NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: February 8, 2011

SUBJECT: Agenda for Board Meeting of the Authority February 8, 2011

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

Incentive Programs

Board Memorandums

Real Estate

Executive Session – OPMA Exemption N.J.S.A. 10:4-12b(7)

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
January 11, 2011

MINUTES OF THE MEETING

Members of the Authority present: Al Koeppe, Chairman; John Hutchison representing the Lt. Governor's office; Steve Petrecca, representing the State Treasurer; Joe Latoof representing the Commissioner of the Department of Labor and Workforce Development; Michele Siekerka representing the Commissioner of the Department of Environment Protection; Richard Poliner, representing the Commissioner of the Department of Banking and Insurance; Public Members: Joseph McNamara, Vice Chairman; Charles Sarlo, Steve Plofker, Marjorie Perry, Rich Tolson, Raymond Burke, First Alternate Public Member; and Elliot M. Kosoffsky, Second Alternate Public Member.

Present via conference call: Kevin Brown, Third Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Absent from the meeting: Public Members Timothy Carden, and Laurence Downes.

Also present: Caren Franzini, Chief Executive Officer of the Authority; Bette Renaud, Deputy Attorney General; and guests.

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

Pursuant to the Internal Revenue Code of 1986, Ms. Franzini 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. Franzini 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 December 14, 2010 meeting minutes. Mr. Tolson noted he did attend the meeting that day. A motion was made to approve the minutes by Mr. Plofker, seconded by Mr. Latoof, and was approved by the 13 voting members present.

The next item of business was the approval of the December 14, 2010 executive session minutes. A motion was made to approve the minutes by Mr. Plofker, seconded by Mr. Latoof, and was approved by the 13voting members present.

The next item of business was the approval of the December 21, 2010 special meeting minutes. A motion was made to approve the minutes by Mr. Plofker, seconded by Mr. Latoof, and was approved by the 13 voting members present.

The next item was the presentation of the Chief Executive Officer's Monthly Report to the Board. **(For Informational Purposes Only)**

BOND RESOLUTIONS

The next item was to approve the resolution approving the 2010 carryforward request for unused private activity bond volume cap and authorizing the Chief Executive Officer to file Form 8328 with the IRS.

MOTION TO APPROVE: Mr. Latoof SECOND: Mr. Burke AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

PROJECT: ACR Energy Partners, LLC **APPL.#24485**

LOCATION: Atlantic City/Atlantic Cty.

PROCEEDS FOR: building construction

FINANCING: $55,000,000 Tax-Exempt Bond and $75,000,000 Taxable Bond

MOTION TO APPROVE: Mr. Latoof SECOND: Ms. Perry AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

Mr. Sarlo entered the meeting at this time.

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: South Brunswick Family YMCA, Inc. **APPL.#33913**

LOCATION: South Brunswick/Middlesex Cty.

PROCEEDS FOR: refinance existing debt

FINANCING: $920,000 Tax-Exempt Bond

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

PROJECT: South Brunswick Family YMCA, Inc. **APPL.#33914**

LOCATION: South Brunswick/Middlesex Cty.

PROCEEDS FOR: refinance existing debt

FINANCING: $1,330,000 Tax-Exempt Bond

MOTION TO APPROVE: Mr. Latoof SECOND: Mr. Burke AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

PRELIMINARY RESOLUTIONS

PROJECT: Homestead at Mt. Laurel, LLC **APPL.#34547**

LOCATION: Mt. Laurel/Burlington Cty.

PROCEEDS FOR: building construction

MOTION TO APPROVE: Mr. Tolson SECOND: Ms. Perry AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

PROJECT: Kontos Foods, Inc. **APPL.#34499**

LOCATION: Paterson/Passaic Cty.

PROCEEDS FOR: equipment purchase

MOTION TO APPROVE: Mr. Tolson SECOND: Mr. McNamara AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

PROJECT: Friends of Central Jersey Arts Charter School, Inc. **APPL.#34926**

LOCATION: Plainfield/Union Cty.

PROCEEDS FOR: building renovation

MOTION TO APPROVE: Mr. Latoof SECOND: Ms. Perry AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

PUBLIC HEARING ONLY

PROJECT: Church of Our Lady of the Angels **APPL.#33790**

LOCATION: Trenton/Mercer Cty.

PROCEEDS FOR: building renovation

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

The following projects were presented under the Petroleum Underground Storage Tank Program.
MOTION TO APPROVE: Mr. Latoof SECOND: Mr. McNamara AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PROJECT: Estate of Morris Kipness **APPL.#33665**
LOCATION: Linden/Union Cty.
PROCEEDS FOR: upgrade, closure and site remediation
FINANCING: $266,233 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: Marcus Homeyer **APPL.#34210**
LOCATION: Montclair/Essex Cty.
PROCEEDS FOR: upgrade, closure and site remediation
FINANCING: $69,038 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: Mark A. Lackovic and Cheryl A. Lackovic **APPL.#32498**
LOCATION: Woodstown/Salem Cty.
PROCEEDS FOR: upgrade, closure and site remediation
FINANCING: $192,473 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: M&M Auto Mechanic, Inc. **APPL.#33093**
LOCATION: Perth Amboy/Middlesex Cty.
PROCEEDS FOR: upgrade, closure and site remediation
FINANCING: $111,430 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: James Sethman **APPL.#33743**
LOCATION: Linden/Union Cty.
PROCEEDS FOR: upgrade, closure and site remediation
FINANCING: $103,308 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: Tomorrow's Hope, Inc. **APPL.#21936**
LOCATION: Englishtown/Monmouth Cty.
PROCEEDS FOR: upgrade, closure and site remediation
FINANCING: $114,927 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

The next item was a summary of all Petroleum Underground Storage Tank Program Delegated Authority Approvals for the month of December 2010. **(For Informational Purposes Only)**

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

The next item was a summary of the Hazardous Discharge Site Remediation Fund Program Delegated Authority Approvals for the month of December 2010. **(For Informational Purposes Only)**

INCENTIVE PROGRAMS

BUSINESS INCENTIVE EMPLOYMENT PROGRAM

PROJECT: Allied Plastic Holdings, LLC **APPL.#34215**
LOCATION: TBD **BUSINESS:** plastics
GRANT AWARD: 30% Business Employment Incentive grant, 10 years

MOTION TO APPROVE: Mr. Plofker SECOND: Mr. McNamara AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PROJECT: Bayer HealthCare LLC and Affiliates **APPL.#34739**
LOCATION: TBD **BUSINESS:** biotechnology
GRANT AWARD: 50% Business Employment Incentive grant, 10 years

MOTION TO APPROVE: Mr. Kosoffsky SECOND: Mr. Hutchison AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PROJECT: Direct Success Inc. **APPL.#34452**
LOCATION: Wall Township/Monmouth Cty. **BUSINESS:** professional services
GRANT AWARD: 60% Business Employment Incentive grant, 10 years

MOTION TO APPROVE: Mr. Kosoffsky SECOND: Ms. Perry AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PROJECT: SupplyOne New York, Inc. **APPL.#34535**
LOCATION: TBD **BUSINESS:** wholesale
GRANT AWARD: 30% Business Employment Incentive grant, 10 years

MOTION TO APPROVE: Mr. Latoof SECOND: Ms. Perry AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

URBAN TRANSIT HUB TAX CREDIT PROGRAM

The next item was discussion to not disqualify Panasonic Corporation of North America's application for assistance under the Urban Transit Hub Tax Credit Program, and to approve the tax credit recommendation.

PROJECT: Panasonic Corporation of North America
LOCATION: Newark/Essex Cty.
MAX AMOUNT OF TAX CREDITS: Estimated $102,408,062

MOTION TO APPROVE: Ms. Perry SECOND: Mr. McNamara AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

Mr. Sarlo abstained because SJP Properties is partners with his firm.

The next item was an informational change in the Wakefern Food Corp. Urban Transit Hub Tax Credit approval that will not subject the company to the 20% reduction in the tax credit award if their employment at the project site falls below 200. **(For Informational Purposes Only)**

ECONOMIC REDEVELOPMENT AND GROWTH (ERG) GRANT PROGRAM

PROJECT: 360-394 Springfield LLC (dba Newark Screens)
LOCATION: Newark/Essex Cty.
REIMBURSEMENT GRANT: Up to $1,202,032

MOTION TO APPROVE: Mr. Plofker SECOND: Mr. Kosoffsky AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

Ms. Perry abstained.

BOARD MEMORANDUMS

PROJECT: American Bank Note Holographics, Inc. **APPL.#15693**

LOCATION: Washington Twp./Mercer Cty.

FINANCING: $863,940 Business Employment Incentive Program Grant

REQUEST: Consent to administrative changes in the BEIP grant.

MOTION TO APPROVE: Ms. Perry SECOND: Mr. Latoof AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

The next item was a list of the BEIP modifications and the BRRAG UEZ and Salem Sales Tax Exemption (STX) extensions that were approved in the 4th quarter ending December 31, 2010. **(For Informational Purposes Only)**

The next item was a summary of Delegated Authority approvals for 4th Quarter 2010. **(For Informational Purposes Only)**

The next item was a summary of projects approved under Delegated Authority in December 2010. **(For Informational Purposes Only)**

New Jersey Business Growth Fund: Bartnik properties, LLC and Clifton Wallington Medical Group PA; LOJ Properties LLC and Lee's Development Services LLC; Premier Real Estate Investments, LLC and South Jersey Spine & Pain Physicians, LLC; Raymond & Ken LLC.

Preferred Lender Program: Specialty Vehicle Solutions, LLC.

PNC Business Growth Fund - Modifications: FIMS Manufacturing Corporation; McCormick's Bindery, Inc. & McCormick Brothers LLC.

PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion by Mr. Tolson, and seconded by Mr. Hutchison, the meeting was adjourned at 11:14 am.

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

Maureen Hassett

Maureen Hassett, Assistant Secretary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
February 1, 2011

MINUTES OF THE SPECIAL MEETING

Members of the Authority present: Al Koeppe, Chairman; John Hutchison representing the Lt. Governor's office; Steve Petrecca representing the State Treasurer; Public Members Joseph McNamara, Vice Chairman; Tim Carden, and Richard Tolson.

Present via conference call: Commissioner Harold Wirths representing the Department of Labor and Workforce Development; Richard Poliner representing the Commissioner of the Department of Banking and Insurance; Wayne Staub representing the Commissioner of the Department of Environment Protection; Public Members: Laurence Downes, Marjorie Perry, Raymond Burke, First Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Absent: Public Members: Charles Sarlo, Steve Plofker, Elliot M. Kosoffsky, Second Alternate Public Member; and Kevin Brown, Third Alternate Public Member

Also present: Caren Franzini, Chief Executive Officer of the Authority; Bette Renaud, Deputy Attorney General; Brandon Minde, Assistant Counsel, Governor's Authorities' Unit and guests.

Chairman Koeppe called the meeting to order at 10:00 a.m.

In accordance with the Open Public Meetings Act, Ms. Franzini 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.

INCENTIVE PROGRAMS

ECONOMIC REDEVELOPMENT AND GROWTH (ERG) GRANT PROGRAM

Commissioner Wirths, and Wayne Staub joined the meeting via conference call.

Rich Poliner joined the meeting via conference call.

The next item was a request to approve the establishment of parameters for a "success" concept in the Economic Redevelopment and Growth (ERG) Grant Program that would allow for repayment of the ERG grant. The Members also authorized the reimbursement of EDA's administrative costs for monitoring of financial performance.
MOTION TO APPROVE: Mr. Carden SECOND: Mr. Tolson AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT:1

Chairman Koeppe asked for any public comments.

A J Sabath, the Advocacy Group, LLC spoke on behalf of the New Jersey Building and Construction Trades Council and presented the Board with copies of his remarks. The Council strongly supports the Revel project in order to provide employment for thousands and to stimulate New Jersey's economy.

Allen J. Magrini, counsel for Hartz Mountain requested time before the Board in order to present concerns with the Boards January 11th approval of an Urban Transit Tax Credit Incentive to Panasonic. Chairman Koeppe suggested that Hartz meet first with the EDA's DAG Bette Renaud to review the EDA's statutory obligations under the program. He also acknowledged their request to speak at the February 8th board meeting.

The next item was a request to approve 1) the application of Revel Atlantic City, LLC ("Revel") and Revel Entertainment Group, LLC ("RE" and collectively with Revel as the applicant) for reimbursement of up to $261,364,000 in certain taxes for a Atlantic City, Atlantic County project under a "state incentive grant" by the EDA pursuant to the Economic Redevelopment and Growth Grant (ERG) program set forth in N.J.S.A. 52:27D-489c (Act); 2) authorize the CEO of the EDA to execute any assignment agreements necessary to effectuate this transaction; including an agreement to share a portion of the profit distribution to the applicants with the State of New Jersey, upon achievement of certain milestones.
MOTION TO APPROVE: Mr. Carden SECOND: Mr. Tolson AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT:2

PUBLIC COMMENT

Chairman Koeppe asked for any additional public comments.

There was no comment from the public.

There being no further business, on a motion by Mr. Tolson, and seconded by Mr. Carden, the meeting was adjourned at 10:55 a.m.

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.

Maureen Hassett

Maureen Hassett, Assistant Secretary

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: February 8, 2011

RE: Chief Executive Officer's Report to the Board

EDA NEWS

PNC Partners with EDA to Increase its Commitment to New Jersey Businesses

In partnership with the pro-business initiatives of the Christie-Guadagno Administration, PNC Bank recently announced a doubling of their commitment from $25 million to $50 million available to New Jersey small to mid-size businesses under the New Jersey Business Growth Fund. The Business Growth Fund, a joint program of EDA and PNC Bank and the only one of its kind in the state, offers up to a $3 million PNC Bank loan with a 25-percent or 50-percent EDA guarantee for creditworthy companies that are retaining or creating jobs in New Jersey. PNC and EDA looks forward to building upon the 2010 success of the program, which supported 40 businesses across the state that expect to maintain more than 500 existing jobs and create nearly 160 new jobs. Since inception of the New Jersey Business Growth Fund, 265 projects have received more than $125 million in PNC loans with EDA guarantees of over $39 million.

Gluten-Free Food Manufacturer Breaks Ground in Logan Township

EDA staff joined Lt. Governor Kim Guadagno and other state and local officials to celebrate the groundbreaking of Schar USA's first United States manufacturing facility in Logan Township. The company, which will be graduating from the Rutgers Food Innovation Center, is a division of Italy-based Dr. Schär Srl, Europe's leading producer of gluten-free products. The new 50,000-square-foot facility will be expandable to up to 80,000 square feet based on the company's projected growth. Schar expects to create over 50 new jobs and invest over $15 million related to this new facility. Company officials commented that New Jersey is the perfect location to support Schar's efforts to become the U.S. market leader in gluten-free foods and innovation.

Edison-Assisted Clean Energy Company Continues Impressive Growth

Princeton Power Systems, a recipient of assistance under the Edison Innovation Clean Energy Manufacturing Fund, recently announced the opening of a new 10,000-square-foot manufacturing facility in Princeton that will triple the company's manufacturing capacity. The new facility, which is already operational, is dedicated to manufacturing inverters and energy storage systems for alternative energy including solar, wind power, and smart grid applications. Princeton Power Systems received assistance through the Clean Energy Manufacturing Fund, which EDA administers in partnership the New Jersey Board of Public Utilities. This assistance was used to help build the facility. As a result of the new facility and increased manufacturing capacity, Princeton Power is actively looking to hire additional workers to satisfy its increased demand and several high-profile projects are soon to be announced.

FINANCING ACTIVITY

In January, the EDA has closed financing and incentives totaling over $7 million for projects that are expected to spur the creation of over 100 new, full-time jobs and involve total investment of over $6 million in New Jersey's economy. Among the businesses assisted in January:

Archimedes Pharma US Inc., which closed a Business Employment Incentive Program grant for just over $2 million. Archimedes Pharma markets and sells an expanded portfolio of pharmaceutical products focused on pain medication for cancer patients and Parkinson's disease. This assistance will enable the company to house its first U.S. operations in Bedminster and bring 75 executive level jobs and $350,000 in capital investment to New Jersey.

Fulcrum Facilities Services, which closed a $250,000 Peapack Gladstone Bank line of credit with 50% ($125,000) EDA guarantee through the Main Street Business Assistance Program. Fulcrum is a Livingston-based management company providing services in facilities management, real estate advisory, and event and promotions to corporations operating in various industries. As a result of this assistance, the company expects to maintain 11 existing jobs and create five new jobs within the next two years.

Seabrook House Inc., which closed over $4.5 million in tax-exempt bond financing. Seabrook House Inc., a 501(c)(3) organization located in Upper Deerfield Township, is a licensed residential addiction treatment facility with 150 beds, which provides alcohol and drug detox treatment through its inpatient rehabilitation treatment for both men and women. In addition, Seabrook House offers professional family intervention treatment services to those families attempting to help family members with a substance abuse problem. This assistance will allow the organization to refinance existing debt and support 160 existing jobs as well as the creation of 20 new jobs.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 15 events in January. These included the BioNJ 2011 Annual Meeting in East Brunswick, the 74th Annual New Jersey

Chamber of Commerce Congressional Dinner in Washington DC at which Governor Christie was guest speaker, and NJTC 2011 Capital Conference in Princeton.

Additionally, EDA hosted its first two webinars in a series of monthly informational sessions designed to educate partners and potential customers on the variety of products available to businesses through the EDA. January’s webinars were dedicated to bond financing and the Main Street Business Assistance Program respectively, and attracted nearly 70 participants.

AMENDED BOND RESOLUTIONS

New Jersey Economic Development Authority

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: February 8, 2011

SUBJECT: Clara Maass Health System, Inc. and Clara Maass Medical Center
Application P8645
Kearny Town, Hudson County

MODIFICATION REQUEST

Clara Maass Health System, Inc. requests Board approval of disposition of the sale proceeds of the project facility financed with the proceeds of a tax exempt bond.

BACKGROUND

In 1996, the Authority issued its $70,535,000 tax-exempt bond for the benefit of Clara Maass Health System, Inc. and Clara Maass Medical Center to purchase property in Kearny, Hudson County, make renovations and construct an addition converting same into a nursing home facility. In addition bond proceeds were utilized to make renovations to its facility located in Belleville, Essex County, purchase office equipment, working capital and refinance several outstanding debts. The Bonds were underwritten by Paine Weber Inc. as serial and term bonds with interest rates ranging from 3.6% to 5% for a maximum of 29 years. Assured Guaranty (formerly Financial Security Assurance Inc.) insures the principal and interest payments on the Bonds. The project is in compliance with Authority requirements.

In 1998, Clara Maass Medical Center became part of the Saint Barnabas Health Care System and as part of the consolidation of the debt obligations of all the members of the System, Saint Barnabas Corporation ("SBC"), became the primary obligor of the 1996 Bonds. Clara Maass Medical Center continues to operate the Projects and remain obligation under the loan agreement for all other representations and covenants of the bonds financing.

On December 9, 2010, SBC and Clara Maass sold the Kearny Facility purchased with the proceeds of the 1996 Bonds, to a for profit agency. As such, SBC and Clara Maass are required to comply with the provisions of the Internal Revenue Code and the regulations thereunder to assure that the sale of Kearny facility does not adversely affect the tax-exempt status of the Bonds. In accordance with the IRS Regulations, the sale proceeds of $8,100,000 will be used to prepay a portion of the 1996 Bonds ($2,240,000) and the remainder ($5,860,000) will be applied to new qualifying capital expenditures of St. Barnabas Health Care System within two years of the sale of the Kearny Facility.

Bond counsel, representing SBC, Windels, Marx, Lane & Mittendorf has reviewed the transaction and advises that the disposition of the sale proceeds of the Kearny Facility as described above will not adversely affect the tax exempt status of the 1996 Bonds; but may however for tax purposes constitute a reissuance under the IRS Code. A Public Hearing is also requested to be conducted.

RECOMMENDATION

It is recommended that the Board approve the Modification Request to provide for disposition of the sale proceeds of a project facility by Clara Maass and St. Barnabas Corp. in accordance with the rules and regulations of the IRS Code.

Prepared By: Teresa Wells

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: February 8, 2011

SUBJECT: Damascus Bakery, Inc.
Application P17629
Newark, Essex County

BACKGROUND

In March 2007, the Authority issued $7,750,000 tax-exempt bond for the benefit of Damascus Bakery, Inc. for the purpose of financing the renovation of an existing building and the construction of an addition to the building located in Secaucus, and the purchase of equipment and machinery to be used at 10 Enterprise Avenue, Secaucus. The Bonds were purchased by Sovereign Bank, May 14, 2007, with a 10 year 5 month maturity with a 12.9% EDA guarantee of principal, not to exceed $1 million for five year maturity (2012). The project is in compliance with Authority requirements.

MODIFICATION REQUEST

As a result of Damascus Bakery, Inc. not being able to utilize the Secaucus site, they are asking us to amend the Bond issue to change the project site to 60 McClellan Street, Newark.

Bond counsel, Wolf & Samson, has reviewed the transaction and advises that the requested modification, as described above, will not adversely affect the tax exempt status of the 2007 Bond. A Public Hearing is also being conducted on February 8, 2011.

RECOMMENDATION

It is recommended that the Board approve the Modification Request to provide for the change of project site to Newark.

Prepared By: Michael Krug

BOND RESOLUTIONS

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

APPLICANT: Friends of Central Jersey Arts Charter School, Inc. P34926

PROJECT USER(S): Central Jersey Arts Charter School *

* - indicates relation to applicant

PROJECT LOCATION: 1225 South Avenue Plainfield City (T/UA) Union County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Friends of Central Jersey Arts Charter School, Inc., established in 2009 is a 501(c)(3) not-for-profit organization formed to purchase real estate for use by the Central Jersey Arts Charter School, a K-8 charter school with current enrollment of over 300 children on Watchung Ave, Plainfield. Its mission is to establish a charter school to serve as a neighborhood resource and as a model for other similar schools. Central Jersey Arts Charter School is committed to achieving the NJ Core Curriculum Content Standards and producing high academic achievement by all students. Abdul Majid is the President.

In May 2010 Friends of Central Jersey Arts Charter School purchased a 45,000 sq. ft. facility to relocate and expand the Charter School. The Charter School is currently being renovated to accommodate up to 405 students grades K-8, including 31 classrooms, cafeteria, gymnasium and parking lot.

The bond will be designated a Qualified School Construction Bond ("QSCB") under the American Recovery and Reinvestment Act of 2009 and Section 54F of the Internal Revenue Code of 1986 and is one of several charter schools utilizing QSCB volume cap allocation the Authority received.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to renovate the 45,000 sq. ft. Charter School (Series A Bond), plus pay costs of issuance and debt service reserve fund (Series B Bond).

FINANCING SUMMARY:

BOND PURCHASER: Powell Capital Markets, Inc. (Placement Agent)

AMOUNT OF BOND:	$3,000,000 Series A - Qualified School Construction Bond - Direct Pay Tax Credit Bond	$250,000 Series B - Taxable Bond
TERMS OF BOND:	The tax credit rate and maximum term will be determined prior to the issuance of the bond based on the QSCB rates published daily by the U.S. Treasury; on 2/4/2011, the tax credit rate was 5.44% with maximum term of 15 years. Principal and interest will be based on fixed rate not to exceed 9.5% and maximum term of 17 years.	5 years; Fixed rate not to exceed 12%, estimated rate as of 2/4/2011 is 9%.

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	$3,000,000
Debt service reserve fund	$300,000
Finance fees	$68,500
Legal fees	$60,000

TOTAL COSTS	$3,428,500

JOBS: At Application 58 Within 2 years 10 Maintained 0 Construction 90

PUBLIC HEARING: N/A

BOND COUNSEL: McManimon & Scotland

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: T. Wells

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

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

APPLICANT: Sussex County Charter School for Technology, Inc. P35152

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

PROJECT LOCATION: 385 N Church Road Sparta Township (N) Sussex

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

APPLICANT BACKGROUND:

The Sussex County Charter School for Technology, Inc., a 501(c)(3) not-for-profit entity, is aligned with the NJ Core Curriculum Content Standards, servicing middle school students in Sussex County and surrounding areas. The Charter School has rented space since its inception in July 1997 from the Sussex County Technical School. The School began in 1997 with a class of 25 students, the 2010-2011 school year now provides for 200 students in grades 6 through 8. Wendie Blanchard is President.

The School has outgrown its space due the overwhelming interest from the community and has entered into a lease with an option to purchase a 20,000 sq. ft. facility on North Church Road in Sparta, Sussex County on 3.88 acres. The new facility consists of 2 buildings with 12 classrooms, two student bathrooms, staff bathrooms, five offices plus a multi-purpose building that houses the auditorium, gymnasium and cafeteria. The total purchase price of the new facility is $5.3 million with financing from a loan from Sussex Bank in the amount of $3 million with a 90% guarantee from USDA, an additional $1.87 million from USDA - Rural Development loan and $430,000 loan from NJ Community Capital.

The bond will be designated a Qualified School Construction Bond ("QSCB") under the American Recovery and Reinvestment Act of 2009 and Section 54F of the Internal Revenue Code of 1986. This is one of several charter school utilizing QSCB volume cap allocation the Authority received.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to acquire the new 20,000 sq. ft. facility on 3.88 acres with a Qualified School Construction Bond.

FINANCING SUMMARY:

BOND PURCHASER: Sussex Bank (Direct Purchase)

AMOUNT OF BOND: $3,000,000 Qualified School Construction Bond - Direct Pay Tax Credit Bond

TERMS OF BOND: The tax credit rate and maximum term will determined prior to the issuance of the bond based on QSCB rates published daily by the U.S. Treasury; on 1/31/2011, the tax credit rate was 5.38% and maximum term of 16 years. Principal and amortization will be based on a 25 year term and a fixed rate of 5.5% for five years, subject to rate reset every five years based on the 5 yr. Federal Home Loan Bank of NY plus 225 basis points.

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	$4,800,000
Land	$500,000
Accounting fees	$46,500
Finance fees	$45,000
TOTAL COSTS	$5,391,500

JOBS: At Application 30 Within 2 years 3 Maintained 0 Construction 0

PUBLIC HEARING: N/A

BOND COUNSEL: McManimon & Scotland

DEVELOPMENT OFFICER: D. Johnson

APPROVAL OFFICER: T. Wells

PRELIMINARY RESOLUTIONS

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

APPLICANT: 810 Broad St Urban Renewal Company LLC P34850

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

PROJECT LOCATION: 810 Broad St Newark City (T/UA) Essex

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

APPLICANT BACKGROUND:

In November 1998, The City of Newark approved a redevelopment plan and a redevelopment area pursuant to the Local Redevelopment and Housing Law (NJSA 40:12A-1) as amended and supplemented. Included in this area is the project site at 810 Broad Street in Newark that will be developed by 810 Broad St Urban Renewal Company, LLC.

The project is the restoration of an existing twelve story building known as the National State Bank Building. The facility was constructed in 1912 and was added to the National Register of Historic Places in 1977. While retaining the building's historical character, the facility will be transformed into a boutique hotel that will be operated under InterContinental Hotel's Indigo brand. The brand aims at the mid-market traveler seeking upscale style without the rate premium. The hotel has plans for up to 110 rooms, a fitness center, a 6,000 sq ft restaurant and 3,000 sq ft of rooftop space. The renovation will also include restoration of the existing exterior facade, construction of a new stair tower and a new elevator.

The project is consistent with the redevelopment plan and is located within Newark's central business district. The hotel should complement other attractions located in the area such as The Prudential Center Arena and is located within a half mile of Newark's Penn Station.

In addition to the Redevelopment Area Bond, the project will receive Authority assistance through an Economic Redevelopment and Growth Grant in the amount of $4.7 million approved in September 2010.

APPROVAL REQUEST:

Authority assistance will enable the applicant to finance a portion of the development of the 76,421 sq ft building through Redevelopment Area Bonds. The bonds will be repaid from Payments-In-Lieu-Of-Taxes ("PILOT" payments) to be made by the developer under a finance agreement with the City of Newark pursuant to the Redevelopment Area Bond Financing Law.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	$15,573,498
Acquisition of existing building	$5,011,500
Finance fees	$2,827,953
Site Costs	$2,358,487
Development Fee	$1,497,452
Professional Services	$1,168,013
TOTAL COSTS	$28,436,903

JOBS: At Application 0 Within 2 years 65 Maintained 0 Construction 171

PUBLIC HEARING:

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: M. Abraham

APPROVAL OFFICER: K. McCullough

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

APPLICANT: NCA Facility, Inc. P34894

PROJECT USER(S): Newark Collegiate Academy - TEAM Academy * - indicates relation to applicant

PROJECT LOCATION: 18-36 Norfolk Street Newark City (T/UA) Essex

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

APPLICANT BACKGROUND:

NCA Facility, Inc. (NCA Inc), formed in 2010, was created to acquire land in Newark to build a new "free" charter high school campus, to serve grades 9 - 12, for Newark Collegiate Academy (NCA). NCA was formed in 2007 as one of the four TEAM Charter schools in Newark. At present NCA is housed in a temporary facility, serving 365 students with a teaching and administrative staff of 47 people. The new campus, which is expected to open for the 2012 school year, will be a 63,800 s.f. facility with a capacity for 600 students and will include advanced science and computer labs, full gym, dance and performing arts studios, and a student fitness center. The TEAM Schools are an independent organization and part of the KIPP Foundation charter school network, based in California. The KIPP Foundation is a private foundation that supports charter schools, with over 1,500 teachers serving more than 27,000 kids in 99 schools across the country. NCA's academic results include 88% of its first graduating senior class in June 2010, attending college, as compared to 10% of all adults in Newark having a college degree. TEAM's current charter expires June 30, 2011. The NJ Department of Education has indicated the school is in good standing and the decision to renew the charter is expected by February 28, 2011. Ryan Hill is the Founder & Executive Director of TEAM Academy.

The property will be occupied by NCA - TEAM Academy Charter High School, a not-for-profit 501(c)(3)entity. The applicant is a Qualified Active Low Income Community Business(QALICB), who will be the obligor on the bonds. The Bonds are being issued as Qualified School Construction Bonds pursuant to Section 54F of the Internal Revenue Code of 1986 and the American Recovery Reinvestment Act of 2009.

APPROVAL REQUEST:

Authority assistance will enable the applicant to acquire land, build and equip a 63,800 s.f., 4 story building in the Central district of Newark to be used as a high school, with the capacity to serve 600 students. The Authority Bond allocation for NCA will be an amount not to exceed $7,371,670, to be issued as a Qualified School Construction Bond ("QSCB"). In addition, NCA Inc will be utilizing $21,278,000 of Newark's QSCB allocation, issued through New Jersey Redevelopment Authority.

FINANCING SUMMARY:

BOND PURCHASER: Friends of TEAM Academy Charter School, Inc. (Direct Purchase)

AMOUNT OF BOND: The Authority Bond allocation for NCA will be an amount not to exceed $7,371,670, to be issued as a Direct Pay Tax Credit Bond - Qualified School Construction Bond ("QSCB").

TERMS OF BOND: The fixed tax credit rate and maximum term will be determined prior to the issuance of the bonds based on the QSCB rates published daily by the U.S. Treasury; on 1/26/2011, the tax credit rate was 5.39% with maximum term of 16 years.

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	$16,800,640
Land	$1,300,000
Engineering & architectural fees	$1,204,300
Finance fees	$1,040,000
Purchase of equipment & machinery	$600,000
Interest during construction	$562,358
Legal fees	$450,000
Envirn Investigation & Remediation Costs	$175,702
Accounting fees	$10,000
TOTAL COSTS	$22,143,000

JOBS: At Application 47 Within 2 years 16 Maintained 0 Construction 504

PUBLIC HEARING:

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: M. Krug

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

APPLICANT: Shining Schools, Inc. P34992

PROJECT USER(S): Pride Academy Charter School, Inc. * - indicates relation to applicant

PROJECT LOCATION: 117 Elmwood A & 160-184 East Orange City (T/UA) Essex

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

APPLICANT BACKGROUND:

Pride Academy Charter School, Inc., a 501(c)(3) New Jersey nonprofit corporation, is operating a new, tuition free, middle school serving families in East Orange along with Newark, Orange, and surrounding districts in New Jersey. Pride Academy Charter School opened its doors in September 2008 and serves students in grades five through eight.

The Applicant, Shining Schools, Inc., a New Jersey non-profit corporation, has been formed to support the school and raise funds for it, and to hold the title to the project site.

There are 240 pupils in this charter school, with 3 classes of 20 students in each grade. The teacher student ratio is 1:14. Pride Academy Charter School endeavors to ignite success in middle school students of all abilities through a curriculum rooted in the values of peace, respect, integrity, determination, and empathy (P.R.I.D.E.) This charter school is in good standing with the New Jersey Department of Education.

Pride Academy currently leases its building from a third party. The purchase is expected to generate rent savings. The installation of four modular units, which will be connected to the school building with ramps, will increase the facility size by approximately 6,200 sf to about 26,813 sf. In addition, the purchase of the adjacent lots will increase the total parcel surface size to approximately 28,000 sf from about 12,000 sf, enabling the addition of extra open space, walking paths and parking spots.

The applicant is or is expected to be an IRS qualified not-for-profit, 501(c)(3) entity (a determination application with the IRS is pending, and the issuance of a 501(c)(3) determination letter is a prerequisite to the bond closing) for which the Authority may issue tax-exempt bonds as permitted under Section 103 and Section 145 of the Internal Revenue Code of 1986, as amended, and is not subject to the State Volume Cap limitation, pursuant to Section 146(g) of the Code.

APPROVAL REQUEST:

Authority assistance will enable the acquisition of a 3-story, 20,613 sf building and its adjacent lots, along with installation of modular units, and renovations and upgrades to the same, plus pay the cost of issuance.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	$918,300
Renovation of existing building	$690,200
Land	$500,000
Developer Fee & Exp	$175,000
Interest during construction	$100,000

Construction of roads, utilities, etc.	$90,000
Legal fees	$75,000
Engineering & architectural fees	$70,000
Permits/Soft Contingency	$44,000
Finance fees	$43,600
Title/Survey/Environmental	$30,000
Accounting fees	$13,900
TOTAL COSTS	$2,750,000

JOBS: At Application 25 Within 2 years 3 Maintained 0 Construction 23

PUBLIC HEARING:

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: D. Johnson

APPROVAL OFFICER: D. Sucsuz

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

APPLICANT: Yeshivat Keter Torah P35112

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

PROJECT LOCATION: 1 Meridian Way Eatontown Borough (N) Monmouth

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

APPLICANT BACKGROUND:

Yeshivat Keter Torah (Keter Torah), was formed in 1999 under the leadership of Rabbi Mordechai Dabbah. The applicant's mission is to provide the Jersey Shore Sephardic community a K-12 boys school with an education rooted in the methodology and traditions of the Sephardic community. The school's current enrollment is 145 students, with plans to grow to 540 students on its proposed new campus.

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 acquire a 7 acre site, with a 38,000 s.f. building, that was previously used as a school, equipment and refinance existing debt on properties owned by the applicant. The new school building will include 25 class rooms, library, new science and computer labs, and music room.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	$2,400,000
Refinancing	$900,000
Purchase of equipment & machinery	$600,000
Engineering & architectural fees	$100,000
Legal fees	$20,000
Finance fees	$20,000
Accounting fees	$20,000
TOTAL COSTS	$4,060,000

JOBS: At Application 45 Within 2 years 10 Maintained 0 Construction 0

PUBLIC HEARING:

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: R. Fischer

APPROVAL OFFICER: M. Krug

PUBLIC HEARING ONLY

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

APPLICANT: Homestead at Mount Laurel, LLC P34547

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

PROJECT LOCATION: 213 Ark Road Mount Laurel Township (N) Burlington

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

APPLICANT BACKGROUND:

Homestead at Mount Laurel, LLC is a limited liability company recently formed by the Robertson Douglas Group, Inc., to provide support services for independent, assisted and Alzheimer's residents residing in central and southern NJ. The Robertson Douglas Group, Inc., a privately owned New Jersey based real estate development company with over 25 years of experience in NJ, through a strategic partnership with Clayton Building Solutions, a Berkshire Hathaway Company, is undertaking three new senior living facilities under the "Homestead" name brand for central and southern NJ, including the Homestead at Mount Laurel in Burlington County. The facilities will be managed by Heritage Senior Living, a privately owned provider of quality senior support services with over 1400 residents being served in Mid Atlantic region. Services to be included are daily wellness status check-in call, 2 meals per day, laundry, housekeeping, transportation, wellness facility with physical therapy/rehabilitation, theater, beauty and barber salon, coffee shop, banquet room and private family dining area.

The project qualifies for tax-exempt bond financing as an Exempt Public Facility - Qualified Residential Project under Sections 142(d)(1) and 142 (a)(7) of the Internal Revenue Code of 1986 as amended since the applicant will set aside 20% of the units in the project to individuals whose income does not exceed 50% of the area median gross income.

APPROVAL REQUEST:

Authority assistance will enable the applicant to construct a 130,000 sq. ft., 114 unit senior assisted living facility.

This project is being presented at the February 8, 2011 meeting for a PUBLIC HEARING ONLY to correct a typographical error in the citation of the IRS Code under which the financing qualifies, from Section 145 to Section 142 of the Code.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	$15,000,000
Debt service reserve fund	$2,000,000
Contingency	$2,000,000
Land	$1,813,000
Developers Fee	$1,500,000
Construction of roads, utilities, etc.	$1,212,000
Finance fees	$750,000
Purchase of equipment & machinery	$525,000

Engineering & architectural fees	$500,000
Working capital	$500,000
Interest during construction	$250,000
Legal fees	$200,000
Accounting fees	$50,000
TOTAL COSTS	$26,300,000

JOBS: At Application 0 Within 2 years 16 Maintained 0 Construction 486

PUBLIC HEARING: 01/11/11 (Published 12/28/10) **BOND COUNSEL:** Archer & Greiner

DEVELOPMENT OFFICER: J. Kenyon **APPROVAL OFFICER:** T. Wells

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: February 8, 2011

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

The following grant and loan 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:

Private Grants:

Jennifer Koveleski.. $181,859
Anthony Perrelly.. $105,930
Peterson-Little VFW... $165,331
T&J Service Center Inc.. $290,086
The Community YMCA... $212,693

Private Loan:

Robert Smelson and Arlene Smelson..$ 7,905

Total UST funding for February 2011..$963,804

Prepared by: Lisa Petrizzi

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

APPLICANT: Jennifer Koveleski P33758

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

PROJECT LOCATION: 54 Tallowood Drive Medford Township (N) Burlington

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

APPLICANT BACKGROUND:

Jennifer Koveleski is a homeowner seeking to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank will be decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible.

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of $181,859 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $18,186 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: $181,859

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade,Closure,Remediation	$181,859
NJDEP oversight cost	$18,186
EDA administrative cost	$250
TOTAL COSTS	$200,295

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Anthony Perrelly P34365

PROJECT USER(S): Perrelly's Garage * - indicates relation to applicant

PROJECT LOCATION: 211 Market Street Edgewater Borough (N) Bergen

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

APPLICANT BACKGROUND:

Anthony Perrelly, owner of the project site and Perrelly's Garage, received a grant in the amount of $31,870 in February 2006 under P16994 and a grant in the amount of $59,944 in December 2008 under P24277 to perform soil and groundwater remediation for the closure of the three underground storage tanks (UST's) at the project site, as well as the installation of a monitoring well system. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible, to perform groundwater and vapor intrustion investigation.

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

APPROVAL REQUEST:

The applicant is requesting supplemental grant funding in the amount of $105,929 to perform the approved scope of work at the project site, for a total funding to date of $197,743.

The NJDEP oversight fee of $10,593 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 $105,930

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	$105,930
NJDEP oversight cost	$10,593
EDA administrative cost	$500
TOTAL COSTS	$117,023

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: Peterson-Little VFW P33460

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

PROJECT LOCATION: 419 Congress Street Cape May City (N) Cape May

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

APPLICANT BACKGROUND:

Peterson-Little VFW is the owner of the project site and is seeking to perform groundwater remediation for the closure of the former underground storage tanks (UST's) at the project site. The tanks will be decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible.

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of $165,331 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $16,533 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 $165,331

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	$165,331
NJDEP oversight cost	$16,533
EDA administrative cost	$500
TOTAL COSTS	$182,364

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: T&J Service Center Inc. P33058

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

PROJECT LOCATION: 31 Kings Road Madison Borough (N) Morris

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

APPLICANT BACKGROUND:

T&J Service Center Inc., owned by Thomas Granato, is seeking to perform groundwater investigation and hot-spot remediation for the closure of the former underground storage tanks (UST's) at the project site. The tanks will be decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible.

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of $290,086 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $29,009 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: $290,086

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	$290,086
NJDEP oversight cost	$29,009
EDA administrative cost	$500
TOTAL COSTS	$319,595

APPROVAL OFFICER: K. Junghans

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

APPLICANT: The Community YMCA P31770

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

PROJECT LOCATION: The Community YMCA Matawan Borough (N) Monmouth

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

APPLICANT BACKGROUND:

The Community YMCA is a 501(c)(3) not-for-profit organization seeking to remove a leaking underground storage tank (UST) and perform the required remediation. The tank will be decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible.

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of $212,693 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $21,269 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT $212,693

TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis according PUST Act.

PROJECT COSTS:

Upgrade,Closure,Remediation	$212,693
NJDEP oversight cost	$21,269
EDA administrative cost	$250
TOTAL COSTS	$234,212

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Robert Smelson and Arlene Smelson P33548

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

PROJECT LOCATION: 17 Prescott Place Freehold Township (N) Monmouth

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

APPLICANT BACKGROUND:

Robert and Arlene Smelson are seeking to perform groundwater investigation, well abandonment and reporting at their residence. DEP has reviewed the project and determined that it is technically eligible for a $7,905 loan. Note that the Smelsons are recipients of 2 previous grants for leaking tank removal and remediation at this address under P21537 (July 2008; $119,390) and P25297 (May 2009; $23,072). The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible, to perform additional remedial activities.

APPROVAL REQUEST:

The applicants are requesting loan funding in the amount of $7,905.00 to perform the approved scope of work at the project site, for a total funding to date of $150,370.

The NJDEP oversight fee of $791 is the customary 10% of the loan 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:

LENDER: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF LOAN: $7,905

TERMS OF LOAN: 5 year loan, at an interest rate of 3.25%. Monthly payments of principal plus interest required.

PROJECT COSTS:

Upgrade,Closure,Remediation	$7,905
NJDEP oversight cost	$791
EDA administrative cost	$250
TOTAL COSTS	$8,946

APPROVAL OFFICER: K. Tolly

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: February 08, 2011

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

Pursuant to the Boards approval on May 9, 2006, the Chief Executive Officer ("CEO") and Sr. Vice-President("SVP") of Operations have been given the authority to approve initial grants under the Hazardous Discharge Site Remediation Fund and Petroleum Storage Tank programs up to $100,000 and supplemental grants up to an aggregate of $100,000.

In August 2006, 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. The limits allowed under the amended legislation are $1,200 for the removal/ closure and $3,000 for the removal/closure and replacement of a non-leaking residential underground storage tank.

Below is a summary of the Delegated Authority approvals processed by Program Services for the period January 01, 2011 to January 31, 2011

Summary:

	# of Grants	$ Amount
Leaking tank grants awarded	76	$1,301,767
Non-leaking tank grants awarded	132	$384,041

Applicant	Description	Grant Amount	Awarded to Date
Allen, Everett and Deborah (P33756)	Initial grant for upgrade, closure and remediation	$3,363	$3,363
Ammiano Donald (P33752)	Initial grant for upgrade, closure and remediation	$4,025	$4,025
Balogh, Phyllis (P32820)	Initial grant for upgrade, closure and remediation	$20,005	$20,005
Bosefeski, David (P30906)	Initial grant for upgrade, closure and remediation	$5,168	$5,168
Christiano, Helen and Joseph (P33860)	Initial grant for upgrade, closure and remediation	$15,289	$15,289
Citrino, Jr., Richard A. and Catherine M. (P34020)	Initial grant for upgrade, closure and remediation	$71,204	$71,204
Cosgrove, Constance E. and Westford J. (P33541)	Initial grant for upgrade, closure and remediation	$27,709	$27,709
Cox, Ward and Trudy (P33577)	Supplemental grant for upgrade, closure and remediation	$3,499	$53,830
Davenport, William (P33002)	Initial grant for upgrade, closure and remediation	$4,820	$4,820
Debes, Philip (P32908)	Initial grant for upgrade,	$13,362	$13,362

Applicant	Description	Grant Amount	Awarded to Date
	closure and remediation		
Delp, William and Nancy (P34056)	Initial grant for upgrade, closure and remediation	$14,645	$14,645
DiCostanzo, Ralph and Debby (P34788)	Initial grant for upgrade, closure and remediation	$18,310	$18,310
Diaz, Jessica (P33202)	Initial grant for upgrade, closure and remediation	$14,581	$14,581
Fischer, Brett and Jennifer (P33310)	Initial grant for upgrade, closure and remediation	$13,084	$13,084
Flynn, George R. and Linda A. (P33535)	Initial grant for upgrade, closure and remediation	$4,752	$4,752
Fried, Gary and Peggy Ferron (P32386)	Initial grant for upgrade, closure and remediation	$7,610	$7,610
Gatchalian, Rafael (P33397)	Initial grant for upgrade, closure and remediation	$9,924	$9,924
Giessuebel, John and Kristen (P33930)	Initial grant for upgrade, closure and remediation	$4,830	$4,830
Gordon, Scott (P33657)	Initial grant for upgrade, closure and remediation	$3,878	$3,878
Guarini, Michael (P33724)	Initial grant for upgrade, closure and remediation	$7,318	$7,318
Gutschmidt, Michael (P32322)	Initial grant for upgrade, closure and remediation	$6,444	$6,444
Hall, Sharon (P31976)	Initial grant for upgrade, closure and remediation	$12,313	$12,313
Harris, Randal (P32006)	Partial initial grant for upgrade, closure and remediation	$3,116	$3,116
Hoentz, Rose Marie (P32928)	Partial initial grant for upgrade, closure and remediation	$2,591	$2,591
Hritzik, Joseph and Margaret (P34235)	Supplemental grant for upgrade, closure and remediation	$3,150	$21,723
Iglesia Evangelica Hispana of the Christian (P34287)	Supplemental grant for upgrade, closure and remediation	$12,533	$34,538
Immaculate Conception Rectory (P33906)	Initial grant for upgrade, closure and remediation	$25,012	$25,012
Johnston, George and Virginia (P32076)	Supplemental grant for upgrade, closure and remediation	$11,555	$125,255*
Junior Junction Preschool & Learning Center (P28865)	Initial grant for site remediation	$20,155	$20,155
Kaczor, John (P34536)	Supplemental grant for upgrade, closure and remediation	$15,300	$18,422
Kraft, Doris (P33890)	Initial grant for upgrade, closure and remediation	$2,438	$2,438
Leale, A.J. (P33691)	Supplemental grant for upgrade,	$20,327	$96,441

Applicant	Description	Grant Amount	Awarded to Date
	closure and remediation		
Lorraine, William and Linda (P32993)	Initial grant for upgrade, closure and remediation	$8,995	$8,995
Makatenas, Albert and Thelma (P32397)	Initial grant for upgrade, closure and remediation	$11,508	$11,508
Marques, Jose (P32520)	Initial grant for upgrade, closure and remediation	$16,331	$16,331
Meine, Erick W. and Inga Smet-Meine (P33737)	Initial grant for upgrade, closure and remediation	$7,792	$7,792
Miller, Mary Jo (P33056)	Initial grant for upgrade, closure and remediation	$14,534	$14,534
Mitchell, Peter (P32385)	Supplemental grant for upgrade, closure and remediation	$3,796	$24,633
Moise, Cleopatra Orelda (P33036)	Initial grant for upgrade, closure and remediation	$91,143	$91,143
Mortimer, Kevin and Elizabeth Moller (P30987)	Initial grant for upgrade, closure and remediation	$7,661	$7,661
Mulligan, Christine (P33539)	Initial grant for upgrade, closure and remediation	$4,703	$4,703
Nunez, James (P33733)	Initial grant for upgrade, closure and remediation	$59,017	$59,017
Pallis, Peter T. (P32912)	Partial initial grant for upgrade, closure and remediation	$1,310	$1,310
Pape, Richard (P33048)	Initial grant for upgrade, closure and remediation	$22,558	$22,558
Patterson, Leslie (P33757)	Initial grant for upgrade, closure and remediation	$7,764	$7,764
Pennypot Garage (P30416)	Initial grant for upgrade, closure and remediation	$32,270	$32,270
Petrovich, Joseph (P33567)	Initial grant for upgrade, closure and remediation	$28,758	$28,758
Prutky, George (P34243)	Initial grant for upgrade, closure and remediation	$12,908	$12,908
Rednor, John (P31285)	Initial grant for upgrade, closure and remediation	$16,247	$16,247
Regan, Martha (P34146)	Initial grant for upgrade, closure and remediation	$3,700	$3,700
Riley, Robert M (P34605)	Initial grant for upgrade, closure and remediation	$3,700	$3,700
Rothstein, Glenn (P34241)	Initial grant for upgrade, closure and remediation	$2,508	$2,508
Samuels, Marilyn (P32352)	Initial grant for upgrade, closure and remediation	$11,789	$11,789
Sarro, Michael (P31372)	Initial grant for upgrade,	$18,225	$18,225

Applicant	Description	Grant Amount	Awarded to Date
	closure and remediation		
Semeraro, Steven and Pamela Vicarisi Semeraro (P34198)	Initial grant for upgrade, closure and remediation	$25,627	$25,627
Serpo, Angelo (P33699)	Initial grant for upgrade, closure and remediation	$27,202	$27,202
Shahwan, Josef K and Janet J. (P33950)	Initial grant for upgrade, closure and remediation	$24,604	$24,604
Shannon, Christian (P33837)	Initial grant for upgrade, closure and remediation	$34,044	$34,044
Sinko, Virginia (P34143)	Initial grant for upgrade, closure and remediation	$21,107	$21,107
Smith, Brenda (P31657)	Initial grant for upgrade, closure and remediation	$32,416	$32,416
Sutera, Michele (P30870)	Initial grant for upgrade, closure and remediation	$41,348	$41,348
Sutphen, Douglas (P33206)	Initial grant for upgrade, closure and remediation	$27,535	$27,535
Swartz, Steve (P30325)	Initial grant for upgrade, closure and remediation	$2,285	$2,285
Takacs, Michael (P33964)	Initial grant for upgrade, closure and remediation	$5,173	$5,173
Toman, John (P33839)	Supplemental grant for upgrade, closure and remediation	$49,605	$65,280
Tomasello Auto Center (P34113)	Initial grant for upgrade, closure and remediation	$96,243	$96,243
Tortoriello, Adrienne R. (P32321)	Initial grant for upgrade, closure and remediation	$10,785	$10,785
Truppo, Geirge and Susan (P31681)	Initial grant for upgrade, closure and remediation	$6,382	$6,382
Veliu, Nafie (P33566)	Initial grant for upgrade, closure and remediation	$8,400	$8,400
Von Linden, Dennis (P33579)	Initial grant for upgrade, closure and remediation	$8,409	$8,409
Vriesema, Grace (P33391)	Initial grant for upgrade, closure and remediation	$7,058	$7,058
Watt, Kenneth (P34525)	Initial grant for upgrade, closure and remediation	$4,400	$4,400
Weir, Charles and Nancy Januzzi (P33602)	Initial grant for upgrade, closure and remediation	$11,976	$11,976
Wieczorek, Leon (P33698)	Supplemental grant for upgrade, closure and remediation	$24,401	$144,365*
Yi, Yeong Gi (P33905)	Initial grant for upgrade, closure and remediation	$24,878	$24,878
Zaki, Munir and Margaret	Initial grant for upgrade,	$18,362	$40,718

Applicant	Description	Grant Amount	Awarded to Date
(P32921)	closure and remediation		
76 Grants	**Total Delegated Authority funding for Leaking applications.**	**$1,301,767**	

Abbas, Samia (P35044)	Grant to remove an underground storage tank	$1,500	$1,500
Amison, Jacquelyn T (P34415)	Grant to install an above ground storage tank	$4,100	$4,100
Attansio, Pasquale and Marie (P35046)	Grant to remove an underground storage tank	$1,500	$1,500
Babbitt, Stephen M. and Susan H. (P33336)	Grant to remove an underground storage tank	$1,500	$1,500
Banks-Grove, Charles and Barbara A. (P32907)	Grant to remove an underground storage tank and install an above ground storage tank	$3,300	$3,300
Baptist, Debra A. (P33988)	Grant to remove an underground storage tank and install an above ground storage tank	$4,100	$4,100
Beckerman, Robin and Max (P33279)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Bednarski, Linda and Michael (P34995)	Grant to remove an underground storage tank and install an above ground storage tank	$3,183	$3,183
Benoist, Raymond and Nancy (P33668)	Partial grant to remove an underground storage tank and install an above ground storage tank	$726	$726
Bentzen, Joan (P34133)	Grant to remove an underground storage tank	$1,500	$1,500
Berta, Veronica P. (P33427)	Grant to remove an underground storage tank	$1,500	$1,500
Cameron, Gerard F. and Michele (P34476)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Caselnova, Andrew and Michele (P33351)	Grant to remove an underground storage tank and install an above ground storage tank	$3,528	$3,528
Cassidy, Stephen J., Jr. and Angela R. (P32839)	Grant to remove an underground storage tank	$1,500	$1,500
Castillo, Milagros (P33899)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Cavanaugh, Maryann and	Grant to remove an underground	$3,138	$3,138

Applicant	Description	Grant Amount	Awarded to Date
Monachino, Jane (P34644)	storage tank and install an above ground storage tank		
Chrzanowski, Jaroslaw and Monika (P34251)	Grant to install an above ground storage tank	$4,000	$4,000
Clark, J. Sandra (P33898)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Conover, James R. and Bette (P34053)	Grant to remove an underground storage tank and install an above ground storage tank	$4,374	$4,374
Conti, Joseph and Donna (P34158)	Grant to remove an underground storage tank and install an above ground storage tank	$4,100	$4,100
Cunningham, Raymond and Martha (P34990)	Grant to remove an underground storage tank and install an above ground storage tank	$3,793	$3,793
D'Angelo, Dana M. and Susan L. Tuzzeo (P32091)	Grant to remove an underground storage tank and install an above ground storage tank	$4,500	$4,500
Dalton, John J. and Louise M. (P34096)	Grant to remove an underground storage tank	$1,500	$1,500
Dempsey, William and Maria (P33166)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
DiCarlo, Nicola and Addolorata (P33818)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
DiMatteo Joseph and Joan (P33195)	Grant to remove an underground storage tank and install an above ground storage tank	$3,900	$3,900
Diaz, Rosa (P34497)	Grant to remove an underground storage tank and install an above ground storage tank	$4,100	$4,100
Edwards, Jill P (P34263)	Grant to remove an underground storage tank and install an above ground storage tank	$2,850	$2,850
Feder, Robert and Naomi (P31476)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Ferrera, Edward P. and Anna (P33282)	Grant to remove an underground storage tank and install an above ground storage tank	$3,703	$3,703
Finck, Fred C. and Lauraine I. (P33352)	Grant to remove an underground storage tank	$1,370	$1,370
Freeman, Anna Marie (P33262)	Grant to remove an underground storage tank	$1,200	$1,200

Applicant	Description	Grant Amount	Awarded to Date
Gaffey, Brenda (P33683)	Grant to remove an underground storage tank	$900	$900
Gagliardo, Anthony and Andrea (P34100)	Grant to remove an underground storage tank	$1,500	$1,500
Galati, Audrey (P31743)	Grant to remove an underground storage tank and install an above ground storage tank	$3,300	$3,300
Gallarelli, Louise (P34440)	Grant to remove an underground storage tank and install an above ground storage tank	$3,000	$3,000
Gallo, Michael (P33664)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Geyer, Eleanor T. and George Taylor, Jr. (P33702)	Grant to remove an underground storage tank and install an above ground storage tank	$3,370	$3,370
Giacobbi, Mary J. (P32553)	Grant to remove an underground storage tank	$1,500	$1,500
Gill, Jack and Patricia (P34262)	Grant to remove an underground storage tank	$1,235	$1,235
Girardi, Susan (P34361)	Grant to remove an underground storage tank and install an above ground storage tank	$4,700	$4,700
Glembocki, Ronald and Sandra (P34878)	Partial grant to remove an underground storage tank and install an above ground storage tank	$2,284	$2,284
Goodwine, Margaret T. (P34477)	Grant to remove an underground storage tank and install an above ground storage tank	$2,819	$2,819
Gorman, Michael and Mary (P34562)	Grant to remove an underground storage tank and install an above ground storage tank	$3,338	$3,338
Gowdy, Ingrid (P34458)	Grant to remove an underground storage tank	$1,500	$1,500
Gregersen, Stephen E. and Jennifer A. (P33241)	Grant to remove an underground storage tank and install an above ground storage tank	$3,327	$3,327
Groot, Donald G. and Krista M. (P34153)	Grant to remove an underground storage tank and install an above ground storage tank	$3,473	$3,473
Harrigan, Timothy and Aleida V. (P33841)	Grant to remove an underground storage tank and install an above ground storage tank	$3,300	$4,800
Hausman, Catherine E. (P33785)	Grant to	$1,500	$1,500

Applicant	Description	Grant Amount	Awarded to Date
Hearns, Robert and Catherine (P34098)	Grant to install an above ground storage tank	$3,500	$3,500
Heffernan, Dorothy (P34425)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Hewitson, Donald and Jeanmarie (P33632)	Grant to remove an underground storage tank and install an above ground storage tank	$3,483	$3,483
Hlavka, George P. and Anna E. (P33635)	Grant to remove an underground storage tank and install an above ground storage tank	$3,450	$3,450
Inannucci, Gilda (P32959)	Grant to remove an underground storage tank and install an above ground storage tank	$3,300	$3,300
John G. Corino, Jr. and Charlotte A. Corino (P33333)	Grant to remove an underground storage tank	$1,500	$1,500
Jutkiewicz, Leonard and Miroslawa (P34557)	Grant to remove an underground storage tank and install an above ground storage tank	$5,075	$5,075
Kamze, Ayla and Yunus (P32538)	Grant to remove an underground storage tank	$1,422	$1,422
Kandra, Stephen and Marie (P35056)	Grant to remove an underground storage tank	$1,500	$1,500
Killmer, Amber and Nicholas (P34122)	Grant to remove an underground storage tank	$1,500	$1,500
Knorr, Philip J. and Michele (P33012)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Kreder, Doloris and Ernest B. (P34077)	Grant to remove an underground storage tank and install an above ground storage tank	$3,550	$3,550
Landwijt, Stephania (P33325)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Lawrence, Roy W and Paula N (P34313)	Grant to remove an underground storage tank and install an above ground storage tank	$5,048	$5,048
Lekas, Anna (P33982)	Grant to remove an underground storage tank and install an above ground storage tank	$3,900	$3,900
Leusen, Thomas J. and Elizabeth A. (P33334)	Grant to remove an underground storage tank	$1,500	$1,500
Lukowski, Arthur and Mary (P34643)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500

Applicant	Description	Grant Amount	Awarded to Date
Malavasi, Ken and Martha (P34596)	Grant to remove an underground storage tank and install an above ground storage tank	$2,187	$2,187
Marino, Anna Marie (P32524)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Marko, Cheryl Ann (P34059)	Grant to remove an underground storage tank	$1,500	$1,500
Martin, Sharon A (P34417)	Grant to remove an underground storage tank	$2,000	$2,000
Martin, Travis and Laurie (P32751)	Grant to remove an underground storage tank and install an above ground storage tank	$3,309	$3,309
Martinez, Al and Ana Mourao (P34141)	Grant to remove an underground storage tank	$1,302	$1,302
Martinovich, Marsha (P33275)	Grant to remove an underground storage tank and install an above ground storage tank	$2,904	$2,904
Matlosz, Randy D. (P32825)	Grant to remove an underground storage tank	$2,050	$2,050
Matrisciano, Angelo M. and Marcia L. (P33366)	Grant to remove an underground storage tank	$1,500	$1,500
McConnell, William and Kim (P33260)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
McManus, Linda and Edward (P31974)	Grant to remove an underground storage tank and install an above ground storage tank	$3,300	$3,300
McNally, James (P32952)	Grant to remove an underground storage tank and install an above ground storage tank	$5,290	$5,290
Meehan, Eileen (P33453)	Grant to remove an underground storage tank and install an above ground storage tank	$3,180	$3,180
Mezik, Bridget (P34154)	Grant to remove an underground storage tank and install an above ground storage tank	$3,881	$3,881
Millahn, Kenneth and Florence (P34642)	Grant to remove an underground storage tank and install an above ground storage tank	$4,500	$4,500
Miller, David A. and Janet B. (P32267)	Grant to remove an underground storage tank	$1,337	$1,337
Miller, Fred H. and Katherine B. (P33450)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Monar, David R. and Mary	Grant to remove an underground	$1,285	$1,285

Applicant	Description	Grant Amount	Awarded to Date
(P32607)	storage tank		
Moore, Timothy B. and Linda K. (P32017)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Musanovic, Suad and Hirmala (P32740)	Grant to remove an underground storage tank and install an above ground storage tank	$3,350	$3,350
Nordfors, John and Judith (P34647)	Grant to remove an underground storage tank	$1,500	$1,500
O'Connor, Timothy J. and Judith E. (P34974)	Grant to remove an underground storage tank and install an above ground storage tank	$3,900	$3,900
Pace, Ethel M. (P30886)	Grant to remove an underground storage tank and install an above ground storage tank	$3,297	$3,297
Palmer, Jack and Iris R. (P34426)	Grant to remove an underground storage tank and install an above ground storage tank	$3,338	$3,338
Pascocelli, Ron, Jr. and Kathy (P34571)	Grant to remove an underground storage tank and install an above ground storage tank	$3,900	$3,900
Peschel, David W. and Wendy (P34008)	Grant to remove an underground storage tank and install an above ground storage tank	$3,738	$3,738
Roberts, Douglas M. and Marjorie D. (P34702)	Grant to remove an underground storage tank and install an above ground storage tank	$3,404	$3,404
Rosko, Barbara (P31250)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Rumeau, John H.and Debra L. (P34946)	Grant to remove an underground storage tank and install an above ground storage tank	$3,257	$3,257
Ryan, Michael J. and Robin J. Lally (P33889)	Grant to remove an underground storage tank	$1,900	$1,900
Sack, Anna (P34421)	Grant to remove an underground storage tank	$1,500	$5,100
Sack, Anna (P34422)	Grant to remove an underground storage tank	$2,100	$5,100
Sack, Anna (P34423)	Grant to remove an underground storage tank	$1,500	$5,100
Salek, John C. and Joan (P32849)	Grant to remove an underground storage tank and install an above ground storage tank	$3,143	$3,143
Schaffer, John A. (P32780)	Grant to remove an underground storage tank	$2,100	$2,100

Applicant	Description	Grant Amount	Awarded to Date
Schellhorn, Matt and Dona M. (P34063)	Grant to remove an underground storage tank	$1,455	$1,455
Schweizer, William A. and Millane M. (P34150)	Grant to remove an underground storage tank	$1,500	$1,500
Scott, James E. and Lori C. (P33672)	Grant to remove an underground storage tank and install an above ground storage tank	$3,347	$3,347
Secola, Theodore A. and Barbara Brettell (P30235)	Grant to remove an underground storage tank and install an above ground storage tank	$3,850	$3,850
Showell, Evan A and Hooven, Laura R (P34663)	Grant to remove an underground storage tank and install an above ground storage tank	$4,803	$4,803
Siamas, Athanasios (P34362)	Grant to remove an underground storage tank and install an above ground storage tank	$3,377	$3,377
Smickle, Walter R. and Juanita F. (P33085)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Smith, Robert E. and Agnes Terrie (P32814)	Grant to remove an underground storage tank and install an above ground storage tank	$3,246	$3,246
Solano, Henry and Mercedes (P33500)	Grant to remove an underground storage tank and install an above ground storage tank	$3,900	$3,900
Steffen, Patricia (P32056)	Grant to install an above ground storage tank	$3,500	$3,500
Stone, Alan and Bonnie (P34483)	Grant to remove an underground storage tank and install an above ground storage tank	$3,300	$3,300
Stover, Albert and Irma (P34097)	Grant to remove an underground storage tank	$1,500	$1,500
Strzeszewski, Stanley and Sophie B. (P33385)	Grant to remove an underground storage tank and install an above ground storage tank	$3,509	$3,509
Sun, Chaolin Jay and Mei-Hua Chen (P35059)	Grant to remove an underground storage tank	$1,325	$1,325
Swicinski, Allen P. and Janice L. (P32823)	Grant to remove an underground storage tank and install an above ground storage tank	$3,498	$3,498
Switonska, Wanda and Rafel Golembiewski (P34703)	Grant to remove an underground storage tank	$1,200	$1,200
Szewczyk, Gary A. and Gina M. (P33901)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Tactuk, Miguel and Maritza	Grant to remove an underground	$3,900	$3,900

Applicant	Description	Grant Amount	Awarded to Date
(P34188)	storage tank and install an above ground storage tank		
Testa, Edward A. and Carmen Verdi (P31290)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Tomsky, Eugene and Elaine (P34572)	Grant to remove an underground storage tank	$1,500	$1,500
Topeka, Michael and Judith (P34269)	Grant to remove an underground storage tank and install an above ground storage tank	$3,460	$3,460
Trayner, Jeffrey and Carey (P33355)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Van Buskirk, Richard A and Jayme (P34646)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Vazquez, Wilhelm and Mary (P31955)	Grant to remove an underground storage tank and install an above ground storage tank	$3,225	$3,225
Vincent, Maxime E. (P33073)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Walter, Gilbert (P34989)	Partial grant to remove an underground storage tank	$1,436	$1,436
Way, Debra A. and Jeffery A. (P29866)	Grant to remove an underground storage tank and install an above ground storage tank	$1,600	$1,600
White, Bruce E and Grace B (P33208)	Grant to remove an underground storage tank and install an above ground storage tank	$3,348	$3,348
Williams, Teresa (P34828)	Grant to remove an underground storage tank and install an above ground storage tank	$3,561	$3,561
Yocabet, Jr., John (P34155)	Grant to remove an underground storage tank and install an above ground storage tank	$3,500	$3,500
Zadina, Carrie Ferrano and Frank W. (P33150)	Grant to remove an underground storage tank and install an above ground storage tank	$3,010	$3,010
132 Grants	**Total Delegated Authority funding for Non-Leaking applications.**	**$384,041**	

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

Caren S. Franzini

Prepared by: Lisa Petrizzi, Finance Officer

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: February 8, 2011

SUBJECT: Hazardous Discharge Site Remediation Fund Program

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

Municipal Grants:
Sayreville Economic Redevelopment Agency **$5,000,000**
Borough of Somerville (Somerville Landfill).. **$1,193,833**

Total HDSRF funding for February 2011.. $6,193,833

Prepared by: Lisa Petrizzi

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

APPLICANT: Sayreville Economic Redevelopment Agency (Former National P35574

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

PROJECT LOCATION: 1000 Chevalier Avenue Sayreville Borough (N) Middlesex

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

APPLICANT BACKGROUND:

Sayreville Economic Redevelopment Agency ("SERA") received grants totaling $15,000,000 from 2008 until 2010 to perform Remedial Investigation (RI) and Remedial Action (RA) at the project site. The project site, consisting of 400 acres over various parcels has no current operations at the site, but historically has been used for industrial production and processing. Soil and groundwater contamination has been identified. SERA owns the project site and has satisfied Proof of Site Control and received Brownfield Development Area (BDA) designation. It is the Agency's intent, upon completion of the environmental investigation activities, to redevelop the project site as a mixed-use community including office, retail and residential space along with various recreational opportunities.

NJDEP has approved this request for Remedial Action (RA) on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A. According to the Legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of RA for projects within a BDA. The total annual amount allowed to be approved for a municipality, county or redevelopment entity that contains a BDA is $5,000,000 per calendar year. This grant will exhaust this limit for SERA for 2011.

APPROVAL REQUEST:

SERA is requesting grant funding to perform RA in the amount of $5,000,000 at the Former National Lead project site, for a total funding to date of $20,000,000.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT $5,000,000

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	$24,984,870
EDA administrative cost	$500
TOTAL COSTS	$24,985,370

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: Borough of Somerville (Somerville Landfill) P34449

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

PROJECT LOCATION: Route 206 Somerville Borough (T) Somerset

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

APPLICANT BACKGROUND:

Borough of Somerville received a grant in the amount of $297,045 in November 2006 under P17401, a grant in the amount of $209,843 in July 2007 under P17977, and a grant in the amount of $2,138,292 in November 2009 under P28140; and a grant in the amount of $72,793 in April 2010 under P29648 to perform Remedial Investigation (RI) activities at the project site. The project site, identified as Block 124, Lots 1 & 21 is a former sanitary landfill which has potential environmental areas of concern (AOC's). The Borough of Somerville currently owns the project site, which is located in a Brownfield Development Area (BDA) and has satisfied Proof of Site Control. It is the Borough's intent, upon completion of the environmental investigation activities, to redevelop the project site for commercial re-use.

NJDEP has approved this supplemental request for RI and Remedial Action (RA) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A. According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects within a BDA. The grant has been calculated off 75% of the RA costs ($386,460) and adding the RI costs ($807,373). The Borough is expected to issue bonds to fund 25% ($228,807) of the remedial action costs.

APPROVAL REQUEST:

The Borough of Somerville is requesting supplemental grant funding to perform RI and RA in the amount of $1,193,833 at the Somerville Landfill project site, for a total funding to date of $3,839,013.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT$1,193,833

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	$807,373
Remedial Action	$515,267
EDA administrative cost	$500
TOTAL COSTS	$1,323,140

APPROVAL OFFICER: L. Petrizzi

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: February 8, 2011

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

Pursuant to the Board's approval on May 2006, the Chief Executive Officer ("CEO") and Sr. Vice-President of Operations ("SVP") have been given the authority to approve initial grants under the Hazardous Discharge Site Remediation Fund and Petroleum Underground Storage Tank programs up to $100,000 and supplemental grants up to an aggregate of $100,000.

Below is a summary of the Delegated Authority approval processed by the Division of Program Services for the month of January 2011.

Applicant	Description	Grant	Awarded to Date
James Cunningham	25% supplemental matching grant to perform remedial action activities	$7,916	$ 29,808
1 Grants	**Total Grant Funding for January 2011**	**$7,916**	

Caren S. Franzini

Prepared by: Lisa Petrizzi, Sr. Finance Officer

INCENTIVE PROGRAMS

BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Board

FROM: Caren S. Franzini
Chief Executive Officer

RE: Business Retention and Relocation Assistance Grant (BRRAG) Program

DATE: February 8, 2011

Request:

The Members of the Board are requested to approve proposed amendments to the rules implementing the Business Retention and Relocation Assistance Grant (BRRAG) Program based on recent statutory revisions enacted by Governor Chris Christie pursuant to P.L. 2010, c.123.

The proposed rule amendments, reviewed by the Policy Committee, are intended to enhance the effectiveness of the BRRAG Program as a key economic development and growth incentive for businesses committed to retaining jobs in New Jersey. In addition to expanding the economic incentive tools vital for keeping jobs in the State, the proposed rule amendments implement new financial due diligence requirements for the program and will not impact the State budget as the existing $20 million cap on approved projects remains in effect.

The revisions to the BRRAG Program represent the continued commitment of Governor Christie, in working with the Legislature, to make New Jersey a home for economic growth and job creation. The major provisions of the proposed rule amendments are summarized in the attached draft rule proposal and highlighted below:

- Sets the value of BRRAG credits for a business retaining more than 250 jobs by authorizing awards in multiples of up to six times the current rate of $1,500 per employee, with the size of the multiple depending on the number of retained jobs, as follows:

  - 50 to 250 Jobs — 1 x Yearly Tax Credit Amount
  - 251 to 400 Jobs — 2 x Yearly Tax Credit Amount
  - 401 to 600 Jobs — 3 x Yearly Tax Credit Amount
  - 601 to 800 Jobs — 4 x Yearly Tax Credit Amount
  - 801 to 1,000 Jobs — 5 x Yearly Tax Credit Amount
  - 1,001 or More Jobs — 6 x Yearly Tax Credit Amount.

- Authorizes "bonus" credits, currently awarded for relocation of jobs to urban centers, to also be earned for a capital investment at least twice that of the value of the credits granted which would result in the maximum benefit increasing from $1,500 to $2,250 over 6 years;

- Allows jobs maintained at a New Jersey location – in addition to those relocated within the State – to qualify as "retained" jobs for BRRAG Program eligibility provided that the business' investment is at least the amount of the approved credits and the jobs are at-risk of being located outside the State;

- Requires applicants to indicate that the capital investment and jobs retention resulting from their proposed projects would result in a net positive benefit to the State;

- Converts current annual cap of $20 million in projects approved by the EDA to a cap on total amount of credits that may be applied against tax liability in a fiscal year; and, imposes new cap of $10 million per business in a fiscal year;

- Replaces the current limit on the amount of individual grants of tax credits to no more than 80 percent of projected State tax revenues from the retained full-time jobs with requirement to comply with the "net benefit test" used in other EDA programs;

- Eliminates specific definition of "designated industry", allows EDA to define designated industry and broadens class of businesses to which, as a "designated industry," consideration may be given in determining the amount of a BRRAG award to include, not only high technology businesses, but any business deemed desirable by the EDA, in consultation with Treasury, to be maintained in the State;

- Requires businesses granted BRRAG credits to certify annually to the EDA that it continues to maintain the number of retained jobs specified in the agreement under which the credits were issued; and, provides that if businesses fail to meet their jobs retention commitment, credit awards would be reduced proportionately and unused credits forfeited;

- Authorizes sale of BRRAG tax credits between "affiliated" businesses;

- Repeals requirement that a study be conducted to determine the minimum funding level needed for successful implementation of the program;

- Provides "grandfathering" from the material factor requirement for any business that has had grant pre-application meetings with the EDA and has executed contracts relating to the new business location during the period commencing May 1, 2010 until January 6, 2011 (date of enactment of P.L. 2010, c.123); and,

- Establishes an annual servicing fee of two percent of the annual tax credit amount that may be applied not to exceed $75,000.

Recommendation:

The Members of the Board approve the proposed amendments to the rules implementing the BRRAG Program for subsequent authorization for staff to submit the proposed amendments for publication in the New Jersey Register, subject to final review and approval by the office of the Attorney General and the Office of Administrative Law (OAL). EDA staff is also authorized to incorporate into the final rule amendments illustrative examples of how the rules will be implemented and imposed upon businesses in the program.

Prepared By: Jacob Genovay

DRAFT

2.8.11

OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Business Retention and Relocation Assistance Grant Program

Proposed Amendments: N.J.A.C. 19:31-14

Proposed Amendment: 19:31-9.7

Authorized By: New Jersey Economic Development Authority, Caren S. Franzini,

Chief Executive Officer.

Authority: N.J.S.A. 34:1B-1 et seq., P.L. 1996, c.25 and P.L. 2010, c.123.

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

Proposal Number: PRN 2011-

Submit written comments by May 20, 2011:

Maureen Hassett, SVP Governance & Communications

New Jersey Economic Development Authority

PO Box 990

Trenton, NJ 08625-0990

Summary

The New Jersey Economic Development Authority ("EDA" or "Authority") is proposing amendments to the Business Retention and Relocation Assistance Grant (BRRAG) Program pursuant to statutory revisions in P.L. 2010, c.123, which are summarized as follows:

N.J.A.C. 19:31-14.1 Applicability and scope

The proposed amendments include a citation for P.L. 2010, c.123 which amends P.L. 1996, c.25 establishing the Business Retention and Relocation and Assistance Grant Program.

N.J.A.C. 19:31-14.2 Definitions

The proposed amendments redefine certain terms as used in this subchapter as follows:

"business" also means an affiliate of the business if that business applies for a credit based upon any capital investment by an affiliate or based upon retained full-time jobs of an affiliate; "commitment duration" revised to the tax credit term and five years from the end of the tax credit term; "designated industry" deletes specific industries which will be identified by the EDA which may be designated and amended through rules to reflect changing market conditions; "full-time employee" revised to 1) include a person employed by the business for consideration for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice, as determined by the Authority, as full-time employment, or a person who is employed by a professional employer organization pursuant to an employee leasing agreement between the business and the professional employer organization, for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice, as determined by the Authority, as full-time employment, and whose wages are subject to withholding as provided in the New Jersey Gross Income Tax Act, or an employee who is a resident of another State but whose income is not subject to the New Jersey Gross Income Tax Act, or who is a partner of a business who works for the partnership for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice, as determined by the Authority, as full-time employment, and whose distributive share of income, gain, loss, or deduction, or whose guaranteed payments, or any combination thereof, is subject to the payment of estimated taxes, as provided in the New Jersey Gross Income Tax Act; and 2) delete the existing exclusion of a child, grandchild, parent, or spouse of an individual who have certain direct or indirect ownership of a business; "new business location" also means 1) a business to which a business will relocate under a purchase agreement or lease for a period that includes no less than the commitment duration or eight years whichever is greater from the date of relocation and, 2) under certain instances, the business's current location or locations; "program" includes reference to P.L. 2010, c.123; "project" means the relocation or maintaining full-time jobs; "retained full-time job" includes references to a potential relocation, clarifies that employees of an affiliate of the business shall be included in the determination of retained full-time jobs, deletes references to Federal Internal Revenue Code, and establishes a requirement for businesses to demonstrate compliance with the definition and submit documentation to certify that the jobs are at-risk of being located outside of New Jersey. The proposed amendments also provide additional definitions for "affiliate," "capital investment," "certificate of compliance," "project agreement," "tax credit term," and "yearly tax credit term,"; and, delete definitions for "advanced computing," "advanced computing company," advanced materials," "advanced materials company," "biotechnology," "biotechnology company," "electronic device technology," "electronic device technology company," "eligible position," "headquarters," "high technology business," "manufacturing facility," "medical device technology," medical device technology company," "research and development facility," "tax period," and "total allowable relocation costs" as based on revisions in P.L. 2010, c.123.

19:31-14.3 Eligibility criteria

The proposed amendments clarify that a qualified project shall relocate or maintain the required minimum number of full-time jobs within New Jersey; clarifies that the material factor in the business' decision not to relocate jobs outside of New Jersey pertains to the retained full-time jobs; provides "grandfathering" from the material factor requirement for any business that has had grant pre-application meetings with the EDA and has executed contracts relating to the new business location during the period commencing May 1, 2010 until January 6, 2011; and, requires that a business shall demonstrate that the grant of tax credits will yield a net positive benefit to the State, as calculated under N.J.A.C. 19:31-14.3(d).

N.J.A.C. 19:31-14.4 Restrictions on eligibility

The proposed amendments provide replace the current requirement that the amount of an individual grant of tax credits is limited to no more than 80 percent of projected State tax revenues from the retained full-time jobs with a requirement that businesses demonstrate that that a business shall be eligible to receive a grant of tax credits under the BRRAG Program the State will receive a net positive benefit from the grant of tax credits and resultant retention of full-time jobs.

N.J.A.C. 19:31-14.6 Application submission requirements

The proposed amendments change references to Chief Executive Officer to Authority; clarify that project information to be supplied on an application pertaining to terms of any lease agreements apply to either existing or proposed agreements; and, replace a provision requiring applicants to provide an analysis pertaining to retained and projected State tax revenues with a requirement to indicate, except upon approval of the State Treasurer, a net benefit to the State from the grant of tax credits and resultant retention of full-time jobs and any capital investment.

N.J.A.C. 19:31-14.7 Review of application

The proposed amendments change a reference to Chief Executive Office to Authority; clarify that applications shall be submitted prior to an applicant moving to a new business location or maintaining the minimum number of full-time jobs; provide for grandfathering for any business that has had grant pre-application meetings with the EDA and has executed contracts relating to the new business location during the period commencing May 1, 2010 until January 6, 2011 from the requirement to apply 45 days before moving to a new business location; and, delete the provision that any approval or approval with modification shall be subject to tax credits being available in a certain fiscal year.

N.J.A.C. 19:31-14.8 Determination of grant amount

The proposed amendments 1) increase the potential value of credits for a business relocating or retaining more than 250 jobs and establish six tiers, by size, of job relocations or retentions and authorize awards in increasing multiples of the per job award of up to six times the current rate; and, 2) change a reference to Chief Executive Officer to Authority.

N.J.A.C. 19:31-14.9 Bonus award

The proposed amendments establish a second type of bonus credit, in addition to the current bonus for the relocation of jobs to urban centers, for making a capital investment in an amount that is at least twice that of the value of the credits granted.

N.J.A.C. 19:31-14.10 Project agreement

The proposed amendments 1) require that, in addition to a project agreement, applicants shall also execute a commitment letter with the Authority; 2) clarify that the approval by the EDA Board is subject to meeting certain conditions to retain the award of credits; 3) change certain references to Chief Executive Officer to Authority; eliminate any discretionary approval of a project by the Chief Executive Officer subject to the provisions of P.L. 1996, c.25; 4) require, as part of the project agreement, terms establishing the starting date of the commitment duration to also address the number of full-time jobs that must be maintained in the State by the business over the commitment duration; 5) clarify that the tax credits issued as a grant of tax credits may be applied by business against liability and for the tax period prior to the period in which credits will be applied; and, 6) revise project agreement terms to stipulate that the EDA is not liable for the issue or use of tax credits or any further changes due to legislative action.

N.J.A.C. 19:31-14.11 Tax credit applicable; when effective; when adjusted

The proposed amendments clarify the period for which tax credits may be applied against liability; delete provisions authorizing tax credits to be applied in the tax period following the tax period in which the credit is issued; clarify that the adjustment of the award of tax credits shall be adjusted only if the number of retained employees is 50 or more pursuant to N.J.A.C. 19:31-14.13(b); eliminate provisions for the allocation of tax credits based on project size pursuant to new requirements of P.L. 2010, c.123; convert the current $20 million annual cap on the issuance of credits, which may be taken over two years, to a cap on the total amount of credits that may be applied against tax liability in a State fiscal year and require that a credit be used in the tax period for which it is issued; eliminate the pro rata reduction of grant amount to comply with the aggregate annual limit and provide that the EDA may award a small grant of tax credits or no grant of tax credits, as necessary; and, set a $10 million cap on the total value of credits that a single business may apply against liability in a State fiscal year.

N.J.A.C. 19:31-14.12 New business location for the project

The proposed amendments update the BRRAG rules to apply the EDA's current requirements for prevailing wage and affirmative action in the performance of construction contracts for eligible projects.

N.J.A.C. 19:31-14.13 Reporting requirements and annual reports

The proposed amendments change a reference to Chief Executive Officer to Authority and require that a business that is initially granted BRRAG credits, and for so long as it participates in the program, must annually certify that it continues to maintain the number of retained jobs specified in the project agreement under which the credits were issued. Based upon this certification, the EDA will issue a certificate indicting the amount of credits that the business may use in a fiscal year. If a business fails to retain jobs to the extent that it no longer qualifies its credit tier, the business will lose credits for the years for which it was approved but no longer qualifies. The proposed amendments also provide that the grant shall be subject to recapture subject to the terms of the project agreement. Finally, the proposed amendment delete a requirement that failure to submit a copy of its annual report or submission of the annual report without the information require, may result in forfeiture of any grant of tax credits under certain circumstances.

N.J.A.C. 19:31-14.14 Fees

The proposed amendments establish an annual servicing fee of two percent of the annual tax credit amount that may be applied not to exceed $75,000, which shall be deducted from the annual tax credit amount that may be applied.

N.J.A.C. 19:31-14.15 Events of default

The proposed amendments delete a now-superseded requirement that a project agreement commit the business to maintaining 95 percent of retrained full-time jobs for the first two years of its commitment duration and 90 percent of retained full-time jobs for all of its commitment duration; and, change a reference to Chief Executive Office to Authority.

N.J.A.C. 19:31-14.16 Remedies

The proposed amendments change various references to Chief Executive Officer to Authority; revise the example provided for recapture of tax credits to where a business is unable to certify minimum job thresholds during the commitment duration as required under P.L. 2010, c.123; and, establish an option, in the event of a default, for the EDA to either recapture all or a portion of the grant of tax credits, or notify the Director of the Division of Taxation who shall issue a recapture assessment that corresponds to the amount and period of noncompliance.

N.J.A.C. 19:31-14.17 Appeals

The proposed amendments eliminate the appeals procedure outlined for the program which will be replaced with a revised procedure for all EDA programs, and subsequently proposed through publication in the New Jersey Register.

N.J.A.C. 19:31-9.7 Review of application and certification of project completion

The proposed amendment to the Urban Transit Hub Tax Credit Program rules, at N.J.A.C. 19:31-9.7(e)1, deletes an incorrect reference from project agreement to approval letter regarding the terms and conditions for project approval.

Social Impact

The Business Retention and Relocation Assistance Grant (BRRAG) Program encourages economic development and preserves jobs that are in danger of being relocated to other states. The proposed amendments, based on statutory revisions pursuant to P.L. 2010, c.123, enhance the effectiveness of this key economic development and growth incentive for businesses committed to retaining jobs in New Jersey. As a result, the proposed amendments further the State's effective efforts to retain and grow jobs necessary for a high quality of life and strong economy.

Economic Impact

The BRRAG program encourages businesses to preserve jobs, expand operations, and reinvest in the State. The program is specifically targeted to businesses facing pressures to relocate jobs out-of-State. By encouraging such businesses to make investments in new or renovated facilities to retain employees, the program positively promotes economic development, job retention and capital investment in New Jersey. Since inception, 45 companies have benefitted under the program for a total benefit of $29.1 million resulting in the retention of 21,441 jobs. In 2010, 12 projects were executed for a total of $3.075 million in estimated benefit resulting in the retention of 3,232 jobs, and levering $79.5 million in estimated capital investment. The proposed amendments, which establish a new annual servicing fee of two percent of the annual tax credit amount that may be applied not to exceed $75,000, are intended to align the fees charged by the Authority with the fees currently charged for the Business Employment Incentive Program, another business attraction and job creation administered by EDA and often used in conjunction with BRRAG. The proposed fee will enable the Authority to better promote economic investment in the State by charging fees to accurately reflect the actual cost of administering the statutorily-revised program. The EDA believes that the increased fee is warranted as recipients will be utilizing tax credits for up to six years (currently one year) and additional monitoring will be required.

Federal Standards Statement

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

Jobs Impact

The proposed amendments will result in retaining existing private sector jobs and stimulating the creation of new private sector jobs. The number of jobs retained through the BRRAG Program to date is 21,441 jobs. The extension of eligibility for jobs maintained at a New Jersey location in addition to those relocated within the State to qualify as a retained full-time job provided that the business' investment is at least the amount of the approved credits is intended to preserve and create additional jobs through the financial benefits offered by the program.

Agriculture Industry Impact

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

Regulatory Flexibility Analysis

The proposed amendments will not directly impact businesses as defined under the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. Generally, businesses eligible for Authority financial assistance are required to comply with the EDA's standard, on-line application process and regular compliance guidelines; however, any costs due to reporting, recordkeeping, or other compliance requirements on qualifying small businesses are fully-offset by the amount of financial assistance received. The rules impose a new servicing fee which is the minimum necessary for the operation of an efficient, revised program. The proposed amendments will impose additional reporting, recordkeeping or compliance requirement, mainly through an annual certification that it continues to maintain the number of retained full-time jobs specified in the project agreement in order to maintain eligibility for credits.

Smart Growth Impact

The proposed amendments may achieve smart growth and implement the State Development and Redevelopment Plan where assistance is provided to businesses in urban and older suburban areas.

Housing Affordability Impact

The proposed amendments will not impact the amount or cost of housing units, including multi-family rental housing and for sale housing in the State. The proposed amendments implement statutory revisions to the Business Retention and Relocation Assistance Grant Program which provides incentives for businesses to retain and relocate jobs in New Jersey.

Smart Growth Development Impact

The proposed amendments will not impact the number of housing units or result in any increase or decrease in the average cost of housing in Planning Areas 1 or 2 of the State Development and Redevelopment Plan. The proposed amendments implement statutory revisions to the Business Retention and Relocation Assistance Grant Program which provides incentives for businesses to retain and relocate jobs in New Jersey.

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

19:31-14.1 Applicability and scope

The rules in this subchapter are promulgated by the New Jersey Economic Development Authority to implement P.L. 1996, c.25 (**N.J.S.A. 34:1B-112 et seq.**), as substantially amended by P.L. 2004, c.65, sections 1 through 16 (the "Act") **and P.L. 2010, c.123**. The Act provides several incentive programs aimed at retaining in New Jersey the full-time jobs of businesses already active in this State. The Act established a business retention and relocation assistance grant program ("BRRAG Program" or "Program"), a tax credit certificate transfer program, a sales and use tax exemption program, and an energy sales tax exemption program (for businesses located in New Jersey urban enterprise zones). The purpose of the BRRAG Program is to encourage economic development and to preserve jobs that currently exist in New Jersey, but which are in danger of being relocated to premises outside of the State. To implement that purpose, and to the extent that funding for the Program is available, the Program may provide grants of tax credits but in no case shall the amount of an individual grant of tax credits exceed the limitations set forth in this subchapter and further specified in the project agreement of an applicant for a grant of tax credits.

19:31-14.2 Definitions

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

. . .

["Advanced computing" means a technology used in the designing and developing of computing hardware and software, including innovations in designing the full spectrum of hardware from hand-held calculators to super computers, and peripheral equipment.

"Advanced computing company" means a person with a headquarters or a base of operations located in New Jersey and engaged in the research, development, production, or provision of advanced computing for the purpose of developing or providing products or processes for specific commercial or public purposes.

"Advanced materials" means materials with engineered properties created through the development of specialized processing and synthesis technology, including ceramics, high value-added metals, electronic materials, composites, polymers, and biomaterials.

"Advanced materials company" means a person with headquarters or base of operations located in New Jersey and engaged in the research, development, production, or provision of advanced materials for the purpose of developing or providing products or processes for specific commercial or public purposes.]

"Affiliate" means an entity that directly or indirectly controls, is under common control with, or is controlled by the business. Control exists in all cases in which the entity is a member of a controlled group of corporations as defined pursuant to section 1563 of the Internal Revenue Code of 1986 (26 U.S.C. s.1563) or the entity is an organization in a group of organizations under common control as defined pursuant to subsection (b) or (c) of section 414 of the Internal Revenue Code of 1986 (26 U.S.C. s.414). An entity may establish by clear and convincing evidence, as determined by the Director of the Division of Taxation in the Department of the Treasury, that control exists in situations involving lesser percentages of ownership than required by those statutes.

. . .

["Biotechnology" means the continually expanding body of fundamental knowledge about the functioning of biological systems from the macro level to the molecular and sub-atomic levels, as well as novel products, services, technologies and sub-technologies developed as a result of insights gained from research advances which add to that body of fundamental knowledge.

"Biotechnology company" means a person with a headquarters or a base of operations located in

New Jersey and engaged in the research, development, production, or provision or biotechnology for the purpose of developing or providing products or processes for specific commercial or public purposes, including, but not limited to, medical, pharmaceutical, nutritional, and other health-related purposes, agricultural purposes, and environmental purposes, or a person with a headquarters or a base of operations located in New Jersey and engaged in providing services or products necessary for such research, development, production, or provision.]

. . .

"Business" means an employer located in this State that has operated continuously in the State, in whole or in part, in its current form or as a predecessor entity for at least 10 years prior to filing an application to the program and which is subject to the provisions of N.J.S.A. 43:21-1 et seq. and may include a sole proprietorship, a partnership, or a corporation that has made an election under Subchapter S of Chapter One of Subtitle A of the Internal Revenue Code of 1986, or any other business entity through which income flows as a distributive share to its owners, limited liability company, nonprofit corporation, or any other form of business organization located either within or outside the State, such as a group of organizations under common control as defined in Section 414(b) or (c) of the Internal Revenue Code of 1986 and Federal Treasury regulations thereunder. For purposes of identifying full-time employees in eligible positions and retained State tax revenue, any such employees hired by or taxes paid by a professional employer organization (PEO) with which the business has entered into an employee leasing agreement shall be allocable to the business. **A business shall include an affiliate of the business if that business applies for a credit based upon any capital investment made by an affiliate or based upon retained full-time jobs of an affiliate.**

. . .

"Capital investment" means expenses that the business incurs following its submission of an application to the Authority pursuant to section 5 of P.L.1996, c.25 (N.J.S.A. 34:1B-116), but prior to the Capital Investment Completion Date, as shall be defined in the project agreement, for: (1) the site preparation and construction, renovation, improvement, equipping of, or obtaining and installing fixtures and machinery, apparatus or equipment in, a newly constructed, renovated or improved building, structure, facility, or improvement to real property in this State; and (2) obtaining and installing fixtures and machinery, apparatus or equipment in a building, structure, or facility in this State. Provided however that "capital investment" shall not include soft costs such as financing and design, furniture or decorative items such as artwork or plants, or office equipment if the office equipment is property with a recovery period of less than five years. The recovery period of any property, for purposes of this section, shall be determined as of the date such property is first placed in service or use in this State by the business, determined in accordance with section 168 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.168). For the purposes of this definition, cubicles and cubicles that include office equipment shall constitute capital investment.

"Certificate of compliance" means a certificate issued by the Authority pursuant to section 9 of P.L. 1996, c.25 (N.J.S.A. 34:1B-120).

. . .

"Commitment duration" means **the tax credit term and** five years from the [date] **end of the tax credit term** specified in the project agreement entered into pursuant to section 5 of P.L. 1996, c.25 (N.J.S.A. 34:1B-116), as amended by P.L. 2004, c.65, and pursuant to this subchapter.

"Designated industry" means [a business engaged in the field of biotechnology, pharmaceuticals, manufacturing, financial services or transportation and logistics, advanced computing, advanced materials, electronic device technology, environmental technology or medical device technology] **an industry identified by the Authority as desirable for the State to maintain, which may be designated and amended via promulgation of rules by the Authority to reflect changing market conditions.**

. . .

["Electronic device technology" means a technology involving microelectronics, semiconductors, electronic equipment, and instrumentation, radio frequency, microwave, and millimeter electronics, and optical and optic-related electrical devices, or data and digital communications and imaging devices.

"Electronic device technology company" means a person with a headquarters or a base of operations located in New Jersey and engaged in the research, development, production, or provision of electronic device technology for the purpose of developing or providing products or processes for specific commercial or public purposes.]

. . .

"Full-time employee" means a person [who is employed for consideration for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice, as full-time employment, whose wages are subject to withholding as provided in the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., as determined by the Authority, or a person who is employed by a professional employer organization pursuant to an employee leasing agreement between the business and the professional employer organization, in accordance with P.L. 2001, c. 260 (N.J.S.A. 34:8-67 et seq.) for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, as determined by the Authority.] **employed by the business for consideration for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice, as determined by the authority, as full-time employment, or a person who is employed by a professional employer organization pursuant to an employee leasing agreement between the business and the professional employer organization, in accordance with P.L.2001, c.260 (C.34:8-67 et seq.) for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice, as determined by the authority, as full-time employment, and whose wages are subject to withholding as provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. or an employee**

who is a resident of another State but whose income is not subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. or who is a partner of a business who works for the partnership for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice, as determined by the authority, as full-time employment, and whose distributive share of income, gain, loss, or deduction, or whose guaranteed payments, or any combination thereof, is subject to the payment of estimated taxes, as provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. "Full-time employee" shall not include any person who works as an independent contractor or on a consulting basis for the business. ["Full-time employee" shall not include a child, grandchild, parent, or spouse of an individual who has direct or indirect ownership of at least five percent of the profits, capital, or value of the business.]

["Headquarters" of a business means the single location that serves as the national administrative center of the business or the worldwide administrative center of a key division of the business, at which the primary office of the chief executive officer or chief operating officer of the business or the key division of the business, as well as the offices of the management officials responsible for key business-wide functions such as finance, legal, marketing, and human resources, are located.

"High-technology business" means an advanced computing company, advanced materials company, electronic device technology company, environmental technology company or medical device technology company.

"Manufacturing facility" means a business location at which more than 50 percent of the business personal property that is housed in the facility is eligible for the sales tax exemption pursuant to subsection a. of section 25 of P.L. 1980, c.105 (N.J.S.A. 54:32B-8.13) for machinery, apparatus or equipment used in the production of tangible personal property.

"Medical device technology" means a technology involving any medical equipment or product (other than a pharmaceutical product) that has therapeutic value, diagnostic value, or both, and is regulated by the Federal Food and Drug Administration.

"Medical device technology company" means a person with a headquarters or a base of operations located in New Jersey and engaged in the research, development, production, or provision of medical device technology for the purpose of developing or providing products or processes for specific commercial or public purposes.]

"New business location" means the premises **to which a business will relocate** that the business has either purchased or built or for which the business has entered into a purchase agreement or a written lease for a period of no less than **the commitment duration or** eight years**, whichever is greater,** from the date of relocation. **A "new business location" also means the business's current location or locations if the business makes a capital investment equal to the total value of the business retention or relocation grant of tax credits to the business at that location or locations.**

. . .

"Program" means the Business Retention and Relocation Assistance Grant Program created pursuant to P.L. 1996, c.25, as substantially amended by P.L. 2004, c.65 sections 1 through 16 (N.J.S.A. 34:1B-112 through 123) **and P.L. 2010, c.123**, and provided in this subchapter.

"Project" means the relocation **or maintaining** of retained full-time jobs at the approved site as improved by the new business location. In the event that the new business location will be at more than one location, the business may evidence that the application is for a single project through factors showing interrelatedness such as the same business event driving the relocation, moves timed together, and full-time jobs relocated from the same business location.

"Project agreement" means an agreement between a business and the Authority that sets the forecasted schedule for completion and occupancy of the project, the date the commitment duration shall commence, the amount and tax credit term of the applicable grant of tax credits, and other such provisions which further the purposes of P.L. 1996, c.25 (N.J.S.A. 34:1B-112 et seq.).

["Research and development facility" means a business location at which more than 50 percent of the business personal property that is purchased for the facility is eligible for the sales tax exemption pursuant to section 26 of P.L. 1980, c.105 (N.J.S.A. 54:32B-8.14) for property used in research and development.]

"Retained full-time job" means an eligible position that currently exists in New Jersey and is filled by a full-time employee but which, because of a **potential** relocation by the business, is at risk of being lost to another state or country. For the purposes of determining a number of retained full-time jobs, the eligible positions of [the members of a "controlled group of corporations" as defined pursuant to section 1563 of the Federal Internal Revenue Code of 1986, 26 U.S.C. section 1563,] **an affiliate** shall be considered the eligible positions of [a single employer] **the business**. A retained full-time job is one that will not be included in the calculation of a BEIP grant subsequent to being moved to the approved project site, under the agreement. The number of retained full-time jobs shall mean the business's number of permanent full-time jobs as referred to in the project description in the application and the agreement, which exist as of the effective date of the agreement. **In order to demonstrate that a job meets this definition, a business must provide documentation that demonstrates the at-risk nature of these employees which shall include a certification of the business's chief executive officer that the jobs are at-risk at being located outside of New Jersey.**

. . .

"Tax period" means the twelve month period selected by the business for the purposes of determining annual taxable income.

"Tax credit term" means the period of time commencing with the first issuance of tax credits and continuing during the period in which the recipient of a grant of tax credits is eligible to apply the tax credits pursuant to section 7 of P.L. 2004, c.65 (N.J.S.A. 34:1B-115.3).

[“Total allowable relocation costs” means $ 1,500 times the number of retained full-time jobs. “Total allowable relocation costs” does not include the amount of any bonus award authorized pursuant to section 5 of P.L. 2004, c.65 (N.J.S.A. 34:1B-115.1).]

“Yearly tax credit amount” means $1,500 times the number of retained full-time jobs. “Yearly tax credit amount” does not include the amount of any bonus award authorized pursuant to section 5 of P.L. 2004, c.65 (N.J.S.A. 34:1B-115.1).

19:31-14.3 Eligibility criteria

(a) To qualify for the program, a business shall:

1. Enter into a project agreement with the Authority to undertake a project to:

i. Relocate **or maintain** a minimum of 50 retained full-time jobs from one or more locations within this State to a new business location or locations in this State; and

ii. (No change.)

(b) (No change.)

(c) A business shall demonstrate that the receipt of assistance pursuant to this program will be a material factor in the business' decision not to relocate **the retained full-time jobs** outside of New Jersey; except a business that relocates 1,500 or more retained full-time jobs covered by a project agreement from outside of a designated urban center to one or more new locations within a designated urban center shall not be required to make such a demonstration if the business applies for a grant of tax credits within six months of signing its lease or purchase agreement. **A business that has had grant pre-application meetings with the Authority and has executed contracts relating to the new business location during the period commencing May 1, 2010 until January 6, 2011 shall not be deemed ineligible for the grant due to the material factor requirement.**

(d) A business shall demonstrate to the Authority, at the time application, that the grant of tax credits and resultant retention of full-time jobs and any capital investment will yield a net positive benefit to the State during the commitment period. The net benefit resulting from the retention of full-time jobs and any capital investment by a business that has had grant pre-application meetings with the Authority and has executed contracts relating to the new business location during the period commencing May 1, 2010 until January 6, 2011, shall be calculated from the date of the initial grant pre-application meeting.

[(d)] **e.** A business shall provide evidence that the business or a predecessor entity has been operating, in whole or in part, in this State for at least 10 years prior to the filing of an application under this program.

19:31-14.4 Restrictions on eligibility

(a) (No change.)

(b) A business that is receiving any other grant by operation of State law shall be eligible to receive a grant of tax credits under this program [except as follows] **provided**:

1. (No change.)

[2. A business shall not receive an amount as a grant of tax credits pursuant to this program which, when combined with such other grants, exceeds 80 percent of the projected State tax revenues from the retained full-time jobs covered by the project agreement of an applicant for a grant of tax credits, except upon the approval of the State Treasurer.]

2. The State will realize a net positive benefit from the grant of tax credits and resultant retention of full-time jobs and any capital investment when combined with such other grants, except upon approval of the State Treasurer.

3. Amounts received as grants from the Office of Customized Training pursuant to the 1992 New Jersey Employment and Workforce Development Act, P.L. 1992, c.43 (N.J.S.A. 34:15D-1 et seq.), shall be excluded from the calculation of the total amount permitted [under (b)2 above]**.**

(c) (No change.)

19:31-14.6 Application submission requirements

(a) Each application to the Authority shall include the following information in an application format prescribed by the Authority:

1. Business information shall include the following:

i. – xii. (No change.)

xiii. Any other necessary and relevant information as determined by the [Chief Executive Officer] **Authority** for a specific application.

2. Project information shall include the following:

i. – viii. (No change.)

ix. The terms of any lease agreements**, either existing or proposed,** or details of the purchase or building of the new business location;

x. (No change.)

[xi. An analysis that indicates that the expected grant of tax credits will not exceed the retained State tax revenue from the business' most recently completed State tax period and that the expected grant of tax credits will not exceed 80 percent of the projected tax revenues from the retained full-time jobs covered by the project agreement;]

xi. The State will realize a net benefit from the grant of tax credits and resultant retention of full-time jobs and any capital investment when combined with such other grants, except upon approval of the State Treasurer.

xii. – xiii. (No change.)

xiv. Any other necessary and relevant information as determined by the [Chief Executive Officer] **Authority** for a specific application.

3. The employee information shall include the following:

i. – iii. (No change.)

[iv. A certification that the business will maintain 95 percent of the retained full-time jobs for at least the first two years of the commitment duration, and will maintain a minimum of 90 percent of the retained full-time jobs for the remainder of the commitment duration;] and

[v.] **iv.** Any other necessary and relevant information as determined by the Chief Executive Officer for a specific application.

19:31-14.7 Review of application

(a) Applicants shall submit to the [Chief Executive Officer] **Authority** a completed BRRAG Program application at least 45 days prior to moving to the new business location **or maintaining the minimum number of fill-time jobs**; provided, however, a business relocating 1,500 or more retained full-time jobs to one or more new locations within a designated urban center shall, if relocating to a leased location, submit an application within six months of executing its lease. **A company that has had grant pre-application meetings with the Authority and has executed contracts relating to the new business location during the period commencing May 1, 2010 until the enactment of P.L. 2010, c.123 shall not be deemed ineligible for the grant due to the requirement to apply 45 days before moving to the new business location.** The application shall bear either a legible post-mark date or a date-received stamp from the Authority.

(b) The Authority shall conduct a review of the applications commencing with the application bearing the earliest submission date [, including those applications submitted to the Authority prior to May 16, 2005]. The Authority may require the submission of additional information to complete the application or may require the resubmission of the entire application, if incomplete. The Authority shall review, and provide a recommendation to the Chief Executive Officer regarding, the applications to determine whether the applicant:

1. – 3. (No change.)

(c) – (h) (No change.)

(i) If the application has been approved or approved with modification, the Chief Executive Officer shall notify the Director of the terms and conditions of the approval. Any approval or approval with modification shall be subject to **completion of the project.** [:

1. Completion of the project; and

2. Tax credits being available in the fiscal year in which the applicant certifies to (f)1 above.]

19:31-14.8 Determination of grant amount

[(a) Any business relocating 500 or more full-time employees that is approved for a grant of tax credits, shall receive a grant equal to the total allowable relocation costs, plus any applicable bonus award, up to the aggregate annual limit of $20,000,000, and subject to the restrictions and limitations on the grant set forth at N.J.A.C. 19:31-14.4.

(b) Any business that is relocating between 50 and 499 full-time employees approved for a grant of tax credits, shall receive a grant in an amount determined by the Chief Executive Officer that shall not exceed the total allowable relocation costs, up to the aggregate annual limit, and is subject to the restrictions and limitations on the grant set forth at N.J.A.C. 19:31-14.4.]

(a) Subject to the limitation set forth in N.J.A.C. 19:31-14.11(e) and (f), grants of tax credits shall be approved for qualifying businesses according to the following schedule, and shall be issued upon the execution and satisfaction of the requirements of the project agreement between the Authority and the business with an approved project:

i. For a project that covers a business relocating or retaining 50 to 250 full-time employees, a grant of tax credits shall be for the yearly tax credit amount plus any applicable bonus award determined pursuant to section 5 of P.L.2004, c.65 (N.J.S.A. 34:1B-115.1), and may be applied against liability in the tax period in which the tax credit is issued;

ii. For a project that covers a business relocating or retaining 251 to 400 full-time employees, a grant of tax credits shall be for two times the yearly tax credit amount plus any applicable bonus award determined pursuant to section 5 of P.L.2004, c.65 (N.J.S.A. 34:1B-115.1), and may be applied against liability in the tax period in which the tax credit is issued and the following tax period, for one-half of the total grant award per tax period, provided that the use of the credit must be accompanied by a certificate of compliance;

iii. For a project that covers a business relocating or retaining 401 to 600 full-time employees, a grant of tax credits shall be for three times the yearly tax credit amount plus any applicable bonus award determined pursuant to section 5 of P.L.2004, c.65 (N.J.S.A. 34:1B-115.1) and may be applied against liability in the tax period in which the tax credit is issued and the following two tax periods, for one-third of the total grant award per tax period, provided that the use of the credit must be accompanied by a certificate of compliance;

iv. For a project that covers a business relocating or retaining 601 to 800 full-time employees, a grant of tax credits shall be for four times the yearly tax credit amount plus any applicable bonus award determined pursuant to section 5 of P.L.2004, c.65 (N.J.S.A. 34:1B-115.1) and may be applied against liability in the tax period in which the tax credit is issued and the following three tax periods, for one-fourth of the total grant award per tax period, provided that the use of the credit must be accompanied by a certificate of compliance;

v. For a project that covers a business relocating or retaining 801 to 1,000 full-time employees, a grant of tax credits shall be for five times the yearly tax credit amount plus any applicable bonus award determined pursuant to section 5 of P.L.2004, c.65 (N.J.S.A. 34:1B-115.1) and may be applied against liability in the tax period in which the tax credit is issued and the following four tax periods, for one-fifth of the total grant award per tax period, provided that the use of the credit must be accompanied by a certificate of compliance; and

vi. For a project that covers a business relocating or retaining 1,001 or more full-time employees, a grant of tax credits shall be for six times the yearly tax credit amount plus any applicable bonus award determined pursuant to section 5 of P.L.2004, c.65 (N.J.S.A. 34:1B-115.1) and may be applied against liability in the tax period in which the tax credit is issued and the following five tax periods, for one-sixth of the total grant award per tax period, provided that the use of the credit must be accompanied by a certificate of compliance.

(b) In [determining the] **considering the award and the** amount of any grant **of tax credits**, the [Chief Executive Officer] **Authority** [shall] **may** consider, **as part of the Authority's overall review process,** the following factors:

1. – 6. (No change.)

7. Whether positions average at least 1.5 times the minimum hourly wage during the commitment duration; [and]

8. The duration and extent of past operations by the business in New Jersey and any other information indicating the business' level of commitment to the State and the likelihood that the business will continue to operate in this State in the future[.]**; and**

9. Any other necessary and relevant information as determined by the [Chief Executive Officer] **Authority** for a specific application.

19:31-14.9 Bonus award

(a) – (b) (No change.)

(c) In addition to any grant of tax credits determined pursuant to section 7 of P.L.2004, c.65 (N.J.S.A. 34:1B-115.3), and in addition to any bonus award pursuant to paragraph (a) of

this section, a bonus award equivalent to 50 percent of the amount of the grant of tax credits pursuant to section 7 of P.L.2004, c.65 (N.J.S.A. 34:1B-115.3) shall be made to any business that makes a capital investment in an amount that is at least twice that of the total value of the grant of tax credits granted pursuant to section 7 of P.L.2004, c.65 (N.J.S.A. 34:1B-115.3) and the grant of tax credits pursuant to this subchapter. A bonus award made pursuant to this subsection may be limited, so that when added to the tax credits granted pursuant to section 7 of P.L.2004, c.65 (N.J.S.A. 34:1B-115.3), the total amount shall not exceed 50 percent of the amount of the capital investment in this State.

19:31-14.10 Project agreement

(a) All applicants shall execute a **commitment letter and a** project agreement with the Authority to establish the terms and the conditions of the grant of tax credits. **The Board's approval will be subject to conditions subsequent that must be met in order to retain the award of tax credits.** The [Chief Executive Officer] **Authority staff** may provide whatever assistance the [Chief Executive Officer] **Authority** deems appropriate in the preparation of an application for approval of a project and may issue grants of tax credits pursuant to the project agreement entered between the [Chief Executive Officer] **Authority** and the business [with an approved project at the Chief Executive Officer's discretion subject to the provisions of P.L. 1996, c.25 (N.J.S.A. 34:1B-112 et seq.), as amended by P.L. 2004, c.65].

(b) The project agreement shall include, but not be limited to, the following terms or conditions as determined by the Chief Executive Officer:

1. Terms establishing the starting date, or event that will determine the starting date and ending date, of the commitment duration **and the number of full-time jobs that must be maintained in the State by the business over the commitment duration**;

2. – 10. (No change.)

(c) The project agreement shall [further] provide that no tax credits [shall be] issued as a grant of tax credits under the program **may be applied by the business against liability** [in any year] until the State Treasurer has certified that the amount of retained State tax revenue [received in the most recently completed State tax periods by the Director] from the business **for the tax period prior to the period in which the credits will be applied** equals or exceeds the amount of [the grant of] tax credits **to be applied.**

(d) The project agreement shall further provide that the Authority is not liable in damages for the issuance or use of the tax credits; and, that there is no guarantee that legislation will not be enacted that would cause further changes to P.L. 1996, c.24 (N.J.S.A. 34:1B-112 et seq.)

19:31-14.11 Tax credit applicable; when effective; when adjusted

(a) A tax credit issued pursuant to this program may be applied against liability **in the single tax period in which the tax credit or portion of the tax credit may be applied as prescribed in**

the project agreement and as set forth in N.J.A.C. 19:31-14.8(a) [arising in the tax period in which the tax credit is issued and the tax period next following,] and shall expire thereafter. While some or all of the tax credit may not be used after the aforementioned tax periods, in the event that a liability arises against the business for the tax period in which the tax credit was issued [or the following tax period,] any unused grant of tax credit may be used to offset such liability.

(b) Provided that the applicant has previously executed the project agreement, within six months of relocation of the retained employees, the applicant shall submit a certification to the Chief Executive Officer that it has relocated the retained employees. To the extent that the number of employees is less than the number indicated on its application **but remains 50 or more**, the award of tax credits shall be adjusted accordingly and the project agreement shall be amended to so reflect the reduction **pursuant to N.J.A.C. 19:31-14.13(b)**.

[(c) Upon receipt of the certification referenced in (b) above, for a project that covers 500 or more full-time employees, the Chief Executive Officer shall allocate a grant of tax credits to the applicant. The Chief Executive Officer shall notify the Director of the terms and conditions of the project agreement and the Director shall issue the appropriate tax credit certificate(s).

(d) For a project that covers a business relocating between 50 and 499 full-time employees, a grant of tax credits shall not be issued until the end of the fiscal year in which the certification referenced in (b) above is received.]

[(e)] **(c)** The total value of the grants of tax credits [issued] **approved by the Authority** pursuant to this program **that may be applied against tax liability in a fiscal year** shall not exceed an aggregate annual limit of $20,000,000 [for any fiscal year]. [If the sum of the amount of tax credits issued pursuant to (c) above in a fiscal year, plus the amount of tax credits approved pursuant to (d) above exceeds] **If the approval of a grant of tax credits pursuant to N.J.A.C. 19:31-14.8(a) would exceed** the $20,000,000 aggregate annual limit, the [Chief Executive Officer shall reduce the award to each business receiving a grant of tax credits pursuant to (d) above on a pro rata basis to the grant amounts determined in accordance with N.J.A.C. 19:31-14.8(b) to the extent necessary to comply with the aggregate annual limit] **Authority may award a smaller grant of tax credits or no grants of tax credits, as necessary to comply with the aggregate limit.**

(d) The total value of the grants of tax credits, issued pursuant this program, that a single business may apply against its tax liability shall not exceed an aggregate annual limit of $10,000,000 in a fiscal year. A tax credit issued pursuant to this program may be applied against liability in the single tax period in which the tax credit or portion of the tax credit may be applied as prescribed in the project agreement and as set forth in N.J.A.C. 19:31-14.8(a) and shall expire thereafter.

19:31-14.12 New business location for the project

(a) – (c) (No change.)

[(d) To the extent that the business (not an unaffiliated third party) has undertaken the construction of the new business location, the business shall comply with the Authority's prevailing wage requirements P.L. 2007, c.245 (N.J.S.A. 34:1B-5.1) in the performance of construction contracts.

(e) The Authority encourages a business constructing a new business location to comply with the Authority's affirmative action requirements set forth at P.L. 1979, c.303 (N.J.S.A. 34:1B-5.4).]

(d) The business shall comply with the Authority's prevailing wage requirements, N.J.A.C. 19:30-4, and affirmative action requirements, N.J.A.C. 19:30-3, in the performance of the construction contract for the project, provided that prevailing wage shall not be required for construction commencing more than two years after an entity has executed with the Authority a commitment letter and the first payment or other provisions of assistance is received.

19:31-14.13 Reporting requirements and annual reports

(a) If requested by the [Chief Executive Officer] **Authority**, a business which is awarded a grant of tax credits under this program shall submit a copy of the State tax return for the business showing business income or activity, appropriate to its form of ownership.

(b) [As determined by the Chief Executive Officer, a business which is awarded a grant of tax credits under this program shall submit annually, no later than March 1st of each year, commencing the year following the calendar year in which the business was approved for the grant of tax credits and for the remainder of the commitment duration, an annual report listing the full-time employees in eligible positions employed at the location or locations approved for the grant of tax credits, to the Chief Executive Officer.] **As determined by the Authority, a business which is awarded a grant of tax credits under P.L.1996, c.25 (N.J.S.A. 34:1B-112 et seq.) shall submit annually, no later than March 1st of each year, commencing in the year in which the grant of tax credits is issued and for the remainder of the commitment duration, a certification of compliance that indicates that the business continues to maintain the number of retained full-time jobs as specified in the project agreement. Upon receipt and review thereof during the tax credit term, the Authority shall issue a certificate of compliance indicating the amount of tax credits that the business may apply against liability pursuant to section 7 of P.L. 2004, c.65 (N.J.S.A. 34:1B-115.3). Any reduction in the number of retained full-time jobs below the number prescribed under the terms of the project agreement shall proportionately reduce the amount of tax credits the business may apply against liability in that tax period and the credits that may no longer be applied for that tax period shall be forfeited. However, if in any tax period, the number of retained full-time jobs drops below the minimum number of retained full-time jobs indicated in the paragraph of subsection b. of section 7 of P.L.2004, c.65 (N.J.S.A. 34:1B-115.3) pursuant to which the project agreement was executed such that the business would no longer be eligible to apply the credits for the number of years for which it was approved, then the Authority shall reduce the amount of tax credits the business may apply against liability and the number of years in which the business may apply the tax credits. The grant shall be subject to recapture provisions pursuant to the project agreement.**

[(c) Failure to submit a copy of its annual report or submission of the annual report without the information required above, may result in the forfeiture of any grant of tax credits to be received by the business and the recapture of any tax credits issued to the business unless the Chief Executive Officer determines that there are extenuating circumstances excusing the business from the timely filing required.]

[(d)] **(c)** The project agreement may provide for additional reporting requirements.

19:31-14.14 Fees

(a) – (c) (No change.)

(d) In addition, an annual servicing fee shall be paid to the Authority by the. The servicing fee shall be two percent of the annual tax credit amount that may be applied not to exceed $75,000.

19:31-14.15 Events of default

(a) The occurrence of any one or more of the following events (whether such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) shall constitute an "event of default" under the project agreement:

1. – 2. (No change.)

3. Failure to comply with any condition or requirement of the project agreement; **or**

[4. The business reduces or relocates the retained full-time jobs above the percentages certified under N.J.A.C. 19:31-14.6(a)3iv (greater than five percent during the first two years of the commitment duration; greater than 10 percent during the remainder of the commitment duration); or]

[5.] **4.** The business fails to serve or perform in any other material respect any other term, covenant or condition of the business under the project agreement and this subchapter and such failure shall have continued for 30 days after the earlier of delivery to the business of written notice thereof from the [Chief Executive Officer] **Authority** or the business's actual or constructive knowledge of such failure; provided, however, that if such failure is capable of cure, but cannot be cured by the payment of money or by diligent efforts within such 30-day period, but diligent efforts are properly commenced within the cure period and business is diligently pursuing, and shall continue to pursue diligently, remedy of such failure, the cure period shall be extended for an additional period of time, not to exceed an additional 45 days and in no case to extend beyond the expiration of the project agreement. Violations of the "events of default" provision of the project agreement shall be cause for immediate termination of the tax credit certificate as provided by law and repayment of State tax.

19:31-14.16 Remedies

(a) Upon the occurrence of any event of default as described in N.J.A.C. 19:31-14.15 and the project agreement, the [Chief Executive Officer] **Authority** may, so long as such event of default is continuing, do one or more of the following as the Chief Executive Officer in his or her sole discretion shall determine, without limiting any other right or remedy the [Chief Executive Officer] **Authority** or the Division of Taxation may have on account of such event of default:

1. The [Chief Executive Officer] **Authority** may require the surrender by the business to the [Chief Executive Officer] **Authority** of the tax credit certificate for suspension or cancellation; and/or

2. The [Chief Executive Officer] **Authority** may exercise any other right or remedy that may be available under applicable law or under the project agreement, including, without limitation:

i. Recapturing all (for example, **if a business is unable to certify the minimum job threshold during the commitment duration** [if a business ceases operations and leaves the State prior to the end of the commitment duration]) or a portion of the grant of tax credits [by];

ii. [n] **N**otifying the Director, who shall issue a recapture assessment which shall be based upon the proportionate value of the grant of tax credits that corresponds to the amount and period of noncompliance;

Recodify existing ii., iii. and iv. as iii., iv. and v. (No change in text.)

(b) The rights and remedies of the [Chief Executive Officer] **Authority** under this subchapter and the project agreement shall be cumulative and shall not exclude any other rights and remedies of the [Chief Executive Officer] **Authority** or the Division of Taxation allowed by law with respect to any event of default under this subchapter of the project agreement.

[19:31-14.17 Appeals

(a) The procedure for an appeal of the Chief Executive Officer's action on an application to the program shall be as follows. An applicant may appeal the Chief Executive Officer's action on an application to the program by submitting in writing to the Authority, within 30 days from the date of the Chief Executive Officer's action, an explanation as to how the applicant has met the program criteria. Only the information that clarifies the application filed shall be reconsidered. In the event the application is reconsidered as eligible for the program, such application shall be presented for action at the next available Board meeting.

(b) In general, appeals arising from decisions of the Chief Executive Officer may be requested in writing, and an opportunity given for an informal hearing on the papers, in person or via telephone with Authority staff. Such written request for any informal hearing must be made within 30 days of the receipt of the Chief Executive Officer's decision.

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

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

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

Recodify exiting 19:31-14.18 and 19:31-14.17

19:31-9.7 Review of application and certification of project completion

(a) – (d) (No change.)

(e) Upon completion of the review of an application pursuant to (b) through (d) above, and receipt of a recommendation from Authority staff on the application, the Board shall determine whether or not to approve the application, the maximum amount of tax credits to be granted and, in the case of a residential developer, the maximum percentage amount of allowed tax credits for its capital investment in a qualified residential project, and promptly notify the applicant and the Director of the Division of Taxation of the determination. The Board's award of the credits will be subject to conditions subsequent that must be met in order to retain the credits. An approval letter setting forth the conditions subsequent will be sent to the applicant. Such conditions shall include, but not be limited to, the requirement that the project complies with the Authority's prevailing wage requirements P.L. 2007, c. 245 (N.J.S.A. 34:1B-5.1) and affirmative action requirements P.L. 1979, c. 303 (N.J.S.A. 34:1B-5.4), that the project does not violate any environmental law requirements, and requirements regarding the use of renewable energy, energy-efficient technology, and non-renewable resources in order to reduce environmental degradation and encourage long-term cost reduction.

1. If the application is approved, the project approval is subject to the terms and conditions of the [project agreement] **approval letter**, and any benefits under the program are subject to the completion of the project and satisfaction of the capital investment and employment qualifications required for the urban transit hub tax credits.

2. (No change.)

(f) – (h) (No change.)

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

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

APPLICANT: Amcor Specialty Packaging Glass Tubing Americas P34813

PROJECT LOCATION: 1200 N. 10th Street Millville City (T/UA) Cumberland County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Amcor Specialty Packaging Glass Tubing Americas (Amcor Specialty), formerly Alcan Packaging, is a fully integrated pharmaceutical glass manufacturer, supplying a large range of tubes, vials and ampoules to the pharmaceutical, scientific, animal health and cosmetic markets. The applicant was acquired by Amcor Limited (Limited) in February 2010. Limited is one of the world's largest packaging companies with 72,000 employees, operating in 300 sites in 43 countries, with approx $14 billion in sales. Amcor Specialty has been a corporate citizen in the Millville area since 1888, operating under a number of different ownerships as Wheaton Industries and The Glass Group. At one time Wheaton had gained a reputation as the center of commercial glass manufacturing in the United States. Amcor Specialty maintains sales offices in Boulogne Billancourt, France, and Millville, with 7 manufacturing facilities in North America and 4 in Europe. The applicant is economically viable.

MATERIAL FACTOR:

Amcor is seeking a BEIP grant to support its expansion plans by creating 85 new jobs in Millville. Also under consideration are company owned facilities in Chase City, Virginia, and Westport, Indiana. Should the decision to expand in Millville be made, approximately 50 of the new jobs will result from the closing of its Ontario, Canada manufacturing facility. In addition, Amcor will be submitting to the Authority Board at its February meeting a request for a BRRAG grant to support retaining 172 jobs for their Millville Vial division, that are at risk if the applicant decides to create the new jobs in Virginia or Indiana. Management is estimating project costs in excess of $5.1 million. The award of the BEIP grant is a material factor in management's decision to expand in Millville.

APPROVAL REQUEST:

PERCENTAGE: 80%
TERM: 10 years

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

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $ 508,300
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 404

ELIGIBLE BEIP JOBS: **Year 1** 42 **Year 2** 43 **Base Years Total =** 85

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: $5,980

ANTICIPATED AVERAGE WAGES: $40,000

ESTIMATED PROJECT COSTS: $5,111,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $635,375

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $444,762

PROJECT IS: (X) Expansion ( ) Relocation

CONSTRUCTION: (X) Yes ( ) No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP:(X) Domestic ( ) Foreign

DEVELOPMENT OFFICER: D. Benns **APPROVAL OFFICER:** M. Krug

Applicant : Amcor Specialty Packaging Glass Tubing Americas **Project # : P34813**

FORMULA EVALUATION

Criteria		Score
1. Location:	**Millville City**	**N/A**
2. Job Creation	**85**	**2**
Targeted : _______	Non-Targeted : __X__	
3. Job at Risk:	**172**	**1**
4. Industry:	**glass manufacturing**	**0**
Designated : _______	Non-Designated : __X__	
5. Leverage:	**3 to 1 and up**	**2**
6. Capital Investment:	**$5,111,000**	**2**
7. Average Wage:	**$ 40,000**	**2**
	TOTAL:	**9**

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	20%
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	30%	
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	20%
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	15%
10% or more of the employees of the business receive a qualified transportation fringe of $ 30.00 or greater.	15%	
Located in an area designated by the locality as an "area in need of redevelopment"	10%	
Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site	10%	
Company is within 5 miles of and working cooperatively with a public or non-profit university on research and development	10%	

Total Bonus Points: **55 %**

Total Score :

Total Score per formula:	9 = 30 %
Construction/Renovation :	5 %
Bonus Increases :	55 %
Total Score (not to exceed 80 %):	80 %

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

APPLICANT: Amcor Specialty Packaging Glass Tubing Americas

COMPANY ADDRESS: 1200 North 10th Street Millville Cumberland County

PROJECT LOCATION: 1200 North 10th Street Millville Cumberland County

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

APPLICANT BACKGROUND: Amcor Specialty Packaging Glass Tubing Americas (Amcor Specialty), formerly Alcan Packaging, is a fully integrated pharmaceutical glass manufacturer, supplying a large range of tubes, vials and ampoules to the pharmaceutical, scientific, animal health and cosmetic markets. The applicant was acquired by Amcor Limited (Limited) in February 2010. Limited is one of the world's largest packaging companies with 72,000 employees, operating in 300 sites in 43 countries, with approx $14 billion in sales. Amcor Specialty has been a corporate citizen in the Millville area since 1888, operating under a number of different ownerships as Wheaton Industries and The Glass Group. At one time Wheaton had gained a reputation as the center of commercial glass manufacturing in the United States. Amcor Specialty maintains sales offices in Boulogne Billancourt, France, and Millville, with 7 manufacturing facilities in North America and 4 in Europe.

MATERIAL FACTOR/NET BENEFIT:
Amcor is seeking a BRRAG grant to support retaining 172 jobs in Millville that are at risk to be moved should management decide to create 85 new jobs at their company owned facilities in Indiana or Virginia. Amcor is also requesting the Board approve at its February 2011 meeting a BEIP grant to support its expansion plans and creating 85 new jobs in Millville. Also under consideration are company owned facilities in Chase City, Va, and Westport, Indiana. Management is estimating project costs in excess of $5.1 million. The award of the BRRAG is a material factor in management's decision to retain employees in Millville. The applicant has demonstrated that the grant of these tax credits will result in a net positive benefit to the state.

APPROVAL REQUEST:

TAX CREDIT TERM: 1 years
COMMITMENT DURATION: 6 years

The Members of the Authority are asked to approve the proposed BRRAG grant to Amcor Specialty Packaging - Glass Tubing Americas to encourage the company to relocate within New Jersey. The recommended grant is based on the Project Evaluation Factors set forth on the attached BRRAG Score sheet and is contingent upon receipt by the Authority of evidence that the company has met said criteria to substantiate the recommended award amount. If the criteria met by the company differs from that shown on the Score sheet, the award amount will be raised or lowered to reflect the award amount that corresponds to the actual criteria that have been met.

CONDITIONS OF APPROVAL:
1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in NJ unless the applicant had a pre-application meeting with the Authority during the grandfathering period.
2. If the applicant enters into a lease for the project site, the term of the lease will be no less than 8 years, exclusive of any renewal options.
3. Expenditures totaling at least twice as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before 6/30/2011 in order to remain eligible for the bonus award.
4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.
5. If the applicant remains in a location at which it currently operates, expenditures totaling as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before 6/30/2011.

APPLICANT'S FISCAL YEAR ENDS:	December 31
CAPITAL INVESTMENT MUST BE SPENT BY:	June 30, 2011
TOTAL ESTIMATED GRANT AWARD OVER TERM:	$ 387,000
STATE FISCAL YEAR 1 APPROVAL (SFY2011)	$ 387,000
ELIGIBILE BRRAG JOBS:	172
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	$ 1,500
YEARLY BONUS TAX CREDIT AMOUNT PER EMPLOYEE:	$ 750
ANTICIPATED AVERAGE WAGES:	$ 40,000
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	$6,880,000
ESTIMATED TOTAL GROSS STATE WITHOLDINGS 6 YRS:	$ 771,420
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 5,100,000
APPLICANT HAS BEEN IN NJ SINCE:	1888

PROJECT IS: (X) Expansion ( ) Relocation

CONSTRUCTION: (X) Yes ( ) No

BUSINESS DEVELOPMENT OFFICER: Derrick Benns **APPROVAL OFFICER**: Michael Krug

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

APPLICANT: Bracco Diagnostics Inc. and Affiliates P35150

PROJECT LOCATION: TBD Locations Unknown (N) Unknown County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Bracco Diagnostics Inc. ("Bracco"), the United States based subsidiary of Bracco Imaging, develops and markets clinical agents for use in x-ray, computed tomography (CT), nuclear medicine and magnetic resonance imaging (MRI) in the U.S. and Canada. Bracco's leading products represent a significant share of the U.S. diagnostic contrast media market and the company is expanding its business to develop new delivery systems as well as developing contrast agents for ultrasound procedures. Bracco Diagnostics has operated in New Jersey since 1994 with headquarters and research offices in Princeton. The applicant is economically viable.

MATERIAL FACTOR:

Bracco Diagnostics Inc. and Bracco Research USA Inc. (collectively "Bracco") currently lease office and laboratory space in Princeton, New Jersey. Bracco is eligible to terminate these leases in November 2012 and is evaluating relocation options in New Jersey and Levittown, Pennsylvania. Also under consideration is renegotiating the lease with its current landlord. In addition to the 75 new jobs the company plans to add, New Jersey would risk losing Bracco's 177 current employees should it choose to move out of state. Management has indicated that the BEIP is a material factor in the company's decision to increase its employment in New Jersey. Should the company choose a location that meets certain Smart Growth criteria, the award could increase to as much as 80% for an estimated value of $2,643,422.

APPROVAL REQUEST:

PERCENTAGE: 50%
TERM: 10 years

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

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $ 1,652,138
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 177

ELIGIBLE BEIP JOBS: **Year 1** 15 **Year 2** 60 **Base Years Total =** 75

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: $22,028

ANTICIPATED AVERAGE WAGES: $108,255

ESTIMATED PROJECT COSTS: $9,276,170

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $3,304,277

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $3,304,277

PROJECT IS: (X) Expansion (X) Relocation Princeton

CONSTRUCTION: (X) Yes ( ) No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: (X) Domestic ( ) Foreign

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

Applicant : Bracco Diagnostics Inc. and Affiliates   Project # : P35150

FORMULA EVALUATION

Criteria		Score
1. Location:	**Locations Unknown**	N/A
2. Job Creation	75	2
	Targeted : X Non-Targeted : ____	
3. Job at Risk:	177	2
4. Industry:	Medical device technology	2
	Designated : X Non-Designated : ____	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	$9,276,140	2
7. Average Wage:	$ 108,255	4
	TOTAL:	14

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	____
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	30%	____
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	____
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	____
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	____
10% or more of the employees of the business receive a qualified transportation fringe of $ 30.00 or greater.	15%	____
Located in an area designated by the locality as an "area in need of redevelopment"	10%	____
Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site	10%	____
Company is within 5 miles of and working cooperatively with a public or non-profit university on research and development	10%	____

Total Bonus Points: 0 %

Total Score :

Total Score per formula:	14 = 45 %
Construction/Renovation :	5 %
Bonus Increases :	0 %
Total Score (not to exceed 80 %):	50 %

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

APPLICANT: Bracco Diagnostics, Inc. and Affiliates

COMPANY ADDRESS:	107 College Road East	Plainsboro Township	Middlesex County
	305 College Road East	Plainsboro Township	Middlesex County

PROJECT LOCATION: To Be Determined

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

APPLICANT BACKGROUND:
Bracco Diagnostics Inc. ("Bracco"), the United States based subsidiary of Bracco Imaging, develops and markets clinical agents for use in x-ray, computed tomography (CT), nuclear medicine and magnetic resonance imaging (MRI) in the U.S. and Canada. Bracco's leading products represent a significant share of the U.S. diagnostic contrast media market and the company is expanding its business to develop new delivery systems as well as developing contrast agents for ultrasound procedures. Bracco Diagnostics has operated in New Jersey since 1994 with headquarters and research offices in Princeton.

MATERIAL FACTOR/NET BENEFIT:
Bracco Diagnostics Inc. and Bracco Research USA Inc. (collectively "Bracco") currently lease office and laboratory space in Princeton, New Jersey. Bracco is eligible to terminate these leases in November 2012 and is evaluating relocation options in New Jersey and Levittown, Pennsylvania. Also under consideration is renegotiating the lease with its current landlord. In addition to the BRRAG application, which would help keep the company's 177 existing jobs in New Jersey, Bracco has also applied for a BEIP grant which would provide incentive for the company to create 75 new jobs in the state. Management has indicated that the BRRAG is a material factor in the company's decision to remain in New Jersey. The applicant has demonstrated that the grant of these tax credits will result in a net positive benefit to the state.

APPROVAL REQUEST: **TAX CREDIT TERM**: 1 year
COMMITMENT DURATION: 6 years

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

CONDITIONS OF APPROVAL:
1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in NJ unless the applicant had a pre-application meeting with the Authority during the grandfathering period.
2. If the applicant enters into a lease for the project site, the term of the lease will be no less than 8 years exclusive of any renewal options.
3. Expenditures totaling at least twice as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before 6/30/2013 in order to remain eligible for the bonus award.
4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.
5. If the applicant remains in a location at which it currently operates, expenditures totaling at least as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before 12/31/2013.

END OF APPLICANT'S FISCAL YEAR:		DECEMBER 31
CAPITAL INVESTMENT MUST BE MADE BY:		JUNE 30, 2013
TOTAL ESTIMATED GRANT AWARD OVER TERM:	$	398,250
STATE FISCAL YEAR 1 APPROVAL (SFY 2013):	$	398,250
ELIGIBLE BRRAG JOBS:		177
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	$	1,500
BONUS AWARD PER EMPLOYEE:	$	750
ANTICIPATED AVERAGE WAGES:	$	126,800
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	$	22,443,600
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 6YRS:	$	5,968,865
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$	4,500,000
OPERATED IN NEW JERSEY SINCE:		1994

PROJECT IS: ( ) Expansion (X) Relocation
CONSTRUCTION/RENOVATION: (X) Yes ( ) No
DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** K. McCullough

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

APPLICANT: Regeneron Pharmaceuticals, Inc. P35151

PROJECT LOCATION: To Be Determined Locations Unknown (N) Unknown County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Regeneron Pharmaceuticals, Inc. (Regeneron), founded in 1988, is a biopharmaceutical company with its research and development focused on cancer, eye diseases, inflammation, and preclinical programs in asthma, allergies, and other diseases and disorders. Regeneron's corporate headquarters and research laboratories are in Tarrytown, New York, with a large-scale biologics manufacturing facility in Rensselaer, New York, and a satellite research and development office in Bridgewater, NJ. In February 2008, the U.S. Food and Drug Administration (FDA) approved ARCALYST(TM) Injection for Subcutaneous Use, the applicant's first commercialized product for the treatment of a rare, inherited, inflammatory condition. Regeneron has eight investigational product candidates progressing through all stages of human clinical trails for the potential treatment of gout, age-related macular degeneration, central retinal vein occlusion, and certain cancers. The Company draws on collaborations with the Sanofi-Aventis Group and Bayer HealthCare to manage significant clinical efforts. The applicant is economically viable.

Regeneron was approved for a 10 year BEIP grant (P21616) by the Authority that closed in September 2009 to establish the Bridgewater office with 20 jobs, with a grant value of $471,219. To date the applicant has reported creating 15 new jobs, with a grant value of $24,180 to be disbursed.

MATERIAL FACTOR:

Regeneron is seeking a BEIP grant to support the addition of 30 new research and development jobs in the Bridgewater area. Also under consideration is moving the Bridgewater operation back to the corporate campus in Tarrytown, NY, where it occupies 550,000 s.f. The original lease in Bridgewater for BEIP P21616 was short term, with a June 2011 expiration, to determine viability of a NJ office and anticipating growth as part of a long term strategic planning process Regeneron started in 2005. Should the applicant expand in Bridgewater the BEIP grant percentage will be 60% based on smart growth factors, with a grant value over a 10 year term of $518,850, and an estimated net new State Income Tax during the 15 year commitment term of $778,275. Management is estimating project costs will exceed $2 million. A favorable decision by the Authority to award the BEIP grant is a material factor in the applicant's decision to continue its expansion in NJ.

APPROVAL REQUEST:

PERCENTAGE: 40%
TERM: 10 years

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

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $ 345,900
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 25

ELIGIBLE BEIP JOBS: **Year 1** 15 **Year 2** 15 **Base Years Total =** 30
ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: $11,530
ANTICIPATED AVERAGE WAGES: $85,000

ESTIMATED PROJECT COSTS: $2,018,200

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $864,750

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $951,225

PROJECT IS: (X) Expansion ( ) Relocation

CONSTRUCTION: (X) Yes ( ) No

PROJECT OWNERSHIP HEADQUARTERED IN: New York

APPLICANT OWNERSHIP:(X) Domestic ( ) Foreign

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

Applicant : Regeneron Pharmaceuticals, Inc. **Project # : P35151**

FORMULA EVALUATION

Criteria		Score
1. Location:	**Locations Unknown**	**N/A**
2. Job Creation	**30**	**1**
Targeted : X Non-Targeted : ___		
3. Job at Risk:	**15**	**1**
4. Industry:	**Biotechnology**	**2**
Designated : X Non-Designated : ___		
5. Leverage:	**3 to 1 and up**	**2**
6. Capital Investment:	**$1,981,300**	**1**
7. Average Wage:	**$ 85,000**	**4**
	TOTAL:	**11**

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	___
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	30%	___
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	___
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	___
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	___
10% or more of the employees of the business receive a qualified transportation fringe of $ 30.00 or greater.	15%	___
Located in an area designated by the locality as an "area in need of redevelopment"	10%	___
Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site	10%	___
Company is within 5 miles of and working cooperatively with a public or non-profit university on research and development	10%	___

Total Bonus Points: **0 %**

Total Score :

Total Score per formula:	**11 = 35 %**
Construction/Renovation :	**5 %**
Bonus Increases :	**0 %**
Total Score (not to exceed 80 %):	**40 %**

BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT (BRRAG)

APPLICANT(S): Bayer HealthCare LLC and Affiliates

COMPANY ADDRESS:			
	340 Changebridge Road	Montville	Morris County
	300 Fairfield Road	Wayne	Passaic County
	36 Columbia Road	Morristown	Morris County
	500 Hills Drive	Bedminster	Somerset County
	700 Route 46 East	Fairfield	Essex County

NEW PROJECT LOCATION(S): TBD

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

APPLICANT BACKGROUND:
Founded in 1863, Bayer Aktiengesellschaft (Bayer AG) is a Germany-based global conglomerate with its core competencies in healthcare (consumer health, diabetes care, pharmaceuticals, and animal health), crop protection, environmental science/bioscience, and advanced material sciences. It is well-known for its original brand of Aspirin®.

Following the merger of Berlex's parent with Bayer, its operations have been integrated with Bayer's existing pharmaceutical/health care operations. The integrated division was renamed as Bayer HealthCare Pharmaceuticals in 2008 with Bayer HealthCare North American headquarters in Tarrytown, NY.

Bayer HealthCare is seeking to consolidate all of its sites currently in Tarrytown, NY and Elkhart, IN along with Wayne, NJ, Montville, NJ, Morristown, NJ, Bedminster, NJ and Fairfield, NJ into one giant campus of approximately 800,000 sf. Bayer has narrowed down its new, potential combined relocation site to the region along the mid-Hudson in New Jersey or in New York State. Berlex had been operating in New Jersey over several decades.

Bayer (then called Berlex or Berlex Laboratories/Pharmaceuticals) was approved for the following three BEIP grants:
P12743 closed 10/27/2000 (Montville), 85 jobs, estimated benefit of $1,115,880 ending in 2011
P16747 closed 10/06/2006 (Wayne), 250 jobs, estimated benefit of $1,916,250 ending in 2017
P17779 closed 01/22/2007 (Montville), 350 jobs, estimated benefit of $12,518,187 ending in 2017.

The applicant was also approved by the Commerce Commission on 09/14/2006 for a BRRAG ($448,000)/STX ($1,225,000) grant. These projects are all active and in good standing. In January 2011, the Members of this Board approved a related BEIP grant (P34739, 500 jobs, estimated maximum benefit of $25 million).

MATERIAL FACTOR/NET BENEFIT:
The Applicant is seeking a BRRAG grant to support retaining and relocating 1,044 BRRAG eligible employees located in New Jersey (out of 1,653 total existing NJ jobs). The company has represented that a favorable decision by the Authority to award the BRRAG grant (along with an STX benefit and the BEIP grant P34739) is a material factor in the Applicant's decision to remain and relocate within New Jersey and hence not to relocate these jobs outside of the State (i.e., New York). The Applicant has expressly certified in writing that they are actively conducting property searches for a single HealthCare sub-group campus location both in New York and New

Jersey. According to the Applicant, New Jersey is competing with New York State to house this relocation/consolidation. The Authority staff recommends the award of the proposed Business Retention and Relocation Assistance Grant (tax credit benefit).

The Applicant has demonstrated that this job retention project will result in a net positive benefit to New Jersey.

APPROVAL REQUEST: **TAX CREDIT TERM:** 6 Years
COMMITMENT DURATION: 11 Years

The Members of the Authority are asked to approve the proposed BRRAG benefit to Bayer HealthCare LLC and Affiliates to encourage the company to relocate within New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award amount and the term. If the criteria met by the company differs from that shown herein, the award amount and the term will be raised or lowered to reflect the award amount and the term that corresponds to the actual criteria that have been met.

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in NJ unless the applicant had a pre-application meeting with the Authority during the grandfathering period.
2. If the applicant enters into a lease for the project site, the term of the lease will be no less than 11 years exclusive of any renewal options.
3. Expenditures totaling at least twice as much as the BRRAG award meet the Statutory definition of Capital Investment and are made on or before 6/30/2013 in order to remain eligible for the bonus award.
4. No employees subject to a BEIP Grant or another BRRAG Grant are eligible for calculating the benefit amount of this BRRAG.
5. If the applicant remains in a location it currently operates out of, expenditures totaling at least as much as the BRRAG award meet the Statutory definition of Capital Investment and are made on or before 6/30/2013

APPLICANT'S FISCAL YEAR ENDS:		DECEMBER 31
CAPITAL INVESTMENT MUST BE SPENT BY:		JUNE 30, 2013
TOTAL ESTIMATED TAX CREDIT AMOUNT OVER TERM:	$	14,094,000
STATE FISCAL YEAR 1 APPROVAL (SFY 2013)	$	2,349,000
STATE FISCAL YEAR 2 APPROVAL (SFY 2014)	$	2,349,000
STATE FISCAL YEAR 3 APPROVAL (SFY 2015)	$	2,349,000
STATE FISCAL YEAR 4 APPROVAL (SFY 2016)	$	2,349,000
STATE FISCAL YEAR 5 APPROVAL (SFY 2017)	$	2,349,000
STATE FISCAL YEAR 6 APPROVAL (SFY 2018)	$	2,349,000
ELIGIBLE NEW BRRAG JOBS:		1,044
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	$	1,500
YEARLY BONUS TAX CREDIT AMOUNT PER EMPLOYEE:	$	750
ANTICIPATED AVERAGE WAGES:	$	175,000
ESTIMATED TOTAL GROSS ANNUAL PAYROLL (for 1,044 employees):	$	9,281,160
ESTIMATED TOTAL GROSS STATE WITHOLDINGS OVER COMT. (11 years):	$	102,092,760
ESTIMATED CAPITAL INVESTMENT:	$	49,000,000

PROJECT IS: ( ) Expansion (X) Relocation
CONSTRUCTION: (X) Yes ( ) No
DEVELOPMENT OFFICER: D. Johnson **APPROVAL OFFICER:** D. Sucsuz

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

APPLICANT(S): Bayer HealthCare LLC and Affiliates

COMPANY ADDRESS:			
	340 Changebridge Road	Montville	Morris County
	300 Fairfield Road	Wayne	Passaic County
	36 Columbia Road	Morristown	Morris County
	500 Hills Drive	Bedminster	Somerset County
	700 Route 46 East	Fairfield	Essex County

PROJECT LOCATION(S): TBD

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

APPLICANT BACKGROUND:
Founded in 1863, Bayer Aktiengesellschaft (Bayer AG) is a Germany-based global conglomerate with its core competencies in healthcare (consumer health, diabetes care, pharmaceuticals, and animal health), crop protection, environmental science/bioscience, and advanced material sciences. It is well-known for its original brand of Aspirin®.

In 2006, Bayer acquired Schering AG, another Germany-based pharmaceutical concern. The original Schering had to operate under Berlex or Berlex Laboratories/Pharmaceuticals names in the US. Following the merger of Berlex's parent with Bayer, its operations have been integrated with Bayer's existing pharmaceutical/health care operations. The integrated New Jersey division was renamed as Bayer HealthCare Pharmaceuticals in 2008 with Bayer HealthCare North American headquarters in Tarrytown, NY. Berlex had been operating in New Jersey over several decades.

Bayer (then called Berlex as a US subsidiary of the then German Schering AG) was approved for the following three BEIP grants:
P12743 closed 10/27/2000 (Montville), 85 jobs, estimated benefit of $1,115,880 ending in 2011
P16747 closed 10/06/2006 (Wayne), 250 jobs, estimated benefit of $1,916,250 ending in 2017
P17779 closed 01/22/2007 (Montville), 350 jobs, estimated benefit of $12,518,187 ending in 2017.
The Applicant was also approved by the Commerce Commission on 09/14/2006 for a BRRAG ($448,000) / STX ($1,225,000) benefit. These projects are all active and in good standing. Depending on the timing and other related factors, including the degree of interaction between the current and existing projects/benefits, a portion of the STX benefits realized from the 2006 STX project may be offset against this STX benefit. In January 2011, the Members of this Board approved a related BEIP grant (P34739, 500 jobs, estimated maximum benefit of $25 million).

PROJECT:
Bayer HealthCare is seeking to consolidate its sites located in Wayne, NJ (mainly North American pharmaceuticals), Montville, NJ (mainly global Specialized Therapeutics, Oncology and Regulatory), Morristown, NJ (global consumer health), Bedminster, NJ (regional sales-healthcare) and Fairfield, NJ (regional sales-pharmaceuticals) along with Tarrytown, NY (mainly North American HealthCare and global Diabetes Care) and Elkhart, IN (order management and logistics functions for Consumer Health and Diabetes Care) into one giant campus of approximately 800,000 sf. Bayer has narrowed down its new, potential combined relocation site to the region along the mid-Hudson in New Jersey or in New York State.

SCOPE OF STX BENEFITS:
Authority assistance will induce the applicant to relocate its operations to a new, approximately 800,000 sf facility (location/facility TBD). The business will be exempt from sales and use tax for eligible property located or placed at the eligible business location(s) for the renovation project pursuant to the terms and conditions of a project agreement. The sales tax exemption certificate applies only to property purchased for installation at the approved project site(s) and will allow the business to purchase machinery, equipment, furniture and furnishings, fixtures, and building materials, other than tools and supplies, without the imposition of sales and use tax. The sales tax exemption (STX) is administered pro rata to reflect the eligible scope of the project, based on the number of retained STX eligible full-time jobs, increased no more than 20 percent, relative to the sum of all of jobs/employees located at the approved project site(s) during the commitment duration period, subject to the Act, Regulations, and the terms of the Project Agreement. The recommended benefit is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended benefit amount. If the criteria met by the company differs from that shown herein, the benefit amount will be raised or lowered to reflect the benefit amount that corresponds to the actual criteria that have been met.

APPROVAL REQUEST: **STX COMMITMENT DURATION:** 5 years
The Applicant has represented that the availability of this financial assistance will be an important inducement to undertake this project and to relocate full-time jobs within the State. The Authority staff recommends the award of the proposed Sales and Use Tax Exemption benefit.

ESTIMATED ELIGIBLE EXPENSES:	$	49,000,000
ESTIMATED VALUE OF STX:	$	1,995,868
RETAINED/MOVED STX ELIGIBLE EMPLOYEES:		1,044
RELOCATED NEW JERSEY EMPLOYEES (ALL):		1,653
NEW JERSEY GROUP EMPLOYMENT AT APPLICATION (ALL):		1,659
ALL EMPLOYEES BENEFITTING FROM STX PROJECT:		2,153
ANTICIPATED AVERAGE WAGES:	$	175,000
PROJECT LOCATION IS IN PLANNING AREA 1 OR 2:		TBD

(If NO, an existing facility that is outside the Planning Areas 1 or 2, provided renovation or expansion is involved, may be substituted by the staff.)
PROJECT IS: ( ) Expansion (X) Relocation
CONSTRUCTION: (X) Yes ( ) No
DEVELOPMENT OFFICER: D. Johnson **APPROVAL OFFICER:** D. Sucsuz

STX benefit calculation formula:

Estimated Eligible Property x Sales Tax Rate = Estimated Gross Sales Tax Liability	$49,000,000 x 0.07 = $3,430,000
(Retained Full-Time Jobs (STX Eligible Jobs) / Estimated Total Occupants of the Facility) x Regulatory 20% Automatic Increase for All STX Projects = Proportionate Value (Pro Rata Eligible Scope) with 20% Increase	(1,044 / 2,153) x 1.2 = 0.581885741
Adjusted Proportionate Value x Estimated Gross Sales Tax Liability = Estimated Amount of the Sales and Use Tax Exemption Certificate	0.581885741 x $3,430,000 = $1,995,868

ECONOMIC REDEVELOPMENT AND GROWTH (ERG) GRANT PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Caren S. Franzini
Chief Executive Officer

Date: February 8, 2011

RE: **Port Imperial South, L.L.C. or Affiliate**
Economic Redevelopment and Growth Grant Program

Request

The Members are asked to approve the application of Port Imperial South L.L.C. ("Port Imperial South" or the "Project") for reimbursement of certain taxes for a Weehawken, Hudson 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 $58,598,720. The total qualified costs under the ERG Act are **$57,164,286.** The recommended reimbursement is **15.56%** of the eligible costs, not to exceed **$8,893,049**.

Project Description

Roseland Property Company is the master developer of Port Imperial, a $2 billion mixed-use, master-planned waterfront development which spans two and half miles (and 200 plus acres in the Townships of Weehawken and West New York) directly across the Hudson River from Midtown Manhattan. To date, nearly 3,000 homes have been sold or leased in addition to approximately 100,000 square feet of leased retail. The masterplan includes the remaining buildout of nearly 4,000 homes as well as a luxury hotel, up to 1 million square feet of office and 275,000 square feet of retail. To enable future residential and commercial buildout, the masterplan includes construction of two structured parking facilities to accommodate commuters and other ferry users who currently park on in-place surface parking lots.

The first phase of this Project (also identified as Building 4/5 and the basis for the requested ERG) is a mixed use, five-story building including commuter parking garage (850 spaces encompassing approximately 320,000 square feet) and 17,795 square feet of ground floor retail space (total plot size is 3.1 acres). This development will be located adjacent to the recently completed $50 million inter-modal New York Waterway Weehawken ferry terminal in the heart of Port Imperial. The ferry terminal, owned by New Jersey Transit, carries approximately 2 million passengers each year (with a 10 million passenger annual capacity). The Hudson-Bergen Light Rail System which provides commutation along the Hudson River to the PATH Station located in Hoboken has a station proximate to Port Imperial (with shuttle service available from this station to the ferry teriminal) as well as being a stop for multiple NJ Transit bus lines. Phase two of the project includes a 300 key luxury hotel and 30 residential/80 timeshare units (to be situated above the parking garage) and construction is expected to commence upon finalizing a hotel agreement and improved lodging market conditions. The ferry operation is an essential component of Manhattan commuting alternatives and has and will continue to play a critical role in reducing traffic congestion as well as pollution and providing emergency service benefits to the Metropolitan area.

The applicant has a term sheet for up to $37 million in construction funding (for 12 months which can be converted into $36 million of 24 month mini perm financing) from Wells Fargo.

The project is expected to create 437 construction jobs and 42 permanent full time jobs.

Project Ownership

The applicant is currently owned 50/50 by Romulus Development Corp. and Roseland/Port Imperial South, LLC. The latter is owned 100% by Roseland Partners, LLC ("Roseland"). Roseland is a privately owned, full service real estate development company known for its high-end multifamily rental and for-sale condominiums and mixed-use, multiphase land developments. Roseland was founded in 1992 and has established a footprint in Northern New Jersey, New York City, Greater Boston and the Hampton Roads region in Virginia developing over 40,000 high-end residential units in addition to over 4,000 residential sales since 2004 as well as their portfolio of complimentary commercial space comprised of retail, office and hotel uses. Roseland's employment base is 230 and they have approximately 2,600 luxury multifamily units (cost is $1.2 billion) in various stages of construction and initial lease-up. The partners of Roseland include Bradford Klatt, Marshall Tycher, Carl Goldberg and Ivan Baron who possess over 100 years of combined experience in the residential development industry. Port Imperial has become Roseland's most significant master-planned community development project and spans some 200 acres with numerous future components/phases.

Project Uses

Uses (thousands)	*ERG Eligible Amount*	*Total Amount*
Acquisition & Land	$ 10,134.6	$ 10,134.6
Hard Costs	$ 39,872.1	$ 39,872.1
Soft Costs	$ 4,859.2	$ 6,213.6
Financing Costs	$ 1,008.4	$ 1,008.4
FFE & Constr. Add ons	$ 1,290.0	$ 1,290.0
Other Costs	$ 0	$ 80.0
TOTAL USES	**$ 57,164.3**	**$ 58,598.7**

ERG eligible amount above excludes $1.43 million in costs related to marketing, signage, real estate taxes and developer fees.

Project Sources

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

Sources (thousands)	***Amount***
Bank loan	$ 37,000.0
Township contribution (equity)	$ 12,000.0
Land contributed by Developer	$ 6,000.0
Remaining Equity from Developer	$ 3,598.7
TOTAL SOURCES	**$ 58,598.7**

The applicant continues to negotiate the terms and conditions of the Bank loan listed above (including the pledge of the ERG to the lender as additional security) as these are subject to market conditions at time of closing. The township contribution is in the form of a general obligation bond marketed on the basis of the credit of the municipality and is not an obligation of the project. Repayment of the bond is anticipated to come from the cash flow generated by the project based on the town's 22% interest.

The project sources and uses above reflect the project with the ERG subsidy included. The project gap is calculated based on the Equity Internal Rate of Return and Cash-on-Cash Yield identified in the gap analysis which will be discussed below. These returns are calculated with and without the ERG cash flow in order for comparison purposes.

Gap Analysis

EDA staff has reviewed the application to determine that 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 20 years.

Without ERG	**With ERG**
Equity IRR 10.32% (Market Range = 15-20%) Cash on Cash Yield 5.54 % (Market Range = 8-10%)	Equity IRR 14.21% (Market Range = 15-20%) Cash on Cash Yield 6.01% (Market Range = 8-10%)

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 14.21% and the Cash on Cash Yield is 6.01%, making the returns slightly below the market ranges provided by the EDA's contracted consultant Jones Lang Lasalle.** The below market returns are acceptable to the developer as this project represents a critical component of the overall 200 acre mixed-use multi-phase development. The additional revenue from the prospective ERG enables the project to move forward and is an enhancement to the cash flow utilized by the lender in underwriting their financing. It should be noted that the property was acquired in 1995 by the developer and based upon the June 2010 appraisal by WCGM Real Estate Advisory Services reflects an “”as is” land value of $8 million. Furthermore, the rate of return analysis includes the estimated value of the air rights to build the future hotel in year 10.

Net Positive Benefit Analysis

The Authority has conducted the required Net Benefit Analysis and has found that the present value of the Net Positive Benefits to the State at a 6% discount rate over a 20 year period is $9.4 million. The Net Positive Benefit calculation included:

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

(*) The EDA adopted a policy on the amount of new sales tax revenue to be included in the net benefits analysis when a project is proximate to a neighboring State jurisdiction and the project can demonstrate increased incremental tax revenue from those jurisdictions, 100% of the projected incremental ongoing sales tax revenue can be included. In this instance, due to the proximity of the Project to New York, that 50% of the residents of Port Imperial lived outside New Jersey prior to relocating and that 2/3 of the residents of Port Imperial work in NY collectively supports the notion that 66% of the taxes associated with the retail component can be treated as new to the State of New Jersey. Building 4/5 will be located adjacent to the recently completed $50 million inter-modal New York Waterway Weehawken ferry terminal in the heart of Port Imperial. The ferryterminal, owned by New Jersey Transit, carries in excess of two million passengers per year with capacity to carry ten million passengers annually. The proposed project parking garage will be the centrallink of the only Ferry-Bus-Rail intermodal connection in the eastern United States. ThePort Imperial ferry operation, an essential component of Manhattan commuting alternatives, has also played and will continue to play a critical role in providing environmental/traffic remediation and emergency service benefits to the Metropolitan area. The ferry aids in the relief of build-ups at passenger car crossings and provides additional assistance in the reduction of air pollution and congestion in Manhattan and Hudson River crossings. Further, the ferry has emerged as a critical component in emergency relief efforts, the ferry provided essential evacuation services during the 2003 blackout and the 9/11 attacks, and arrived as the initial responder to aid passengers evacuating from US Air flight 1549.

Real estate taxes are excluded from the calculation above because real estate tax is a local tax, providing local benefits, and is not State revenue (additionally, the property will have a PILOT agreement). Also excluded from the calculation above is the parking tax of 15% of gross revenue is paid to the municipality with no State component.

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 $910,000.

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 appraisal performed by WCGM Real Estate Advisory Services (as of June 21, 2010 with upon completion and stabilization values on July 1, 2011 and July 1, 2013, respectively) coincides with the various financial and operating projections provided by the applicant and deems the figures as reasonable and based upon most recently available data from similar facilities serving this market. The report includes significant data on parking facilities (further supported by existing parking counts and charges for the existing surface lots operated by the developer) and retail leasing parameter in the area and for similar markets. The financial analysis indicates a rate of return that is considered below the acceptable market range, however still sufficient to enable the developer to proceed to undertake the Project. Based on the expected generation of $11.3 million of incremental direct annual gross income, sales and other eligible taxes over 20 years, 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. The project financial returns mentioned previously (before and after the ERG) demonstrate the need for the incentive grant agreement and represent an enhancement to obtain the funding necessary to complete the Project.

The degree to which the redevelopment project within a municipality which 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 Weehawken, one of the fifty-seven cities designated as eligible for urban aid by the NJ Department of Community Affairs (and as targeted by the NJEDA for its urban investment initiative). Weehawken's median household income was $67,723 in 2009 (which is slightly below the State average of $68,342) and 11.4% of the city's 13,000 residents live below the poverty level (as compared to 9.4% for the entire State). The unemployment rate in Hudson County was 10.4% in November 2010 which is moderately above the 9% unemployment rate for the State. The city has a total area of 1.5 square miles and is characterized by a very high urban population density.

The subject property is situated in the Township of Weehawken's Redevelopment Plan Area specifically created for the development of "Waterfront Transportation Related Parking Garage" and this plan was adopted by the Planning Board on February 2, 2010. The Planning Board previously granted final site plan, with variances, for the parking garage and hotel on December 7, 2007. The Redevelopment Plan sets forth the goals and objectives related to the development of a mixed-use public/private parking garage in connection with the development of the subject property as an intermodal transportation center for the waterfront area. The township's unique location as a transportation node generates an additional specific goal of ensuring that there is adequate parking to serve commuters and other non-residents of Weehawken who use the ferry terminal and other public transportation. The garage use will accommodate new residences planned for other parts of the waterfront as well as continue to provide parking for those who use the ferry and other inter-modal transportation options today while parking on the surface lots. It has been the township's goal to replace existing surface parking presently used for the ferry with structured parking so that planned mixed use development of current surface lots can continue. The Project is expected to create at least 42 permanent jobs as well as 437 construction jobs. The site is also in Planning Area 1A (and in a local designated Area in Need of Rehabilitation) and a brownfield redevelopment project.

Recommendation

Authority staff has reviewed the Port Imperial South, L.L.C. application and finds that it is consistent with eligibility requirements of the Act. Treasury, in reviewing the application, has notified the Authority of the adequacy of the project's estimated tax revenues and specified the percentage reimbursement of 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 Port Imperial South, 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.

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: $57,164,286

Eligible Taxes for Reimbursement: Sales and other eligible taxes not to exceed $8,893,049 over 20 years.

Recommended Grant: 15.56% of actual costs, not to exceed **$8,893,049 to be paid over a maximum period of 20 years.**

Prepared by: Michael A. Conte

NJEDA Simplified Speculative Building Model (Annotated)

Job Type Number	59		58		28		
Job Type Description	59. Other services*		58. Food services and drinking places		28. Retail trade		Project Composite
Sq. footage	320,426		8,000		8,000		336,426
Average Density							
Implied DirectJobs	2	Total Jobs/RIMSII-5	30	Total Jobs/RIMSII-5	10	Total Jobs/RIMSII-5	42
Direct Effect Employment Multiplier	1.28x	RIMSII-5	1.12x	RIMSII-5	1.22x	RIMSII-5	1.27x
Total Jobs	3	RIMSII-4*direct Output	34	RIMSII-4*direct Output	12	RIMSII-4*direct Output	48
Indirect Jobs	1	Total-Direct	4	Total-Direct	2	Total-Direct	6
Final Demand Employment Multiplier	6.76x	RIMSII-4	12.31x	RIMSII-4	7.04x	RIMSII-4	6.90x
Direct Output	$0.4	Known/RIMSII-2	$2.7	Known/RIMSII-2	$1.7	Known/RIMSII-2	$4.8
Final Demand Output Multiplier	1.56x	RIMSII-3	1.55x	RIMSII-3	1.49x	RIMSII-3	1.56x
Total Output	$0.6	RIMSII-3*Direct Output	$4.3	RIMSII-3*Direct Output	$2.6	RIMSII-3*Direct Output	$7.4
Spillover	$0.2	Total-Direct	$1.5	Total-Direct	$0.9	Total-Direct	$2.6
Final Demand Earnings Multiplier	0.20x	RIMSII-2	0.22x	RIMSII-2	0.19x	RIMSII-2	0.20x
Total Earnings	$0.1	known*RIMSII-1	$0.6	known*RIMSII-1	$0.3	known*RIMSII-1	$1.0
Direct Effect Earnings Multiplier	1.36x	RIMSII-1	1.28x	RIMSII-1	1.33x	RIMSII-1	1.36x
Direct Earnings	$0.1	Known	$0.5	Known	$0.2	Known	$0.8
Indirect Earnings	$0.0	Total-Direct	$0.1	Total-Direct	$0.1	Total-Direct	$0.2

NJEDA Economic Impact Model

NJEDA Economic Impact Model

County Number	9	
Address		
County	Hudson	
Ongoing Jobs(Direct)	42	
One Time Jobs(Direct)	437	

State & Local Direct Ongoing	Services	Select Industry Sector
Sales Tax	$0.21	
Corporate Income Tax (CBT)	$0.14	
Gross Income Tax	$0.02	
Misc. State Tax Revenue	$0.00	Input
Property Tax (Default to Total Const Value*3%)	$0.00	
Direct Ongoing Annual Taxes	$0.36	a

State Indirect Ongoing		
Annual Corp Spending	$4.85	
Final Demand Output Multiplier	1.56x	
Indirect Annual Spending	$2.70	
At 3.5 % Tax Rate	$0.09	b
Annual Payroll	$0.78	
Indirect Effect Earnings Multiplier	1.36x	
Indirect Earnings	$0.28	
At 4% Tax Rate	$0.01	c
Indirect Ongoing Annual Taxes	$0.09	b

Total State Ongoing Net Benefits		
Annual Net Benefit	$0.47	a+b+c
Cumulative Net Benefit (20yrs w/ 3% yearly inflation)	$12.61	
Present Value @6%	$6.83	d

One Time		
Construction Value	$58.6	
Direct One Time Taxes on Spending	$2.1	Input
Direct Construction Multiplier	1.46x	
Indirect One Time Spending	$26.85	
Spending Tax Rate	3.5%	
Ind One Time Taxes on Spending	$0.9	
Assumed Portion of Const. on Labor	50%	Input
Dir One Time Earnings	$29.3	
Earnings Tax Rate	5%	Input
Dir One Time Taxes on Earning	$1.5	
Direct Effect Earnings Multiplier	1.37x	
Indirect One Time Earnings (50% of Construction)	$10.9	
Earnings Tax Rate	5%	Input
Ind One Time Taxes on Earnings	$0.5	
Total One Time Tax Benefits	$2.9	e

Total State Benefits		
Total One Time Tax Benefits	$2.9	e
Total State Ongoing Benefits (PV @ 6%)	$6.8	d
Total Benefits	$9.8	d+e
Implied Maximum Loan at 110% Coverage Ratio Before Adjustments	$8.9	

Adjustment Test 1	
Maximum HUB Award Test	
Total Qualifying Costs (NJEDA Cost Analysis sheet)	$11.4
Max Loan Amount	$8.9
Minimum of (Max loan@110%&Total Qualifying Cost)	$8,893,049

Adjustment Test 2	
Switch	
Freight or Urban Grocery Store Site? (Yes=1,No=0)	-

Previous Local & State Incentives		
Less:	$0.00	
Grant (PV @6%)	$0.00	f
Grant (PV @ 6%)	$0.00	g
Grant (PV @ 6%)	$0.00	h
PV of Net Benefits to NJ	$9.8	d+e-f-g-h

Notes

22% municipality ownership deduction

Amount Eligible	
$8.9	based on statute

URBAN TRANSIT HUB TAX CREDIT PROGRAM

New Jersey Economic Development Authority

MEMORANDUM

TO: Members of the Board

FROM: Caren S. Franzini
Chief Executive Officer

RE: Urban Transit Hub Tax Credit Program
Panasonic Corporation of North America

DATE: February 8, 2011

Background

The Panasonic application for Urban Transit Hub Tax Credits was heard and approved by the Members at the January 11, 2011 Board meeting (memo attached). I will be asking the Members to reapprove the project at our meeting of February 8, 2011, in order to address any possible issues that may have arisen due to public notice of the project in January.

Recommendation

Staff recommends reapproval of the application for an Urban Transit Hub tax credit award estimated at $102,408,062. All other representations and conditions of the January 11, 2011 Board memo and approval remain the same.

Attachment: 1/11/2011 Board Memo

Prepared by: Maureen Hassett

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: January 11, 2011

SUBJECT: Urban Transit Hub Tax Credit Program
Panasonic Corporation of North America

Request

The Members are asked to approve the Urban Transit Hub Tax Credit ("UTHTC") program application for Panasonic Corporation of North America ("Panasonic") as a tenant in the proposed new commercial real estate project on an eligible site in Newark, New Jersey for a tax credit in the amount of $102,408,062. However, because Panasonic may not create at least 200 new jobs over the next 10 years at the site, pursuant to the requirements of the program, they may only qualify for an 80% tax credit of up to approximately $81,900,000 over 10 years. The Project's total qualified cost is $102,408,062.

Project Description

Matrix Development Group and SJP Properties (the "Developers") are the owners and developers of a property located at 2 Riverfront Center in Newark (the "Project Site"). The developer is proposing to construct a new facility totaling 410,000 ±sf, of which 250,000 ±sf will be leased to Panasonic for use as office space under a 15 year lease with two five-year renewal options at an estimated $44.00 psf.

Panasonic has applied for the UTHTC as a tenant in a commercial real estate project on an eligible site in Newark. The Project Site has been verified to be in an eligible municipality and was confirmed to be located within one-half mile of an Urban Transit Hub (Newark Penn Station) by Langan Engineering & Environmental.

Under the UTHTC rules, the applicant must employ at least 250 full time employees at the Project Site by January 13, 2016. Panasonic anticipates meeting this requirement upon issuance of the Certificate of Occupancy in the 4th quarter of 2012 at which time they will relocate approximately 800 full time employees from an existing location in Secaucus, New Jersey to the Project Site. The CEO of Panasonic has certified that the jobs to be "at risk." Panasonic has considered alternative locations outside of the State which include New York, Atlanta, Chicago, and multiple locations in California.

The estimated total capital investment in the project as it relates to the development of Panasonic's space is $125,828,566. The eligible capital investment of the costs relative to the development of the applicant's space was determined to be $102,408,062 which does not include land, land loan interest costs and/or taxes. The estimated cost to develop the entire project site is approximately $190,000,000. Panasonic is eligible as a tenant under this program as their allocable share of the total leasable space exceeds the UTHTC's minimum requirement ($17.5 million in a multi-suite facility). Panasonic will be responsible for payment of the tenant improvements made to their leased space. The Authority recommends approval of this project for a tax credit in an amount estimated at $102,408,062 based on the results of the net benefit analysis and qualifying cost breakdown attached hereto. Panasonic expects to execute a lease with the Developers prior to the start of the construction of this building. Construction is expected to begin by 2nd quarter of 2011. Completion of construction is expected in the 4th quarter of 2012, with Panasonic occupying the space by end of 2012.

Project Ownership

Panasonic, based in Secaucus, New Jersey, is the principal North American subsidiary of Osaka, Japan-based Panasonic Corporation and the hub of its branding, marketing, sales, service, product development and R&D operations in the U.S. and Canada.

For more than 50 years, Panasonic has provided American consumers with innovations for the home and business. Panasonic's consumer electronics and technology products range from award-winning VIERA High Definition Plasma and LCD TVs and LUMIX Digital Cameras to ruggedized Toughbook® laptop computers, communications solutions, networkable office solutions, security systems, home appliances, personal care products, components and entire in-flight entertainment and information systems.

Panasonic operations in North America include Research and Development Centers, manufacturing bases, the highly rated Panasonic Customer Call Center in Chesapeake, Virginia, business-to-business and industrial solutions companies and consumer products, sales and service networks throughout the United States, Canada and Mexico. The Applicant and its subsidiaries and affiliates employ about 12,000 people in the region. Approximately 950 jobs (800 full time and 150 contractors) are linked to Panasonic in the State.

Project Budget for the 247,319 Square Foot Development (Panasonic's Space Only):

Item	Total Development Cost	Eligible Capital Investment
Land and Land Loan Interest Costs	$7,419,570	$0
Site Preparation, Core & Shell, and Parking	$50,963,841	$50,963,841
Tenant Improvements, Equipment/Furnishing, and Contingency	$32,176,894	$29,076,894
Soft Costs (Includes Financing Costs) *Adjusted as Soft costs exceed 20% of Qualifying Project Costs	$35,268,261	$22,367,327*
TOTAL	**$125,828,566**	**$102,408,062**

Net Positive Benefit Analysis

Pursuant to the UTHTC rules, the Authority calculates the Net Positive Benefit of the project based on the new jobs to the state, unless the applicant submits material facts to demonstrate the "at risk" nature of any relocated employees. Panasonic has indicated that the 806 employees, considered for relocation, are "at risk." Therefore, the Net Positive Benefit Analysis includes these jobs as new jobs.

The Authority conducted the required Net Benefit Analysis for this project based on 806 "at risk" jobs at the Project Site and has found that the present value of the Net Positive Benefits to the state of New Jersey over a 20 year period from the project is $348.6 million using a 6% discount rate. This number is obtained by taking the net present value of direct tax revenue (Corporate Business Tax, Gross Income Tax, Real Estate Tax and Utility Tax) and the indirect tax revenue expected to be generated by the company over 20 years. Also included in the analysis are the one-time construction costs associated with the construction of the space specific to Panasonic. The calculated net benefit meets the standard of being at least 110% of the recommended grant assistance. The total project is thereby eligible for a tax credit amount not to exceed $102,408,062 which is less than 100% of the total capital investment.

As of December 1, 2010, a total of $254,449,645 Commercial UTHTC Credits and $131,645,557 of Residential UTHTC Credits have been approved for a total of $386,095,202 for the UTHTC program.

Recommendation

Staff has reviewed the application for consistency with the Act and rules implementing the UTHTC Program (N.J.A.C:19:31-9) and recommends approval of the application for a tax credit in an amount estimated at $102,408,062. The annual award cannot exceed the yearly lease payments Panasonic will make to occupy the space at the site per NJ Statute 34:1B-209 Section 6 Part c(1). The NJEDA will provide the applicant with an approval letter for the total amount of the credit.

Pursuant to the rules governing the program, the project will need to meet certain milestones for within 12 months of approval in order to maintain the project's credit approval.

These milestones include:

1) Site control
2) Site plan approval
3) Executed lease between Matrix/SJP and Panasonic
4) Other project specific items which may be added

Upon project completion, the Authority shall issue a tax credit certificate based on the final qualified costs, not to exceed the approved amount. The tax credit certificate shall indicate that the applicant may take one tenth of the total credit annually, not to exceed the business' total lease payments for occupancy of the qualified business facility for the tax period, over ten years when accompanied by a letter issued by EDA indicating the project is compliant with program guidelines.

Caren S. Franzini
Chief Executive Officer

Prepared by: Mark Lestuk
Real Estate Financial Analyst

NJEDA Simplified Speculative Building Model (Annotated)

Job Type Number	48		47		49		
Job Type Description	48. Management of companies and enterprises		47 Professional, scientific, and technical services		49. Administrative and support services		Project Composite
Sq. footage	247,319						247,319
Average Density							
Implied DirectJobs	484	Total Jobs/RIMSII-5	259	Total Jobs/RIMSII-5	63	Total Jobs/RIMSII-5	806
Direct Effect Employment Multiplier	2.44x	RIMSII-5	1.67x	RIMSII-5	1.33x	RIMSII-5	2.44x
Total Jobs	1,183	RIMSII-4*direct Output	433	RIMSII-4*direct Output	84	RIMSII-4*direct Output	1,699
Indirect Jobs	699	Total-Direct	174	Total-Direct	21	Total-Direct	893
Final Demand Employment Multiplier	2.44x	RIMSII-4	4.71x	RIMSII-4	8.50x	RIMSII-4	2.44x
Direct Output	$485.5	Known/RIMSII-2	$91.8	Known/RIMSII-2	$9.9	Known/RIMSII-2	$587.2
Final Demand Output Multiplier	1.55x	RIMSII-3	1.57x	RIMSII-3	1.61x	RIMSII-3	1.55x
Total Output	$754.2	RIMSII-3*Direct Output	$144.4	RIMSII-3*Direct Output	$15.9	RIMSII-3*Direct Output	$914.5
Spillover	$268.7	Total-Direct	$52.6	Total-Direct	$6.0	Total-Direct	$327.3
Final Demand Earnings Multiplier	0.16x	RIMSII-2	0.25x	RIMSII-2	0.25x	RIMSII-2	0.16x
Total Earnings	$77.4	known*RIMSII-1	$22.9	known*RIMSII-1	$2.4	known*RIMSII-1	$102.8
Direct Effect Earnings Multiplier	1.63x	RIMSII-1	1.40x	RIMSII-1	1.45x	RIMSII-1	1.63x
Direct Earnings	$47.4	Known	$16.4	Known	$1.7	Known	$65.5
Indirect Earnings	$30.0	Total-Direct	$6.5	Total-Direct	$0.8	Total-Direct	$37.3

NJEDA Economic Impact Model

Notes

NJEDA Economic Impact Model		
County Number	7	
Address	7 Riverfront Plaza, Newark, NJ	
County	Essex	
Ongoing Jobs(Direct)	806	
One Time Jobs(Direct)	939	

State & Local Direct Ongoing	Consumer Goods	Select Industry Sector
Sales Tax	$0.00	@7%
Corporate Income Tax (CBT)	$7.25	@9%
Gross Income Tax	$2.62	@4%
Utility Tax	$0.06	Assumes 13% at $2.00 psf
Property Tax	$0.50	Estimate - Negotiating PILOT with City of Newark
Direct Ongoing Annual Taxes	$10.44	a

State Indirect Ongoing		
Annual Corp Spending	$587.17	Direct Output Composite
Final Demand Output Multiplier	1.55x	Direct Output Composite Multiplier
Indirect Annual Spending	$324.94	Direct Output Composite*(Direct Mult.-1)
At 3.5 % Tax Rate	$11.37	b
Annual Payroll	$65.49	Direct Earnings Composite
Indirect Effect Earnings Multiplier	1.63x	Direct Earnings Composite Multiplier
Indirect Earnings	$41.48	Direct Earnings Composite*(Indirect Mult.-1)
At 4% Tax Rate	$1.66	c
Indirect Ongoing Annual Taxes	$11.37	b

Total State Ongoing Net Benefits		
Annual Net Benefit	$23.47	a+b+c
Cumulative Net Benefit (20yrs w/ 3% yearly inflation)	$630.64	
Present Value @6%	$341.76	d

One Time		
Construction Value	$125.8	Cost Per Applicant
Direct One Time Taxes on Spending	$4.4	Input
Direct Construction Multiplier	1.53x	
Indirect One Time Spending	$66.48	
Spending Tax Rate	3.5%	
Ind One Time Taxes on Spending	$2.3	
Assumed Portion of Const. on Labor	50%	Input
Dir One Time Earnings	62.91	
Earnings Tax Rate	5%	Input
Dir One Time Taxes on Earning	$3.1	
Direct Effect Earnings Multiplier	1.45x	
Indirect One Time Earnings (50% of Construction)	28.17	
Earnings Tax Rate	5%	Input
Ind One Time Taxes on Earnings	$1.4	
Total One Time Tax Benefits	$6.9	e

Total State Benefits		
Total One Time Tax Benefits	$6.9	e
Total State Ongoing Benefits (PV @ 6%)	$341.8	d
Total Benefits	$348.6	d+e
Implied Maximum Loan at 110% Coverage Ratio Before Adjustments	$316.9	

Adjustment Test 1	
Maximum HUB Award Test	
Total Qualifying Costs (NJEDA Cost Analysis sheet)	$102.4
Max Loan Amount	$316.9
Minimum of (Max loan@110%&Total Qualifying Cost)	$102.4

Adjustment Test 2	
Switch	
Freight or Urban Grocery Store Site? (Yes=1,No=0)	-

Adjustment Test 3	
Is the Capital Investment => $50M?	Yes
Are new or at risk jobs => 250	Yes

This transaction meets minimum thresholds

HUB ELIGIBLE COST ANALYSIS

Panasonic Corporation of North America - Newark, New Jersey

Hard Costs	Developers Cost	Qualifying Category	Qualifying Sub Category	Qualified Cost Total	Soft Cost Qualified Notes
Land	$7,419,570	Unqualified	No Credit	$0	$0
Site Prep & Earthwork	$665,288	Capital	Site Preparation	$665,288	$0
Base Building (Core & Shell)	$42,798,553	Capital	Improvement - General	$42,798,553	$0
Parking	$7,500,000	Capital	Improvement - General	$7,500,000	$0
Tenant Improvements	$11,129,355	Capital	Furnishing - Building	$11,129,355	$0
Tenant Improvements - Tenant Specific	$4,575,402	Capital	Furnishing - Building	$4,575,402	$0
Solar Panels	$1,300,000	Capital	Furnishing - Facility	$1,300,000	$0
Signage - LED	$3,100,000	Unqualified	No Credit	$0	$0
Signage - Building & Parking	$900,000	Capital	Furnishing - Building	$900,000	$0
IT/Cabling/AV Equipment	$5,762,533	Capital	Equipment - Business Oper.	$5,762,533	$0
Misc (AV/Security/Lighting):	$98,928	Capital	Equipment - Business Oper.	$98,928	$0
Contingency	$5,310,676	Capital	Construction - Other	$5,310,676	$0
Total Hard Costs	**$90,560,305**			**$80,040,735**	**$0**

Soft Costs	Developers Cost	Qualifying Category	Qualifying Sub Category	Qualified Cost Total	Soft Cost Qualified Notes
Architectural & Engineering	$2,629,001	Soft	Engineering	$2,629,001	$2,629,001
Marketing	$12,366	Unqualified	No Credit	$0	$0
Development Fee	$2,359,423	Unqualified	No Credit	$0	$0
Furniture	$11,129,355	Soft	Furniture	$11,129,355	$11,129,355
Legal	$301,729	Soft	Legal	$301,729	$301,729
Real Estate Taxes During Construction	$150,865	Unqualified	No Credit	$0	$0
Insurance	$507,004	Soft	Financing	$507,004	$507,004
Other Consultant Fees	$207,748	Unqualified	No Credit	$0	$0
Government Fees, Permits	$71,723	Soft	Engineering	$71,723	$71,723
Building Permit Fees	$304,202	Soft	Engineering	$304,202	$304,202
Water Connection Fees	$108,820	Soft	Engineering	$108,820	$108,820
Sewer Connection Fees	$49,464	Soft	Engineering	$49,464	$49,464
LOC/Performance Bond Fees	$2,473	Soft	Financing	$2,473	$2,473
Testing & Inspection	$150,865	Soft	Engineering	$150,865	$150,865
Legal Counsel	$86,561	Soft	Legal	$86,561	$86,561
Site Selection consultant	$123,659	Soft	Engineering	$123,659	$123,659
LEED Consultant	$247,319	Soft	Engineering	$247,319	$247,319
Architect and Engineering - Other	$803,787	Soft	Engineering	$803,787	$803,787
Project Management	$741,958	Unqualified	No Credit	$0	$0
Total Soft Costs	**$19,988,322**			**$16,515,962**	**$16,515,962**

Financing Costs	Developers Cost	Qualifying Category	Qualifying Sub Category	Qualified Cost Total	Soft Cost Qualified Notes
Brokerage Commission	$10,087,225	Soft	Real Estate Commissions	$10,087,225	$10,087,225
Legal Financing & Loan Fees	$967,017	Soft	Financing	$967,017	$967,017
Interest Cost - Total Construction Funding	$3,625,697	Soft	Financing	$3,625,697	$3,625,697
NJEDA Fee	$600,000	Soft	Financing	$600,000	$600,000
Total Financing Costs	**$15,279,939**			**$15,279,939**	**$15,279,939**
GRAND TOTAL	**$125,828,566**			**$111,836,636**	**$31,795,901**

	HUB
TOTAL QUALIFIED SOFT COSTS	$31,795,901
MAXIMUM SOFT COST ALLOWALBE (20% of All Qualified Costs)	$22,367,327
TOTAL ALLOWED SOFT COST	**$22,367,327**
SOFT COST ADJUSTMENT (If Applicable)	$9,428,574
TOTAL QUALIFYING COSTS	**$102,408,062**
MAXIMUM HUB AWARD (100%)	**$102,408,062**

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: February 8, 2011

SUBJECT: Urban Transit Hub Tax Credit Program
Campbell Soup Company

Request

The Members are asked to approve the Urban Transit Hub Tax Credit ("UTHTC") program application for Campbell Soup Company ("Campbell") regarding a commercial real estate project on an eligible site in Camden, New Jersey for a tax credit in the amount of $41,224,519.

Project Description

In 2007, Campbell Soup Company began renovations to its world headquarters complex which consists of several existing buildings located in the Gateway Office Redevelopment Area in Camden, New Jersey (the "Project Site"). Campbell anticipates undertaking additional renovations and improvements to the existing buildings with anticipated costs of $52,000,000 ("Project"). This work is expected to commence in 2011 and to continue until 2013, which when combined with the prior renovation work, results in a total capital investment which exceeds $100,000,000. This UTHTC application is limited to the future renovations and does include the renovations that have been completed to date.

Campbell has applied for the UTHTC program as the owner occupant of a complex of commercial real estate facilities on an eligible site in Camden, New Jersey. The Project Site has been verified to be in an eligible municipality and was confirmed to be located within one mile, as the municipality falls under the Municipal Rehabilitation and Economic Recovery Act, P.L. 2002, c. 43, of an Urban Transit Hub (Walter Rand Transportation Center). The proposed Project qualifies as a "qualified business facility" under the UTHTC law because it is a "complex of buildings... used in connection with the operation of a business."

Under the UTHTC law, in order to qualify for the UTHTC credit, the applicant must employ at least 250 full time employees at the Project Site. Of the 1,479 jobs Campbell has located within the state, approximately 1,200 employees are currently working at the Project. Upon completion of this Project, Campbell would move 49 full time jobs to the site from a location in Cherry Hill, New Jersey. The company also anticipates creating an additional 50 jobs at the site over the next 10 years.

The total capital investment of the Project is estimated at $52,000,000. The eligible capital investment of the costs relative to the development of the Project was determined to be $51,988,000 which does not include land and/or taxes. The Authority recommends approval of this project for a tax credit in the amount of $41,224,519 based on the results of the net benefit analysis and qualifying cost breakdown attached hereto. The award is less than the total eligible capital investment as the award cannot exceed a 110% net benefit to the state. The proposed HUB award represents future renovations to the Project Site that will include work to be performed on Building 70 (the former fitness center) as well as improvements to the first and second floors of the main building on the campus. Renovations included in the application on these two buildings, as detailed by the applicant, have yet to begin. Campbell anticipates starting work for this phase in 2011 and expects to finalize the renovations and construction by end of year 2013.

Project Ownership

Campbell Soup Company, a publicly-traded company, together with its subsidiaries, engages in the manufacture and marketing of branded convenience food products worldwide. The company's U.S. Soup, Sauces, and Beverages segment offers condensed and ready-to-serve soups; broth, stocks, and canned poultry; pasta sauces; Mexican sauces; canned pastas, gravies, and beans; juices and beverages; and tomato juices. Its Baking and Snacking segment provides cookies, crackers, and bakery and frozen products in the United States; and biscuits in Australia and the Asia Pacific. The company's International Soup, Sauces, and Beverages segment offers soups, sauces, and beverages in Europe, Latin America, and the Asia Pacific region, as well as in the Russian Federation, China, and Canada.

Campbell's North America Foodservice segment distributes various products, such as soup, specialty entrees, beverage products, other prepared foods, and farm products through various food service channels in the United States and Canada. The company markets its products directly, as well as through broker and distributor arrangements. Its customers include retail food chains, mass discounters, mass merchandisers, club stores, convenience stores, drug stores and other retail, and commercial and non-commercial establishments. Campbell Soup Company was founded in 1869 and is headquartered in Camden, New Jersey.

Project Budget for the Campbell Soup Company Project:

Item	Total Development Cost	Eligible Capital Investment
Land	$0	$0
Site Preparation, Core & Shell, and Parking	$32,820,000	$32,820,000
Tenant Improvements, Equipment/Furnishing, and Contingency	$8,768,000	$8,768,000
Soft Costs (Engineering & Design and Furniture) *Adjusted as Soft costs exceed 20% of Qualifying Project Costs	$10,412,000	$10,400,000*
TOTAL	**$52,000,000**	**$51,988,000**

Net Positive Benefit Analysis

Pursuant to the UTHTC rules, the Authority calculates the Net Positive Benefit of the project based on the new jobs to the state, unless the applicant submits material facts to demonstrate the "at risk" nature of any relocated employees. Campbell has indicated that 49 employees have been designated for relocation to the site in Camden from Cherry Hill. The Net Positive Benefit Analysis treated these jobs as "suburban to urban" jobs and discounts the job total by a factor of 4 consistent with the change to the treatment of existing jobs under the UTHTC program which was approved by the Board in June 2010. Campbell has also indicated that it would create an additional 50 jobs at the site over the next 10 years. Those jobs were included in the analysis at a rate of 5 jobs per year over a 10 year period.

The Authority conducted the required Net Benefit Analysis for this project based on 49 "suburban to urban" jobs as well as 50 new jobs, above the 1,200 currently at the site, to be created over the next 10 years at the Project Site and has found that the present value of the Net Positive Benefits to the state of New Jersey over a 20 year period from the project is $33.38 million using a 6% discount rate. This number is obtained by taking the net present value of direct new tax revenue (Corporate Business Tax, Gross Income Tax, Real Estate Tax and Utility Tax) and the indirect tax revenue expected to be generated by the company over 20 years. Also included in the analysis are the one-time construction costs associated with the construction and renovation of the facility.

The calculated net benefit must meet the standard of being at least 110% of the recommended grant assistance, which is calculated to be $30,341,605. A cash flow of $4,122,452 over a 10 year period (one tenth of the total tax credit amount) in today's dollars, discounted at 6%, equals the 110% net benefit of $30,341,605. The total project is thereby eligible for a tax credit amount not to exceed $41,224,519 which is less than 100% of the total capital investment of $52,000,000.

As of February 1, 2011, a total of $247,058,062 Commercial UTHTC Credits and $105,748,677 of Residential UTHTC Credits have been approved for a total of $352,806,739 for the UTHTC program.

Recommendation

Staff has reviewed the application for consistency with the Act and rules implementing the UTHTC Program (N.J.A.C:19:31-9) and recommends approval of the application for a tax credit in an amount up to $41,224,519. Pursuant to the rules governing the program, the project will need to meet certain milestones within 12 months of approval in order to maintain the project's tax credit approval.

These milestones include:

1) Site control
2) Site plan approval
3) Construction contracts for the proposed renovations.

Upon project completion, the Authority shall issue a tax credit certificate based on the final qualified costs, not to exceed the approved amount. The tax credit certificate shall be issued for 100% of the tax credit award; however, the actual tax credit amount may be adjusted on an annual basis to 80% of the tax credit award based on the actual job creation for that tax credit year. The tax credit certificate shall indicate that the applicant may take one tenth of the total credit annually over ten years when accompanied by a letter issued by EDA indicating the project is compliant with program guidelines.

Caren S. Franzini
Chief Executive Officer

Prepared by: Mark Lestuk
Real Estate Financial Analyst

HUB ELIGIBLE COST ANALYSIS

Campbell Soup - Camden, New Jersey

Hard Costs	Developers Cost	Qualifying Category	Qualifying Sub Category	Qualified Cost Total	Soft Cost Qualified	Notes
General Construction	$14,040,000	Capital	Improvement - General	$14,040,000	$0	
Mechanical Construction	$8,840,000	Capital	Furnishing - Structure	$8,840,000	$0	
Electrical Construction	$7,280,000	Capital	Furnishing - Facility	$7,280,000	$0	
Construction Management	$2,660,000	Capital	Construction - Other	$2,660,000	$0	
Furnishings - Facility	$5,180,000	Capital	Furnishing - Facility	$5,180,000	$0	
Equipment - Business Operations	$2,028,000	Capital	Equipment - Business Oper.	$2,028,000	$0	
Repair Related Expenses	$1,560,000	Capital	Repair	$1,560,000	$0	
Total Hard Costs	**$41,588,000**			**$41,588,000**	**$0**	

Soft Costs	Developers Cost	Qualifying Category	Qualifying Sub Category	Qualified Cost Total	Soft Cost Qualified	Notes
Engineering & Design	$4,100,000	Soft	Engineering	$4,100,000	$4,100,000	
Furniture	$6,312,000	Soft	Furniture	$6,312,000	$6,312,000	
Total Soft Costs	**$10,412,000**			**$10,412,000**	**$10,412,000**	

GRAND TOTAL	**$52,000,000**			**$52,000,000**	**$10,412,000**

	HUB
TOTAL QUALIFIED SOFT COSTS	$10,412,000
MAXIMUM SOFT COST ALLOWALBE (20% of All Qualified Costs)	$10,400,000
TOTAL ALLOWED SOFT COST	**$10,400,000**
SOFT COST ADJUSTMENT (If Applicable)	$12,000
TOTAL QUALIFYING COSTS	**$51,988,000**
MAXIMUM HUB AWARD (100%)	**$51,988,000**

Campbell Soup - Camden, New Jersey

NJEDA Simplified Speculative Building Model (Annotated)

Job Type Number	48		48		59	
Job Type Description	48. Management of companies and enterprises		48. Management of companies and enterprises		59. Other services*	
Sq. footage	148,000					
Average Density						
Implied DirectJobs	16	Total Jobs/RIMSII-5	50	Total Jobs/RIMSII-5	-	Total Jobs/RIMSII-5
Direct Effect Employment Multiplier	2.17x	RIMSII-5	2.17x	RIMSII-5	1.41x	RIMSII-5
Total Jobs	34	RIMSII-4*direct Output	108	RIMSII-4*direct Output	-	RIMSII-4*direct Output
Indirect Jobs	18	Total-Direct	58	Total-Direct	-	Total-Direct
Final Demand Employment Multiplier	5.18x	RIMSII-4	5.18x	RIMSII-4	10.70x	RIMSII-4
Direct Output	$6.6	Known/RIMSII-2	$20.9	Known/RIMSII-2	$0.0	Known/RIMSII-2
Final Demand Output Multiplier	1.70x	RIMSII-3	1.70x	RIMSII-3	1.70x	RIMSII-3
Total Output	$11.1	RIMSII-3*Direct Output	$35.4	RIMSII-3*Direct Output	$0.0	RIMSII-3*Direct Output
Spillover	$4.6	Total-Direct	$14.5	Total-Direct	$0.0	Total-Direct
Final Demand Earnings Multiplier	0.35x	RIMSII-2	0.35x	RIMSII-2	0.33x	RIMSII-2
Total Earnings	$2.3	known*RIMSII-1	$7.2	known*RIMSII-1	$0.0	known*RIMSII-1
Direct Effect Earnings Multiplier	1.48x	RIMSII-1	1.48x	RIMSII-1	1.56x	RIMSII-1
Direct Earnings	$1.5	Known	$4.9	Known	$0.0	Known
Indirect Earnings	$0.7	Total-Direct	$2.4	Total-Direct	$0.0	Total-Direct

NJEDA Economic Impact Model			Notes
NJEDA Economic Impact Model			
County Number	4		
Address			
County	Camden		
Ongoing Jobs(Direct)	65		
One Time Jobs(Direct)	388		
State & Local Direct Ongoing	Consumer Goods	Select Industry Sector	
Sales Tax	$0.00	@7%	
Corporate Income Tax (CBT)	$0.59	@9%	
Gross Income Tax	$0.26	@4%	
Utilities Tax	$0.11	Incremental Benefit based on increased usage estimate	
Property Tax	$0.32	Incremental Benefit based on $10MM in increased value	
Direct Ongoing Annual Taxes	$1.28	a	
State Indirect Ongoing			
Annual Corp Spending	$27.43	Direct Output Composite	
Final Demand Output Multiplier	1.70x	Direct Output Composite Multiplier	
Indirect Annual Spending	$19.07	Direct Output Composite*(Direct .Mult.-1)	
At 3.5 % Tax Rate	$0.67	b	
Annual Payroll	$6.41	Direct Earnings Composite	
Indirect Effect Earnings Multiplier	1.48x	Direct Earnings Composite Multiplier	
Indirect Earnings	$3.09	Direct Earnings Composite*(Indirect .Mult.-1)	
At 4% Tax Rate	$0.12	c	
Indirect Ongoing Annual Taxes	$0.67	b	
Total State Ongoing Net Benefits			
Annual Net Benefit	$2.07	a+b+c	
Cumulative Net Benefit (20yrs w/ 3% yearly inflation)	$55.64		
Present Value @6%	$30.15	d	
One Time			
Construction Value	$52.0	Per Applicant	
Direct One Time Taxes on Spending	$1.8	Input	
Direct Construction Multiplier	1.66x		
Indirect One Time Spending	$34.40		
Spending Tax Rate	3.5%		
Ind One Time Taxes on Spending	$1.2		
Assumed Portion of Const. on Labor	50%	Input	
Dir One Time Earnings	26.00		
Earnings Tax Rate	5%	Input	
Dir One Time Taxes on Earning	$1.3		
Direct Effect Earnings Multiplier	1.55x		
Indirect One Time Earnings (50% of Construction)	14.42		
Earnings Tax Rate	5%	Input	
Ind One Time Taxes on Earnings	$0.7		
Total One Time Tax Benefits	$3.2	e	
Total State Benefits			
Total One Time Tax Benefits	$3.2	e	
Total State Ongoing Benefits (PV @ 6%)	$30.2	d	
Total Benefits	$33.38	d+e	
Implied Maximum Loan at 110% Coverage Ratio Before Adjustments	**$30.34**		
Adjustment Test 1			
Maximum HUB Award Test			
Total Qualifying Costs (NJEDA Cost Analysis sheet)	$52.0		
Max Loan Amount	$30,341,605		
Minimum of (Max loan@110%&Total Qualifying Cost)	$52.0		
Adjustment Test 2			
Switch			
Freight or Urban Grocery Store Site? (Yes=1,No=0)	-		
Adjustment Test 3			
Is the Capital Investment => $50M?	Yes		
Are new or at risk jobs => 250	No		
This transaction does not meet minimum thresholds			

BOARD MEMORANDUMS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: February 8, 2011

SUBJECT: **DSM Nutritional Products, Inc.**
P33792 (Clean Energy Solutions ARRA CHP Grant)

Request

The purpose of this memo is to request that the Members of the EDA Board increase a $3,147,120 Clean Energy Solutions ARRA CHP grant ("CHP") to $4,047,120. The grant was awarded to DSM Nutritional Products, Inc's ("DSM" or the "Company") and the modification request reflects a correction to the energy production capacity of the Company's proposed CHP system.

Background

On December 14, 2010, the Members of the Board approved a $3,147,120 grant under the CHP program to DSM. The CHP program provides financial support in the form of grants to support commercial, institutional and industrial entity end-use energy efficiency projects, combined heat and power production facilities, and new state-of-the-art efficient electric generation facilities, including Class I and II renewable energy. The purpose of the program is to encourage large energy consumers to use clean energy and have less reliance on traditional energy sources.

DSM's project as originally approved involves the purchase and installation of a 9.5 megawatt cogeneration unit capable of producing up to 70,000 pounds of steam per hour when additionally duct fired with the Heat Recovery Steam Generator. The new unit will replace an existing 40 megawatt unit that due to changing production needs is now too large to operate economically, and has been out of service for numerous years.

In the EDA application for financial assistance, DSM described the system as a 7.5 megawatt cogeneration unit reflecting the exclusion of a steam turbine generator. DSM excluded the steam turbine generator because a form within the application (Form 2: Proposed CHP System Performance) requested that the "Prime Mover Type" of the CHP system be identified. It was interpreted by DSM and its engineers that the "Prime Mover Type" field was referring only to the gas turbine generator and not the steam turbine generator. Both turbines are required to complete the CHP system. DSM, however, in a technical worksheet which supports the application (Form 5: Incentive Request Calculation) disclosed the fact that the CHP system has a total capacity of 9.5 megawatts based on its various components including both the gas and steam turbine generators and requested a grant amount of $4,047,120. The 7.5 megawatt figure provided in Form 2 of the EDA application is what the NJ Board of Public Utilities used to determine DSM's final grant allocation.

The steam turbine generator produces two additional megawatts of capacity for the CHP system. As such, the capacity figure per the application will be amended to reflect a 9.5 megawatt cogeneration unit. This revised figure will match that already contained in the December 14, 2010 board approval. The two additional megawatts results in an additional grant reward of $900,000. As such, it is requested that the total CHP grant be modified to $4,047,120.

This additional funding will not result in DSM violating the prohibition of a CHP project being financed with more than 50% public monies.

Recommendation

Approval to increase DSM's CHP grant to $4,047,120 is recommended. The project and revised grant amount is within the policy and technical parameters of the CHP program. All other items as stated in the original approval will remain the same.

Prepared by: David A. Lawyer, Senior Credit Underwriter

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: February 8, 2011

SUBJECT: Seaboard Service, Ocean Twp., New Jersey
P17425 $684,443 Hazardous Site Remediation Loan

Request:
Extend the loan maturity 5 years from 7/1/10 to 7/1/15, with an option to extend 2 additional years to 7/1/17, to provide time to complete environmental remediation and to sell the subject property.

Background:
Seaboard Service ("SS"), a New Jersey corporation established in 1935, purchased a 5.8 acre parcel, which is currently being remediated, from OXY USA, Inc. ("OXY"), one of the largest oil and gas producers in the world. There was known contamination on the property at the time of purchase, so an agreement was reached to share clean-up costs equally.

In June 2007, the Members approved a $750,000 HDSRF loan ($684,443 disbursed to date) to SS to fund its half of the projected costs of remediation. At the time, NJDEP requested EDA consider the loan due to an immediate environmental threat to nearby residences. Repayment was to be through the sale of the remediated property originally anticipated within 3 years.

As the project neared completion, actual clean up costs increased $500,000 to over $2 million and SS was unable to pay their share of the increased costs. In late 2009, the clean-up was halted as SS sought alternative funding. Staff continued to work with DEP and the Borrower on new financing and to extend the existing loan which matured in July. However, due to credit issues additional financing was not available. Recently, SS reached an agreement with its environmental company to complete the clean up with payment upon receipt of a potential new DEP grant for approximately $200,000. The balance will come from OXY and currently undisbursed loan proceeds.

The proposed 5-year extension should allow sufficient time to complete remediation and sell the property. If additional time is needed and the Borrower remains in good standing an additional 2 year extension may be provided which conforms to the maximum term for HDSRF loans. If the property is sold prior to the new maturity the loan will be immediately paid in full.

Recommendation:
Consent to extending the term of the HDSRF loan for 5 years from 7/1/10 to 7/1/15, with an option to extend 2 additional years to 7/1/17, at the current rate of 5% to permit continued remediation and clean up of the site. The property will be sold upon completion of remediation with proceeds repaying the loan.

Prepared by: Mansi Naik

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: February 8, 2010

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

The following projects were approved under Delegated Authority in January 2011:

New Jersey Business Growth Fund:

1) The Tumaliuan Group LLC (P34882), located in Lacey Township, Ocean County, is the real estate holding company that owns the project property. The operating company, Allergy & Asthma Center of Lacey LLC, a medical practice specializing in asthma, allergy and immunology, is owned by Dr. Tumaliuan and her husband. PNC Bank approved a $400,000 bank loan with a 25% guarantee, not to exceed $100,000. Proceeds will be used to refinance existing real estate. Currently, the company has four employees and plans to create two new positions within the next two years.

Small Business Fund Program:

1) WJJ & Company LLC d/b/a/ Papertec (P34762) is located in Garfield City, Bergen County. The company manufactures and distributes plugboard, paper and specialty films and also offers slitting, sheeting and die cutting services. The company was approved for a $300,000 loan used to purchase equipment. Currently, the company has ten employees and plans to create two additional jobs over the next two years.

Prepared by: S. Mania
SM/gvr

REAL ESTATE

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: The Technology Centre of New Jersey
Chromocell Corporation
Lease Amendment for Expanded Space

DATE: February 8, 2011

Summary

I am requesting the Members' approval to enter into an Amendment to the Lease Agreement with Chromocell Corporation (Chromocell) for an additional 10,676 square feet of office and lab space on the first floor of the Tech IV building.

Background

At the September 2007 meeting, the Members approved funding for the construction of generic lab space for incubator graduates. Construction of 26,000 sf on the first floor of the Tech IV building was completed at the end of 2008. At the October 2008 meeting, the Members approved a five year lease with Chromocell for approximately 14,662 sf of this generic lab space at a rate of $37.50 per sf NNN. Chromocell is a biotechnology company that employs its proprietary technology to conduct drug discovery programs up to Phase 1 clinical trials, and was one of the first tenants to occupy space at the Commercialization Center for Innovative Technologies (CCIT) when it opened in 2002.

At the February 2010 meeting, the Members approved an Amendment to Chromocell's Lease Agreement, adding 846 sf of additional office space in the adjacent 11,000 sf suite, demarcated from the balance of the vacant suite. This additional space has been leased by Chromocell on a month to month basis.

Chromocell's operations are now expanding further, and they have requested an Amendment to their existing lease to allow its occupancy of all of the generic wet lab space on the first floor of the Tech IV building, an increase of 10,676 sf for a total of 26,184 sf. Because Chromocell's preference was to grow into the additional space gradually, and because the rental rate in the existing lease is significantly higher than current market rates, negotiations for the expansion resulted in a revised, market rate of $30 per sf NNN for the entire 26,184 sf, which reflects current market conditions. The lease term will be extended for an additional five years.

There is no Tenant Improvement Allowance associated with this transaction; however, prior to finalizing terms, and to determine if the space could accommodate Chromocell's requirement for additional fume hoods, the Authority completed an engineering assessment. The Authority will provide the design and construction services for any tenant improvements requested, and Chromocell will fund the costs in advance.

Chromocell is a tenant in good standing. The current security deposit held in the amount of $143,500 is equal to just over two months' rent and will not be increased.

All other terms of this Amendment will remain consistent with the original Lease dated December 10, 2008.

Recommendation

In summary, I am requesting the Members' approval to execute a Lease Amendment with Chromocell on final terms consistent with the attached, subject to approval by the Authority's Chief Executive Officer and the Attorney General's Office.

Caren S. Franzini
Chief Executive Officer

Attachment
Prepared by: Christine Roberts

LANDLORD:	New Jersey Economic Development Authority
TENANT:	Chromocell Corporation ("Tenant")
BUILDING:	685 Route 1 South Tech IV building
LEASED PREMISES:	Additional 10,676 sf for a total of 26,184 sf
TERM:	Extended an additional five years to December 18, 2018.
OCCUPANCY AND RENT COMMENCEMENT:	March 1, 2011.
SECURITY DEPOSIT:	Current deposit equal to just over two months' rent, or $143,500.
BASE RENTAL RATE:	Years 1-5: $30.00 per sf, NNN. Year 6 through end of term: $32.25 per sf, NNN.
TAXES AND OPERATING EXPENSES (CAM):	Per existing triple net lease.
TENANT IMPROVEMENT ALLOWANCE:	None.
LANDLORD'S WORK:	Landlord has completed an engineering assessment of the feasibility of adding fume hoods in the expanded premises.
BROKERAGE COMMISSIONS:	Under an existing contract with CB Richard Ellis, the Authority will pay a commission of approximately $79,000.
RENEWAL OPTION:	One five (5) year renewal option at 95% of fair market rental, but not less than the then current base rent.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Biotechnology Development Center II
The Technology Centre of New Jersey
Lease with Provid Pharmaceuticals, Inc.

DATE: February 8, 2011

Summary
I am requesting the Members' approval to enter into a Lease Agreement with Provid Pharmaceuticals, Inc. (Provid) for 7,066 square feet of generic lab space in the Biotechnology Development Center II (BDC II) in the Tech III building at the Technology Centre of New Jersey.

Background
At the September, 2007 meeting, the Members approved funding for the construction of generic lab space for incubator graduates, and the execution of a master lease with the Technology Centre of New Jersey, LLC ("LLC"), a partnership between the AFL-CIO Building Investment Trust and the Authority, for approximately 12,000 square feet in Tech III called the Biotechnology Development Center II (BDC II). Construction of the space was completed in October of 2009.

Provid currently subleases approximately 5,000 sf from Rutgers University, an LLC tenant in the Tech III building. Provid is a medicinal chemistry based drug discovery company which generates revenue by providing services to biotechnology companies which need high level chemistry expertise to invent drug compounds.

Provid, formed in 2001, received Authority assistance in the form of a $250K Springboard Grant in 2004 and an Edison Innovation loan of $750K in 2006. During 2009, the company felt the effects of the economy as most of the biotech/pharma industry significantly reduced R&D spending. As a result, Provid was unable to meet loan obligations, and the account was transferred to the Authority's Special Loan Management Department in October 2009. The company experienced a turnaround during 2010 due to the addition of several new contracts which will continue into 2011 and beyond. Currently, Provid is making monthly payments on the Edison loan under the original terms, but still owes about $120,000 in back principal payments.

During 2009, Provid was also unable to meet its rent obligations to Rutgers University. Provid is now making payments on those rent arrearages. Rutgers has asked Provid to vacate the space so that they can expand other Rutgers groups into the current Provid premises.

In order for the generic lab space to accommodate Provid's operational needs, they will need to add several fume hoods at a cost estimated not to exceed $300,000, and they have asked for the Authority's funding assistance for the project. Approval is requested for a tenant improvement allowance of up to $150,000 to be amortized in the rental payments over the first two years of the lease at 5% per annum. Should the cost of the tenant improvements exceed $150,000, Provid will be required to provide proof it has sufficient funds to complete the work and the tenant improvement allowance will fund the last $150,000 needed to complete the fume hood improvements. Monthly rent payments will be applied first to rent and any accrued but unpaid late fees or charges and the balance, if any, will be applied to repay the tenant improvement allowance. Gary Olson, Provid's primary shareholder, will personally guaranty repayment of the tenant improvement allowance. In addition, staff will seek to increase the number of warrants held by the Authority to reflect the added financial exposure represented by the tenant improvement allowance.

The Authority's Credit Underwriting Division performed a risk analysis for Provid to determine the level of security deposit required to mitigate the Authority's loss exposure. The company was assessed at High Risk, using a rating scale comparable to that used for technology financing applicants. In addition, a cash flow analysis was prepared and current contracts examined. As a result, it was determined that a security deposit equivalent to six months' rent would be appropriate. In addition, quarterly financial statements will be required and the lease is limited to three years. The Authority standard BDC II Lease Agreement will be amended to include financial covenants that will allow the Authority to declare a default if Provid's financial condition deteriorates.

Provid will pay a market rent of $30 per sf NNN in addition to the amortization of the Tenant Improvement Allowance described above. There is no lease commission associated with this transaction. The Authority will manage the design and construction services for any tenant improvements requested if the installation of the fume hoods is a complex project or affects other parts of the Building's ventilation system.

Recommendation

In summary, I am requesting the Members' approval to execute a Lease with Provid Pharmaceuticals, Inc. on final terms consistent with the attached, subject to approval by the Authority's Chief Executive Officer and the Attorney General's Office.

Caren S. Franzini
Chief Executive Officer

Attachment
Prepared by: Christine Roberts

LANDLORD:	New Jersey Economic Development Authority
TENANT:	Provid Pharmaceuticals ("Tenant")
BUILDING:	671 Route 1 South Tech III building
LEASED PREMISES:	Approximately 7,066 sf
TERM:	Three years.
RENEWALS:	One three (3) year renewal at $31.80 per sf the first renewal year, $32.44 the second renewal year, and $33.08 the third renewal year. Conditional on meeting all lease terms as agreed.
OCCUPANCY AND RENT COMMENCEMENT:	March 1, 2011.
SECURITY DEPOSIT:	Equal to six months' rent, or $106,000.
BASE RENTAL RATE:	$30.00 per square foot, NNN.
TENANT IMPROVEMENT ALLOWANCE:	$150,000, with a personal guarantee
AMORTIZATION OF TIA:	Amortized over two years at 5% per annum, payable monthly
TAXES AND OPERATING EXPENSES (CAM):	Per Tech Centre standard triple net lease.
LANDLORD'S WORK:	None.
BROKERAGE COMMISSIONS:	None.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: The Technology Centre of New Jersey
Commercialization Center for Innovative Technologies
WellGen Lease Amendment

DATE: February 8, 2011

Summary
I am asking the Members for approval to amend the lease for WellGen, a tenant at the Commercialization Centre for Innovative Technologies (CCIT) at the Technology Centre of New Jersey (Tech Centre), to allow a reduction in the company's leased premises from three offices and two labs down to one lab for the last eight months of their lease term.

Background
The CCIT serves as an incubator for Life Science/Biotechnology start-up businesses within the Technology Centre of New Jersey campus. WellGen, a Rutgers biotechnology spinout company, joined the Commercialization Center for Innovative Technologies (CCIT) on June 1, 2007. One year lease extensions were executed in 2008, 2009, and 2010. Their current lease ends May 31, 2011.

WellGen's current lease stipulates that they are obligated to pay rent for two small laboratories (131 and 132), one office suite (B205), and two offices (B202F and B202G). Due to their inability to raise additional funding, and the downsizing of the company, it is no longer necessary for the company to utilize all of the leased space. It is recommended that the lease be amended to reflect that one laboratory (132) will be occupied by WellGen at a cost of $2,508.34 per month until the expiration of the lease on May 31, 2011. This will result in a reduction of revenue from the other previously occupied space (the second laboratory, the office suite, and two offices) of $45,112.76. Since WellGen vacated the offices and the office suite on October 1st, 2010 and the second lab on December 1, 2010, rent for the office space will end on October 1st and rent for the second lab will end on December 1.

The Members granted Delegated Authority to staff for reductions in space during the last six months of the lease term, up to $50,000. This transaction requires Board action because the reduction in space covers eight months.

In addition to reducing WellGen's leased premises, staff negotiated with the company for repayment of approximately $98,000 in rent arrearages. WellGen will pay $7,000 per month (first payment already received) to reduce the arrearage until it completes a capital raising event, at which time the balance of the arrearage will be repaid.

In addition to payment in full of the rent arrearage, the Authority will apply $12,133 of the existing $17,150 security deposit to pay a portion of rent due on the vacated space and the Authority will require payment of the balance of the rent due on the vacated space (approximately $33,000) if WellGen is successful in recapitalizing the company. To the extent that the space vacated by WellGen is leased to another company, Wellgen's lease obligation for vacated space will be reduced by rents received through the end of WellGen's lease.

Recommendation

In summary, I am asking the Members' approval to execute a lease amendment with WellGen to reduce the company's leased premises to one laboratory for the remainder of their lease term.

Caren S. Franzini
Chief Executive Officer

Prepared by: Christine Roberts

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Medical Building (White House) Demolition and Site Preparation
The Technology Centre of New Jersey

DATE: February 8, 2011

Summary
I am requesting the Members' approval to (1) demolish the Medical Building (aka White House building); (2) approve demolition and site restoration budget at the Technology Centre of NJ; and (3) amend the Tech Centre contract with Torcon, Inc.

Background
The Medical building, constructed in the 1960s, is a two-story, 18,300 sf office building with a full basement. Since it was last occupied in 2006, staff have been in discussions with the AFL-CIO Building Investment Trust ("BIT"), its partner in the Technology Centre of New Jersey, LLC ("LLC"), regarding whether to renovate the building at a cost of at least $2.5 million, or demolish it. The space is not configured to current standards and has old mechanical systems that are inefficient to operate, so it is not leasable in its current condition. Its operational costs exceed $30,000 per year.

During 2010, a site plan analysis was conducted by CUH2A, which resulted in several site plan options ranging from 80,000 – 170,000 sf of development capacity on the Medical building's pad site. This future build-out potential is much greater than the current building and provides a high-visibility site for potential technology tenants.

After evaluation of the options, Real Estate staff and the BIT are in agreement that the Tech Centre would benefit from the demolition of the building.

We have previously retained the team of Torcon and HDR/CUH2A for future phases of development work at the Tech Centre through a competitive RFP process. Consistent with this, we would like to amend Torcon's contract to include demolishing this structure, re-configuring existing utility lines that connect the Medical Building to the Tech Centre campus and preparing the site for future development. Torcon will competitively bid and supervise the demolition and site restoration work involved with the project. The budget for this demolition, site restoration and site preparation project will not exceed $270,000 and will be funded from the LLC's reserve (RRI) account.

Recommendation

In summary, I am requesting the Members' approval to: (1) demolish the Medical Building; (2) amend Torcon's contract for construction management services based upon the previously established fee of 1.0% with an incentive clause; (3) approve the demolition and site restoration budget; and (4) execute any and all other documents to complete these transactions on final terms acceptable to the Authority's Chief Executive Officer and the Attorney General's Office.

Caren S. Franzini
Chief Executive Officer

Attachment
Prepared by: Stephen Martorana

WHITE HOUSE (MEDICAL BLDG) DEMO
TECHNOLOGY CENTRE OF NJ
CONCEPTUAL BUDGET
January 31, 2011

IMPROVEMENTS	**Total**
Demolition	$223,000
Contingency	$14,000
SUBTOTAL	**$237,000**

CONSULTING	
Torcon Construction Manager Fee	$4,740
Environmental Engineering	$8,350
Architectural/ Engineering Services-CUH2A	$16,000
Building Permits-DCA/Freehold Soil	$2,000
Contingency	$1,910
SUBTOTAL	**$33,000**

SUMMARY	
Improvements	$237,000
Consulting	$33,000
TOTAL	**$270,000**