The purpose of this regulation is to protect young children from lead-based paint hazards in housing that is financially assisted by the Federal government or sold by the government. This regulation applies only to structures built prior to 1978. It will also comply with the Lead Safety Housing Regulation covering prohibited methods of paint removal (24 CFR Part 35.140) and occupant protection (24 CFR Part 35.1345).

xx. It will comply with the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901, et seq.).

xxi. It will comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94A 163, 89 Stat. 871);

FEDERAL LABOR STANDARDS

i. BPU will administer and enforce the labor standards requirement set forth in 24 CFR §570.603 and any other regulations issued to implement such requirements;

ii. BPU will comply with Section 110 of the Housing and Community Development Act of 1974, as amended and as set forth in 24 CFR §570.603;

iii. It will comply with the Davis-Bacon Act, as amended (40 U.S.C. §3141 et seq.);

iv. It will comply with the Contract work Hours and Safety Standards Act (40 U.S.C. §327 et seq.), requiring that mechanics and laborers (including watchmen and guards) employed on federally assisted contracts be paid wages of not less than one and one-half times their basic wage rates for all hours worked in excess of forty in a work-week;

v. It will comply with the Federal Fair Labor Standards Act (29 U.S.C. §201 et seq.), requiring that covered employees be paid at least the minimum prescribed wage, and also that they be paid one and one-half times their basic wage rate for all hours worked in excess of the prescribed work-week;

vi. It will comply with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3);

vii. It will comply with the following HUD regulations and/or guidance:

- 24 CFR 570.489(l): Debarment and suspension
- 24 CFR 570.603: Labor standards
- 24 CFR 570.609: Use of debarred, suspended, or ineligible Contractors or sub-subrecipients.
- HUD Handbook 1344.1 Federal Labor Standards Compliance in Housing and Community Development Programs

viii. It will comply with the following United States Department of Labor regulations in parallel with HUD requirements above:

- 29 CFR Part 1: Procedures for Predetermination of Wage Rates
- 29 CFR Part 3: Contractors and Subcontractors on Public Building or Public Work Financed In Whole or In Part by Loans or Grants from the United States
- 29 CFR Part 5: Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also, Labor Standards Provisions Applicable to Non-construction Contracts Subject to the Contract Work Hours and Safety Standards Act)

- 29 CFR Part 5: Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also, Labor Standards Provisions Applicable to Non-construction Contracts Subject to the Contract Work Hours and Safety Standards Act)
- 29 CFR Part 6: Rules of Practice for Administrative Proceedings Enforcing Labor Standards In Federal and Federally Assisted Construction Contracts and Federal Service Contracts
- 29 CFR Part 7: Practice Before the Administrative Review Board With Regard to Federal and Federally Assisted Construction Contracts.

ACQUISITION AND RELOCATION

BPU agrees to comply with the following statutes and regulations:

i. Title II (Uniform Relocation Assistance) and Sections 301-304 of Title III (Uniform Real Property Acquisition Policy) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. Chapter 61), and HUD implementing instructions at 24 CFR Part 42 and 24 CFR §570.606; and

ii. Section 104(d) of the Housing and Community Development Act of 1974, as amended ; and

iii. It will comply with 42 U.S.C. 3537c (Prohibition of Lump Sum Payments);

iv. It will comply with 49 CFR Part 24 (Uniform Relocation and Real Property Acquisition for Federal and Federally-Assisted Programs)

v. URA Fixed Residential Moving Cost Schedule

vi. 24 CFR Part 42 (Displacement, Relocation Assistance and Real Property Acquisition for HUD and HUD-Assisted Programs)

vii. 24 CFR 570.606 (Displacement, Relocation, Acquisition and Replacement of Housing)

BPU agrees to provide relocation assistance to those that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-DR assisted project, with the exception of:

viii. The one-for-one replacement requirements at Section 104(d)(2)(A)(i)–(ii) and (d)(3) and 24 CFR 42.375 which have been waived by HUD;

ix. The relocation assistance requirements at section 104(d)(2)(A) and 24 CFR 42.350 to the extent that they differ from the requirements of the URA and implementing regulations at 49 CFR part 24, as modified by the Act for activities related to disaster recovery;

x. Arms-length voluntary purchase requirements at 49 CFR 24.101(b)(2)(i)–(ii) are waived to the extent that they apply to an arm's length voluntary purchase carried out by a person who uses funds allocated under this Notice and does not have the power of eminent domain;

xi. Rental assistance to a displaced person: The requirements at sections 204(a) and 206 of the URA, and 49 CFR 24.2(a)(6)(viii), 24.402(b)(2), and 24.404 are waived to the extent that they require the BPU to use 30 percent of a low-income displaced person's household income in computing a rental assistance payment if the person had been paying more than 30 percent of household income in rent/utilities without ''demonstrable hardship'' before the project;

xii. Tenant-based rental assistance requirements of sections 204 and 205 of the URA, and 49 CFR 24.2(a)(6)(ix) and 24.402(b) are waived to the extent necessary to permit a grantee to meet all or a portion of a grantee's replacement housing financial assistance obligation to a displaced tenant by offering rental housing through a tenant-based rental assistance (TBRA) housing program subsidy, provided that the tenant is provided referrals to comparable replacement dwellings in accordance with 49 CFR 24.204(a) where the owner is willing to participate in the TBRA program, and the period of authorized assistance is at least 42 months;

xiii. Moving expense requirements at section 202(b) of the URA and 49 CFR 24.302; BPU may instead choose to establish a ''moving expense and dislocation allowance'' under a schedule of allowances that is reasonable takes into account the number of rooms in the displacement dwelling;

xiv. The regulation at 24 CFR 570.606(d) is waived to the extent that it requires optional relocation policies to be established; units of local government receiving CDBG-DR funds may establish separate optional policies.

FAIR HOUSING AND NON-DISCRIMINATION

Any act of unlawful discrimination committed by BPU or failure to comply with the following obligations when applicable shall be grounds for termination of this Agreement or other enforcement action; BPU agrees to comply with:

i. Title VI of the Civil Rights Act of 1964 and as amended in 1988, 42 U.S.C. §200d et seq., as amended, and the regulations issued pursuant thereto (24 CFR Part1), which provide that no person in the United States shall on the grounds or race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the BPU receives federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of federal financial assistance

extended to the BPU, this assurance shall obligate the BPU, or in the case of any transfer of such property, and transferee, for the period during which the property or structure is used for another purpose involving the provision of similar services or benefits.

ii. Fair Housing Act (Title VIII of the Civil Rights Act of 1968, as amended, 42 U.S.C. 3601–3619), which requires administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing. Title VIII further prohibits discrimination against any person in the sale or rental of housing, or the provision of brokerage services, including in any way making unavailable or denying a dwelling to any person, because of race, color, religion, sex, national origin, handicap or familial status.

iii. Title II of the Civil Rights Act of 1968 (25 U.S.C. 1301-1303, Indian Civil Rights Act)

iv. Architectural Barriers Act of 1968

v. Title IX of the Education Amendments Act of 1972

vi. Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified individual shall, solely by reason of his or her handicap be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program receiving federal funding assistance.

vii. Section 508 of the Rehabilitation Act of 1973

viii. Section 109 of Title I of the Housing and Community Development Act of 1974, and the regulations issued pursuant thereto (24 CFR Part §570.602), which provides that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds provided under that Part. Section 109 further prohibits discrimination to an otherwise qualified individual with a handicap, as provided under Section 504 of the Rehabilitation Act of 1973, as amended, and prohibits discrimination based on age as provided under the Age Discrimination Act of 1975. The policies and procedures necessary to ensure enforcement of section 109 are codified in 24 CFR Part 6.

ix. Section 104(b)(2) of the Housing Community Development Act of 1974

x. Age Discrimination Act of 1975

xi. Title II of the Americans with Disabilities Act of 1990

xii. Housing for Older Persons Act of 1995 (HOPA)

xiii. It will require every building or facility (other than a privately owned residential structure) designed, constructed, or altered with funds provided to BPU to comply with any accessibility requirements, as required by Title

III of the Americans with Disabilities Act of 1990 (42 U.S.C.A. § 12101 et seq.). The BPU will be responsible for conducting inspections to ensure compliance with these specifications by the contractor.

xiv. It must use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. BPU may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

xv. Section 3, Housing and Urban Development Act of 1968. Section 3 requirements will apply to all individual properties assisted with these funds, regardless of the actual amount spent on each individual unit/property. Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the Federal financial assistance provided under this contract and binding upon BPU and third-party entities. The BPU certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

BPU shall ensure compliance with the statutory and regulatory requirements of Section 3 in its own operations, and those of covered contractors. These responsibilities include:

1) Making efforts to meet the minimum numerical goals found at 24 CFR Part 135.30;
2) Complying with the specific responsibilities at 24 CFR Part 135.32; and
3) Submitting Annual Summary reports in accordance with 24 CFR Part 135.90.

If covered contractors receive awards that exceed $100,000 for the construction and rehabilitation activities listed above, responsibility for Section 3 compliance is shared between the BPU and that firm (with the exception of the submission of the Section 3 Annual report (Form HUD 60002), which must be submitted by the BPU to DCA).

Specifically, BPU shall be responsible for awarding 10 percent of the total dollar amount of all covered contracts to Section 3 business concerns.

The following language must be included in all contracts and subcontracts:

A. *The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.*

B. *The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.*

C. *The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.*

D. *The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.*

E. *The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other*

than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. *Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.*

G. *With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).*

It will further comply with:

xvi. Executive Order 11063: Equal Opportunity in Housing, November 20, 1962, as amended by Executive Order 12259, and the regulations issued pursuant thereto, which pertains to equal opportunity in housing and non-discrimination in the sale or rental of housing built with federal assistance.

xvii. Executive Order 11246: EEO and Affirmative Action Guidelines for Federal Contractors Regarding Race, Color, Gender, Religion, and National Origin, September 25, 1965 and Executive Order 11375: Amending Executive Order No. 11246, October 13, 1967, which provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of federal or federally assisted construction contracts. Further contractors and subcontractors on federal and federally assisted construction contracts shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training and apprenticeship.

xviii. Executive Order 12086: Consolidation of contract compliance functions for equal employment opportunity, October 5, 1978

xix. Executive Order 12892: Leadership and Coordination of Fair Housing in Federal Programs: Affirmatively Furthering Fair Housing, January 17, 1994

xx. Executive Order 12898: Federal Actions To Address Environmental Justice in Minority Populations and Low-Income Populations, February 11, 1994

xxi. Executive Order 13166: Improving Access To Services For Persons With Limited English Proficiency, August 11, 2000
xxii. Executive Order 13217: Community-Based Alternatives for Individuals with Disabilities, June 19, 2001
xxiii. Executive Order 13330: Human Service Transportation Coordination, February 24, 2004

And affirms it will comply with implementing regulations for the above:

xxiv. 24 Code of Federal Regulations Part 1: Nondiscrimination in Federally Assisted Programs of HUD
xxv. 24 Code of Federal Regulations Part 3: Nondiscrimination on the Basis of Sex in Education Programs or Activities receiving Federal Financial Assistance
xxvi. 24 Code of Federal Regulations Part 5.105: Other Federal Requirements
xxvii. 24 Code of Federal Regulations Part 6: Nondiscrimination in Programs, Activities Receiving Assistance under Title I of the Housing and Development Act of 1974
xxviii. 24 Code of Federal Regulations Part 8: Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities of the Department of Housing and Urban Development
xxix. 24 CFR Code of Federal Regulations Parts 50.4 (l) and 58.5 (j): Environmental Justice
xxx. 24 Code of Federal Regulations Part 91.225 (a)(1): Affirmatively Furthering Fair Housing
xxxi. 24 Code of Federal Regulations Part 91.325 (a)(1): Affirmatively Furthering Fair Housing
xxxii. 24 Code of Federal Regulations Part 91.325(b)(5): Compliance with Anti-discrimination laws
xxxiii. 24 Code of Federal Regulations Part 91.520: Performance Reports
xxxiv. 24 Code of Federal Regulations Parts 100-125: Fair Housing
xxxv. 24 Code of Federal Regulations Part 107: Non-discrimination and Equal Opportunity in Housing Under Executive Order 11063 (State Community Development Block Grant grantees)
xxxvi. 24 CFR Part 121: Collection of Data
xxxvii. 24 CFR Part 135: Economic Opportunities for Low- and Very Low-Income Persons
xxxviii. 24 CFR Part 146: Non-discrimination on the Basis of Age in HUD Programs or Activities Receiving Federal Financial Assistance
xxxix. 24 Code of Federal Regulations Part 570.206(c): Fair Housing Activities
xl. 24 Code of Federal Regulations Part 570.487(b): Affirmatively Furthering Fair Housing
xli. 24 Code of Federal Regulations Part 570.487(e): Architectural Barriers Act and Americans with Disabilities Act (State Community Development Block Grant grantees)

xlii. 24 Code of Federal Regulations Part 570.490(a)(b): Recordkeeping requirements
xliii. 24 Code of Federal Regulations 570.491: Performance Reviews and Audits
xliv. 24 Code of Federal Regulations Part 570.495(b): HCDA Section 109 nondiscrimination
xlv. 24 Code of Federal Regulations Part 570.506(g): Fair Housing and equal opportunity records
xlvi. 24 Code of Federal Regulations Part 570.601: Affirmatively Further Fair Housing
xlvii. 24 Code of Federal Regulations Part 570.608 and Part 35: Lead-Based Paint
xlviii. 24 Code of Federal Regulations Part 570.614: Architectural Barriers Act and Americans with Disabilities Act
xlix. 24 Code of Federal Regulations Part 570.904: Equal Opportunity and Fair Housing Review
l. 24 Code of Federal Regulations Part 570.912: Nondiscrimination compliance

APPENDIX C
RECORDS AND RECORDS RETENTION

BPU shall maintain all **project records** required by 24 CFR 570.506 for five years following close out of this Agreement. These records will include the following:

a. Description, geographic location and budget of each funded activity;
b. Eligibility and national objective determinations for each activity;
c. Personnel files;
d. Property management files;
e. HUD monitoring correspondence;
f. Citizen participation compliance documentation;
g. Fair Housing and Equal Opportunity records;
h. Lump sum agreements;
i. Environmental review records; and
j. Documentation of compliance with other Federal requirements (e.g., Davis-Bacon, Uniform Relocation Act, and Lead-Based Paint).

FINANCIAL RECORDS to be maintained include:

a. Chart of accounts;
b. Manual on accounting procedures;
c. Accounting journals and ledgers;
d. Source documentation (purchase orders, invoices, canceled checks, etc.);
e. Procurement files (including bids, contracts, etc.);
f. Real property inventory;
g. Bank account records (including revolving loan fund records, if applicable);
h. Draw Down requests;
i. Payroll records and reports;
j. Financial reports;
k. Audit files; and
l. Relevant financial correspondence.

PROJECT/ACTIVITY records should include the following documentation:

a. Eligibility of the activity;
b. Evidence of having met a national objective (see below);
c. Subrecipient Agreement;
d. Any bids or contracts;
e. Characteristics and location of the beneficiaries;
f. Compliance with special program requirements, including environmental review records;
g. Budget and expenditure information (including draw requests); and
h. The status of the project/activity.

Economic Development LMI Job Creation/Retention

a. Written agreements with beneficiaries (i.e., loan agreements, promissory notes, mortgages, etc.) must be maintained for five years after the longer of: 1) the maturity date or earlier termination of the written agreement or 2) the expiration of the affordability period.

b. HUD has waived 24 CFR 570.483(b)(4)(i) and 570.208(a)(4)(i) to allow identification of low- and moderate-income jobs benefit by documenting, for each person employed, the name of the business, type of job, and the annual wages or salary of the job. (HUD will consider the person income-qualified if the annual wages or salary of the job is at or under the HUD-established income limit for a one-person family.) This method replaces the standard CDBG requirement in which grantees must review the annual wages or salary of a job in comparison to the person's total household income and size (i.e., number of persons). This allows the collection of wage data from the assisted business for each position created or retained, rather than from each individual household. Records relating to job creation/retention must be maintained for five years.

c. Public benefit: HUD has waived the public benefit standards at 42 U.S.C. 5305(e)(3), 24 CFR 570.482(f)(1), (2), (3), (4)(i), (5), and (6), and 570.209(b)(1), (2), (3)(i), (4), for economic development activities designed to create or retain jobs or businesses (including, but not limited to, long-term, short-term, and infrastructure projects). However, BPU must report and maintain documentation on the creation and retention of total jobs; the number of jobs within certain salary ranges; the average amount of assistance provided per job, by activity or program; the North American Industry Classification System (NAICS) code for each business assisted; and the types of jobs. HUD has also waived 570.482(g) and 570.209(c) and (d) to the extent these provisions are related to public benefit.

OTHER

d. **Section 3:** Pursuant to the U.S. Housing Act of 1937 (42 U.S.C. 1437a(b)(2)) and 24 CFR 135.5, HUD may establish income limits to consider an individual to be a Section 3 resident. For this CDBG-DR program, an individual is eligible to be considered a Section 3 resident if the annual wages or salary of the person are at, or under, the HUD-established income limit for a one-person family for the jurisdiction.

e. **Relocation:** Records covering displacements and acquisition must be retained for five years after the date by which all persons displaced from the property and all persons whose property is acquired for the project have received the final payment to which they are entitled in accordance with 92.353.

f. **Litigation/Claims:** If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

APPENDIX D
CONSTRUCTION, ALTERATIONS, REHABILITATION

a. BPU affirms that activities involving new building construction, alterations, or rehabilitation will comply with the applicable New Jersey building code(s) as well as local building codes.
b. BPU shall, to the extent feasible, ensure all rehabilitation, reconstruction, and new construction is be designed to incorporate principles of sustainability, including water and energy efficiency, resilience and mitigating the impact of future disasters. Whenever feasible, BPU should follow best practices such as those provided by the U.S. Department of Energy Home Energy Professionals: *Professional Certifications and Standard Work Specifications*.
c. BPU affirms that it will comply with the requirements of the Uniform Federal Accessibility Standards (UFAS) for the design, construction and alteration of buildings so that physically handicapped persons will have ready access to and use of them in accordance with the Architectural Barriers Act, 42 U.S.C. 4151-4157.

All reconstruction, new construction and rehabilitation must be designed to incorporate principals of sustainability, including water and energy efficiency, resilience, and mitigating the impact of future disasters.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: July 10, 2014

SUBJECT: **Delegations Regarding Disqualification matters**

Request:

Establish additional delegations for certain disqualification matters related to applicants to the Stronger NJ financial assistance programs.

Background:

Beginning in July 2003 and at various times over the past eleven years, the Members' approval has been sought to delegate authority to staff on certain financing and incentive transactions to create efficiencies for our customers and to provide fluidity to our business.

New Delegation:

All applicants to EDA's programs are required to answer legal questions as part of the application process. Historically, EDA has required that an applicant's affirmative response to any of the legal questions, especially those in which an applicant has entered a guilty plea or an admission of liability, be subject to a full review by the Attorney General's office to determine whether EDA should disqualify the applicant from receiving EDA assistance.

Delegations, approved by the Board in December 2013, currently exist for certain matters reported by EDA's large incentive customers that typically reflect violations arising out of the ordinary course of business which were prosecuted by the U.S. Department of Justice and/or various States' Attorneys General.

Additionally, in May 2014, the EDA Board approved delegations to staff regarding certain matters presented by applicants to Stronger NJ financial assistance programs that were disposed of in the Municipal and Superior courts of New Jersey and foreign jurisdiction equivalents.

The application for Stronger NJ financial assistance contains legal questions that differ from EDA's standard application for financial assistance to address federal government requirements. It is in regard to affirmative responses to those questions, along with record-keeping or other civil violations of an administrative nature, that staff is recommending delegation [Level 1: CEO], in consultation with the Attorney General's office, for the following actions:

1. If the applicant has:

    a. been denied a license or permit required to engage in its business or profession or had any such license or permit suspended or revoked by any government, provided any such suspension or revocation has been lifted by any such government;

    b. been suspended, debarred, disqualified, denied a classification rating or prequalification or otherwise been declared not responsible to bid or submit a form of prequalification on or to perform work on any public contractor subcontract; provided any such suspension, debarment, disqualification, denial or declaration is no longer in force;

    c. had an injunction, order or lien entered against it in favor of any government agency including but not limited to judgments or liens based on taxes assessed or fines and penalties imposed by any government agency; provided any such injunction has been lifted and order or lien satisfied in whole or by entry into and compliance with an alternate arrangement (e.g. payment plan) with any such government agency;

    d. been penalized, in an amount not exceeding $50,000, by any government agency for minor civil violations of law or regulation of a purely administrative or record-keeping nature, not constituting pattern or practice, and committed without knowledge or intent (e.g. I-9 compliance violations).

2. All recommendations to disqualify will continue to come to the Board.

Recommendation:

Consent to new delegation for disqualification to provide efficiency for our customers while ensuring appropriate oversight in accordance with applicable regulations (N.J.A.C. 19:30-2.1 et seq.) and Executive Orders.

Timothy Lizura, President and COO

Prepared by: Marcus Saldutti

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Michele Brown
Chief Executive Officer

Date: July 10, 2014

Subject: Stronger NJ Business Grant Program Appeals – Gert's Snack & Spices, Sandy Beach Ventures, Scrooge & Marley, and Stuart Levine

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

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

At this meeting, the Board is being asked to consider four appeals: Gert's Snack & Spices, Sandy Beach Ventures, Scrooge & Marley, and Stuart Levine. Attached to this memo you will find the Hearing Officer's recommendation, the Hearing Officer's letters to the applicants, as well as the declination letter and the applicant's appeal. I have reviewed the attached and I concur with the recommendation that the declinations under the Stronger NJ Business Grant Program for Sandy Beach Ventures and Bonnie Gore be upheld.

Michele Brown

attachments

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

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

FROM: Shane McDougall, Jake Genovay, Kim Ehrlich
Hearing Officers

DATE: July 10, 2014

SUBJECT: Stronger NJ Business Grant Program Appeals
Gert's Snacks & Spices – 54085
Sandy Beach Ventures – 58258
Scrooge & Marley – 53298
Stuart Levine - 55002

Request:
The Members are asked to approve the Hearing Officers' recommendation to uphold the declination of the Stronger NJ Business Grants for Gert's Snacks & Spices, Sandy Beach Ventures, Scrooge & Marley, and Stuart Levine.

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

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

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

Company Name	Reason for Decline	Discussion
Gert's Snacks & Spices	Applicant did not meet minimum annual revenue threshold of $25,000	In the year of the storm (2012), the applicant's annual revenue was $4,260.
Sandy Beach Ventures	Business is a year-round residential facility	Applicant maintains they are a seasonal rental property, however, the Program requires businesses to own two or more seasonal rental properties in order to be eligible. Sandy Beach Ventures owns one property.
Scrooge & Marley	Applicant did not meet minimum annual revenue threshold of $25,000	In the year of the storm (2012), the applicant's annual revenue was $887.
Stuart Levine	Applicant is a year-round rental property	Applicant rents his property year-round.

Recommendation:

As a result of careful consideration of the above appeals in consultation with the Attorney General's Office, the recommendation of the Hearing Officers is to uphold the declination of Stronger NJ Grant applications for Gert's Snacks & Spices, Sandy Beach Ventures, Scrooge & Marley, and Stuart Levine.

Prepared by: Kim Ehrlich

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

June 27, 2014

Gertrude Sofman
Gert's Snacks & Spices, LLC & Spice Properties LLC
157 Bay Avenue
Highlands, NJ 07732

Dear Ms. Sofman:

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

By way of background, the New Jersey Economic Development Authority ("EDA") reviewed and declined your application for a grant on January 27, 2014. The information provided indicated that Gert's Snack & Spice Properties, LLC, had annual revenues of $4,260, which failed to meet the minimum annual revenue of at least $25,000 required in the year prior to the storm.

As part of my review of your grant application and appeal, I have read your appeal letter, your application and file, and spoken with relevant Office of Recovery staff. This letter follows our phone conversation on June 19, 2014.

The New Jersey Department of Community Affairs Community Development Block Grant Disaster Recovery Action Plan ("Action Plan") states in section 4.3.1 that the Grant program is open to "Businesses meeting the definition of small business at 13 CFR part 121 with a minimum of $25,000 and a maximum of $5 million in annual revenues." This requirement is also described in our Stronger NJ Business Grant Application Overview.

In your appeal, Spice Properties, LLC states in its appeal that EDA improperly combined the application of Gert's Snacks & Spices LLC with the application of Spice Properties, LLC that both applications should be separated and re-evaluated on their own merits, and that the gross operating revenues requirement should be waived to enable approval of the application of Gert's Snacks & Spices, LLC.

Based on my review as the Hearing Officer I find that the EDA, in fact, reviewed both applications separately, and properly determined that neither Spice Properties, LLC nor Gert's Snacks & Spices, LLC, met the basic eligibility requirements of the program and specifically the annual revenue threshold requirements cited above, with Gert's Snacks & Spices having annual revenues of $4,260 and Spice Properties having annual revenues of $12,068.

In addition, the eligibility requirements contained in the Community Development Block Grant Disaster Recovery Action Plan and Program Guidelines apply to all applications and may not be waived in any circumstances.

For the above reasons, I will be recommending that the appeal be denied by the EDA Board at its meeting on July 10, 2014 at 10:00 a.m.

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

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

Very truly yours,

Jacob Genovay
Hearing Officer
609-858-6717
JGenovay@njeda.com

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

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

February 7, 2014

In Reference to:
Stronger NJ Business Grant (SG) # 55968

Spice Properties
Gertrude Sofman
157 Bay Avenue
Highlands, NJ 07732

RE: Stronger NJ Business Grant Application

Dear Ms. Sofman:

Thank you very much for applying for a Stronger NJ Business Grant. We sincerely appreciate the time your business invested in applying to the program. The New Jersey Economic Development Authority (EDA) has completed a review of your grant (SG) # 55968 request. Based on the federal and/or program guidelines we must adhere to, we regret that we are unable to provide your organization with a grant for the following reason(s):

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

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

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

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

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

Sincerely,

Timothy J. Lizura
President & Chief Operating Officer

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

Gert Sofman

157 Bay Avenue • Highlands, NJ 07732-1547
Phone: (973) 452-9327 • E-Mail: Gert@GertsSnacks.com

February 5, 2014

Via USPS Overnight Mail

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

Re: Gert's Snacks & Spices LLC
Application No. (SB) #54085

Spice Properties LLC
Application No. (SB) #55968
APPEAL OF DENIAL OF GRANT

Dear Sir or Madam:

Please be advised that this letter is my formal appeal of the grant applications filed on behalf of Gert's Snacks & Spices LLC (#54085) and Spice Properties LLC (#55968). The basis for the appeal is as follows:

1. Two separate applications were submitted under the Stronger NJ Business Grant application, and in August 2013 NJEDA improperly combined both applications under the Gert's Snacks & Spices application. I was advised that these applications were being combined so that the NJEDA would be better able to approve the grant application.

2. Gert's Snacks & Spices LLC is a business that was open for three months prior to Hurricane Sandy and due to that fact it is quite impossible for a new business to generate $25,000 in gross receipts. Gert's Snacks & Spices meets all the other requirements under the program and it is requested that a waiver of the gross receipts requirement be waived.

3. Spice Properties LLC as the owner of the real property (purchased 12/30/11) received more than $25,000 in gross receipts based upon the mortgage, insurance, taxes and renovation costs paid by Gert's Snacks & Spices on behalf of Spice Properties. Per the operating agreement between the companies, Spice Properties LLC does indeed meet the $25,000 gross receipts requirement.

4. Spice Properties LLC is the owner of the intellectual property rights of various products manufactured and marketed by Gert's Snacks & Spices. Under a marketing agreement between the properties, Spice Properties is entitled to fifty percent of the profits.

5. Gert's Snacks & Spices LLC and Spices Properties LLC are two separate legal entities, with separate EIN numbers, and should be treated as such.

Wherefore, based upon the foregoing, it is respectfully requested that:

1. The grant applications for both companies be separated and re-evaluated on their own merits.

2. Spice Properties application be granted on the basis of meeting all the requirements of the program and the absolute need to rebuild the commercial real estate in order to rebuild Spice Properties' business.

3. A waiver of the $25,000 gross receipts requirement be granted on behalf of Gert's Snacks & Spices LLC. – so that the grant application is approved.

Thank you.

Yours truly,

Gert Sofman

/gs

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

June 27, 2014

John Campbell
Sandy Beach Ventures
P.O. Box 158
Brick, NJ 08723

RE: Stronger NJ Business Grant Application Appeal

Dear Mr. Campbell

Upon our initial review of your appeal, I made the determination that your application did not meet the requirements to be approved under the Stronger NJ Business Grant Program ("Program"). A letter sent to you dated May 7, 2014 memorialized that decision. The New Jersey Economic Development Authority ("EDA") thereafter received correspondence from you where you disagreed with my declination of your appeal.

In our phone conversation on May 19, 2014, you expressed to me that your property was only rented on a seasonal basis, despite the indication to the contrary on your tax return.

Following our conversation, I conducted an additional review of your file. In that review, and in consultation with the Office of Recovery, I determined that even if the EDA were to concede this point, and accept that your property was in fact a seasonal rental, your application must still be declined. In our May 19th telephone conversation, and in your file, you indicated that the property is a single rental unit. Per the Stronger NJ Business Grant Application Overview, only formally structured businesses that own two or more seasonal rental units are eligible under the Program.

As you are aware, Superstorm Sandy caused unprecedented damage to New Jersey's housing, business, infrastructure, health, social service, and environmental sectors. As the Program was developed with a limited pool of funds, the EDA, in coordination with the New Jersey Department of Community Affairs ("DCA") and the US Department of Housing and Urban Development ("HUD"), sought to put parameters on the types of businesses eligible for the Program. Examples of this include, but are not limited to: minimum revenues of $25,000; maximum revenues of $5 million; excluding year-round rental properties; and, limiting home based businesses. In this way, the EDA sought to assist the businesses that were not eligible for other State programs and were most impacted after the storm, with the best chance of recovery.

In order to safeguard funding for small businesses, the EDA, along with DCA, decided to limit Economic Revitalization Programs to businesses that would not be eligible under the programs for homeowners available through the DCA. As a result, year-round rentals which could be served under the Landlord Incentive Program, and home based business which could be served by the homeowner programs, were deemed ineligible under the Program.

Further, it was determined that while some businesses do own one seasonal rental unit, the Stronger NJ Business Grant Application Overview states that only seasonal rental properties with two or more units will be permitted in order to discourage Economic Revitalization funds being utilized for private use.

Therefore, based on my review as the Hearing Officer, following my additional review and our conversations, I concur with the original finding of the Office of Recovery and find that there is insufficient evidence to overturn the original declination.

For the above reasons, I will be recommending that your appeal be denied by the EDA Board at its meeting on Thursday, July 10, 2014, at 10 am.

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

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

Very truly yours,

Shane McDougall, Hearing Officer

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

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

May 7, 2014

John Campbell
Sandy Beach Ventures
P.O. Box 158
Brick, NJ 08723

RE: Stronger NJ Business Grant Application Appeal

Dear Mr. Campbell:

My name is Shane McDougall and I was appointed to serve as the Appeal Officer for your appeal under the Stronger NJ Business Grant Program ("Program") dated March 21, 2014.

By way of background, the New Jersey Economic Development Authority ("EDA") reviewed and declined your application for a grant on March 14, 2014. The information provided indicated that Sandy Beach Ventures is a year-round residential facility.

Per New Jersey's Community Development Block Grant Disaster Recovery Action Plan ("Action Plan") and Program Guidelines ("Guidelines"), businesses that own residential facilities available for lease throughout the calendar year are ineligible for assistance through the Program. Assistance to these facilities is provided though the NJ Department of Community Affairs ("DCA") housing disaster recovery programs, including the Landlord Incentive Program - http://www.renewjerseystronger.org/about-landlord-incentive-program.

As part of my thorough review of your grant application and appeal, I have read your appeal letter, your application and file, and spoken directly with relevant Office of Recovery staff.

In my review of your file, I noted your submitted Tax Return for year 2012, which shows on Page 7 that the property was available for rent the full year. The file also indicates that you attempt to rent to property year-round. This would qualify it as a year-round rental property, even though you were unable to *actually* rent the property during certain periods (e.g., the winter months).

As indicated in the letter dated March 14, 2014 from Tim Lizura, President and Chief Operating Officer, it was determined that the application from Sandy Beach Ventures did not meet this eligibility requirement.

Based on my review as the Appeal Officer, I concur with original finding of the Office of Recovery and find that there is insufficient evidence to overturn the original declination, namely that the property was a year-round rental property.

For the above reasons, I will be recommending that the appeal be denied by the EDA Board at its meeting on Friday, May 16, 2014 at 10:00 a.m.

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

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

Very truly yours,

Shane McDougall, Appeal Officer
smcdougall@njeda.com
973-855-3446

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

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

March 14, 2014

In Reference to:
Stronger NJ Business Grant (SG) # 58258

John Campbell
Sandy Beach Ventures
PO Box 158
Brick, NJ 08723

RE: Stronger NJ Business Grant Application

Dear Mr. Campbell:

Thank you very much for applying for a Stronger NJ Business Grant. We sincerely appreciate the time your business invested in applying to the program. The New Jersey Economic Development Authority (EDA) has completed a review of your grant (SG) # 58258 request. Based on the federal and/or program guidelines we must adhere to, we regret that we are unable to provide your organization with a grant for the following reason(s):

- ***Business is a year-round residential facility.***

  Businesses that own residential facilities available for lease throughout the calendar year are ineligible for assistance through the Stronger NJ Business Grants Program. However, assistance may be provided though the NJ Department of Community Affairs (DCA) housing disaster recovery programs. Please call 1-855-Sandy for additional information on these programs.

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

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

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

Sincerely,

Timothy J. Lizura
President & Chief Operating Officer

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

LAW OFFICES
JOHN J. CAMPBELL
A PROFESSIONAL CORPORATION
2031 HIGHWAY 88
BRICK, NEW JERSEY 08723

AREA CODE 732
840-1500

JOHN J. CAMPBELL

PLEASE REPLY TO:
P. O. BOX 158
BRICK, NEW JERSEY 08723
FAX: (732) 840-1535
jjcampbellesq@verizon.net

March 21, 2014

Via email njeda@njeda.com & Regular Mail

Mr. Timothy J. Lizura,
President and Chief Operating Officer
New Jersey Economic Development Authority
P.O. Box 990
Trenton, NJ 08625-0990

Re: 1313 Ocean Front, Point Pleasant Beach, NJ
Stronger NJ Business Grant (SG) #58258

Dear Mr. Lizura:

Thank you for your correspondence of March 14, 2014, with respect to a denial for a Grant for the repair of the property.

The property was not leased out for the entire period of 2013, up to and including the present date and in 2012, the property was rented but not throughout the calendar year for that year but for the summer months. In 2011, the property was not leased throughout the calendar year but only for the summer months.

Therefore, it would seem that we should qualify for the Grant of monies.

You may consider this correspondence as an Appeal with respect to your decision as per your correspondence under date of March 14, 2014. Kindly advise.

If you have any questions or need any additional information, please do not hesitate to contact me at 732-840-1502.

A copy of this correspondence is being set to New Jersey Economic Development Authority.

Please advise.

Thanking you, I remain,

Very truly yours,

JOHN J. CAMPBELL

JJC/kc

cc: NJ Economic Development Authority
Attention: Office of Recovery
P.O. Box 990
Trenton, NJ 08625-0990

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

June 27, 2014

Scrooge & Marley
Robert Yates
7 Dahl Drive
Montvale City, NJ 07045

RE: Stronger NJ Business Grant Application Appeal

Dear Mr Yates:

My name is Kim Ehrlich and I was appointed to serve as the Appeal Officer for your appeal under the Stronger NJ Business Grant Program ("Program") dated January 17, 2014.

By way of background, the New Jersey Economic Development Authority ("EDA") reviewed and declined your application for a grant on January 9, 2014. The information provided indicated that Scrooge & Marley LLC had revenues of $887, which failed to meet the minimum annual revenue of at least $25,000 required in the year prior to the storm.

As part of my review of your grant application and appeal, I have read your appeal letter, your application and file, and spoken directly with relevant Office of Recovery staff. This letter follows our conversation on June 24, 2014.

The New Jersey Department of Community Affairs Community Development Block Grant Disaster Recovery Action Plan ("Action Plan") states in section 4.3.1 that the Grant program is open to "Businesses meeting the definition of small business at 13 CFR part 121 with a minimum of $25,000 and a maximum of $5 million in annual revenues." The requirement is also described in our Stronger NJ Business Grant Application Overview.

As indicated in the letter dated January 9, 2014 from Tim Lizura, EDA President and Chief Operating Officer, whose team reviewed your application to the Program, it was determined that Scrooge & Marley LLC did not meet the program requirements, as outlined above.

Based on my review as the Hearing Officer, I concur with original finding of the Office of Recovery and find that there is insufficient evidence to overturn the original declination, namely that the business does not fall within the annual revenue threshold requirements for the Program. This is because Scrooge & Marley had revenues of only $887, and the Program does not allow for the annualization of revenue for businesses that opened shortly before the storm.

In our conversation, you stated that you owned an additional property, but that does not appear on the 2012 tax returns for Scrooge & Marley LLC, and therefore cannot be considered as part of this application.

For the above reasons, I will be recommending that the appeal be denied by the EDA Board at its meeting on Thursday, July 10, 2014 at 10:00 a.m.

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

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

Very truly yours,

Kim Ehrlich, Hearing Officer
kehrlich@njeda.com
609-858-6704

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

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

January 9, 2014

In Reference to:
Stronger NJ Business Grant (SG) # 53298

Scrooge & Marley
Robert Yates
7 Dahl Drive
Montvale City, NJ 07045

RE: Stronger NJ Business Grant Application

Dear Mr. Yates:

Thank you very much for applying for a Stronger NJ Business Grant. We sincerely appreciate the time your business invested in applying to the program. The New Jersey Economic Development Authority (EDA) has completed a review of your grant (SG) # 53298 request. Based on the federal and/or program guidelines we must adhere to, we regret that we are unable to provide your organization with a grant for the following reason(s):

- ***Business does not fall within annual revenue threshold requirements.***

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

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

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

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

Sincerely,

Timothy J. Lizura
President & Chief Operating Officer

In Reference to:

Stronger NJ Business (SG) #53298

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

Dear Sir or Madam:

In the enclosed letter from the NJ Economic Development Authority, my request for a grant (SG) #53298 has been denied because my business, Scrooge & Marley LLC, did not achieve the minimum gross operating revenue of $25,000 in the most recent tax year.

In my opinion, I should qualify for this grant because the program guidelines failed to make special provisions for new businesses that were destroyed by the Sandy storm before they were able to achieve their revenue potential. In my case, my business had just begun operations in early October of 2012, and was in operation only a few short weeks, before Superstorm Sandy hit at the end of October 2012. After Sandy, my business was unable to operate and as a result I could not generate gross operating revenue. I expect in a normal full business year I could exceed the $25000 threshhold.

Please reconsider my case and qualify me for this grant so that I can rebuild and reopen for business. If you have any questions please feel free to contact me at 973-600-9876 or email at rookyates@yahoo.com.

Sincerely,

Robert Yates

Robert Yates

Managing Member

Scrooge & Marley LLC

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

June 27, 2014

Stuart Levine
827 Fifth Street, LLC
10 Berkley Place
Colts Neck, NJ 07722

RE: Stronger NJ Business Grant Application Appeal

Dear Mr. Levine:

My name is Kim Ehrlich and I was appointed to serve as the Appeal Officer for your appeal under the Stronger NJ Business Grant Program ("Program") dated April 13, 2014.

By way of background, the New Jersey Economic Development Authority ("EDA") reviewed and declined your application for a grant on February 7, 2014. The information provided indicated that 827 Fifth Street, LLC is a year-round residential property.

As part of my review of your grant application and appeal, I have read your appeal letter, your application and file, and spoken directly with relevant Office of Recovery staff. This letter follows our conversation on May 27, 2014.

In your appeal you state that you were 'never informed of the criteria regarding a seasonal rental.' I apologize for any misunderstanding regarding the parameters of the Stronger NJ Business Grant Program, however, businesses that own residential facilities available for lease throughout the calendar year are ineligible for assistance through the Program. Assistance to these facilities is provided though the NJ Department of Community Affairs ("DCA") housing disaster recovery programs, including the Landlord Incentive Program - http://www.renewjerseystronger.org/about-landlord-incentive-program.

As you are aware, Superstorm Sandy caused unprecedented damage to New Jersey's housing, business, infrastructure, health, social service, and environmental sectors. As the Program was developed with a limited pool of funds, the EDA, in coordination with DCA and the US Department of Housing and Urban Development ("HUD"), sought to put parameters on the types of businesses eligible for the Program. Examples of this include, but are not limited to: minimum revenues of $25,000; maximum revenues of $5 million; excluding year-round rental

properties; and, limiting home based businesses. In this way, the EDA sought to assist the businesses that were not eligible for other State programs and were most impacted after the storm, with the best chance of recovery.

In order to safeguard funding for small businesses, the EDA, along with DCA, decided to limit Economic Revitalization Programs to businesses that would not be eligible under the programs for homeowners available through the DCA. As a result, year-round rentals which could be served under the Landlord Incentive Program, and home based businesses which could be served by the homeowner programs, were deemed ineligible under the Program.

In regard to your claim that information regarding residential rentals was not available, on the date of your application, an overview of the Program was available on the EDA's website which contained the following information: "HUD does not consider second homes used as seasonal or weekly rental properties to be eligible businesses. However, where (i) two or more such units are owned by a registered, formally structured company, (ii) that company has its own federal tax identification or employer identification (EIN) number, and (iii) that company owned the impacted real property on the date of the storm, October 29, 2012, the company may be eligible to receive funding for impacted locations under the Stronger NJ Business Grant program. Businesses that own a single residential rental unit and privately owned residential rental units that are available for lease throughout the calendar year may be eligible for assistance under the Department of Community Affairs' (DCA) CDBG-DR programs. For further assistance with these properties, please contact the DCA at 1(855) Sandy-HM."

This document has since been updated and following is a link to the Stronger NJ Business Grant Overview currently located on the EDA website. (http://application.njeda.com/strongernjbusinessgrant/pdf/StrongerNJBusinessGrantOverview.pdf) I have also attached this document for your information.

Also available on the EDA website on the date of your application were Frequently Asked Questions that included the following: "Businesses that own a single rental unit and privately owned rental units that are available for lease throughout the calendar year may be eligible for assistance under the Department of Community Affairs' (DCA) CDBG-DR programs. For more information, please contact DCA at 1(855) Sandy-HM."

As indicated above, in order to be eligible for this program the business would need to be a formally structured business with two or more seasonal rental units. Your application is for a single, year round rental property. The EDA does not consider these applications under the Stronger NJ Business Grant program as they may be eligible for funding under the DCA housing disaster recovery programs.

Based on my review as the Appeal Officer, I concur with original finding of the Office of Recovery and find that there is insufficient evidence to overturn the original declination, namely that the property was a year-round rental property.

For the above reasons, I will be recommending that the appeal be denied by the EDA Board at its meeting on Thursday, July 10, 2014 at 10:00 a.m.

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

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

Very truly yours,

Kim Ehrlich, Appeal Officer
kehrlich@njeda.com
609-858-6704

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

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

February 7, 2014

In Reference to:
Stronger NJ Business Grant (SG) # 55002

827 Fifth Street, LLC
Stewart Levine
827 5th Street
Union Beach, NJ 07735

RE: Stronger NJ Business Grant Application

Dear Mr. Levine:

Thank you very much for applying for a Stronger NJ Business Grant. We sincerely appreciate the time your business invested in applying to the program. The New Jersey Economic Development Authority (EDA) has completed a review of your grant (SG) # 55002 request. Based on the federal and/or program guidelines we must adhere to, we regret that we are unable to provide your organization with a grant for the following reason(s):

- ***Business is a year-round residential facility.***

  Businesses that own residential facilities available for lease throughout the calendar year are ineligible for assistance through the Stronger NJ Business Grants Program. However, assistance may be provided though the NJ Department of Community Affairs (DCA) housing disaster recovery programs. Please call 1-855-Sandy for additional information on these programs.

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

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

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

Sincerely,

Timothy J. Lizura
President & Chief Operating Officer

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

Stewart A. Levine
10 Berkley Place
Colts Neck, N.J. 07722
732-252-5675

RECEIVED
APR 1 5 2024
BY: .....

April 13, 2014

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

Re: 827 5th St., LLC
Stronger NJ Business Grant #55002
Property located 827 5th St., Union Beach, NJ

Dear Mr. Lizura,

I am now in receipt of your letter dated February 7, 2014. I never received this letter due to the fact it was mailed to the above address of the property that had been damaged by Hurricane Sandy.
It was not mailed to my mailing address, nor was I contacted by the EPA Mr Barolotta, via email or phone. I was never notified that my contact person Yulia Huntley was no longer working for the EPA and unaware my file was transferred.

The main reason for the appeal is I was never informed of the criteria regarding a seasonal rental. Upon filing the form with Mr. Kickey he informed me this was the proper grant for me to apply. Your representatives had a duty to inform me properly.
I have been in contact with Ms. Lori Matheus and she has for obvious reasons to reset the clock on the time of appeal. Please speak with her.
As a matter of fact, I am attaching the handout respective to the criteria of the grant. No where do I see any mention regarding the specification of seasonal rental. That is misinforming the public and basically bait and switch. This is your handout that I was provided at time of application with Mr. Kickey.
This is in fact a business under an LLC. I am retired and disabled and this business property provides me rental income that I need. I do not understand why that is any different than seasonal rental and feel that it is an improper technicality. I ask that you provide an answer regarding this. I ask that you reconsider the application.

I also am attaching a letter I have sent to Governor Chris Christie,. I have sent duplicate letters to Senator Robert Menendez, and Congressman Pallone.
I feel also compelled to inform the media regarding this issue that has now arisen. In my opinion the EPA has made a wrong decision on this matter.

I await your reply and thank you in advance.

Respectfully,

Stewart Levine

Stewart A. Levine
10 Berkley Place
Colts Neck, N.J. 07722
732-252-5675

Governor Chris Christie
PO Box 001
Trenton, NJ 08625-001

RE: EPA Business Grant (SG) # 55002
827 5th St.,, LLC (Business name)
Property located at 827 5th St., Union Beach 07735

Dear Governor Christie:

I am disturbed with the manner that the EPA is handling the administration of the business grants. When I initially applied back in early 2013 I was told this was the only grant I am qualified for as the property in question is not my primary residence. I had written numerous letters and inquired everywhere. See attached handout explaining the grant.
FEMA was of no help and I received no funds in the reparation of my property as a result of Hurricane Sandy. I was not qualified due to the fact it wasn't my primary residence.
I had no choice but to borrow some monies and use personal funds in restoring the home immediately because if I didn't I would have lost it to mold growth. This is a business for me as it is a LLC, I am retired and disabled and I rely on the rental income. I was told there would be help for us as business owners. The property is 827 5th St., Union Beach, NJ 07735 I want to point out that I pay property taxes in the town of Union Beach and qualify for NO assistance yet others receive if it were there primary residence. I qualified for no assistance?
I had no choice but to repair yet find others are being helped and I figured to be patient and I would wait. I was informed there would be assistance for us business owners
I initially dealt with Mr. Brian Kickey (from Solix and of the EDA) who helped me complete the grant application. He assured me this was the grant I was to apply for. His email is [illegible]. Please review the handout attached by the EPA regarding this grant. I see nothing about it can't be used regarding year round rental. Nothing !
The application was assigned to a Ms.Yulia Huntley.
I heard from Ms. Huntley up until the end of 2013 and she told me all looked good and I would be hearing from her.
Again, this is a business for me, I am retired and disabled and I receive and rely on rental income. I spent well over $80 K in restoring the home with new appliances, mechanicals and permits. I did everything I was instructed to do. Yet I immediately decided to contact a contractor to begin repairs and mold remediation so as to avoid a major problem at my sole expense with no assistance while waiting patiently for the assistance that was promised.
Recently, I was trying to get in touch with Ms. Huntley and continued to call her office and sent a letter. The phone was disconnected and I had no reply to the letter.
I finally found how to contact the EPA and I was told Ms. Huntley isn't employed there any longer, I also wasn't able to contact Mr. Kickey and had no reply to an email I sent him. I was never notified that the case worker assigned was no longer employed there.

I was finally contacted EPA in April and was told that Mr. Sal Barolatta was now in charge of my file. He finally called me back and told me I was sent a letter rejecting my loan in January. I told him I never received any letter. He really wouldn't discuss the letter. He forwarded it to me via email last week on April 7, 2014. The letter declined my application dated February 7, 2014 for the reason that the property is not used for seasonal rental. Huh!

I could not believe the incredible nonsense. I am attaching the handout I was given at the time of application. **No where does it state under eligibility that the property must be used for seasonal rental.** Did they just make that up to decline grants ? It would be nice to pre inform us at time of application.

The letter was sent to the address of the property that was damaged. Duh ! It was not sent to my mailing address. I was not contacted by phone or email. Even more disturbing was why didn't the EPA or Mr. Barolotta notify me that Ms. Huntley was no longer there and he was now in charge of my file. How delinquent is that ? When I asked he said he is much too busy ! Nice government we have !

Mr. Barolotta had my phone number, email and mailing address on file.

The important thing was I was DECLINED due to the fact that it is not a seasonal rental because I am now told that the parameters are that the property must be and not year round rental. **What possible difference does that make** ? Please explain that to me… as I rent it to a family with 4 children. I guess they would like me to put them out in the street. Isn't it important that we provide rental property to the people of Union Beach. I should be punished for that ? How CRAZY IS THAT ?

I was then able to contact the supervisor Lori Matheus of the EPA (609-858-6655). She acknowledged that the letter came back to them and I was never properly informed. She stated to me that she will start the 30 day clock again to appeal the decision.

I also understand that there is a second round of Sandy aid for housing grants in the amount of $1.46 billion. I also understand there is a waiting list. I ask that you use your influence and restore me to the proper space on the waiting list for assistance.

I am in need of the $50 K for the elevation of my home at 827 5th St., I have architect plans and begun getting bids to do the work. The estimates to elevate are in the area of $110K. I am getting additional estimates, but can't afford to proceed. The $50 K is critical for me.

I ask for your assistance to have the matter reversed under appeal for obvious reasons. I understand there is a time frame and I also have now lost critical time in receiving the grant due to THEIR mishap. I hope you can assist all can be corrected by your office's assistance and guidance.

I thank you very much in advance and await to hear back from your office.

Respectfully,

Stewart Levine

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

February 7, 2014

In Reference to:
Stronger NJ Business Grant (SG) # 55002

827 Fifth Street, LLC
Stewart Levine
827 5th Street
Union Beach, NJ 07735

RE: Stronger NJ Business Grant Application

Dear Mr. Levine:

Thank you very much for applying for a Stronger NJ Business Grant. We sincerely appreciate the time your business invested in applying to the program. The New Jersey Economic Development Authority (EDA) has completed a review of your grant (SG) # 55002 request. Based on the federal and/or program guidelines we must adhere to, we regret that we are unable to provide your organization with a grant for the following reason(s):

- ***Business is a year-round residential facility.***

  Businesses that own residential facilities available for lease throughout the calendar year are ineligible for assistance through the Stronger NJ Business Grants Program. However, assistance may be provided though the NJ Department of Community Affairs (DCA) housing disaster recovery programs. Please call 1-855-Sandy for additional information on these programs.

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

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

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

Sincerely,

Timothy J. Lizura
President & Chief Operating Officer

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