



MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini
Chief Executive Officer
DATE: March 8, 2011
SUBJECT: Agenda for Board Meeting of the Authority March 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

Clean Energy Solutions

Loans/Grants/Guarantees

Edison Innovation Fund

Incentive Programs

Board Memorandums

Economic Development Site Fund Grant

Real Estate

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

February 8, 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; Wayne Staub 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, Timothy Carden, Laurence Downes, Rich Tolson, Raymond Burke, First Alternate Public Member; Elliot M. Kosoffsky, Second Alternate Public Member; Kevin Brown, Third Alternate Public Member; and Rodney Sadler, Non-Voting 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 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 January 11, 2011 meeting minutes. A motion was made to approve the minutes by Mr. Latoof, seconded by Ms. Perry, and was approved by the 14 voting members present.

Mr. Carden and Mr. Downes abstained because they were not present.

The next item of business was the approval of the February 1, 2011 special meeting minutes. A motion was made to approve the minutes by Mr. Carden, seconded by Ms. Perry, and was approved by the 12 voting members present.

Mr. Sarlo noted that he was not present at the meeting.

Members Sarlo, Plofker, Kosoffsky and Brown abstained because they were not present.

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

BOND RESOLUTIONS

Bond Resolutions

PROJECT: Friends of Central Jersey Arts Charter School, Inc. **APPL.#34926**
LOCATION: Plainfield/Union Cty.
PROCEEDS FOR: building renovation
FINANCING: \$3,000,000 Qualified School Construction Bond – Direct Pay Tax Credit
Bond and \$250,000 Series B Taxable Bond
MOTION TO APPROVE: Mr. Tolson SECOND: Mr. Latoof AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: Sussex County Charter School for Technology, Inc. **APPL.#35152**
LOCATION: Sparta/Sussex Cty.
PROCEEDS FOR: building acquisition
FINANCING: \$3,000,000 Qualified School Construction Bond – Direct Pay Tax Credit
Bond
MOTION TO APPROVE: Mr. Carden SECOND: Mr. Kosoffsky AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

PROJECT: NCA Facility, Inc. **APPL.#34894**
LOCATION: Newark/Essex Cty.
PROCEEDS FOR: equipment purchase
FINANCING: \$7,371,670 Qualified School Construction Bond – Direct Pay Tax Credit
Bond
MOTION TO APPROVE: Mr. Tolson SECOND: Mr. Brown AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT:3

Mr. Carden abstained because he is on the board.

Ms. Perry abstained because she is familiar with the project and may bid on work in the future.

PRELIMINARY RESOLUTIONS

PROJECT: 810 Broad St. Urban Renewal Company LLC **APPL.#34850**
LOCATION: Newark/Essex Cty.
PROCEEDS FOR: building acquisition and renovation
MOTION TO APPROVE: Mr. Carden SECOND: Mr. Poliner AYES: 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

Ms. Perry abstained because she is familiar with the project and may bid on work in the future.

PROJECT: Shining Schools, Inc. **APPL.#34992**
LOCATION: East Orange/Essex Cty.
PROCEEDS FOR: building acquisition and renovation
MOTION TO APPROVE: Mr. Brown SECOND: Mr. Carden AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PROJECT: Yeshivat Keter Torah **APPL.#35112**
LOCATION: Eatontown/Monmouth Cty.
PROCEEDS FOR: building acquisition
MOTION TO APPROVE: Ms. Perry SECOND: Mr. Brown AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

Chairman Koeppe stated that he would request that DAG Renaud provide a summary of the First Amendment analysis in executive session at a future date in order to acquaint the Members on the process and the outcomes.

PUBLIC HEARING ONLY

PROJECT: Homestead at Mount Laurel, LLC **APPL.#34547**
LOCATION: Mt. Laurel/Burlington Cty.
PROCEEDS FOR: building construction
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

AMENDED BOND RESOLUTIONS

PROJECT: Clara Maass Health System, Inc. and **APPL.#08645**
Clara Maass Medical Center
LOCATION: Plainfield/Union Cty.
FINANCING: \$70,535,000 Tax-Exempt Bond
REQUEST: Approval of disposition of the sale proceeds of the project facility financed with the proceeds of a tax-exempt bond.
MOTION TO APPROVE: Mr. Carden SECOND: Mr. Latoof AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Damascus Bakery Inc. **APPL.#17629**
LOCATION: Newark/Essex Cty.
FINANCING: \$7,750,000 Tax-Exempt Bond
REQUEST: Amend the bond issue to change the project site to 60 McClellan Street, Newark
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Poliner **AYES: 16**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8
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: Ms. Perry **SECOND:** Mr. Downes **AYES: 16**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

PROJECT: Jennifer Koveleski **APPL.#33758**
LOCATION: Medford/Burlington Cty.
PROCEEDS FOR: upgrade, closure and site remediation
FINANCING: \$181,859 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: Anthony Perrelly **APPL.#34365**
LOCATION: Edgewater/Bergen Cty.
PROCEEDS FOR: upgrade, closure and site remediation
FINANCING: \$105,930 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: Peterson-Little VFW **APPL.#33460**
LOCATION: Cape May City/Cape May Cty.
PROCEEDS FOR: upgrade, closure and site remediation
FINANCING: \$165,331 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: T&J Service Center Inc. **APPL.#33058**
LOCATION: Madison/Morris Cty.
PROCEEDS FOR: upgrade, closure and site remediation
FINANCING: \$290,086 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: The Community YMCA **APPL.#31770**
LOCATION: Matawan/Monmouth Cty.

PROCEEDS FOR: upgrade, closure and site remediation

FINANCING: \$212,693 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: Robert Smelson and Arlene Smelson

APPL.#33548

LOCATION: Freehold/Monmouth Cty.

PROCEEDS FOR: upgrade, closure and site remediation

FINANCING: \$7,905 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

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

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

The following municipal projects were presented under the Hazardous Discharge Site Remediation Fund Program.

MOTION TO APPROVE: Mr. Carden SECOND: Mr. Downes AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PROJECT: Sayreville Economic Redevelopment Agency

APPL.#35574

LOCATION: Sayreville/Middlesex Cty.

PROCEEDS FOR: remedial action

FINANCING: \$5,000,000 Hazardous Discharge Site Remediation Fund
(closing subject to evidence of the municipality's required 25% match)

PROJECT: Borough of Somerville (Somerville Landfill)

APPL.#34449

LOCATION: Somerville/Somerset Cty.

PROCEEDS FOR: remedial investigation and remedial action

FINANCING: \$1,193,833 Hazardous Discharge Site Remediation Fund
(closing subject to evidence of the municipality's required 25% match)

The next item is a summary of the Hazardous Discharge Site Remediation Fund Program Delegated Authority Approvals for the month of January 2011. **(For Informational Purposes Only)**

INCENTIVE PROGRAMS

BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT PROGRAM

The next item is 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, and to authorize staff to submit to the New Jersey Register subject to the review of the Division of Law.

MOTION TO APPROVE: Mr. Brown SECOND: Mr. Carden AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

BUSINESS INCENTIVE EMPLOYMENT PROGRAM

PROJECT: Amcor Specialty Packaging Glass Tubing Americas **APPL.#34813**
LOCATION: Millville/Cumberland **BUSINESS:** glass manufacturing
GRANT AWARD: 80% Business Employment Incentive grant, 10 years

MOTION TO APPROVE: Mr. Latoof SECOND: Mr. McNamara AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

GRANT AWARD: \$387,000 (estimate), 6 years Business Retention and Relocation Assistance Grant

MOTION TO APPROVE: Mr. Plofker SECOND: Mr. Downes AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: Bracco Diagnostics Inc. and Affiliates **APPL.#35150**
LOCATION: TBD **BUSINESS:** medical device technology
GRANT AWARD: 50% Business Employment Incentive grant, 10 years

MOTION TO APPROVE: Mr. Staub SECOND: Mr. Carden AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

GRANT AWARD: \$398,250 (estimate), 6 years Business Retention and Relocation Assistance Grant

MOTION TO APPROVE: Ms. Perry SECOND: Mr. Latoof AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

PROJECT: Regeneron Pharmaceuticals, Inc. **APPL.#35151**
LOCATION: TBD **BUSINESS:** biotechnology
GRANT AWARD: 40% Business Employment Incentive grant, 10 years

MOTION TO APPROVE: Mr. Plofker SECOND: Mr. Stuaab AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT PROGRAM

PROJECT: Bayer Healthcare LLC and Affiliates
LOCATION: TBD **BUSINESS:** medical device technology
GRANT AWARD: \$14,094,000 (estimate), 6 years Business Retention and Relocation Assistance Grant

MOTION TO APPROVE: Mr. Carden SECOND: Mr. Perry AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

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.

MOTION TO APPROVE: Mr. Carden SECOND: Mr. Burke AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

The next item is a summary of projects approved under Delegated Authority in January 2011.
(For Informational Purposes Only)

New Jersey Business Growth Fund: The Tumaliuan Group LLC

Small Business Fund Program: WJJ & Company LLC d/b/a/ Papertec

REAL ESTATE

The next item is to enter into an Amendment to the Lease Agreement with Chromocell Corporation for an additional 10,676 square feet of office and lab space on the first floor of the Tech IV building.

MOTION TO APPROVE: Mr. Brown SECOND: Mr. Poliner AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

The next item is to enter into a Lease Agreement with Provid Pharmaceuticals, Inc. for 7,066 square feet of generic lab space in the Biotechnology Development Center II in the Tech III building at the Technology Centre of New Jersey.

MOTION TO APPROVE: Mr. Brown SECOND: Ms. Perry AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

The next item is to amend the lease for WellGen, a tenant at the Commercialization Centre for Innovative Technologies at the Technology Centre of New Jersey, 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.

MOTION TO APPROVE: Mr. Tolson SECOND: Mr. Latoof AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

The next item is to (1) demolish the Medical Building at the Technology Centre of New Jersey, (2) approve demolition and site restoration budget at the Technology Centre of New Jersey, and (3) amend the Tech Centre contract with Torcon, Inc.

MOTION TO APPROVE: Mr. Carden SECOND: Mr. Latoof AYES: 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

Mr. Tolson abstained because he is an investor in the Building Investment Trust of the AFL-CIO, co-owner of the Centre.

URBAN TRANSIT HUB TAX CREDIT PROGRAM

Chairman Koeppel reviewed the format for today's presentation and discussion of Panasonic's application for Urban Transit Hub Tax Credits. He noted he will ask Caren to present the project, will ask for public comment, and then provide for Board discussion.

Ms. Franzini began her presentation by noting that the Board had previously considered and approved the project at the January 11, 2011 Board meeting. She noted that it had come to EDA's attention that the public notice of that meeting with regards to the action to be taken may have been misinterpreted. In order to address this, the EDA publicly noticed the project for today's meeting and the Members are being asked to consider and act on the project again. She then reviewed the project details as presented in the memo shared with the Board, and staff's recommendation to award \$102,408,062.

PROJECT: Panasonic Corporation of North America

LOCATION: Newark/Essex Cty.

MAX AMOUNT OF TAX CREDITS: Estimated at \$102,408,062

**MOTION TO APPROVE: Mr. Downes SECOND: Mr. McNamara AYES: 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 25**

Mr. Sarlo abstained because SJP Properties is co-developer of the project, has a business relationship with his firm.

Chairman Koeppel asked for public comment.

PUBLIC COMMENT

Alan Magrini, SVP, Land Use and Development, Hartz Mountain Industries, Inc., addressed the Board. He noted that Hartz was here today to express the company's concern with EDA's administration of the Urban Transit Hub program and possible Board approval of a significant incentive of \$102 million for a project that was creating no new jobs and moving only 5 miles from its existing location. He shared Hartz Mountain's experience as a developer and landlord in NJ and acknowledged that many of the company's tenants had benefitted from programs administered by the EDA. He stated that the company was supportive of EDA's mission. However, the company believes that the Urban Transit Hub program administration and possible Board approval(s) that would allow for applicants moving employees intrastate is problematic and not the legislative purpose of the program.

He noted that the focus of the program was its transit nexus and capital investment and that it is a job growth program. He stated that legislative debate concluded in a focus on nine cities, a \$1.5 billion cap and clear limits on the program. In 2009, statutory changes included the net benefit test which was also added to make the program more restrictive.

He believes that the statute is very clear in its requirement that new jobs be created. While other statutes are not easily understood, the law is one of the better ones. Panasonic does not meet the requirements of the program as no new jobs are being added. EDA's administration

of the net benefits test must factor the economic impact of the loss of the company to Secaucus.

He then noted that the Business Retention and Relocation Assistance Grant Program administered by the EDA is meant to retain jobs in New Jersey and that recently the Legislature approved amendments to the program to keep Honeywell in NJ. In his view the Legislature would need to amend the Urban Transit Hub bill to allow for Panasonic to move from Secaucus to Newark as the current law doesn't allow for intrastate moves and the law is silent on the concept of "at risk" jobs that the EDA utilizes to calculate the net benefit test.

Mr. Magrini stated that the EDA's regulations mandate new jobs for program eligibility and he then read the definition of "new jobs" in the rules. He observed that the EDA began utilizing economic impact analysis in 2010. The methodology does not calculate the impact of the loss of jobs to one municipality if an applicant moves to another. As part of a "net" benefit test to determine impact to the state, there must be additions as well as deductions to the calculus. Under one build scenario that the company has proposed to Panasonic, Hartz would demolish and construct a building at the current location. If in considering this, one assumed the program did allow for intrastate moves, the analysis would have to deduct from the analysis the economic loss to Secaucus.

He submitted that the EDA's concept of "at risk" for calculating the net benefit analysis, detailed to the Board in a policy memo in the summer of 2010, does not have statutory or regulatory authorization. Further it is not clear how the EDA determines how jobs are at risk. Material facts would need to be submitted by the applicant. The EDA requires that the facts of the application, as provided by the company, be certified as true by the CEO. He does not believe that the material facts are provided in Panasonic's application and that the CEO certification to the representations made in the entire application are not as strong as a certification to the specific jobs at risk. He also noted that the net benefits test was based on 20 years of benefit, while the Panasonic lease was for 15 years, with two 5 year renewal options.

Gus Milano, representing Hartz, then addressed the Board. He acknowledged the company's previous interactions with the EDA on behalf of tenants in the past and his firm's satisfaction with the competency and expertise of the EDA. He stated that the company was here today due to a disagreement with EDA's policy interpretation that is leading to the move of Panasonic just a few miles down the road, creating a big void in Secaucus. He did not believe the program, which essentially incents a "free" building, was intended to allow for moves within state resulting in a detriment to the town losing the company.

David Drumeler, Business Administrator from the City of Secaucus, then spoke on behalf of the Mayor and Council. He acknowledged that Secaucus understood the need of some communities in distress to be provided with a jumpstart to revitalization but can't support programs that put one city against another. Secaucus would like to work with the Lt. Governor, the Governor, and the NJ Legislature to address this problem in the legislation. Public comment then concluded. Board Member Charles Sarlo stated that he would recuse himself from the project discussion and action as he had done at the previous presentation of the project in January due to his company's relationship with SJP Properties, a developer of the project.

EXECUTIVE SESSION

Chairman Koeppe noted that Hartz' contention that the EDA has misinterpreted the law in its implementation of the program would require legal guidance to the Board. He asked for a motion to enter Executive Session to seek legal advice from DAG Elizabeth Renaud. Ms. Renaud noted that the agenda today also included a loan settlement matter that requires Executive Session discussion. Accordingly, the Board would enter into Executive Session to discuss these items, and will return to Public Session to take action as warranted. Minutes of the Executive Session will be made available to the public upon the resolution of the pending legal matters.

The next item was to adjourn the public session of the meeting and enter into Executive Session to seek legal advice on the Hartz presentation and discuss a loan settlement matter.

**MOTION TO APPROVE: Mr. Plofker SECOND: Mr. Carden AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 26**

Chairman Koeppe opened the Public Session. He noted Board had a lengthy discussion of the legal issues and will continue that review after today. He has asked the Attorney General's Office for additional guidance. He will request a Special Meeting of the Board in one week's time to take up the matter again. He then suggested that Mr. Magrini provide a summary of Hartz concerns to the Attorney General's Office within the next three days so that all consideration is given to their assertions. He acknowledged a need for immediacy and a recognition that the delay may have created a opportunity to lose the company to another State.

The Chairman then turned to Hartz representation of the OPRA request and observed that that representation may be misinterpreted. He asked Ms. Renaud to discuss the status of the legal complaint, and the rationale that EDA used when redacting information from project application. She responded that a lawsuit is pending and as she is not the attorney involved in the actual OPRA review she could provide only general guidance on the OPRA process. Information has been provided to the requestor. The EDA allowed Panasonic to assert the need for confidentiality on certain aspects of the application. The EDA and the AG's Office review those requests and if they are deemed reasonable, information is redacted. The Panasonic application has had information redacted.

Mark Leonard, addressed the Board, noting that he was the attorney representing Hartz on the OPRA request. He stated that the records request extended beyond the application. Chairman Koeppe thanked him for the clarification.

EXECUTIVE SESSION

DAG Renaud stated that because the loan settlement matter discussed in the Executive Session is still being negotiated the board will need to go back into Executive Session. **The next item was to adjourn the public session of the meeting and re-enter Executive Session to vote on a loan settlement matter.**

**MOTION TO APPROVE: Mr. Carden SECOND: Mr. Latoof AYES: 16
RESOLUTION ATTACHED AND MARKED EXHIBIT: 27**

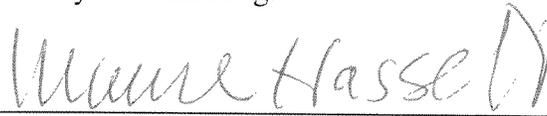
The Board returned to Public Session.

PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion by Mr. Carden, and seconded by Mr. Latoof, the meeting was adjourned at 1pm.

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.

A handwritten signature in cursive script that reads "Maureen Hassett". The signature is written in dark ink and is positioned above a horizontal line.

Maureen Hassett, Assistant Secretary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

February 16, 2011

MINUTES OF THE SPECIAL MEETING

Members of the Authority present: Al Koepp, Chairman; John Hutchison representing the Lt. Governor's office; Steve Petrecca representing the State Treasurer; Michele Siekerka representing the Commissioner of the Department of Environment Protection; Public Members Joseph McNamara, Vice Chairman; Tim Carden, Richard Tolson, Laurence Downes, and Raymond Burke, First Alternate Public Member.

Present via conference call: Commissioner Harold Wirths representing the Department of Labor and Workforce Development; Nancy Graves representing the Commissioner of the Department of Banking and Insurance; Public Members: Marjorie Perry, Charles Sarlo, Steve Plofker, Elliot M. Kosoffsky, Second Alternate Public Member; and Kevin Brown, Third Alternate Public Member.

Absent: Public Member Rodney Sadler, Non-Voting 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 Koepp called the meeting to order at 9 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

URBAN TRANSIT HUB TAX CREDIT PROGRAM

Chairman Koepp stated that following Hartz Mountain's request to address the Board regarding the Panasonic application at the February 8th meeting, the Board elected to stay the resolution and ask for additional legal counsel from our attorney. He asked CEO Franzini to summarize the Panasonic project memo.

Ms. Franzini stated that we're here today because Panasonic Corporation came to the EDA several months ago to apply for an incentive under the Urban Transit Hub Tax Credit Program.

It is our understanding that this interest in the Program was based on the pending expiration of Panasonic's lease in Secaucus and the necessary location decision making that Panasonic was undertaking in expectation of the end of the company's lease obligation in 2013.

Ms. Franzini added that staff reviewed and confirmed the project for threshold eligibility, as we normally do, and then began to drill down into the material facts of the application, as certified by the CEO of Panasonic.

Ms. Franzini added that the Board has been presented with the details of the application twice before. Additionally, the Incentive Committee, chaired by Larry Downes, met Monday to review further staff analysis that was requested by the Board at its last meeting.

Ms. Franzini added that Panasonic is seeking program benefits as a tenant in the proposed project in Newark where they are considering locating approximately 800 full time employees currently operating from Secaucus. The project developer, Matrix Development Group and SJP Properties are the owners and developers of a property located at 2 Riverfront Center where they propose to construct a new facility totaling 410,000 sq. ft. of which 250,000 will be leased to Panasonic for use as office space under a 15 year lease with renewal options. As the company represents they will employ a minimum of 250 employees at this site, and having met other eligibility requirements, staff is recommending a tax credit award in the amount of \$102,408,062.

She noted that at our last meeting, the Board asked us to look at two areas – 1) the representation by the company that the Secaucus jobs are “at risk” of being moved out of state; and 2) the use of a 20 year timeframe in the net benefit calculation.

Ms. Franzini gave overview of an “AT RISK REVIEW” stating the EDA application requires applicants to provide a breakdown of jobs by category as well as the number and type of existing “at risk” jobs; existing not “at risk” jobs; net new jobs, and number of construction jobs. If the applicant identifies jobs “at risk”, the applicant is further required to provide documentation that demonstrates the material facts of the “at risk” characterization.

She noted that the CEO of Panasonic has provided certification to the EDA, which form was developed by the EDA and modeled after the disclosure requirements of Sarbanes – Oxley, that the company has the ability to accommodate its Secaucus operations at other sites outside of the State of NJ. Staff has reviewed the information presented on these alternative sites in Atlanta, Chicago, and California where Panasonic represents that they have current operations and the ability to expand or acquire additional space at substantial cost savings. Panasonic is also considering New York. Staff has reviewed the economic analysis presented by the applicant that details the cost differential between these alternative locations that indicates significant cost savings were the company to move out of state. The company did not acknowledge, and staff reviews did not reveal any facts that would tie the company’s existing NJ jobs to NJ, i.e. union contracts, NJ regulated entities or services, specialized labor force needs, or stranded assets. National news media reports have also reflected the company’s interest in other locations out of state.

She stated that as previously discussed, the Board adopted guidelines at its June 2010 regarding the treatment of “at risk” jobs in the calculation of net benefits. As Panasonic has certified that 806 jobs are at risk, these jobs were factored as new jobs in the analysis. Pursuant to the members’ suggestion at the last meeting, staff reconsidered the timeframe for the net benefits calculation that was initially 20 years and for its recommendation today, provided a new analysis that utilizes a timeframe of 11.25 years (75% of the proposed initial 15 year lease term). Staff had used the 20 year timeframe as the proposed lease is to be 15 years plus two five year renewal options, and per our rules, 20 years is the maximum term for the analysis. The new timeframe and net benefit analysis did not impact the recommended award of \$102,408,062.

EXECUTIVE SESSION

The next item was to adjourn the public session of the meeting and enter into Executive Session to seek additional legal advice on the Hartz presentation.

**MOTION TO APPROVE: Mr. McNamara SECOND: Mr. Carden AYES: 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1**

It was noted that Charles Sarlo had abstained from the vote on the project during the last meeting, but participated in the general legal discussion in Executive Session and would do so again in this Executive Session.

The Board returned to Public Session.

Lieutenant Governor Kim Gaudagno entered the meeting.

Chairman Koepp acknowledged the verbal and written comments of Hartz Mountain which were received prior to today's meeting. The issues raised by Hartz led to a review by the Office of the Attorney General that examined whether the EDA has the authority to interpret and implement the law, and whether the EDA acted appropriately to utilize the concept of at risk jobs in our calculation of the net benefit. He noted that after a lengthy discussion of the legal issues in Executive Session, he was satisfied the Board and staff had acted within the law. He asked any members of the Board for comment.

Larry Downes, Chairman of the Audit Committee noted that the committee had now reviewed the application three times. In performing the review the committee went through its usual process that examined staff's assessment and due diligence on the project facts. In the last committee meeting, the members reviewed the changes summarized by Caren Franzini earlier in the meeting with regards to the net benefit term. The committee felt that the project will provide a very strong economic benefit to the state and the members were comfortable referring the project to the board for its approval of staff's recommendation.

Tim Carden stated that as a member of the committee he too was satisfied with the rigor of the staff and committee review of both the program implementation and the Panasonic project. The last committee discussion in particular strengthened the committee's understanding of the program history, implementation and staff review process.

Joe McNamara also acknowledged the in depth review that was undertaken and noted that the extent of understanding will be useful in how we implement the broad variety of programs the EDA administers.

The next item was action on staff's recommendation to approve:

PROJECT: Panasonic Corporation of North America

LOCATION: Newark/Essex Cty.

MAX AMOUNT OF TAX CREDITS: Estimated at \$102,408,062

**MOTION TO APPROVE: Mr. Downes SECOND: Mr. Carden AYES: 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2**

Mr. Sarlo abstained because SJP Properties is co-developer of the project, has a business relationship with his firm.

PUBLIC COMMENT

Alan Magrini, SVP, Land Use and Development, Hartz Mountain Industries, Inc., addressed the Board. He objected to the decision not to give the public opportunity to comment prior to the board's voting on the item.

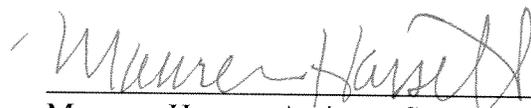
Lieutenant Governor Kim Gaudagno stated that she was here in three roles, as Acting Governor, Lt. Governor and Secretary of the State. She was here on behalf of the Governor to applaud the EDA and its action to approve the application. She stated that the last year has been very tough on New Jersey's economy and we have seen a flight of wealth of approximately \$70 billion. There is nothing more important than keeping NJ jobs in New Jersey. She is confident of EDA's rational and thoroughness in approving the Panasonic application. EDA's action today sends a strong signal.

She stated that these companies can go anywhere in the United States as well as the world and what the EDA is doing is sending a loud vote of confidence stating the NJ is open for business again. She thanked the EDA on behalf of the Governor.

She also thanked Hartz Mountain for bringing their issues to our attention and noted that Hartz Mountain is a valuable entity in NJ. The State will work as hard to bring a new tenant to the Panasonic space in Secaucus as they have worked to keep Panasonic in New Jersey. She said that she has met with the Mayor of Secaucus and she has met with Hartz Mountain. She concluded saying that she hopes we can all work together and her office will work to ensure that Hartz Mountain's building is filled to capacity and residents of Secaucus will benefit.

There being no further business, on a motion by Mr. Carden, and seconded by Mr. Hutchison, the meeting was adjourned at 10 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, Assistant Secretary



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: March 8, 2011

RE: Chief Executive Officer's Report to the Board

EDA NEWS

EDA Closes First Project Under Economic Redevelopment and Growth (ERG) Program

On February 17, 2011, Revel Atlantic City became the first project to close under the Economic Redevelopment and Growth (ERG) Program. At a special board meeting at the beginning of the month, Revel was approved for just over \$261 million in tax reimbursement over 20 years for the construction of a 6.3 million square foot entertainment resort that will create 5,400 new jobs, 5,500 construction jobs, and leverage over \$1.6 billion in capital investment to Atlantic City. In addition to the construction of the resort, Revel will also make a host of improvements to the Boardwalk and other areas surrounding the site, improving public access to the beach and recreational areas.

Revel Entertainment announced in late February that it has secured the remainder of the financing necessary to complete the project, and construction on the resort has resumed.

Governor Christie Presents Proposed FY2012 State Budget

Governor Christie recently presented a \$29.4 billion budget proposal for FY2012. The proposed budget provides critical tax reform and incentives for business and economic development including: loss carry-forward relief for small businesses, a reduction of the S-corporation minimum tax, increasing the credit allowed for research and development investments, exemptions for business software technology reinvestment, increasing funding for economic development programs, and phasing-out of the Technology Energy Facility Assessment to provide relief from high energy costs.

The proposed budget's impact to EDA programs includes: an expansion of the Technology Business Tax Certificate Transfer Program to \$60 million from the \$30 million allocated in last year's budget, continuation of the \$175 million funding level for BEIP, and a new \$10 million infusion of funding to the Brownfield Site Reimbursement Fund which reimburses private developers for transforming abandoned properties into usable, productive assets.. Also, of the

funds recommended for appropriation to the Department of Environmental Protection, \$13.58 million would be distributed to HDSRF and \$16.6 million to UST Program.

FINANCING ACTIVITY

In the first two months of 2011, EDA has closed financing and incentives totaling over \$281 million for projects that are expected to spur the creation of nearly 6,000 new, full-time jobs and involve the total investment of over \$1.3 billion in New Jersey's economy.

In strictly lending activity, EDA has closed financing totaling over \$10 million for projects that are expected to spur the creation of just over 80 new, full-time jobs and involve the total investment of over \$42 million in New Jersey's economy.

Through incentive programs, EDA has closed on projects totaling over \$271 million in estimated benefit that are expected to create over 5,800 new, full-time jobs and involve the total investment of over \$1.3 billion in New Jersey's economy. This activity includes the aforementioned Revel Atlantic City ERG project.

Among the businesses assisted in February:

ACB Energy Partners, LLC which closed a Clean Energy Solutions ARRA CHP grant for just over \$3.2 million to establish a 7.965 megawatt cogeneration plant in Atlantic City. This project, one of the first to close under the ARRA CHP program, is expected to leverage over \$25 million in capital investment.

Mednet Healthcare Technologies Inc., which closed a \$79,200 BRRAG grant to expand in its operations in Ewing Township by another 5,000 to 8,000 square feet. Mednet provides a remote cardiac monitoring solution that features both patient monitoring services and medical device manufacturing. This assistance will support the retention of 66 jobs, estimated creation of 60 new jobs, and leverage \$710,000 in capital investment.

South Brunswick Family YMCA, Inc. which closed on over \$900,000 in tax-exempt bond financing to allow the organization to refinance existing debt and renovate and replace its facility's roof. The South Brunswick Family YMCA is a community and family-centered membership organization that runs summer camps, after school programs, and a childcare facility; and also operates a non-profit gym/pool, all for the greater benefit of its members and for the community at large.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 19 events in February. These included the "Building a Sustainable Future for New Jersey's Coastal and Ocean Economy" luncheon in West Long Branch, NJBIZ Solar Energy Symposium in Somerset, ribbon cutting for Standard Chartered Bank in Newark, and 2011 Cooper's Ferry Annual Meeting in Camden.

Additionally, EDA attended a roundtable discussion with New Jersey business owners hosted by Governor Christie and Lieutenant Governor Kim Guadagno. Held at the Rutgers University School of Business, the event featured over 20 CEOs and business leaders discussing challenges and opportunities for business attraction and expansion, job creation, and economic development.



BOND RESOLUTIONS

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

APPLICANT: Church of Our Lady of the Angels

P33790

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 21-23 Bayard St

Trenton City (T/UA)

Mercer

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

APPLICANT BACKGROUND:

Church of Our Lady of the Angels is a Roman Catholic Church in the Diocese of Trenton. The church was established in 2005 as a result of the merger of Immaculate Conception Church (founded in 1875) and Saint Joachim Church (founded in 1901). The facilities at the Saint Joachim Church campus include the building of the former Saint Joachim School which was erected in 1909. The school closed in 1999 and was occupied by the Trenton Board of Education until 2005 in order to alleviate over-crowding. Since the merger and the creation of Our Lady of the Angels, the building has acted as a community center. The facility has hosted several outreach programs, but the extent of the programming has been limited because the building is not in compliance with the Americans with Disabilities Act. The church is hopeful that by renovating the facilities, it will be able expand its program offerings for the community of Trenton.

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 expand and renovate its 10,000 sq ft building to serve as a community center. The project will bring the facility into compliance with the Americans with Disabilities Act. The renovation includes the installation of an elevator as well as restrooms for men and women on each of the building's four stories. The project will also make room for the creation of conference rooms and administrative offices. Our Lady of the Angels plans to undertake a capital campaign to raise funds sufficient to make the payment due at the end of the term of the bond.

FINANCING SUMMARY:

BOND PURCHASER: The Bank of Princeton (Direct Purchase)

AMOUNT OF BOND: \$1,750,000 (Tax-Exempt)

TERMS OF BOND: 10 years; Fixed interest rate of 3.99% with interest only payments for the first 36 months. Monthly payments will be made in years 4 through 10 to reduce the principal balance to \$500,000 at the end of year 10.

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	\$1,750,000
Engineering & architectural fees	\$89,000
Legal fees	\$35,000
Finance fees	\$30,000
Accounting fees	\$5,000
TOTAL COSTS	\$1,909,000

JOBS: At Application 14 Within 2 years 3 Maintained 0 Construction 53

PUBLIC HEARING: 01/11/11 (Published 12/17/10) **BOND COUNSEL:** Gluck Walrath, LLP
DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** K. McCullough

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

APPLICANT: Kontos Foods, Inc. and related entities

P34499

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 19 E. 5th St. & 100 6th Ave.

Paterson City (T/UA)

Passaic County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Kontos Foods, Inc. is a manufacturer of authentic hand stretched flatbread in Paterson, New Jersey. The company's president and founder, Evris Kontos, has over 60 years of experience in the industry. In 1968, Mr. Kontos started Apollo Fillo, a company that was responsible for designing the first machine that could manufacture fillo, which is a flaky, tissue-thin layer of pastry used in baked desserts and appetizers. Apollo Fillo was eventually sold to the Pillsbury Company and in 1987, Mr. Kontos used his vast experience to found Kontos Foods, Inc. Utilizing the preparation process that Mr. Kontos had perfected through the years, the company has seen considerable growth and is in need of more space to accommodate additional equipment and new product lines.

As a result, Kontos Foods has entered an agreement to purchase the 60,000 sq ft building in which it currently operates as well as a nearby 25,000 sq ft facility. The transaction will be facilitated through two real estate holding companies, Karavas Realty LLC and ESM Realty LLC, which will own the properties at 100 Sixth Avenue and 19 East Fifth Street, respectively. The proceeds of the Series A & B Bonds will be used to acquire and renovate the facilities, while the proceeds of the Series C & D Bonds will be used to finance equipment and machinery.

Kontos Foods has previously received Authority assistance to finance machinery and equipment through a tax-exempt bond and an LDFF in 2002 as well as a loan guarantee in 1995, an SLP in 1993, and a direct loan in 1990.

APPROVAL REQUEST:

Authority assistance will enable the applicant to purchase and renovate a 60,000 sq ft building that the company currently leases at 100 Sixth Avenue in Paterson as well as a nearby 25,000 sq ft facility at 19 East Fifth Street in Paterson. The bond proceeds will also allow the company to add equipment and set up additional production lines.

FINANCING SUMMARY:

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

AMOUNT OF BOND: \$5,760,000 Series A & B (Tax-Exempt)

\$3,200,000 Series C & D (Tax-Exempt)

TERMS OF BOND: 21 years; Applicant will choose either (i) fixed rate for 5 years to be reset on every 5th anniversary at the greater of 4.07% or the tax-exempt equivalent of (5 yr Treasury rate plus 2.75%) plus 0.45%. Indicative rate as of 02/18/2011 is 4.07%. Or (ii) variable rate at the tax-exempt equivalent of (one month LIBOR plus 2.60%) plus 0.45%.

13 years; Applicant will choose either (i) fixed rate for 5 years to be reset on every 5th anniversary at the greater of 3.90% or the tax-exempt equivalent of (5 yr Treasury rate plus 2.50%) plus 0.45%. Indicative rate as of 02/18/2011 is 3.90%. Or (ii) variable rate at the tax-exempt equivalent of (one month LIBOR plus 2.50%) plus 0.45%.

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	\$4,050,000
Purchase of equipment & machinery	\$3,450,000
Renovation of existing building	\$2,050,000
Finance fees	\$120,000
TOTAL COSTS	\$9,670,000

JOBS: At Application 200 Within 2 years 20 Maintained 0 Construction 19

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

DEVELOPMENT OFFICER: D. Johnson

APPROVAL OFFICER: K. McCullough

PRELIMINARY RESOLUTIONS

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

APPLICANT: Camden Academy Charter High School

P34890

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 250 Federal Street

Camden City (T/UA)

Camden

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

APPLICANT BACKGROUND:

Camden Academy Charter High School ("Camden Academy") is a part of Camden's Charter School Network. Founded by Dr. Joseph Conway and Bill Hembrecht, the network was designed to provide a better educational opportunity for Camden's youth. In 1998, Camden Promise Charter Middle School first opened its doors and since that time Camden Academy has graduated five classes of seniors with a 90% college admissions rate.

Camden Academy has recently acquired the former Camden City YMCA located at 250 Federal Street. This 30,000 sq ft facility is located near the waterfront within Camden's Innovation Zone. Camden Academy plans to renovate the existing facility, transforming it from a community center into a Science, Technology, Engineering, and Math (STEM) Center.

The bond will be issued as 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.

APPROVAL REQUEST:

Authority assistance will enable the applicant to renovate a 30,000 sq ft facility in Camden to be used as a high school with the capacity to serve 500 students. The Authority bond allocation for Camden Academy Charter High School will be an amount not to exceed \$2,467,080 to be issued as a Qualified School Construction Bond ("QSCB").

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	\$2,055,900
Design, Permits, Contingencies	\$411,180
TOTAL COSTS	<u><u>\$2,467,080</u></u>

JOBS: At Application 75 Within 2 years 10 Maintained 0 Construction 62

PUBLIC HEARING: N/A

BOND COUNSEL: Gluck Walrath, LLP

DEVELOPMENT OFFICER: J. Kenyon

APPROVAL OFFICER: K. McCullough

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

APPLICANT: Ilan High School

P35701

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 1200 Roseld Avenue

Ocean Township (N)

Monmouth

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

APPLICANT BACKGROUND:

Ilan High School, was formed in 1995 with the mission to provide a girls high school with a strong college preparatory program and Jewish based education. The applicant offers a rigorous academic curriculum that exceeds New Jersey state requirements, including a college partnership option through Fairleigh Dickinson University to students who wish to accelerate and earn college credits. Ilan High School offers a rich selection of advanced placement and elective courses. The applicant's highly respected academic and comprehensive college guidance program ensures that 90% of the students are accepted into their first choice colleges and universities. The applicant's current enrollment is 100 students, with plans to increase to 250 students in its new facility.

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 2 acre site, and renovate a 27,473 s.f. building, that was previously used as a synagogue. The sanctuary, which currently accounts for approximately 20% of the building, will be converted into 3 additional classrooms, in addition to the 13 existing classrooms.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	\$2,300,000
Renovation of existing building	\$500,000
Legal fees	\$10,000
Finance fees	\$10,000
Accounting fees	\$10,000
TOTAL COSTS	<u><u>\$2,830,000</u></u>

JOBS: At Application 40 Within 2 years 15 Maintained 0 Construction 15

PUBLIC HEARING:

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: R. Fischer

APPROVAL OFFICER: M. Krug

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

APPLICANT: Newark Teachers Village Urban Renewal, L.L.C.

P35260

PROJECT USER(S): TEAM Charter Schools (SPARK Academy)
Discovery Charter School
Great Oaks Charter School
CHEN School Inc.

* - indicates relation to applicant

PROJECT LOCATION: William and Halsey Streets Newark City (T/UA) Essex

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

APPLICANT BACKGROUND:

The Authority will be issuing this "federally taxable" approximately \$5.265 million non-recourse Redevelopment Area Bond (RAB) upon request of the City of Newark. Likewise, with a resolution, the State Operated School District of the City of Newark authorized the issuance of \$13 million "federally taxable" Qualified School Construction Bonds (QSCB) through the Authority in June 2010 (extended in November 2010). There is also a \$9.75 million QSCB allocation for a portion of this project from the State volume through the Authority.

Newark Teachers Village Urban Renewal, L.L.C., an affiliate of RBH-TRB Newark Holdings, Limited Liability Company, and/or its recently formed or to be formed affiliate entities will undertake this project, commonly referred to as The Halsey Street Teachers Village ("Teachers Village").

The project consists of approximately 360,000 sf of development planned for downtown Newark and will include workforce housing, three charter schools and a mix of retail amenities; all for lease or rent. The Teachers Village is located on both sides of Halsey Street, connecting the existing University Heights area with the Prudential Center and the rest of downtown Newark's existing core.

Currently, the project site consists of several vacant and under-utilized buildings and lots. The site was determined an area in need of redevelopment by the City of Newark. In June 2010, the City adopted a redevelopment plan for the project area. Consistent with that redevelopment plan, this redevelopment project will be undertaken. With the exception of one building, all existing buildings will be demolished. That one building will go through a gut-renovation.

Once completed, the entire project will have 7 newly constructed mid-rise buildings (4-6 stories each) and one gut-rehabilitated 9-story building. The total project cost is estimated to be approximately \$130 million. The redeveloper has assembled a diverse capital stack comprised of Redevelopment Area Bonds (RAB), Qualified School Construction Bonds (QSCB), Urban Transit Hub Tax Credits (UTHTC), New Markets Tax Credits (NMTC), Housing and Urban Development funding, and conventional financing, among others.

Of the total project cost, approximately \$5.265 million (not to exceed \$5.3 million per the State Local Finance Board approval) is proposed to be financed through the conduit issuance of a RAB. The key components of this RAB financing, pledge of PILOT payments, and the redevelopment plan, were approved by the State Local Finance Board in November 2010. The redevelopment cost for the educational facilities component (2 buildings) is approximately \$44.5 million. Of this subcomponent cost, approximately \$22.75 million is proposed to be financed through the conduit issuance of QSCBs.

The proposed educational facilities component of this project (Phase I), in 2 buildings above approximately 25,522 sf of first floor retail, will consist of approximately 90,000 sf (105,000 sf with a shared gymnasium and rooftop play areas as well as other common areas) for 3 charter schools. The remainder of the educational facilities component will consist of approximately 11,000 sf for a daycare center. Educational facility occupants (all as tenants) are: TEAM Charter School (SPARK Academy division - ~47,000 sf), the Discovery Charter School (Discovery Charter School, Inc. - ~11,000 sf), the Great Oaks Charter School (~19,000 sf),

and the CHEN Daycare (CHEN School Inc. - ~11,000 sf).

TEAM schools, a part of the KIPP brand of charter schools, serving over 27,800 students across the country, will lease space at the Teachers Village. TEAM is planning to relocate its SPARK Academy, which is an elementary school, from Orange Street to the Teacher Village space. At the Teachers Village location, SPARK Academy will host students in Kindergarten through fourth grade.

Established in September 1999, the Discovery Charter School (Discovery Charter School, Inc.) offers parents and 75 fourth through eighth grade students a community-centered public education alternative. The Discovery Charter School will lease space at the Teachers Village.

Great Oaks Charter School is a brand-new Newark middle/high school that is planning to open in Summer/Fall 2011. The school's mission will be to prepare its students to succeed in college. They will begin recruiting students immediately to fill their incoming class of approximately 133 students in sixth and seventh grades.

CHEN School Inc. is an independent preschool that serves children from ages three-months-old to five-years-old in Newark. CHEN School currently has a daycare capacity of about 102 children. A relocation from its Central Avenue site to the Teachers Village site will increase its capacity by about 45 students.

The proposed 202,019 sf residential portion of this project (Phase IIa and Phase IIb), in 6 buildings above the first floor retail, will consist of approximately 205 workforce housing rental apartments, approximately 202,019 sf of residential space over approximately 37,449 sf first floor retail.

QSCB Allocations: The State-run Newark School District allocated \$13 million of its own 2010 QSCB Local Volume allocation to the Redeveloper for the benefit of TEAM (SPARK Academy division) and the Discovery Charter School (Discovery Charter School, Inc.). In addition, the EDA has allocated \$9.75 million of QSCB allocation from the State to the Discovery Charter School.

Other Authority Assistance: In July 2010, the Authority approved an Urban Transit Hub Tax Credit (UTHTC) (a 20% tax credit, 10% of which will be issued annually over 10 years in a total amount not to exceed \$17,384,620), and an Economic Recovery Growth Grant (ERG) (20% of actual costs, not to exceed \$20,548,344 over 20 years) for this project.

APPROVAL REQUEST:

Authority assistance will enable the Redeveloper to redevelop this 360,000 sf Teachers Village development in an area in need of redevelopment in the City of Newark, including construction of educational and charter school space, retail space and housing for lease, and equip same plus pay the costs of issuance.

Preliminary approval is requested for the conduit issuance of a Redevelopment Area Bond in an amount not to exceed \$5.3 million and Qualified School Construction Bond in an amount of up to \$22.75 million (\$13 million from the Newark School District volume allocation and \$9.75 million from the State of New Jersey volume allocation that was provided to the Authority).

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	\$72,031,891
Land	\$23,901,879
Finance fees	\$10,177,115
Other/Contingency	\$8,636,539
Engineering & architectural fees	\$6,909,344
Interest during construction	\$6,108,622
Legal fees	\$1,560,000
Environmental Investigation and Remedit	\$400,000
Accounting fees	\$350,000
TOTAL COSTS	<u><u>\$130,075,390</u></u>

JOBS: At Application 62 Within 2 years 28 Maintained 0 Construction 627

PUBLIC HEARING: N/A

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: D. Sucsuz

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

APPLICANT: Women In Support of the Million Man March, Inc P35518
PROJECT USER(S): Adelaide L. Sanford Charter School * * - indicates relation to applicant
WISOMMM Holistic Child Care Center *
PROJECT LOCATION: 15 James Street Newark City (T/UA) Essex
GOVERNOR'S INITIATIVES: (X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

Women in Support of the Million Man March, Inc. (WISOMMM) is a 501(c)(3) not-for-profit community based organization incorporated in 1995, dedicated to improving the quality of life throughout the diverse Newark, NJ neighborhoods it services via cultural enrichment, education, social activism and economic empowerment. Since its inception, WISOMMM has made significant investments in Newark's historic Lincoln Park Arts District, James Street Commons Historic District and the Central Business District. The organization has purchased several historic properties in downtown Newark area to house its mission advancing initiatives such as the Adelaide L. Sanford Charter School, the WISOMMM Holistic Child Care Center and the WISOMMM Education & Cultural Resource Center. Fredrica Bey is the Executive Director of WISOMMM. The Charter School is currently located at 53 Lincoln Park with an enrollment of 288 students in grades Kindergarten through 5th and has approximately 40 employees.

In 2004, the Authority closed on \$4,550,000 in tax-exempt bonds (P15479) for the benefit of WISOMMM to purchase real property at 15 James Street and 65 Lincoln Park and to consolidate outstanding conventional debt. The term of the bond is 20 years at a fixed interest rate of 4.5% for first 10 years, subject to rate reset on 10th anniversary and directly purchased by Independence Community Bank, now Sovereign Bank. The applicant has also submitted an application to refund the 2004 Bonds which will be presented to the Board at the time of final approval for the total bond financing.

Additionally in 2009, the Authority closed on \$400,000 Urban Plus direct loan (P18474) for the renovation of properties at 53 and 67-69 Lincoln Park properties and repayment of a construction loan. The loan is for a term of 5 years with a 20 yr. amortization and fixed rate of 2%. The loan is current.

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 fund the expansion project of the Adelaide L. Sanford Charter School. The expansion project will reallocate space at the 65,180 sq. ft. James Street property location to accommodate the addition of grades 6-8 with maximum students increasing the enrollment by 48 students per grade. 27,000 sq. ft. of the facility will be allocated to support the charter school expansion and includes in addition to classroom space, cafeteria, auditorium, gymnasium and a special activities learning center. The remainder of the James Street facility will continue to serve as child care center and mixed community based uses.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	\$2,710,000
Engineering & architectural fees	\$383,250
Debt service reserve fund	\$240,000
Finance fees	\$126,750
Legal fees	\$40,000
TOTAL COSTS	<u><u>\$3,500,000</u></u>

JOBS: At Application 100 Within 2 years 20 Maintained 0 Construction 24

PUBLIC HEARING:

DEVELOPMENT OFFICER: D. Johnson

BOND COUNSEL: McManimon & Scotland

APPROVAL OFFICER: T. Wells

CLEAN ENERGY SOLUTIONS



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Board

FROM: Caren S. Franzini
Chief Executive Officer

RE: EDA-BPU Clean Energy Program Master MOU

New Products – Edison Innovation Green Growth Fund and Energy Efficiency Revolving Loan Fund

Product Update – Clean Energy Manufacturing Fund (CEMF 2.0)

DATE: March 8, 2011

Request:

The Board is requested to approve in substantially final form the attached Memorandum of Understanding (MOU) between the Board of Public Utilities (BPU) and the Authority concerning the partnership to implement three programs to be administered by the New Jersey Economic Development Authority in 2011 – the new Edison Innovation Green Growth Fund (“EIGGF”), the new Energy Efficiency Revolving Loan Fund (“EE RLF”), and an updated Clean Energy Manufacturing Fund (“CEMF 2.0”).

Background:

The New Jersey Board of Public Utilities Office of Clean Energy and the New Jersey Economic Development Authority have been administering various New Jersey Clean Energy Programs (“CEP”) which are designed to promote the development and installation of renewable energy, energy efficiency, and alternative energy projects statewide. Since 2003, six interagency MOUs have been developed to memorialize the role of EDA in supporting numerous BPU-funded programs, whether as principal program administrator (e.g., “CEMF”) or in an adjunct administrative support roles (e.g., Grid Connected Program).

An interagency team (EDA, BPU, Treasury, and The Governor’s Office) met during 2010 to review financial assistance programs for energy and discuss changes to current programs and new programs for 2011. The result of these meeting are the recommendations included in this memo.

A key outcome of these interagency meetings was the determination of the need for necessary gap financing to accompany the existing NJBPU Pay for Performance (“PFP”)

Commercial and Industrial sector (“C&I”) incentive rebate program to support the deployment of energy efficient measures in commercial and industrial buildings in New Jersey for entities unable to finance these capital expenditures. Proposed as a revolving loan fund and administered by the EDA, this product concept was further vetted by focus groups and formally validated at NJBPU stakeholder meetings throughout the fall of 2010. This stakeholder outreach became the foundation for the new Energy Efficiency Revolving Loan Fund (“EE RLF”) program, further outlined in this memo.

Concurrently, changes to better revolve the program funds for the successful Clean Energy Manufacturing Fund (“CEMF”) program were validated. The stakeholder response also revealed an ongoing market interest for the Edison Innovation Green Growth Fund (“EIGGF”), a program to support commercially viable clean energy companies. The EIGGF program had been approved in January 2010 by the Policy Committee under the 2010 NJBPU Budget but not brought to the full EDA Board or implemented due to budgetary restrictions last year.

On December 22, 2010, the New Jersey Board of Public Utilities Board approved an allocation of \$33 Million in Clean Energy Program funds (“CEP”) towards these three programs, with \$18 Million, \$11 Million, and \$4 Million to be allocated respectively towards the EE RLF, CEMF 2.0, and EIGGF. A decision was also made to consolidate the various individual interagency MOUs into a Master Clean Energy Program MOU which would close out inactive programs, reflect EDA and BPU responsibilities around the three active programs, and incorporate a new administrative fee structure of \$660,000 annually to compensate EDA for our work in reviewing, closing, and monitoring all financing under these programs. On January 25, 2011, the EDA Policy Committee approved the EE RLF program parameters; the EIGGF revised program parameters, and an increased interest rate under the CEMF with new success recapture language.

Staff is also discussion with the Department of Environmental Protection regarding the reassignment of approximately \$7 Million in remaining uncommitted EDA Global Warming Solutions Funds monies (“GWSF”) funds towards the EE RLF¹.

Recommendation 1: Approve EDA-BPU Clean Energy Program Master MOU

This newly revised MOU is now attached in substantially final form for the Member’s consideration. The most significant differences from the earlier versions are as follows:

- (i) Master MOU to supersede and replace all prior MOUS between the EDA and the BPU regarding the joint administration of the Clean Energy Programs contained herein;
- (ii) Agreement that EDA will no longer provide any assistance to the BPU in connection with the following discontinued programs: the Combined Heat and Power program using Retail Margin Fund Monies, the Renewable Energy Grid Connected

¹ EDA GWSF Funds had been previously utilized to support the EDA Clean Energy Solutions Capital Investment Loan/Grant (“CESCI”) program, since closed.

program, any other clean energy programs referenced in a prior MOU that were discontinued by BPU (e.g., Renewable Energy Business Venture Financing Assistance programs and Renewable energy Grants and Financing Programs);

(iii) Agreement that EDA will provide support to the CEMF, EIGGF, and EE RLF programs that were approved pursuant to the BPU's 2011 Compliance Filing;

(iv) Compensation of \$660,000 annually to EDA for administrative services in support of these programs.

Recommendation 2: Add Edison Innovation Green Growth Fund Program to EDA Product Portfolio

Utilizing \$4 million in 2011 NJBPU program funds, the Edison Innovation Green Growth Fund program will offer assistance in the form of loans and grants of up to \$1,000,000 to Class I Renewable or Energy Efficient clean technology companies that have achieved 'proof of concept' and have begun generating commercial revenues and are seeking matching funding to grow and support their technology business.

With the positive performance of the company, up to 50% of the funding may be converted to a performance grant at the end of year five. Interest rates for this program will be fixed for a five-year term, based on risk profile and location of the company, ranging from 2-10%.

Detailed product specifications are provided in Appendix B.

Recommendation 3: Add Energy Efficiency Revolving Loan Fund Program to EDA Product Portfolio

Utilizing \$18 million in 2011 NJBPU program funds, The EE RLF program will be structured as a companion to the New Jersey Clean Energy Program ("NJCEP") Pay for Performance ("PFP") incentive program, which is designed to provide grant incentives to large commercial and industrial customers who comprehensively upgrade their facilities through investments in energy efficiency. Additionally, should a C&I Large Energy Users ("LEUP") program become available in 2011, customers eligible for that program would also be eligible for the EDA EE RLF program.

The EE RLF program can provide support of up to a maximum 80% loan to support 100% of eligible project costs (inclusive of PFP incentive award granted and all other public state funding sources). Interest rates are tiered to amortization required by the project and range from 2 - 4%. Total EDA program funding would not exceed \$2.5 million per awardee.

Detailed product specifications are provided in Appendix C.

Recommendation 4: Update Clean Energy Manufacturing Fund in EDA Product Portfolio

Utilizing \$11 million in 2011 NJBPU program funds, the Clean Energy Manufacturing Fund program will offer assistance in the form of low-interest loans and grants to companies manufacturing renewable energy, clean and energy-efficiency products in New Jersey.

Initially introduced as a zero percent interest loan program, the updated CEMF 2.0 program will now offer 2% interest loans. Additionally, an “excess earnings” requirement is being added to the program definition to enable program funds to be recycled more effectively. This would require a borrower to make an additional payment toward principal each year in the event that it realizes a specific profit threshold.

Detailed product specifications are provided in Appendix D.

Recommendation:

Staff recommends the approval of the creation of the two new programs (EE RLF and EIGGF) and the updates to the CEMF program. Additionally, Staff recommends the approval of the revised MOU between the EDA and the BPU (attached in substantially final form), and authorizes the execution of the MOU, by the Chief Executive Officer, subject to the review and approval of the Office of the Attorney General.



Caren S. Franzini

Prepared By: Barbara Pierce

APPENDIX A

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

This Clean Energy Program Memorandum of Understanding (“CEP MOU”), made as of this day of _____ 2011 (the “Effective Date”), is by and between the NEW JERSEY BOARD OF PUBLIC UTILITIES (“BPU” or “Board”) through its Office of Clean Energy (“OCE”) and the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY (“EDA” or “Authority”), both instrumentalities of the State of New Jersey (collectively, the “Parties”).

BACKGROUND

WHEREAS, the State’s Economic Growth Strategy calls for meeting the New Jersey’s energy needs through energy efficiency improvements and conservation gains and, as stated in the New Jersey’s Energy Master Plan, it is desirable to fund innovative renewable energy and energy efficiency technologies that will decrease costs, improve reliability and maximize economic and environmental benefits to New Jersey’s ratepayers; and

WHEREAS, as set forth at N.J.S.A. 48:3-49 et seq., the Electric Discount and Energy Competition Act (“EDECA” or “Act”), the BPU, through its OCE, is directed to establish, pursuant to a comprehensive resource analysis of energy programs, funding levels and programs that promote and advance energy efficiency and Class I renewable energy programs; and

WHEREAS, the BPU has conducted a Comprehensive Resource Analysis (now called the New Jersey Clean Energy Program or the “CEP”) as set forth in its Order dated March 9, 2001 and subsequent Orders, which determined the annual funding level for, and established programs to encourage, energy efficiency and Class I renewable energy programs; and

WHEREAS, as set forth under N.J.S.A. 34:1B-1 et seq., the EDA is authorized to provide financial assistance to encourage construction and improvement projects that create jobs and benefit the public, and more specifically, to promote energy saving improvement projects in the State of New Jersey; and

WHEREAS, because of EDA’s expertise in financial matters, BPU has asked the EDA to assist the OCE by rendering administrative and related financial services for certain clean energy program initiatives since October 2003; and

WHEREAS, in connection with the EDA providing administrative services to OCE for the CEP, the Parties have entered into numerous agreements, and amendments thereto (collectively the “Prior MOUs”), setting forth the respective roles and responsibilities of each such Party in connection with the joint implementation of these programs, as further summarized in Schedule A attached hereto; and

WHEREAS, pursuant to New Jersey’s Clean Energy Program 2011 Program Descriptions

and Budgets, dated December 1, 2010 (“2011 Compliance Filing”), which was approved by the BPU Board in an Order, dated December 22, 2010 (Docket Nos. EO07030203 & EO10110865) (“2011 Order”), the BPU has established the 2011 funding levels for energy efficiency and renewable energy programs; and

WHEREAS, as reflected in the 2011 Compliance Filing and 2011 Order, it is the intent of the BPU for the EDA to continue to render administrative and related financial services in connection with certain clean energy program initiatives; and

WHEREAS, as a result thereof, the Parties wish to update their respective roles and responsibilities as set forth in the Prior MOUs with regard to administering the various clean energy programs.

NOW THEREFORE, in consideration of the promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

I. EDA-ASSISTED CLEAN ENERGY PROGRAMS

The Parties agree that the EDA will provide certain assistance to OCE in connection with administering the following three BPU programs: i) Edison Innovation Clean Energy Manufacturing Fund (“CEMF”); ii) Edison Innovation Green Growth Fund (“EIGGF”); and iii) Clean Energy Solutions Energy Efficiency Revolving Loan Fund (“EERLF”)(collectively the “EDA-Assisted Clean Energy Programs”). EDA has previously assisted in administering the CEMF Program pursuant to the terms and conditions set forth in the Prior MOUs. EIGGF and EERLF are both new initiatives.

The Parties further agree that EDA will no longer provide any assistance to BPU in connection with the following programs

i) the combined heat and power program using Retail Margin Fund monies, which was the subject of the agreement between the EDA and the BPU, dated July 15, 2009. This program is no longer operating due to a depletion of program funds.

ii) the Renewable Energy Grid Connected Program, which was the subject of the agreement between the EDA and the BPU, dated August 25, 2010. BPU has decided to retain the administration of this program.

iii) any other clean energy program which may have been referenced in any Prior MOU (including but not limited to the Renewable Energy Business Venture Financing Program and the Renewable Energy Grants and Financing Program),except to the extent that there may still be continuing monitoring or other obligations on the part of the EDA under a Prior MOU. These programs were discontinued by BPU in 2007 and the Parties believe that all outstanding grants were either paid or terminated in 2010.

It is the intention of the Parties that all of the Prior MOUs shall hereby be deemed to be terminated and that this CEP MOU shall serve to supersede and replace all such Prior MOUs between the EDA and BPU regarding the joint administration of the clean energy programs referenced therein, except as expressly set forth hereinabove. Notwithstanding anything herein to the contrary, the Parties agree that nothing herein shall be deemed to affect the

validity or enforceability of the memorandum of understanding entered into between the EDA and BPU, dated February 10, 2010 and amended on September 13, 2010, regarding the joint administration of the combined heat and power program funded through Federal monies obtained under the American Reinvestment and Recovery Act of 2009.

II. TRANSFER OF FUNDS

The Parties acknowledge that EDA currently possesses approximately \$23,444,729 in 2010 carryover CEMF Program funds. The 2011 Order approved an aggregate of \$33 million in new funds for the implementation of the EDA-Assisted Clean Energy Programs. The proposed allocation set forth in the 2011 Order is as follows: \$11 million to CEMF; \$4 million to EIGGF; and \$18 million to EERLF. BPU agrees that it shall remit these funds to the EDA after receiving a formal request from them in two separate tranches, payable as follows: half of these funds, or \$16.5 million, shall be paid to the EDA on or before April 1, 2011 or within 30 days of the MOU approval by both Parties, which ever is earlier; and ii) the remaining \$16.5 million shall be paid to the EDA on or before September 1, 2011. Accordingly, on or about the stated due dates, BPU/OCE shall effectuate the transfer of funds to the EDA pursuant to the terms and conditions of this Section II. Such transfer of funds shall be subject to State appropriations law.

III. PROGRAM CRITERIA

The Program Guidelines for the CEMF, EIGGF and EERLF Programs that were approved pursuant to the 2011 Compliance Filing are attached hereto as Schedules B, C and D, respectively, and are all made a part hereof. The BPU will apply technical criteria, and the EDA will apply business criteria, in determining whether an applicant meets the requirements as set forth in the applicable Program Guidelines and any solicitation that may be issued in connection therewith.

IV. BPU/OCE DUTIES

The BPU, through the OCE, will have the exclusive responsibility of ensuring that all clean energy initiatives to be funded pursuant to this CEP MOU satisfy Clean Energy Program requirements under EDECA and Board Orders issued thereunder. The BPU, through the OCE, shall carry out the duties set forth in the 2011 Compliance Filing and as further summarized below.

- A. Jointly publicize and market with the EDA the EDA-Assisted Clean Energy Programs. Such publicity shall include but not be limited to public notices of grant and or loan availability.
- B. Determine the technical criteria, consistent with EDECA, Board Orders issued thereunder, and other authority, including but not limited to applicable Treasury requirements that will need to be met by applicants to the EDA-Assisted Clean Energy Programs.
- C. Screen the pre-applications regarding technical eligibility, notifying both the

- applicant and the EDA of the results of the screening.
- D. Once the EDA has reviewed the full application for completeness and forwarded it to OCE, review full applications to determine if they meet technical criteria for eligibility.
 - E. Participate in meetings of Clean Technology Advisory Committee or subcommittees to assist in determining which applications should be recommended for funding, based on the ability of the applicant to promote and satisfy BPU program eligibility criteria and the amount of financial assistance requested.
 - F. Provide technical review, including but not limited to review of milestone activity, and any technical assistance needed by the EDA for the underwriting process, including but not limited to making site visits.
 - G. After receiving the due diligence underwriting analysis and recommendations from the EDA, promptly prepare and submit application packages for BPU Board review and consideration at its earliest practicable regularly scheduled Board meeting.
 - H. Approve or reject applications (BPU Board action), notifying the EDA of the BPU determination before the EDA proceeds to closing on loans or grants.
 - I. Notify applicants, jointly with EDA, if their applications have been accepted or rejected.
 - J. Support EDA in drafting press release and any other public announcements relating to applications.
 - K. For approved applications, develop with the EDA milestones to be met, monitor milestone activity and advise applicants and the EDA of changes that impact recovery of loan and/or grant funds.
 - L. Work cooperatively with EDA staff and the project applicant to complete funding agreements promptly, making best efforts to complete the review of draft funding agreements within 30 days of receipt from the EDA.
 - M. Work in collaboration with the EDA to facilitate all aspects of the program delivery, including annual review of all financial reporting by applicants receiving funding.
 - N. Effectuate the transfer of funds pursuant to the terms and conditions detailed in Section II above.

V. EDA'S DUTIES

The EDA will use funding from the EDA-Assisted Clean Energy Programs to leverage private sector capital and financial tools to fund clean energy projects in collaboration with the BPU. The EDA shall carry out the administrative duties set forth in 2011 Compliance Filing and as further set forth below.

- A. Jointly publicize and market with the BPU the EDA-Assisted Clean Energy Programs. Such publicity shall include but not be limited to public notices of grant and or loan availability.
- B. Develop, with advice from BPU staff, standard application forms, such as pre-application forms and full technical and business applications forms and disseminate to applicants.
- C. Develop standard funding agreements.
- D. Serve as the point of contact for applicant inquiries.
- E. Receive pre-applications and applications, review for administrative completeness

- (including compliance with political contribution disclosure requirements), and submit to BPU for screening for technical eligibility.
- F. Participate in meetings of Clean Technology Advisory Committee or subcommittees to assist in determining which applications should be recommended for funding, based on the ability of the applicant to promote and satisfy BPU program eligibility criteria and the amount of financial assistance requested.
 - G. Prepare due diligence underwriting analysis and determine, consistent with EDA operating authority, whether the application is financially feasible.
 - H. Submit due diligence underwriting analysis of projects and provide recommendations for BPU Board review.
 - I. After the BPU Board determination on application, notify applicant, jointly with BPU, if the application has been accepted or rejected.
 - J. Send draft funding agreements to the BPU for comment and review.
 - K. Finalize funding agreements to the execution by the BPU; and
 - L. Send fully executed funding agreements to applicants, with a copy to the BPU.
 - M. Close and disburse funds to grant recipients and borrowers upon prior written instruction from the BPU or designee as to the amount of each disbursement.
 - N. Draft press releases and any other public announcements relating to applications in consultation with BPU.
 - O. For approved applicants, develop with the BPU the milestones to be met, monitor milestone activity and advise applicants and the BPU of changes that impact recovery of loan and/or grant funds.
 - P. Adjust milestones provided that no cost extension is required and notify BPU in conjunction with notifying customers of any approved milestones via email.
 - Q. Work in collaboration with the BPU to facilitate all aspects of the program delivery, including annual review of all financial reporting by applicants receiving funding.
 - R. In addition to the foregoing, the EDA shall use its best efforts to complete each closing within 60 days of OCE's completion of its duties listed in Section IV or 60 days from the time the grant recipient/borrower meets EDA closing conditions, whichever is later. The Parties acknowledge that certain activities related to the EDA's obligations are not within the EDA's control and that the EDA shall not be responsible for any delays or postponements related to such activities.
 - S. Monitor compliance with prevailing wage requirements: P.L. 2009, c. 203

VI. FURTHER EDA ADMINISTRATIVE SERVICES

A. Use of EDA Information Technology Services

1. Process all project information;
2. Process all loan and grant disbursement requests;
3. Maintain a lockbox to receive loan repayments;
4. Process all projects related repayments received;
5. Generate standard monthly reports (e.g., balance statements and interest receivable);
6. Generate monthly payment and receipt reports;
7. Comply with BPU IMS accounting and reporting requirements; and
8. Generate quarterly CEMF, EIGGF and EERLF Program projections.

B. Controller

1. Prepare and account for check and wire disbursements;
2. Account for all receipts;
3. Submit a note balance and accrued interest receivable report;
4. Respond to state auditor inquiries as necessary;
5. Assist in the audit process;

Maintain EDA-Assisted Clean Energy Program monies, including repayment proceeds, in an interest bearing account.

Repayment proceeds shall revolve to the CEMF, EIGGF or EERLF, as applicable, and shall only be utilized for projects that meet the requirement of the individual EDA-Assisted Clean Energy Program and shall be accounted for in any future budget requests program filings.

C. Special Loan Management

Oversee all funds that are problem/non-performing until final collection and/or change-off.

D. Advisory Committee

Form a Clean Technology Advisory Committee or other such committee as jointly defined by BPU and EDA, whose membership may include EDA, OCE, market managers and/or other governmental entities and industry volunteers.

E. Deputy Attorney General

Provide the use of an EDA-assigned Deputy Attorney General to assist in document review, closing, and Special Loan Management in the legal aspects of the collection and restructure efforts.

VII. PROJECT CHANGES AFTER BPU APPROVAL

A. BPU hereby agrees that EDA staff may approve, in a timely manner, the following proposed changes to a BPU Board approved EDA-Assisted Clean Energy Program project, for which approval the Authority shall not be entitled to receive any additional compensation other than as set forth in Section IX of this CEP MOU. The EDA shall give the BPU timely notice of any approvals its renders in connection with this provision.

a) change in key financial personnel, provided that the replacement personnel has equivalent experience as the personnel who is being replaced and is otherwise qualified for the position;

b) amendment to project milestones, provided that the milestones involve the satisfaction of business and/or financial criteria;

c) deviation from the approved budget and adjustments between cost categories, provided that they do not result in an increase in program financing or increase or decrease the overall budget by more than 25%;

d) additional indebtedness from third parties, provided that the additional indebtedness does not affect the priority of any lien held by BPU and is not greater than 10% of the overall cost of the project;

e) commitment letter extensions not to exceed three months;

f) payment moratoriums not to exceed six months;

g) collateral releases provided that the value of such collateral does not exceed more than 10% of the current outstanding loan value;

h) collateral substitutions provided that the value of the substitute collateral is equal to or greater than the value of the collateral to be substituted;

i) review and approval of invoices, provided that they involve payment for business and/or financial-related expenses;

j) review and approval of recipient's financial management system;

k) review and approval of recipient's request to use Tranche II funds for Tranche I purposes (for CEMF projects only);

l) review and approval of recipient cost-sharing requirements, if any;

m) determination of commencement of commercial operations (for CEMF projects only);

n) receipt of amendments and/or supplements to project proposals, with copy sent by EDA to BPU;

o) review and approval of amendments and/or supplements to project proposals if they involve business and/or financial-related changes;

p) review and approval of recipient requests to issue additional stock, declare company dividends and transfer excess cash;

q) upon a determination by BPU to call an event of default or to exercise any rights and/or remedies set forth in the financing documents, preparation and transmittal of appropriate notice(s) to recipient; and

r) routine business/financial decisions involving no risk of loss.

B. The Parties agree that the following decisions shall be considered by the BPU, upon recommendation by the EDA:

- a) if there is damage to or destruction of the project, whether insurance proceeds should be used to repair the project or pay down the loan;
- b) whether to approve a recipient request to move collateral from the project site out of the ordinary course of business;
- c) whether to approve a recipient request to assign its interest in the project facility to a third party;
- d) whether to approve a recipient request to merge with another entity or dispose of most of its assets; and
- e) whether to approve a recipient request to change the operating control or ownership of the company.

VIII. COOPERATION BETWEEN EDA AND BPU/OCE

The Parties hereto acknowledge that the successful completion of each Party's duties hereunder and the achievement of the mission of EDECA will require cooperation. The Parties agree to work cooperatively to achieve the purposes of this CEP MOU.

IX. COMPENSATION

Pursuant to the 2011 Compliance Filing and 2011 Order, the BPU approved a total annual administrative fee in the amount of \$660,000 payable to the EDA for services rendered as follows: i) \$240,000 for the CEMF Program; ii) \$60,000 for the EIGGF Program; and iii) \$360,000 for the EERLF Program. The Parties agree that such annual amount of \$660,000, which shall be retroactive to January 1, 2011, shall be payable to the EDA each year during the term of this MOU, unless otherwise mutually agreed to by the Parties. The Parties further agree that payment shall be made on a monthly basis on the first day of each month (except as otherwise noted below with respect to the first payment) in the amount of \$55,000. The first payment shall be made upon full execution of this MOU and shall be in the amount of \$55,000, representing the January payment.

X. MISCELLANEOUS

- A. This CEP MOU is being entered into for the sole purpose of evidencing the mutual understanding and intention of the Parties. There are no third-party beneficiaries of the CEP MOU.

B. This CEP MOU shall be effective as of the date hereinabove written and, unless terminated sooner as set forth in Subsection C herein, shall continue until terminated upon mutual written agreement of both Parties.

C. Each Party shall have the right to terminate this CEP MOU upon 30 days prior written notice to the other Party. In the event of such termination, all responsibilities for administering and enforcing the terms and conditions of the EDA-Assisted Clean Energy Programs shall be with the BPU.

D. The Parties may modify or amend this CEP MOU only by a writing signed by both of the Parties. The staff of the Parties may modify the Program Guidelines for specific programs, consistent with their delegated authority, only upon a writing signed by the authorized staff from each Party.

E. The recitals appearing in the Background Section are made part of this CEP MOU and are specifically incorporated herein by reference.

F. BPU and EDA shall provide to each other any and all documents requested by the other Party in connection with the specific awards made under this CEP MOU, subject to claims of attorney-client and/or deliberative privilege.

G. The BPU and the EDA shall administer their responsibilities under this CEP MOU consistent with New Jersey Department of Treasury requirements, to the extent applicable.

H. This CEP MOU may be executed in duplicate parts, each of which shall be an original, but all of which shall together constitute one (1) and the same instrument.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

By: _____
Caren Franzini, Chief Executive Officer

DATE: _____

NEW JERSEY BOARD OF PUBLIC UTILITIES

By: _____
Lee A. Solomon, President

DATE: _____

APPENDIX B

Product Description Edison Innovation Green Growth Fund (“EIGGF”)²

Product Family: Loan/Grant (up to 50%)

Approval Authority: NJBPU Board

Funding Source: \$4M, NJBPU CEP

Eligibility:

- NJ Technology company and meet the BPU-interpreted definition of Class 1 Renewable or Energy Efficient technology
- Must have commercial revenues
- Business employs 75% of its W-2 employees in New Jersey or will commit to growing 10 high paying jobs in New Jersey over 2 years (minimum salary of \$75K)
 - 1099 employees are not eligible
- Company has a management team that works full time(W-2) only at that company and has applicable industry experience
- A management team or working founders with a financial investment in the company
- Company must have strong intellectual property position and/or satisfactorily available collateral and cash flow

Uses:

- Growth Capital

Terms/Conditions:

- Required 1:1 matching funds in the form of equity or deeply subordinated debt
- Both technical and experienced business owners to be part of the management team
- Subordinated convertible note
- Interest rate (no warrants) based on risk profile and location of the company, ranging from 2-10%
- 5 year term, up to 5 year interest only
- The 2%-interest loan is subordinate in collateral position to the company’s existing senior debt

Maximum/Limits:

- 50% grant, 50% loan
- Up to \$1MM, with a 1:1 cash match

Program Fees: (applicant)

- None

² Key difference from program introduced at 1/29/10 Policy Ctee is reduction from \$2M maximum to \$1M

APPENDIX C

Product Description Energy Efficiency Revolving Loan Fund (“EE RLF”)

Product Family:	Loan
Funding Source:	\$18M, NJBPU CEP; ~ \$7M GWSF/RGGI (TBD)
Approval Authority:	NJBPU Board (CEP funds); EDA Board (GWSF)

Eligibility:

- NJ-based Commercial, Institutional or Industrial entity (including 501c-3s)
- Business should create or maintain jobs in New Jersey
- BPU energy audit requirement (Approved Energy Reduction Plan as defined under NJBPU PFP – peak demand of at least 100kw and 15% minimum energy reduction or custom savings threshold amount as otherwise defined under PFP)
 - If Large Energy Users (“LEUP”) program become available in 2011, entities also eligible

Uses:

- Energy Efficiency Whole Building C&I Projects (retrofit and new construction)

Maximum/Limits:

- Minimum loan \$250K
- Maximum 80% loan to support 100% of eligible project costs inclusive of BPU PFP rebate and all other public state funding sources³
- Total EDA program funding cannot exceed \$2.5MM per applicant regardless of # of sites including related entities (25% ownership)

Terms/Conditions:

- Loan Interest Rate:
 - 2%; amortization up to 3 years
 - 3%: amortization up to 5 years
 - 4% : amortization up to 7 years
- Minimum 1.1:1 DSCR
- Personal guarantees required for any person or entity with 10% or more ownership in project
- Applicant must provide evidence of source of funds needed to complete project.
- EDA to take lien on equipment to be financed, lien on business assets and/or collateral

Program Fees: (applicant)

- None

³ Loan actual is based on amount of BPU PFP rebate and other public state funding sources. Example: \$400,000 eligible project costs and PFP is \$100,000. Maximum EDA loan would be \$300,000.

APPENDIX D

Product Description Clean Energy Manufacturing Fund 2.0 (“CEMF 2.0”)⁴

Product Family:	Loan/Grant
Funding Source:	\$11M NJBPU CEP
Approval Authority:	NJBPU Board

Eligibility:

- A qualified manufacturer of Class I Renewable Energy or Energy Efficiency systems, products or technologies in New Jersey
- Products manufactured contribute to the cost-competitiveness of renewable energy and energy efficiency in New Jersey, and other tangible ratepayer benefits, such as economic development and environmental benefits, from either the production or the direct use of the company’s products.
- Preference will be given to those projects that demonstrate a greater percentage of the project being designed, manufactured, processed, assembled or made ready for commercial sale at the company’s project facility within New Jersey.
- Company must be a for-profit entity and may include corporate joint ventures.
- Company must plan to manufacture eligible products in New Jersey and be entering or expanding within the manufacturing stage of commercial (not prototype) development.
- Applicant must have a full-time management team who works only at the applicant company and consists of W-2 employees. The full-time W-2 management team must include at least one individual with applicable manufacturing industry operating experience (to be detailed in supplied business plan).
- A minimum 50% cash match of total project costs from non-state grants, loans, or equity, is required for both CEMF components

Uses:

- Project assessment and design, and project construction and operation, associated with a new manufacturing line or the material expansion of an existing line of a New Jersey manufacturing facility

Maximum/Limits:

- Up to \$3.3 million in grants and 2% interest loans under 2 separate components:
 - **Project Assessment and Design Grant** – Up to \$300,000, not to exceed 10% of total CEMF project funds requested, is available as a grant to assist with the manufacturing site identification and procurement, design, and permits. Twenty percent of the grant is available up front as seed funds at closing.

⁴ Key difference from original CEMF program is introduction of 2% interest and excess earnings success language

- **Project Construction and Operation 2%-Interest Loan** – Up to \$3 million is available as a 2%-interest 10-year loan, with repayments to start at the beginning of the 4th year, to support site improvements, equipment purchases, and facility construction and completion. One-third of the loan, up to \$1 million, may convert to a performance grant if business and technology-based milestones specific to each company are met during the first three years. No more than one-half of the funds may be advanced prior to commercial production on the manufacturing line.

Terms/Conditions:

- Loan Interest Rate: 2%; amortization up to 10 years
- The 2%-interest loan is subordinate in collateral position to the company's existing senior debt. A subordinate mortgage may be required to secure the CEMF financing if the applicant or related party is the owner of the real property housing the manufacturing financed
- Repayment starting on first month of year four, with interest accruing in prior periods
- "Excess Earnings" provision - Based on Borrower fiscal year CPA-prepared audited year end financial statements that include month 37 of the closed CEMF 2.0 loan, an amount equal to 10% of net profit after taxes, prior to any distributions or withdrawals, plus noncash expenditures (inclusive of depreciation and amortization expense) of the Borrower minus current maturities of long term debt shall be required to be remitted to the EDA on an annual basis within 30 days of submission of the CPA-prepared audited financial statement. This additional payment shall be applied to the outstanding principal balance of the awardee's note, but will not alter the established amortization schedule. Failure to pay will be considered an event of default and will be subject to all rights and remedies provided in the loan agreement.

Program Fees: (applicant)

- None

DIRECT LOANS

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - DIRECT LOAN PROGRAM**

APPLICANT: Harry's Oyster Bar, LLC

P35002

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: Park Place and the Boardwalk Atlantic City (T)

Atlantic

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

APPLICANT BACKGROUND:

Harry's Oyster Bar, LLC, ("Harry's" or the "Company") is a certified Women Business Enterprise that was formed in May 2009 to design, develop and operate a new restaurant and bar specializing in fresh, high quality, affordable seafood.

This project involves the lease and renovation of vacant space and courtyard at the Bally's Park Place Casino Hotel, Inc., d/b/a Bally's Atlantic City ("Bally's") into a 260 seat seafood restaurant and bar called Harry's Oyster Bar.

APPROVAL REQUEST:

Approval is requested for the Authority to (1) issue a \$1.5 million non-recourse note that will be purchased by CRDA and assigned to Bally's without recourse to the Authority; (2) use the proceeds of the non-recourse note sale and make a direct loan to Harry's for the purposes set forth in the lease agreement; (3) assign the EDA loan documents with Harry's to CRDA (subject to reserved rights), which will then assign them to Bally's; and (4) execute any and all documents necessary for this transaction, including a Memorandum of Understanding with CRDA and Bally's.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: \$1,500,000

TERMS OF LOAN: \$1,500,000 loan to be repaid over a term of 10 years at an interest rate of 0%.

PROJECT COSTS:

Renovation of existing building	\$1,057,000
Purchase of equipment & machinery	\$635,000
Engineering & architectural fees	\$120,000
Soft Costs	\$88,000
TOTAL COSTS	\$1,900,000

JOBS: At Application 0 Within 2 years 36 Maintained 0 Construction 32

DEVELOPMENT OFFICER: D. Bennis

APPROVAL OFFICER: D. Lawyer

MAIN STREET ASSISTANCE PROGRAM

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - MAIN STREET ASSISTANCE PROGRAM PROGRAM**

APPLICANT: C.G.T. Construction, Inc. and American Air Systems Group, Inc. P35157

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 10 Franklin Ave.

Edison Township (N)

Middlesex

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

APPLICANT BACKGROUND:

C.G.T. Construction, Inc. ("CGT") is a full-service construction manager/general construction company offering an extensive range of services including turnkey operations, general contracting, consulting, and project management. The company was established in 1993 by the current owner, Thomas P. O'Connell. CGT provides carpentry, framing, drywall, plumbing, and HVAC services through its affiliate companies, American Air Systems Group, Inc. ("AASG") and ACG/CGT, Inc.

CGT has completed numerous projects throughout New Jersey and New York. In past years, they have completed large renovations and new construction for a variety of auto dealers, as well as building several car washes. With the downturn in the economy, the company has worked to diversify their customer base outside of the automotive industry. During the past two years, CGT has been working on attracting new customers. Current contracts in progress indicate success in obtaining various government and municipal jobs.

CGT and AASG are requesting an increase to their existing \$300,000 line of credit. Proceeds will be used to fund additional working capital needs.

APPROVAL REQUEST:

Approval is requested for a 50% guarantee not to exceed \$250,000 of a \$500,000 working capital line of credit from Peapack-Gladstone Bank.

FINANCING SUMMARY:

LENDER: Peapack-Gladstone Bank

AMOUNT OF LOAN: \$500,000 bank loan with a one year, 50% guaranty of principal outstanding not to exceed \$250,000.

TERMS OF LOAN: A one year line of credit, priced at a floating rate of Prime +1.5%, with a floor of 5%

PROJECT COSTS:

Working capital	\$500,000
Finance fees	\$3,075
TOTAL COSTS	<u><u>\$503,075</u></u>

JOBS: At Application 10 Within 2 years 6 Maintained 10 Construction 0

DEVELOPMENT OFFICER: D. Johnson

APPROVAL OFFICER: K. Tolly

CAMDEN ECONOMIC RECOVERY BOARD



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: March 8, 2011

RE: Community Loan Fund of New Jersey, Inc. t/a New Jersey
Community Capital (NJCC) – Camden POWER, P35126

Request

The Members of the Authority are asked to approve the funding authorization for a \$500,000 non-recoverable grant under the Residential Neighborhood Financing Fund established through the Municipal Rehabilitation and Economic Recovery Act (Act) to NJCC to be used for lending to small businesses in Camden in conjunction with funding from the US Department of Energy (US DOE) to provide for energy efficiency through a new innovative program called Camden POWER (Program Offering Widespread Energy Recovery). The structure of this request is an exception to the ERB Guide to Program Funds (Guide) which indicates funding for commercial projects can be provided in the form of loans for up to 30% of the project costs to fund the “gap” amount needed to allow the project to proceed. This exception is recommended to allow the ERB funding to revolve in perpetuity with all of the other public funds in the program.

Background

In December, 2009 the City of Camden applied to the US DOE for \$10 million under the Energy Efficiency Conservation Block Grant (EECBG). The primary objective of the EECBG funds is to provide energy efficiency retrofits for homeowners and business owners. Camden POWER will combine EECBG-funded retrofits with repairs for life safety hazards and code violations using leveraged partner funds and will implement these upgrades through a sustainable delivery system.

POWER’s goal is to address traditional financial barriers impacting participation of low-income residents and business owners by utilizing innovative strategies to provide energy efficiency upgrades by facilitating the use of grant funds, in conjunction with existing programs to provide rebates, income-based forgivable loans and 0% repayable loans for costs that are traditionally required to be paid up front.

As part of the EECBG application, the ERB provided a letter of support indicating it would seek approval of \$2 million to leverage federal funds, of which \$1.5 million would be allocated to the residential component of the program and \$500,000 would be allocated for owner-occupied commercial businesses.

In April, 2010 the City was awarded \$5 million from the US DOE for Camden POWER. The Grant Agreement was signed in May, 2010. The chart below provides a breakdown of the \$5 million grant and the funds leveraged by the grant for use in both the residential and commercial components of the project approved by the USDOE.

<u>Sources</u>	<u>Residential</u>	<u>Commercial</u>
US DOE	\$2,721,252	\$2,278,748
ERB	1,500,000	500,000
BPU Rebate for Home Performance Energy Star	480,000	
Community Loan Fund of New Jersey		750,000
Camden County Improvement Authority		250,000
<u>Total Sources</u>	<u>\$4,701,252</u>	<u>\$3,778,748</u>
<u>Uses</u>		
Renovations/Improvements of Residences *	\$2,655,000	
Revolving Loan Fund		\$1,750,000
Loan Loss Reserve		1,000,000
Interest Reduction Grant		540,936
Program Delivery Services	1,042,500	220,000
Administration Fee	112,500	
Counseling – Organization TBD	180,000	90,000
City of Camden – Capacity and Admin. Cost*	682,362	170,590
City of Camden – Supplies, Equipment, Travel*	28,890	7,222
<u>Total Uses</u>	<u>\$4,701,252</u>	<u>\$3,778,748</u>

* These costs are allocated at 80% for residential program and 20% for commercial program.

As the chart demonstrates, the \$5 million US DOE grant leverages funds to provide a total budget in excess of \$8.4 million.

Applicant

Founded in 1987, NJCC is a New Jersey 501(c) (3) nonprofit, Community Development Financial Institution (CDFI) that provides innovative loans, grants and equity to organizations that support housing and sustainable community development ventures. NJCC offers loan capital to business and socially responsible organizations that are committed to creating positive change in low-to-moderate income communities throughout New Jersey.

NJCC is dedicated to revitalizing neighborhoods through flexible financing, technical assistance and consulting services. It extends credit to borrowers that often do not meet traditional mainstream lending criteria. Over the last two decades, NJCC has grown from a small loan fund dedicated to financing affordable housing development, to a multi-faceted community investment group providing capital to high-impact projects that deliver a significant financial and social rate of return in their communities. NJCC is a recognized leader in community development with assets under management totaling approximately \$169 million.

Project Summary

POWER is an energy efficiency retrofit program for homeowners and businesses in the City of Camden. The residential component of POWER will be initially focused in three neighborhoods; Cramer Hill, Gateway and Parkside and over four Census tracts (6002, 6009, 6010 and 6014) in order to forward the "whole-neighborhood" retrofit mission. The commercial component is available citywide. The goal is to complete energy efficient retrofits on at least 160 homes and 40 businesses, along with continuing energy-efficient upgrades in the focus area and throughout the City. The POWER program seeks to transform energy efficiency and stimulate the local and regional economy through creation and/or retention of jobs.

For the commercial component of this program, the City of Camden, through a competitive bid process, selected NJCC to administer a \$1.750 million revolving loan fund to service business owners, with a loan loss reserve of \$1,000,000 and an interest rate reduction grant of \$540,936. NJCC will administer this revolving loan program funded by \$250,000 in DOE grant funding from the City of Camden, a \$250,000 DOE Grant from Camden County, \$750,000 from NJCC and the proposed \$500,000 in ERB funding. The \$1.25 million will be used for installing and retrofitting energy efficiency products and equipment. The ERB funding of \$500,000 is essential to the program's success and will be used to address structural issues involved with code violations and life safety issues of these small businesses.

The City is seeking to utilize the services of CRA/UEZ to market the program to businesses in the City and to handle the intake process to ensure the applicants' eligibility for the program. Once applicants are identified, CRA/UEZ will work with the applicants, informing them of the available programs to assist them. The City is in the process of identifying a construction manager who will schedule the energy audits conducted by PSE&G, BPU and other approved, certified auditors and oversee the installations. Once the audits are accomplished and all the necessary paperwork is completed, CRA/UEZ will submit the results to NJCC for underwriting.

NJCC will conduct its due diligence in underwriting the business and the owners, determining credit worthiness for a loan to cover the costs of the needed improvements/repairs. The terms of the financing will be dependent upon the needs. Based on NJCC's existing credit standards, the loans will be secured by business assets, i.e., UCC liens, mortgages and/or personal guarantees. Loan terms will typically range from 5 to 7 years with interest rates ranging from 4% to 5%. In addition, NJCC will partner with the UEZ to leverage \$1,000,000 in commercial façade restoration. Business owners will be able to utilize up to \$16,000 on repairs and visual improvements to the street frontage of their establishments. With energy efficient retrofits, life safety repairs and façade improvements, POWER will be a one-stop overhaul of eligible businesses in Camden.

Project Budget

NJCC’s sources and uses for this project as follows:

Sources

City of Camden (DOE Grant – DOE Revolving Fund)	\$250,000
CCIA DOE Grant	250,000
DOE Loan Loss Reserve	1,000,000
DOE Interest Reduction Grant	540,936
ERB (Non recourse loan)	500,000
New Jersey Community Capital	750,000

Total Sources **\$3,290,936**

Uses

Small Business Lending	\$2,290,936
Loan Loss Reserve for Fund	1,000,000

Total Sources **\$3,290,936**

Contingencies

- 1) Receipt and satisfactory review the Management Agreement between the City of Camden and the Program Administrator.
- 2) Receipt and satisfactory review Sub-recipient Agreement between the City of Camden and NJCC.

Disbursements

Disbursement of funds will be made to NJCC in three tranches. The first tranche of \$166,666 will be disbursed upon closing, with each subsequent tranche being disbursed when 75% of the preceding tranche has been committed. NJCC will subsequently disburse funds directly to the business applicants after all improvements are completed and inspected.

The funding per business will be approximately \$57,273 of which ERB funding for each unit will be approximately \$12,500 depending on the life safety issues/code violations.

Security and Repayment

The ERB funding to NJCC will be in the form of a non-recoverable grant for three years. NJCC will create and service a revolving loan fund for the program. The funding to the individual businesses will be in the form of commercial loans at a rate of approximately 4% to 5% for a maximum term of 7 years secured by business assets. Loan payments and/or proceeds from collateral collections from the individual businesses will be re-invested in the revolving loan fund. The loan loss reserve will be used to cover any shortfall. NJCC will utilize their own loan documents for the program.

Project Eligibility and Benefits

The project is eligible for funding under ERB’s general criteria for project financing (#1a, b, c and d) and priority objectives (a, b, c, d and e). There are sufficient funds available for this \$500,000 recoverable grant from the Residential Neighborhood Improvement Fund established by the Act.

Pursuant to the ERB Guide, funding for commercial projects can be provided in the form of loans for up to 30% of the project costs to fund the “gap” amount needed to allow the project to proceed. All of the public dollars in this program are structured as grants to allow NJCC to maximize the amount of the revolving loan fund and thus provide assistance to as many applicants as possible. In order to facilitate this public purpose, an exception to this guideline is recommended to structure the ERB funding to NJCC in the form of a non-recoverable grant so that the ERB funding can revolve in perpetuity with all of the other public funds.

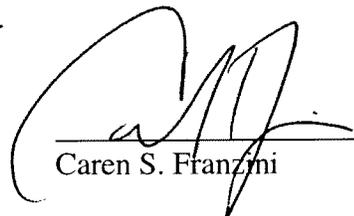
This program provides an innovative approach to renewable energy solutions aimed at improving the economy, the environment and day-to-day lives of Camden residents and business owners. It leverages programs that address life, safety, energy and education needs. Camden POWER also marshals the resources of the community, the City of Camden, the State of New Jersey and the non-profit sector. Camden POWER provides “one-stop” delivery of programs with direct one-on-one assistance to program participants.

The project supports the revitalization of neighborhoods which is identified as a goal of the Strategic Revitalization Plan. The project will improve health and safety conditions for families and businesses, increase property values and household assets, catalyze additional investment, create local employment opportunities, and positively impact neighborhood communities and the environment.

Recommendation

Staff has reviewed the application for consistency with the Act and the Strategic Revitalization Plan adopted by the ERB Board. The project meets all eligibility and statutory requirements and will substantially benefit small businesses in Camden by providing funds to perform life safety and/or code violation improvements in conjunction with energy efficiency retrofits.

The Members of the ERB approved this request at its meeting on February 15, 2011. Accordingly, the Members of the Authority are asked to approve the funding authorization for a \$500,000 non-recoverable grant under the Residential Neighborhood Financing Fund established through the Municipal Rehabilitation and Economic Recovery Act (Act) to NJCC as an exception to the ERB Guide as described herein.



Caren S. Franzini

**PETROLEUM UNDERGROUND STORAGE TANK
PROGRAM**



MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini
Chief Executive Officer
DATE: March 8, 2011
SUBJECT: NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

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

Private Grants:

Anthony Colaluca, Jr. (Boulevard Fuel, Inc)	\$116,872
Michael Markulin	\$172,588
Augusto Palermo.	\$194,075
Mary Piscitelli	\$134,775

Total UST funding for March 2011..... \$618,310

Prepared by: Lisa Petrizzi

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

APPLICANT: Anthony Colaluca, Jr. (Boulevard Fuel, Inc.)

P34469

PROJECT USER(S): Boulevard Fuel, Inc. *

* - indicates relation to applicant

PROJECT LOCATION: 420 Mountain Avenue

Middlesex Borough (N)

Middlesex

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

APPLICANT BACKGROUND:

Anthony Colaluca, Jr. is the sole member of Colaluca Associates, LLC, who owns the project site, which is occupied by Boulevard Fuel, a gasoline station owned by the applicant. The applicant is seeking to perform a well search, groundwater sampling, soil borings, vapor intrusion sampling, and the installation of a groundwater treatment system as well as reporting at the project site. The tank was 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 \$114,938 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$11,494 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: \$116,872

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	\$116,872
NJDEP oversight cost	\$11,687
EDA administrative cost	\$500
TOTAL COSTS	<hr/> <hr/> \$129,059

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: Michael Markulin

P34317

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 284 Hall Avenue

Perth Amboy City (T/UA)

Middlesex

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

APPLICANT BACKGROUND:

Michael Markulin 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 \$172,588 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$17,259 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 \$172,588

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$172,588
NJDEP oversight cost	\$17,259
EDA administrative cost	\$250
TOTAL COSTS	<hr/> \$190,097 <hr/>

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: Augusto Palermo

P30724

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 111 Schanck Road

Freehold Township (N)

Monmouth

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

APPLICANT BACKGROUND:

Augusto Palermo is the owner of the tenant occupied dwelling 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 \$194,075 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$19,408 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\$194,075

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

PROJECT COSTS:

Site Remediation	\$194,075
NJDEP oversight cost	\$19,408
EDA administrative cost	\$250
TOTAL COSTS	<hr/> \$213,733 <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Mary Piscitelli

P30609

PROJECT USER(S): Piscitelli Garage Facility

* - indicates relation to applicant

PROJECT LOCATION: 148 Louis Place

Union Township (T)

Union

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

APPLICANT BACKGROUND:

Piscitelli Garage Facility, owned by Mary Piscitelli, is seeking to perform soil and 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 \$134,775 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$13,478 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: \$134,775

TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act

PROJECT COSTS:

Site Investigation	\$134,775
NJDEP oversight cost	\$13,478
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$148,753 <hr/>

APPROVAL OFFICER: C. Frazier



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: March 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 February 01, 2011 to February 28, 2011

Summary:	# of Grants	\$ Amount
Leaking tank grants awarded	92	\$1,658,438
Non-leaking tank grants awarded	201	\$562,169

Applicant	Description	Grant Amount	Awarded to Date
Abken, Carl (P34868)	Initial grant for upgrade, closure and remediation	\$10,941	\$10,941
Allen, Delores (P34863)	Supplemental grant for upgrade, closure and remediation	\$2,050	\$11,545
Anello, Vincent (P33410)	Initial grant for upgrade, closure and remediation	\$15,086	\$16,326
Barrett, Patricia (P34062)	Initial grant for upgrade, closure and remediation	\$7,929	\$7,929
Basat, Clarence (P32956)	Initial grant for upgrade, closure and remediation	\$51,891	\$51,891
Birnbaum, Erick (P28906)	Initial grant for site remediation	\$9,968	\$9,968
Borkowski, Benjamin (P32010)	Initial grant for upgrade, closure and remediation	\$13,775	\$13,775
Brandli, Thomas (P34860)	Initial grant for upgrade, closure and remediation	\$3,850	\$3,850
Bryans, John (P33741)	Initial grant for upgrade, closure and remediation	\$7,335	\$7,335
Bryant, Louis (P33000)	Initial grant for upgrade,	\$13,648	\$13,648

Applicant	Description	Grant Amount	Awarded to Date
	closure and remediation		
Caligiuri, Paula (P34231)	Initial grant for upgrade, closure and remediation	\$32,469	\$32,469
Cancellieri, Leonard and Helen (P32092)	Supplemental grant for upgrade, closure and remediation	\$39,692	\$86,176
Carfagno, Tina (P34132)	Initial grant for upgrade, closure and remediation	\$2,801	\$2,801
Carver, John (P33603)	Initial grant for upgrade, closure and remediation	\$8,802	\$8,802
Catizone, Luigi (P33572)	Initial grant for upgrade, closure and remediation	\$30,665	\$30,665
Celdo, Marco (P32450)	Initial grant for upgrade, closure and remediation	\$4,366	\$4,366
Christ Episcopal Church (P34322)	Initial grant for upgrade, closure and remediation	\$35,415	\$35,415
Citrone, Jeffrey (P34203)	Initial grant for upgrade, closure and remediation	\$17,145	\$17,145
Cohen, Norine L. (P34219) 67-73 Spring Street, LLC	Initial grant for upgrade, closure and remediation	\$93,194	\$93,194
Cohen, Philip (P34090)	Initial grant for upgrade, closure and remediation	\$5,098	\$5,098
Conley, Timothy (P34136)	Initial grant for upgrade, closure and remediation	\$4,230	\$4,230
Corbett, Joseph (P33653)	Initial grant for upgrade, closure and remediation	\$27,950	\$27,950
Densler, Nancy (P34527)	Initial grant for upgrade, closure and remediation	\$6,591	\$6,591
Dixon, Eleanor (P32167)	Initial grant for upgrade, closure and remediation	\$5,745	\$5,745
Duffy, Diane (P33127)	Initial grant for upgrade, closure and remediation	\$45,650	\$45,650
Durr, Kenneth (P33294)	Initial grant for upgrade, closure and remediation	\$21,402	\$21,402
Eckenrode, Susan (P34540)	Initial grant for upgrade, closure and remediation	\$3,612	\$3,612
Eng, Sui Wah (P32373)	Supplemental grant for upgrade, closure and remediation	\$1,356	\$13,039
Espinosa, Teresita G. (P33536)	Initial grant for upgrade, closure and remediation	\$3,380	\$3,380
Fauls, Gisele (P34612)	Initial grant for upgrade, closure and remediation	\$10,022	\$10,022
Fonseca, Anthony J. (P32170)	Initial grant for upgrade, closure and remediation	\$3,213	\$3,213
Gallagher, Mary (P33719)	Initial grant for upgrade,	\$8,676	\$8,676

Applicant	Description	Grant Amount	Awarded to Date
	closure and remediation		
Gapch, Thomas (P34922)	Initial grant for upgrade, closure and remediation	\$31,738	\$31,738
Garced, Dennis (P34806)	Initial grant for upgrade, closure and remediation	\$27,928	\$27,928
Garcia, Joel and Michael (P33708)	Initial grant for upgrade, closure and remediation	\$99,035	\$99,035
Geardino, Ruthe (P30477)	Supplemental grant for site remediation	\$524	\$75,246
Gerzoff, Doreen (P31620)	Initial grant for upgrade, closure and remediation	\$62,888	\$62,888
Gibson, George P. (P32436)	Initial grant for upgrade, closure and remediation	\$11,589	\$11,589
Glasson, Robert and Joann (P33908)	Initial grant for upgrade, closure and remediation	\$8,190	\$8,190
Grill, Roger (P34408)	Supplemental grant for upgrade, closure and remediation	\$3,209	\$75,489
Haag, Robert (P34239)	Initial grant for upgrade, closure and remediation	\$5,615	\$5,615
Haase, Arthur (P34061)	Initial grant for upgrade, closure and remediation	\$10,204	\$10,204
Hansen, Albert (P34542)	Initial grant for upgrade, closure and remediation	\$6,961	\$6,961
Hoffman, Gloria E. (P34515)	Initial grant for upgrade, closure and remediation	\$17,118	\$17,118
Homoki, James J. (P34109)	Initial grant for upgrade, closure and remediation	\$19,705	\$19,705
Ionata, Dennis P. (P32103)	Initial grant for upgrade, closure and remediation	\$39,249	\$39,249
Jenkins, Shirley A. (P33221)	Initial grant for upgrade, closure and remediation	\$31,803	\$31,803
Kong, Hoi Cheong (P34617)	Initial grant for upgrade, closure and remediation	\$28,722	\$28,722
Law, Robert (P33199)	Initial grant for upgrade, closure and remediation	\$21,704	\$21,704
Leavitt, Kelly (P34627)	Initial grant for upgrade, closure and remediation	\$4,719	\$4,719
Little, Randolph (P34625)	Initial grant for upgrade, closure and remediation	\$6,417	\$6,417
Lynch, Richard and Margaret (P32991)	Initial grant for upgrade, closure and remediation	\$4,388	\$4,388
Makowski, Tom (P33051)	Initial grant for upgrade, closure and remediation	\$10,879	\$10,879
Maurice, Charles (P32810)	Initial grant for upgrade,	\$1,585	\$1,585

Applicant	Description	Grant Amount	Awarded to Date
	closure and remediation		
McDiarmid, Paul (P30697)	Initial grant for upgrade, closure and remediation	\$33,386	\$33,386
McLaughlin, Robert (P30817)	Initial grant for upgrade, closure and remediation	\$2,442	\$14,988
Mitchell, Elena (P32943)	Initial grant for upgrade, closure and remediation	\$12,459	\$12,459
Morales, Winny (P30818)	Initial grant for upgrade, closure and remediation	\$10,886	\$10,886
Morgen, Kelly and Armin (P30812)	Initial grant for upgrade, closure and remediation	\$13,334	\$13,334
Morris, Robert and Alice (P33739)	Initial grant for upgrade, closure and remediation	\$4,571	\$4,571
Mullican, Hilda (P34524)	Initial grant for upgrade, closure and remediation	\$22,232	\$22,232
Osmani, Pajazit (P33408)	Initial grant for upgrade, closure and remediation	\$13,541	\$13,541
Panofsky, Gerda (P34510)	Initial grant for upgrade, closure and remediation	\$18,933	\$18,933
Pastena, Carmela (P34631)	Initial grant for upgrade, closure and remediation	\$13,541	\$13,541
Philipscheck, Susan (P31862)	Initial grant for upgrade, closure and remediation	\$8,278	\$8,278
Phillips, Carol (P33831)	Initial grant for upgrade, closure and remediation	\$16,422	\$16,422
Pietras, Wladyslaw and Malgorzata (P31861)	Initial grant for upgrade, closure and remediation	\$4,835	\$4,835
Powell, Allen (P33753)	Initial grant for upgrade, closure and remediation	\$42,684	\$42,684
Pressley, Joan (P31253)	Initial grant for upgrade, closure and remediation	\$13,038	\$13,038
Priff Jr., William (P33139)	Initial grant for upgrade, closure and remediation	\$1,405	\$1,405
Reformed Church of Linden (P33512)	Initial grant for upgrade, closure and remediation	\$10,475	\$10,475
Rodilosso, Patricia (P34429)	Initial grant for upgrade, closure and remediation	\$16,653	\$16,653
Scelfo, Phyllis (P34352)	Initial grant for upgrade, closure and remediation	\$8,904	\$8,904
Schwarick, William and Blanche (P33700)	Partial initial grant for upgrade, closure and remediation	\$11,498	\$11,498
Segal, Michelle (P32500)	Initial grant for upgrade, closure and remediation	\$9,103	\$9,103
St. Charles Borromeo Parish	Initial grant for upgrade,	\$73,954	\$73,954

Applicant	Description	Grant Amount	Awarded to Date
(Church) (P30914)	closure and remediation		
St. Charles Borromeo Parish (Convent) (P30913)	Initial grant for upgrade, closure and remediation	\$37,284	\$37,284
St. Charles Borromeo Parish (Rectory) (P30912)	Initial grant for upgrade, closure and remediation	\$66,219	\$66,219
Stieh, Donald (P34811)	Initial grant for upgrade, closure and remediation	\$4,600	\$4,600
Storm, Kerry (P34734)	Initial grant for upgrade, closure and remediation	\$17,483	\$17,483
Straigis, Debra L. (P34621)	Initial grant for upgrade, closure and remediation	\$6,117	\$6,117
Stubing, Robert (P34858)	Initial grant for upgrade, closure and remediation	\$31,268	\$31,268
Sullivan, Kelly and Douglas Steen (P33849)	Supplemental grant for upgrade, closure and remediation	\$3,965	\$18,762
Szekula, Anne (P34626)	Initial grant for upgrade, closure and remediation	\$4,970	\$4,970
Thomassen, Leonard (P33394)	Initial grant for upgrade, closure and remediation	\$14,488	\$14,488
Thomson, Diane (P32983)	Initial grant for upgrade, closure and remediation	\$37,486	\$37,486
Torres Gonzales, Ada (P31869)	Initial grant for upgrade, closure and remediation	\$14,242	\$14,242
Umberger, Richard (P33621)	Initial grant for upgrade, closure and remediation	\$7,114	\$7,114
Weigel, Lola and Norman (P32408)	Supplemental grant for upgrade, closure and remediation	\$4,835	\$10,589
Weissman, Christopher and Danielle (P32476)	Initial grant for upgrade, closure and remediation	\$19,009	\$19,009
Westcott, Kathleen (P33715)	Initial grant for upgrade, closure and remediation	\$12,803	\$12,803
Wilson, Michael and Theresa (P32697)	Initial grant for upgrade, closure and remediation	\$11,864	\$11,864

92 Grants

Total Delegated Authority

\$1,658,438

funding for Leaking

applications.

Ablan, Adly Mahmoud (P34011)	Grant to remove an underground storage tank	\$1,508	\$1,508
All Saints Episcopal Church (P34639)	Grant to remove an underground storage tank	\$1,300	\$3,900
Amaral, Maria and Joao C. (P34454)	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
Athanasiadis, Hariton and Kyriaki (P35088)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Avery, Phyllis A. and Charles P. (P35069)	Grant to remove an underground storage tank	\$1,500	\$1,500
Babjak, Charles and Stephanie (P34488)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,705	\$3,705
Bajger, Robin (P35068)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,002	\$3,002
Baratelli, Joseph and Kimberly (P33418)	Partial grant to remove an underground storage tank	\$789	\$789
Barbati, Audrey and Gregory (P35238)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,102	\$3,102
Barrows, James and Donna (P34671)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,570	\$4,570
Becker, Ernst (P34708)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,300	\$3,300
Becker, John W. and Nancy L. (P35064)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Bennett, Mary (P34763)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$653	\$653
Berdowski, Jeannette P. (P35029)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Bloodgood, John (P35105)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,300	\$3,300
Bnos Yisroel School For Girls, Inc. (P31725)	Grant to remove an underground storage tank	\$1,500	\$1,500
Bradbury, Kurt O. and Kelly M. (P33276)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Brinkerhoff, Gary and Teresa (P33590)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Bryan, Greg and Anne Laurent (P35377)	Grant to remove an underground storage tank	\$1,500	\$1,500
Bryant, Raymond G., Jr. and Catherine M (P33597)	Partial grant to remove an underground storage tank and	\$1,400	\$1,400

Applicant	Description	Grant Amount	Awarded to Date
	install an above ground storage tank		
Bryer, Ronald and Linda (P34491)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Bubadias, Thelma (P34660)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Buchanan, Robert W. and Patricia (P34555)	Grant to remove an underground storage tank	\$3,000	\$3,000
Bugge, Mildred (P34949)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Cahill, John F. (P35042)	Grant to remove an underground storage tank	\$1,000	\$1,000
Campo, Yesid and Bertha (P35038)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,300	\$3,300
Cantrell, William H. and Jessie (P34700)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Capriotti, Joseph (P34655)	Grant to remove an underground storage tank	\$1,500	\$1,500
Carlson, Frank and Lynette (P35266)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Cartier, David and Yvette (P34058)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$2,800	\$2,800
Cartwright, Donald J. and Lugrace (P33133)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,300	\$3,300
Chapman, Mark and Angelica (P34257)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,900	\$3,900
Coduto, Holly (P34333)	Grant to remove an underground storage tank	\$1,200	\$1,200
Cox, Elaine (P34027)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,268	\$4,268
Criscuolo, Alan and Janice (P34268)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,700	\$4,700
Crowe, Carl K. and Madeline A. (P35024)	Grant to remove an underground storage tank	\$1,500	\$1,500

Applicant	Description	Grant Amount	Awarded to Date
Cuntala, Randall M. and Katherine E. (P33130)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,393	\$3,393
Cutaia, Christopher and Dawn (P29365)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
D'Almeida, Sandra (P35287)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,800	\$3,800
DeFalco, Raymond and Violet J. (P35370)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,250	\$3,250
DePamphilis, Richard L. and Sally A. (P35159)	Grant to remove an underground storage tank	\$1,475	\$1,475
DeRosa, Sammie (P34704)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Diedalis, Drew P. and Rosemarie (P34561)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Doremus, Phillip (P32679)	Grant to remove an underground storage tank	\$1,500	\$1,500
Doyle, Thomas James, III (P34951)	Grant to remove an underground storage tank	\$3,500	\$3,500
Druckman, Steven and Esther (P34486)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,418	\$3,418
Dubel, Martin (P34264)	Grant to remove an underground storage tank	\$1,500	\$1,500
Duffy, Joseph (P35267)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Dunn, James C. and Judith C. (P34973)	Grant to remove an underground storage tank	\$2,100	\$2,100
Emanuel, Beata (P33365)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,675	\$3,675
Ercolano, Thomas M. and Patricia L. (P34594)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,500	\$4,500
Ernst, Harold P. and Margaret A. (P33383)	Grant to remove an underground storage tank	\$1,500	\$1,500
Esposito, James (P34230)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Essig, Susan (P35493)	Grant to remove an underground	\$3,000	\$3,000

Applicant	Description	Grant Amount	Awarded to Date
	storage tank and install an above ground storage tank		
Falivena, Florence (P34033)	Grant to remove an underground storage tank	\$1,500	\$1,500
Farrar, Stacy A (P35288)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,333	\$3,333
Felton, Patricia A (P34664)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$3,272	\$3,272
Fenley, R. Earl (P34573)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,695	\$2,695
Fields, Rachel M (P34303)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Flanagan, Hugh and Mary Ellen (P35097)	Grant to remove an underground storage tank	\$1,500	\$1,500
Fleming Jr., William H. and Kathleen F. (P35298)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,549	\$3,549
Fleming, Charles and Mary P. (P35032)	Grant to remove an underground storage tank	\$1,500	\$1,500
Frank, Gary L. and Joanne B. (P35485)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Frederick V. Buckley and Linda A. Buckley (P34750)	Grant to remove an underground storage tank	\$3,300	\$3,300
Garibotto, Ruth and Robert (P34825)	Grant to remove an underground storage tank	\$1,200	\$1,200
Gebauer, John E. and Rosemary A. (P35143)	Grant to remove an underground storage tank	\$1,500	\$1,500
Geherty, Charles C., Jr. (P32650)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,365	\$3,365
Gellici, John and Noelle Latham (P35313)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Gelsomine, Michael A. and Sheila M. (P34749)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,495	\$3,495
Gerity, William and Sharon (P33876)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,678	\$3,678
Gibbons, Richard and Helen	Grant to remove an underground	\$3,500	\$3,500

Applicant	Description	Grant Amount	Awarded to Date
(P34799)	storage tank and install an above ground storage tank		
Glazer, Michael and Janice Lee Juvrud (P35330)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,834	\$3,834
Goeke, Kathryn (P35252)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Grove, Jessica D. and Michael L. (P34329)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,800	\$3,800
Grunstra, Ronald L. and Christine T. (P35336)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,348	\$3,348
Hamler, Bonnie and Christopher (P34766)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,118	\$3,118
Hanek, Alexander and Ruth (P35421)	Grant to remove an underground storage tank	\$1,250	\$1,250
Hartman, Thomas P. and Debra L. (P34029)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,130	\$3,130
Hein, William J. and Colleen A. (P32681)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Heinemann, Alfred and Susan (P33415)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Heller, Bruce F. and Gloria C. (P32345)	Partial grant to install an above ground storage tank	\$2,188	\$2,188
Herman, Shirley (P35144)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,483	\$3,483
Hertting, Christine and Brian (P35239)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,495	\$3,495
Hespe, Winifred (P35353)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Hoffman, Ann C. (P32016)	Grant to remove an underground storage tank	\$1,500	\$1,500
Homer, Richard M. and Patricia A. (P33842)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Huff, Nancy and Brian (P33777)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,339	\$3,339

Applicant	Description	Grant Amount	Awarded to Date
Huhn, Victor and Karen (P35132)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,195	\$3,195
Iskeliunas, Ian and Samantha Feuss (P33018)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,800	\$4,800
Izzo, Robert and Adele (P34128)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,250	\$3,250
Jensen, Robert K. and Svanhild (P34192)	Grant to remove an underground storage tank	\$1,250	\$1,250
Johnstone, Frank Jr., and Cheryl (P33425)	Grant to install an above ground storage tank	\$3,700	\$3,700
Jordan, Frederick L. and Elizabeth (P35115)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,040	\$4,040
Karol, Gerald L. (P32970)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Katona, Lauren (P34824)	Grant to remove an underground storage tank	\$1,500	\$1,500
Kieras, Marek M. and Dorota (P33595)	Grant to remove an underground storage tank	\$1,500	\$1,500
Kisiel, Pawel and Ewelina Mikos (P34776)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$1,898	\$1,898
Kuster, Ernest W. and Katie (P34830)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,440	\$3,440
Lavery, David S. and Christine (P34773)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,104	\$3,104
Lavigne, Francis P. and Linda D. (P34641)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,497	\$4,497
Lesch, Thomas and Sherry (P33810)	Grant to remove an underground storage tank	\$1,500	\$1,500
Lichon, Edward S. and Judith A. (P34553)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Londono, Ruben A. and Luz N. (P33763)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Lopez, Elizabeth (P35335)	Grant to remove an underground storage tank	\$1,500	\$1,500

Applicant	Description	Grant Amount	Awarded to Date
Lowery, Elena and William (P34568)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$2,575	\$2,575
Luongo, Joseph and Donna (P35333)	Grant to remove an underground storage tank	\$1,500	\$1,500
Mac Hale, Timothy J. and Donna L. (P33029)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,900	\$3,900
Malibashka, Tom and Mique (P34604)	Grant to remove an underground storage tank and install an above ground storage tank	\$6,000	\$6,000
Malik, Carl and Caroline (P34193)	Grant to remove an underground storage tank	\$1,250	\$1,250
Manning, Alberta A. (P34673)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Marra, Martha (P35497)	Grant to remove an underground storage tank	\$1,575	\$1,575
Marshall, Joseph and Tracy (P33242)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Maxwell, Suzanne and Eamonn (P33928)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
McCallum, Charlotte K. (P30986)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
McHale, Georgette (P33751)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$1,400	\$1,400
McLaughlin, Vincent and Charlotte (P34550)	Grant to remove an underground storage tank	\$1,500	\$1,500
Mento, Anthony D and Cynthia A (P34389)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Meny, Glen and Gail (P35257)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,300	\$3,300
Michael R. Stanley and Shauna L. Stanley (P35355)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$2,076	\$2,076
Mijanovic, Jovan and Tracy P. (P32461)	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
Miller, Alan B. and Deborah R. (P34064)	Grant to install an above ground storage tank	\$5,500	\$5,500
Miller, Naomi (P34182)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,450	\$3,450
Mineo, Peter F. and Patricia A. (P35349)	Grant to remove an underground storage tank	\$1,500	\$1,500
Minnecci, Janice (P34635)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Minucci, Nunzio and Arlene (P35140)	Grant to remove an underground storage tank	\$1,500	\$1,500
Moke, John E and Dolores B (P35040)	Grant to remove an underground storage tank	\$1,250	\$1,250
Molinari, Frank J and Patricia A (P34080)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,471	\$4,471
Moyano, Alina D. and Alberto D. (P34330)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Musso, Michael J. and Doreen P. (P35268)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Nealen, Lawrence and Katherine Nealen (P34953)	Grant to install an above ground storage tank	\$3,067	\$3,067
Neill, Paul and Lillian A. (P34961)	Grant to remove an underground storage tank	\$2,100	\$2,100
O'Donnell, Margaret and Thomas P. (P33620)	Grant to remove an underground storage tank and install an above ground storage tank	\$1,874	\$1,874
O'Koren, Barbara (P34229)	Grant to remove an underground storage tank	\$1,500	\$1,500
O'Neill, John J. and Nancy (P34822)	Grant to remove an underground storage tank	\$2,100	\$2,100
Olivier, Alice (P34194)	Grant to remove an underground storage tank	\$1,500	\$1,500
Pamela Superior Ennis (P30585)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Pape, Jeff and Linda (P34705)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,135	\$3,135
Pappas, William and Denise (P34489)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,275	\$3,275
Patel, Paresh N. and Mohini	Grant to remove an underground	\$1,500	\$1,500

Applicant	Description	Grant Amount	Awarded to Date
P. (P34826)	storage tank		
Pedalino, Dominick and Michele (P35280)	Grant to remove an underground storage tank	\$1,996	\$1,996
Pelcher, William M. and Jeanne (P33322)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$2,100	\$2,100
Petriello, Joseph J., III (P33283)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Pfeiffer, William and Sharon (P34574)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Pluta, Robert S. and Susan (P34163)	Grant to remove an underground storage tank	\$1,500	\$1,500
Prasek, James and Dina (P35128)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,100	\$4,100
Quick, James and Shirley (P34661)	Grant to remove an underground storage tank	\$1,760	\$1,760
Ragonese, Salvatore and Edith (P34657)	Grant to remove an underground storage tank	\$1,500	\$1,500
Redus, William Glenn and Mary A. (P34648)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$2,800	\$2,800
Reichert, Thomas M. (P33384)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$2,720	\$2,720
Reo, Mildred (P34186)	Grant to remove an underground storage tank	\$1,500	\$1,500
Riker, William and Karen (P35006)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,461	\$2,461
Roehrich, Gregory and Robin Yellen (P35061)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$2,800	\$2,800
Rosen, Edward J. and Elaine M. (P33992)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$2,602	\$2,602
Rossi-Espagnet, James and Amy (P34385)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,714	\$3,714
Rotundo, David and Marlo	Grant to install an above ground	\$3,500	\$3,500

Applicant	Description	Grant Amount	Awarded to Date
Carroll-Rotundo (P34960)	storage tank		
Rucinski, Robert (P34492)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,076	\$3,076
Runion, Susan L. (P35065)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,100	\$4,100
Sakowski, Norman and Anna (P35404)	Grant to remove an underground storage tank	\$2,100	\$2,100
Santhakumar, C. N. and Ita (P34010)	Grant to remove an underground storage tank	\$1,325	\$1,325
Sarate, Rudolph and Beatrice (P35053)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,900	\$3,900
Saxe, Steven (P28946)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Schenone, Cathy (P35023)	Partial grant to remove an underground storage tank	\$300	\$300
Schmidt, Linda (P34335)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,100	\$4,100
Scull, Paul D. and Merlyn C. (P35487)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,850	\$2,850
Segal, Rafael and Sara (P35507)	Grant to remove an underground storage tank	\$2,030	\$2,030
Servedio, Frances J and Anthony (P34397)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Sheehy, Michael (P33103)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Shen, Lixin and Jennifer (P35146)	Grant to remove an underground storage tank	\$1,500	\$1,500
Sherrier, Jason (P34576)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,053	\$3,053
Skinner, David and Nora (P33874)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Slippey, Robert and Agnes (P32954)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,030	\$2,030
Smith, Jeannette (P33937)	Grant to remove an underground storage tank and install an above	\$3,900	\$3,900

Applicant	Description	Grant Amount	Awarded to Date
	ground storage tank		
Stampf, Jonathan and Grace (P33985)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,300	\$3,300
Stapleton, Brendon and Maxine Ferrante (P32410)	Grant to remove an underground storage tank	\$1,500	\$1,500
Strugala, Edward J. and Mary Ann (P35070)	Grant to remove an underground storage tank	\$1,500	\$1,500
Superior Structures LLC (P32881)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,109	\$3,109
Sylvester, Francis R. (P35400)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$2,095	\$2,095
Taylor, Gary R. (P33358)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,433	\$2,433
Thomas, David L. and Beryl F. (P33923)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,705	\$3,705
Thomas, Deborah (P35107)	Grant to remove an underground storage tank	\$2,100	\$2,100
Treich, Donald G. (P35127)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$1,959	\$1,959
Ullrich, Todd and Elizabeth (P34645)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,485	\$3,485
United Methodist Church at Newfoundland, The (P33049)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,100	\$4,100
VanHassel, Ronald and Jacqueline (P35028)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,433	\$3,433
Vaszlavik, Bela and Janice (P34638)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Wagner, Karin (P34748)	Grant to remove an underground storage tank	\$1,347	\$1,347
Walsh, Norman and Willeine (P34602)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$2,684	\$2,684
Walsh, Peg (P34302)	Grant to remove an underground storage tank	\$1,500	\$1,500

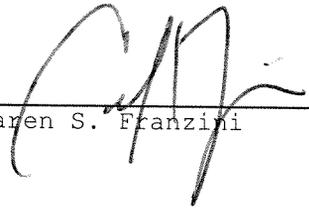
Applicant	Description	Grant Amount	Awarded to Date
Wang, Haixia and Li, Ren (P34640)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,350	\$3,350
Warner, Marshall L and Geraldine R (P35074)	Grant to remove an underground storage tank	\$1,507	\$1,507
Way, Debra A. and Jeffery A. (P29866)	Grant to remove an underground storage tank and install an above ground storage tank	\$1,600	\$1,600
Weckesser, Mary (P35415)	Grant to remove an underground storage tank	\$1,250	\$1,250
Weeks, Edgar Wayne, III and Erin Lorraine (P34634)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,200	\$3,200
Weinstein, Edward and Vera (P34413)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Wiles, Jr., Richard D. and Lisa M. Rose-Wiles (P35557)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Wilm, John T. (P31158)	Grant to remove an underground storage tank	\$975	\$975
Winfield, Robyn D. and Patrick J. (P34870)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$740	\$740
Wojcik, Louis A. and Debra P. (P32426)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Wyllie, Thomas and Donna (P35142)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,328	\$3,328
Zisa, John J. and Lynn G. (P35240)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,100	\$4,100
de Rouville, Matthew (P34979)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500

201 Grants

**Total Delegated Authority
funding for Non-Leaking
applications.**

\$562,169

Prepared by: Lisa Petrizzi, Finance Officer


Caren S. Franzini

**HAZARDOUS DISCHARGE SITE REMEDIATION FUND
PROGRAM**



MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini
Chief Executive Officer
DATE: March 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:

Township of Neptune (Former Chidnese Property).....	\$ 60,524
City of Newark (Lionetti Oil).....	\$106,169
City of Newark (Northern New Jersey Oil).....	\$218,808
Total HDSRF funding for March 2011.....	\$385,501

Prepared by: Lisa Petrizzi

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

APPLICANT: Township of Neptune (Former Chidnese Property) P34354
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 1825 West Lake Avenue Neptune Township (T/UA) Monmouth
GOVERNOR'S INITIATIVES: (X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

The Township of Neptune, received grant funding to perform Preliminary Assessment (PA), Site Investigation (SI), Remedial Investigation (RI) and Remeidal Action (RA) in the amount of \$25,272 and \$43,280 at the Former Chidnese Property project site on November 1999 under P 10339 and January 2011 under 33151. The project site, identified as Block 225.01, Lot 597-601 is a former Chidnese Property which has potential environmental areas of concern (AOC's) and is loacted within a Brownfield Development Area (BDA). The Township of Neptune currently owns the project site and has satisfied Proof of Site Control. It is the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site for a municipal park.

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

APPROVAL REQUEST:

The Township of Neptune is requesting grant funding to perform (SI) in the amount of \$60,524 at the Former Chidnese Property project site, for a total funding of \$129,076.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT\$60,524

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Site investigation	\$60,524
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$61,024 <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: City of Newark (Lionetti Oil)

P32258

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 123-131 Riverside Avenue

Newark City (T/UA)

Essex

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

APPLICANT BACKGROUND:

The City of Newark received a grant in July 1995 in the amount of \$60,320 under P8304 for a Preliminary Assessment (PA) and Site Investigation (SI) at the abandoned .8 acre Lionetti Oil site. Once used as a heating oil storage and supply facility, seven large above ground oil storage tanks on concrete slabs, one small above ground tank on a paved area, a distribution rack and small building are all present on the site. There is also a fuel oil pipeline, which formerly carried product from barges on the Passaic River to the storage tanks. Ground water contamination is of concern based on history of site activities. The City of Newark owns the project site and has satisfied Proof of Site Control. It is the City's intent, upon completion of the environmental investigation activities, to redevelop the project site as a warehouse/distribution facility to support Port Newark.

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

APPROVAL REQUEST:

The City of Newark is requesting supplemental grant funding to perform RI in the amount of \$106,169 at the Lionetti Oil project site, for a total funding to date of \$166,489.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT \$106,169

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$106,169
EDA administrative cost	\$500
TOTAL COSTS	<u><u>\$106,669</u></u>

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: City of Newark (Northern New Jersey Oil)

P32303

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 2052-2070,2078-2080 McCarter Newark City (T/UA)

Essex

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

APPLICANT BACKGROUND:

The City of Newark received a grant in July 1995 in the amount of \$80,040 under P08303 for a Preliminary Assessment (PA) and Site Investigation (SI) at the 2.25 acre Northern NJ Oil site. There is a brick building on site as well as 10 above ground heating oil storage tanks. There is also a fuel oil pipeline at the site which formerly carried product from barges on the Passaic River to the storage tanks. Ground water contamination is of concern based on history of site activities. The City of Newark owns the project site and has satisfied Proof of Site Control. It is the City's intent, upon completion of the environmental investigation activities, to redevelop the project site as a warehouse/distribution facility to support Port Newark.

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

APPROVAL REQUEST:

The City of Newark is requesting supplemental grant funding to perform RI in the amount of \$218,808 at the Northern New Jersey Oil project site, for a total funding to date of \$298,848.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT\$218,808

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$218,808
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$219,308 <hr/>

APPROVAL OFFICER: L. Petrizzi



TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

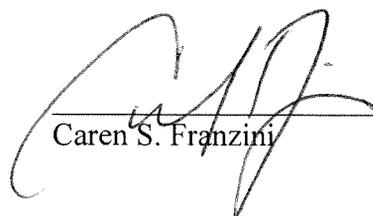
DATE: March 8, 2011

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 February 2011.

Applicant	Description	Grant	Previous Awards
Beverly City (Former Beaunit Mills) P30058	Initial grant to perform preliminary assessment and site investigation to redevelop for residential housing	\$72,701	\$0
Neptune Township (Former Chidnese Property) P33151	Supplemental grant to perform remedial investigation and remedial action to redevelop as a municipal park	\$43,280	\$ 25,272
2 Grants	Total Grant Funding for February 2011	\$115,981	



Caren S. Franzini

EDISON INNOVATION FUND



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Board

FROM: Caren S. Franzini
Chief Executive Officer

RE: New Products – Edison Innovation Fund: Angel Growth Fund, VC Growth Fund and Growth Stars Fund

DATE: March 8, 2011

Request:

The Board is requested to approve the utilization of up to \$2 million to support Edison Innovation loan programs to support emerging technology and life sciences businesses in New Jersey.

Background:

The EDA has a history of successfully supporting small technology and life science entrepreneurial businesses in New Jersey, beginning in 1998 with the launch of its Seed Capital and Technology guarantee programs. In 2003 EDA was asked to manage the Springboard grant portfolio from the Commission on Science and Technology and subsequently provided a second tranche of Springboard grants in 2004. The Edison Innovation Fund was launched in October 2006 with an initial funding commitment of \$25 million approved by the board. This fund has been focused on creating, sustaining, and growing technology and life science businesses that provide high-paying job opportunities to New Jersey residents. Also in 2006, the Authority further enhanced its return model with the taking of warrants in companies in the portfolio, thus allowing the EDA to share in investor returns when a liquidity event occurs in exchange for the patient capital provided by the EDA. The EDA recently received over a 20% return for its first warrant gain in an Edison technology transaction. Since the launch of the Fund, EDA has provided direct equity-like investments to 39 technology and life sciences companies that have created an estimated 1,143 new jobs.

At this time, the resources for these direct investments have been fully deployed and require recapitalization in order to continue New Jersey's support for small businesses in the technology and life science sector and help with business growth and job creation.

Recommended Use of Funds:

In October 2010 and February 2011, three new programs, the **Edison Innovation Angel Growth Fund**, the **Edison Innovation VC Growth Fund**, and the **Edison Innovation**

Growth Stars Fund, were presented to the Authority’s Policy and Directors’ Loan Review Committees. The proposed deployment of \$2 million in EDA funds into these programs will create three revolving loan funds targeted to technology and life sciences companies, which would be leveraged with angel investments and venture capital investments to provide the needed resources for emerging technology businesses in New Jersey. This measure will allow the State to sustain its support for technology-led economic development through the EDA’s Edison Innovation Fund.

The following provides a summary of the recommended new programs and complete program descriptions are attached as Appendix A. This includes fee components in alignment with the current EDA Edison/technology programs. These fee components will require amendments to the Rules and will only become effective upon adoption.

I. Edison Innovation Angel Growth Fund

- This product takes the form of a subordinated convertible note of up to \$250K to support the development of angel supported technology companies. This program will leverage private angel investors in support of early stage, emerging technology and life science businesses through a match fund program. These funds will provide growth capital for key hires, product iteration/roll out, product enhancement or marketing/sales. There is a 2:1 Angel matching fund requirement with this program.

II. Edison Innovation VC Growth Fund

- This product takes the form of a subordinated convertible note of up to \$500K to support the growth of venture capital supported technology companies. This program will leverage institutional venture backed investments in support of early stage, emerging technology and life science businesses through a match funding program. These funds will provide growth capital for key hires, product iteration/roll out, product enhancement or marketing/sales. There is a 1:1 VC matching fund requirement with this program.

III. Edison Innovation Growth Stars Fund

- The goal of this program is to provide funding for the best performing technology companies by providing \$500K in the form of a subordinated convertible note. For this program, companies must have generated a minimum of \$2M in trailing twelve month revenues and there is a 1:1 matching fund requirement. These funds will provide additional growth capital for key hires, product iteration/roll out, product enhancement or marketing/sales.

There will be a \$1 million per entity cap across these three proposed programs and state “entry “ non-green technology programs (which includes Edison Innovation Commercialization, Edison Innovation Growth, Springboard 1 or 2, Edison R&D, and Edison Wraparound).

Funding Resource:

EDA has sufficient internal resources to recapitalize the Edison Innovation Fund. The initial \$2 million will be sourced from EDA resources, including the existing Title IX Federal program that EDA manages, as well as collections from the current Edison portfolio (approximately \$4.2 million in 2010 collections).

Although a larger production plan could be supported by the identified funding sources, staff is proposing an initial production plan for technology lending of \$2 million for 2011. This is expected to support 5 transactions.

This initial \$2 million commitment is based on staff's review of current portfolio status, the overall risk rating of both the Edison and conventional portfolio, and the impact that new approval of higher risk technology loans would have on the portfolio. A projection was prepared which show the impact that this level of new technology loans would have on the portfolio, and also includes new projected activity in the other lending programs. As a result, staff believes that \$2 million is an appropriate amount to start with based on current resources.

The funding would allow EDA to assist about five projects under the revised program parameters: two projects for \$250,000 each through the Edison Innovation Angel Growth Fund and three projects for \$500,000 each through the Edison Innovation VC Growth Fund. The Edison Innovation Growth Stars fund will require market ramp up and education prior to commencement of transactions.

Depending on demand, staff may recommend different allocations for the programs or an increase in EDA funding. Staff will report quarterly to the DLRC on program acceptance and project pipeline.

Recommendation:

The Members are requested to approve the creation and implementation of the **Edison Innovation Angel Growth Fund**, the **Edison Innovation VC Growth Fund**, and the **Edison Innovation Growth Stars Fund**, utilizing \$2 million in EDA funding resources as substantially described above.

In addition, the Members are further requested to authorize staff to submit the program rules implementing these changes, pending review by the Governor's Policy Office, 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). The new fees will become effective upon adoption and customers advised of the risk that they may not be adopted as proposed.



Caren S. Franzini

APPENDIX A

Product Description Edison Innovation Angel Growth Fund

Product Family:	Loan
Approval Authority:	EDA Board
Funding Source:	\$2M – USED/EDA (across all 3 programs)

Product Description:

Subordinated convertible note of up to \$250K to support the growth of angel supported technology companies (subject to entity maximum of \$1M inclusive of all Edison/state “entry” programs¹). This funding is not available to previous recipients of other state “entry” programs. Entities applying for this program are ineligible for the Edison Clean Energy Manufacturing Fund (“CEMF”) and the Edison Innovation Green Growth Fund (“EIGGF”) green programs.

Eligibility:

- NJ-based technology company structured as a C-Corp
- Minimum trailing 12 month commercial revenues of \$500K derived from sale of technology product/core business activities
- Must be developer/owner of protected proprietary technology
- Founder/management equity
- 2:1 fresh matching funds from Angel or Angel group
- Full-time management team with domain experience
- Occupy physical commercial office space
- Entities applying for this program are ineligible for CEMF and EIGGF green programs
- Entities may not apply for this program and VC Loan concurrently
- This funding is not available to previous recipients of other state “entry” programs, such as Springboard 1 or 2, Edison Innovation Growth, Edison Innovation Commercialization, Edison R&D , Edison Wraparound

Uses:

- Growth Capital – key hires, product rollout, product enhancement, marketing/sales

Terms/Conditions:

- Fixed interest rate for a five-year term, based on risk profile and location of the company, ranging from 4-10%
- The right to convert debt to equity, in a future financing round under the same terms as any other investor in the round

¹ This includes Edison Innovation Commercialization, Edison Innovation Growth, Springboard 1 or 2, Edison R&D, Edison Wraparound

- Subordinated lien position to any current senior bank indebtedness and to allow future automatic subordination of 25% of the commitment amount for new senior debt. Any amounts above the 25% require the prior written consent of the EDA
- A negative pledge and “springing lien” on the intellectual property for the duration of the loan
- Tax certificate clearance from Taxation

Maximum/Limits:

- Up to \$250K (subject to entity maximum of \$1M inclusive of all Edison/state “entry” programs, except Edison CEMF and EIGGF)

EDA Fees:

- Application: \$2500
- Commitment: 0.75% of loan amount
- Closing: 0.75% of the loan amount
- Commitment Extension: \$750
- Warrants for consideration in the financing. The warrants will have a 10-year life and coverage is based on the risk profile of the company and determined at the time of commitment

**Product Description
Edison Innovation VC Growth Fund**

Product Family:	Loan
Approval Authority:	EDA Board
Funding Source:	\$2M – EDA (across all 3 programs)

Product Description:

Subordinated convertible note of up to \$500K to support the growth of VC-supported technology companies (subject to entity maximum of \$1M inclusive of all Edison/state “entry” programs, including the proposed Edison Innovation Angel Growth). Entities applying for this program are ineligible for the CEMF and EIGGF green programs

Eligibility:

- NJ-based technology company structured as a C-Corp
- Minimum trailing 12 month commercial revenues of \$500K derived from sale of technology product/core business activities
- In good standing on previous or current loan(s) and waited a period of at least 12 months since last closing
- Must be developer/owner of protected proprietary technology

- Founder/management equity
- 1:1 fresh matching funds from VC
- Full-time management team with domain experience
- Occupy physical commercial office space
- Entities applying for this program are ineligible for CEMF and EIGGF programs
- Entities may not apply for this program and Angel Loan concurrently

Uses:

- Growth Capital – key hires, product rollout, product enhancement, product enhancement, marketing/sales

Terms/Conditions:

- Fixed interest rate for a five-year term, based on risk profile and location of the company, ranging from 4-10%
- The right to convert debt to equity, in a future financing round under the same terms as any other investor in the round
- Subordinated lien position to any current senior bank indebtedness and to allow future automatic subordination of 25% of the commitment amount for new senior debt. Any amounts above the 25% require the prior written consent of the EDA
- A negative pledge and “springing lien” on the intellectual property for the duration of the loan
- Tax certificate clearance from Taxation

Maximum/Limits:

- Up to \$500K (subject to entity maximum of \$1M inclusive of all Edison/state “entry” programs, except Edison CEMF and EIGGF)

EDA Fees:

- Application: \$2500
- Commitment: 0.75% of loan amount
- Closing: 0.75% of the loan amount
- Commitment Extension: \$750
- Warrants for consideration in the financing. The warrants will have a 10-year life and coverage is based on the risk profile of the company and determined at the time of commitment

**Product Description
Edison Innovation Growth Stars Fund**

Product Family: Loan

Approval Authority: EDA Board

Funding Source: \$2M – EDA (across all 3 programs)

Product Description:

Subordinated convertible note of up to \$500K (subject to entity maximum of \$1M inclusive of all Edison/state “entry” programs, except Edison CEMF, including the proposed Edison Innovation Angel and VC Growth) to support the development of Angel/VC supported technology companies. Entities applying for this program are ineligible for the CEMF and EIGGF green programs.

Eligibility:

- Meets the eligibility requirements set forth in Angel or VC fund
- In good standing on previous or current loan(s) and waited a period of at least 12 months since last closing
- Has generated a minimum of \$2M in trailing twelve month revenues
- Ability to grow more jobs
- Ability to service current debt on more rigid repayment schedule
- Entities applying for this program ineligible for CEMF and EIGGF programs

Uses:

- Growth Capital – key hires, product rollout, product enhancement, marketing/sales

Terms/Conditions:

- Fixed interest rate for a five-year term, based on risk profile and location of the company, ranging from 4-10%
- The right to convert debt to equity, in a future financing round under the same terms as any other investor in the round
- Subordinated lien position to any current senior bank indebtedness and to allow future automatic subordination of 25% of the commitment amount for new senior debt. Any amounts above the 25% require the prior written consent of the EDA
- A negative pledge and “springing lien” on the intellectual property for the duration of the loan
- Tax certificate clearance from Taxation

Maximum/Limits:

- Up to \$500K (subject to entity maximum of \$1M inclusive of all Edison/state “entry” programs, exception Edison CEMF and EIGGF)

EDA Fees:

- Application: \$2500
- Commitment: 0.75% of loan amount
- Closing: 0.75% of the loan amount
- Commitment Extension: \$750
- Warrants for consideration in the financing. The warrants will have a 10-year life and coverage is based on the risk profile of the company and determined at the time of commitment

DRAFT
Excerpted

OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Administrative Rules; Fees

Authority Assistance Programs; Direct Loan Program

Proposed Amendments: N.J.A.C. 19:31-6.1, 6.2, 6.3; and, 19:31-3.1, 3.2 and 3.5

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

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

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

Proposal Number: PRN 2011-

Submit written comments by _____, 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 its rules to establish fees and revise existing eligibility and approval provisions for three new programs – the Edison Innovation Angel Growth Fund, the Edison Innovation VC Growth Fund, and the Edison Innovation Growth Stars Fund – which are replacing current funding programs under the EDA’s Edison Innovation Fund.

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

19:30-6.1 Application fee

(a) Except as set forth in (c) and (d) below, a non-refundable fee of \$1,000 shall accompany

every application for Authority assistance, except for:

1. An application under the [Edison Innovation Growth Fund] **Edison Innovation Angel Growth Fund, the Edison Innovation VC Growth Fund, and the Edison Innovation Growth Stars Fund**, for which the fee is [.25 percent of the loan amount, not to exceed] \$2,500;

2. – 4. (No change.)

(b) – (d) (No change.)

19:30-6.2 Commitment fees

(a) (No change.)

(b) A non-refundable fee of .75 percent of the loan amount is charged with the acceptance by an applicant of a direct loan commitment under the [Edison Innovation Growth Fund] **Edison Innovation Angel Growth Fund, the Edison Innovation VC Growth Fund, and the Edison Innovation Growth Stars Fund**. [If closing occurs, up to \$1,500 of the application fee will be applied toward the commitment fee. A non-refundable fee of .5 percent of the loan amount is charged with the acceptance by an applicant of a direct loan commitment under the Edison Innovation Commercialization Fund.]

(c) – (g) (No change.)

19:30-6.3 Closing fees

(a) – (c) (No change.)

(d) For direct loans from the Authority, other than loans under the Statewide Loan Pool, Preferred Lender Program and the New Jersey Business Growth Fund, the fee, to be paid at closing, is .875 percent of the loan amount. For direct loans under the [Edison Innovation Growth Fund] **Edison Innovation Angel Growth Fund, the Edison Innovation VC Growth Fund, and the Edison Innovation Growth Stars Fund**, the fee to be paid at closing is .75 percent of the loan amount[; and, for the Edison Innovation Commercialization Fund, the fee to be paid at closing is .5 percent of the loan amount]. For direct loans under the Small Business Fund, the fee to be paid at closing is .5 percent of the loan amount. For direct loans under N.J.S.A. 34:1B-47 et seq., the fee to be paid at closing is one-half of one percent of the total amount of the direct loan.

(e) – (i) (No change.)

19:31-3.1 Program description

(a) (No change.)

(b) Except as otherwise provided in this subsection, direct loans are available in a maximum

amount of \$1,250,000 for fixed asset financing and \$750,000 for working capital.

1. – 5. (No change.)

[6. For companies awarded financing under the Edison Innovation R&D Fund by the New Jersey Commission on Science and Technology (NJCSST), the Authority may award up to 20 percent of the approved NJCSST grant, not to exceed \$100,000 in convertible debt financing for non-research and development related costs.]

Recodify existing 7. as 6. (No change in text.)

(c) – (h) (No change.)

1. Fixed Rate Interest:

[i.] Interest on fixed asset or working capital loans will be fixed at the time of closing, with a floor that shall be indexed to a nationally recognized financial index, such as the five-year United States Treasury Bond of like term, plus or minus any additional basis points to be determined by the Authority. During the term of any loan, a scheduled rate reset shall not result in an increase of more than five percentage points greater than the original calculated interest rate.

[ii. The amount of interest to be charged on the convertible debt portion of the Edison Innovation R&D Fund shall be capitalized during the first five years of the financing, during which time no principal or interest payments are required. The principal and capitalized interest shall be automatically converted into equity in the event that a qualified financing in the minimum amount of \$500,000 shall occur during such five-year period. If no such qualified financing shall occur during that time, the principal and capitalized interest shall be amortized over the next five-year period and shall be payable monthly, with interest.]

2. – 4. (No change.)

5. In addition to any interest charged on an [Edison Innovation R&D Fund loan,] **Edison Innovation Angel Growth Fund, the Edison Innovation VC Growth Fund, and the Edison Innovation Growth Stars Fund**, the Authority may also require the payment of additional fees and charges, including, but not limited to, warrants, stock, stock options, a percentage of royalties, and a percentage of sales proceeds.

6. (No change.)

(i) – (m) (No change.)

19:31-3.2 Eligibility standards

(a) – (e) (No change.)

(f) For Edison Innovation Fund loans, projects will be considered eligible if they have the

following characteristics:

1. [Technology that has a strong likelihood and clear timeline to achieve commercialization] **A commercially available product which meets the Authority's programmatic requirements in revenue thresholds;**

2. – 5. (No change.)

6. A clear record of specific operational and research milestones achieved to date and proposed schedule and means to achieve future milestones; **and**

7. A current and complete business plan including a detailed financial model[; and].

[8. Location of the business in either an Innovation Zone, Urban Enterprise Zone or area targeted for smart growth redevelopment as determined by the New Jersey Development and Redevelopment Plan; or

9. A Business that is located in a targeted industry.]

19:31-3.5 Approval process

(a) – (d) (No change.)

1. (No change.)

2. With the exception of the New Jersey Growth Fund [and the Edison Innovation R&D Fund] **Edison Innovation Angel Growth Fund, the Edison Innovation VC Growth Fund, and the Edison Innovation Growth Stars Fund**, usually, life insurance on the applicant's principal officer(s) is required in an amount equal to the Authority's guarantee. The life insurance must name the Authority as a collateral assignee.

3. With the exception of the New Jersey Growth Fund [and the Edison Innovation R&D Fund] **Edison Innovation Angel Growth Fund, the Edison Innovation VC Growth Fund, and the Edison Innovation Growth Stars Fund**, personal guarantees of owners of 10 percent or more of the applicant are usually required, and there may be a requirement for collateral apart from the applicant's collateral to secure the personal guarantees.

(e) – (f) (No change.)

INCENTIVE PROGRAMS



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: March 8, 2011

Request:

The Members of the Board are requested to approve revisions to the proposed amendments to the rules implementing the Business Retention and Relocation Assistance Grant (BRRAG) Program that were approved by the EDA Board at its February 8, 2011 meeting.

The revisions to the summary and text sections of the proposed rule amendments (attached) are necessary to reflect statutory changes and clarify several key provisions, as follows:

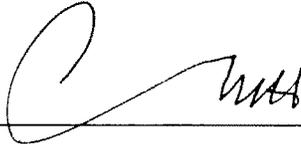
- Clarify provisions related to determination of net benefit analysis to directly match the term used in calculating the net benefit analysis to the business' commitment duration (*19:31-14.3, 14.4 and 14.7*);
- Revise eligibility and application provisions to require applicants to demonstrate net economic benefit to New Jersey of at least 110 percent of the grant amount and provide information detailing employment, construction and related economic activity in order to inform EDA's net benefit analysis, as well as require a certification by the business's chief executive officer that attests to the veracity of all information presented in the application (*19:31-14.6*);
- Allow for EDA staff to assign tax credits to a subsequent year in order to manage the BRRAG program portfolio and requirement not to exceed the annual \$20 million cap (*19:31-14.11*);
- Include comparable provisions similar to the BEIP rules that provide for the withholding of payments due to default, partial repayment based on the period of time the business complied with the grant, and total repayment should a business leave the State during the commitment duration (staff recognizes that the benefit is conferred as a tax credit and repayment will be made in cash) (*19:31-14.15*);
- Clarify that the employment figure that will be used to monitor job retention requirements will be the amount of retained full time jobs maintained during the last tax period the

business applies the tax credits against; and require the business to maintain during the commitment duration 80 percent of that figure (19:31-14.16); and

- Using comparable provisions contained in the BRRAG STX Program, outline how the amount of repayment will be calculated in the event of default (19:31-14.16).
- In the definition of “new business location” clarify that where the new business location will be at more than one location, the business may evidence that the application is for a single project through certain factors showing interrelatedness (19:31-14.2);

Recommendation:

The Members of the Board approve the revisions to the proposed amendments to the rules implementing the BRRAG Program for final review and approval by the Board and authorize staff to submit the revisions as part of the proposed amendments for promulgation and adoption 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).



Attachment

Prepared By: Maureen Hassett/Jacob Genovay

DRAFT
3.8.11

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. 19:31-14.2 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) the premises 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; 2) under certain instances, the business’s current location or locations; and, 3) where the new business location will be at more than one location, the business may evidence that the application is for a single project through certain factors showing interrelatedness; “program” includes a reference to P.L. 2010, c.123; “project” means the relocation or maintaining of 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 the 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 period,” “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,” 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; require 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 equaling at least 110 percent of the grant of tax credits during the commitment duration, 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 replace 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 a requirement to indicate that 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 equaling at least 110 percent of the grant of tax credits during the commitment duration, ~~except upon approval of the State Treasurer.~~

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; require certification by the CEO that the employees to be covered under the grant of tax credits are at-risk of being relocated outside of the State; 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,~~ description of employment, construction and related economic activity in order to inform the net benefit analysis. ~~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 1) 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; 2) 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; 3) outline that which shall be included in the Authority's consideration for determining whether the company meets the net benefit analysis and require that, for a business that has had grant pre-application meetings with the EDA and has executed contracts relating to the new business location during May 1, 2010 to January 6, 2011, such determination shall be calculated from the date of the initial pre-application meeting; and, 4) 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. 19:31-14.11 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 smaller grant of tax credits, no grant of tax credits or may defer credits to subsequent years to comply with the \$20 million annual cap, 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. 19:31-14.15 Events of default

The proposed amendments 1) 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; 2) change a reference to Chief Executive Office to Authority; and, 3) include provisions which clarify that the EDA may withhold certain payments of a grant of tax credits due to default, and that repayment may be required based on the period of time the business complied with the grant and total repayment of a grant of tax credits should a business leave the State during the commitment duration.

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

The proposed amendments 1) 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, 2) 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 upon failure of the business to maintain during the commitment duration 80 percent of the retained full-time jobs maintained during the last tax period the business applies the tax credits against or notify the Director of the Division of Taxation who shall issue a recapture assessment that corresponds to the amount and period of noncompliance; and 3) outline the amounts which shall be included in determining that amount of the grant of tax credits to be recaptured in the event of default.

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

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 definition, 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. In the event 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.**

...

“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 12-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 **equaling at least 110 percent of the grant of tax credits** during the commitment ~~period~~**duration**. 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 any other State grants equaling at least 110 percent of the grant of tax credits during the commitment duration but not less than 8 years.

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. – x. (No change.)

xi. Unless excepted under N.J.A.C. 19:31-14.3(c), certification that the availability of financial assistance from the State as provided in this program at the site proposed for approval is a material factor in the business' decision not to relocate outside of New Jersey **and that the employees to be covered are at-risk of being relocated outside of the State** and instead, to undertake the project and to relocate the full-time jobs relating to the project in the State;

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. Description of 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 other grants, except upon approval of the State Treasurer, employment, construction and related economic activity in order to inform the net benefit analysis.

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 full-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) In determining whether the company meets the net benefit analysis, as detailed in N.J.A.C. 19:31-14.3(d), the Authority's consideration shall include, but not be limited to, the State taxes paid directly by and generated indirectly by the business, and taxes paid directly or generated indirectly by new or retained employees caused by the business's relocation or maintaining of full-time jobs. For 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, such determination shall be calculated from the date of the initial grant pre-application meeting.

Recodify existing (c) – (h) as (d) – (i) (No change in text.)

[(i)] **(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.]

19:31-14.11 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, no grants of tax credits or may assign credits to be issued in subsequent years, 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.

19:31-14.15 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.

(b) Upon a default under the project agreement, in addition to any other remedies in the project agreement and available under this subchapter and under the Act, the Authority may withhold any payment not yet paid at the time of the default under the project agreement. The Authority shall provide written notice to the business of its intent to withhold, reduce or terminate the grant of tax credits. The business may request in writing reconsideration of the Authority's decision. The determination to withhold, reduce or terminate a grant of tax credits is solely within the Authority's discretion.

(c) Upon termination of the project agreement, in addition to any other remedies in the project agreement and available under this subchapter and under the Act, the Authority may require repayment of an amount of the grant of tax credits based on the period of time the business complied with the grant, provided, however, that the Authority may require repayment of the total amount paid to the business during the commitment duration if the default results from the business moving the project out of the State of New Jersey or the business being sold and moved out of the State of New Jersey.

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] **upon failure of the business to maintain for the remainder of the commitment duration 80 percent of the retained full-time jobs that it had during the last year of the tax credit term;**

ii. [n] Notifying 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) For the purposes of determining the amount of the grant of tax credits to be recaptured, the amount shall include the sum of the following:

1. A cash payment in the amount of tax credits which were applied by the business or its assignee which amount may be reduced as set forth in N.J.A.C. 19:31-14.16(a)2i;

2. Interest on the repayment amount referred to in paragraph 1 above at the rate equal to the statutory rate for tax deficiencies plus any penalties pursuant to the State Uniform Tax Procedure Law, N.J.S.A. 54:49-1 et seq.; and

3. All costs incurred by the Authority and the Division of Taxation in connection with the pursuit of the sales tax repayment amount (including, but not limited to, counsel fees, court costs and other costs of collection).

[(b)] (c) 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.

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

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

APPLICANT: Church & Dwight Co., Inc.

P35667

PROJECT LOCATION: 469 North Harrison Street Princeton Borough (N) Mercer County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Church & Dwight Co., Inc. (Church & Dwight), founded in 1846, established offices in NJ in 1967. The applicant is a publicly held consumer products company, best known for its Arm & Hammer Baking Soda, the leading U.S. producer of sodium bicarbonate. Over the past 10 years Church & Dwight has acquired 7 of its current 8 "power brands" to become a diversified global packaging goods company, with the "power brands" accounting for 80% of revenues and profits. Among the brand names are Arm & Hammer, Trojan, Oxiclean, Spinbrush, First Response, Nair, Orajel, and Xtra. Today, the applicant has 3,500 employees worldwide, with approximately 1,000 employees in NJ. Church & Dwight's New Jersey facilities include its global and US headquarters in Princeton, and research & development in Princeton and Cranbury, in addition to a personal care products manufacturing plant in Lakewood. Approximately 60% of the US payroll is located in New Jersey. The applicant is economically viable.

MATERIAL FACTOR:

Church & Dwight is seeking a BEIP grant to support creating 105 jobs for the Princeton global headquarters and R&D center. The applicant's alternate plan is to move the global headquarters to Bucks County, Pa. In September 2009 Church & Dwight moved its New Brunswick, NJ Liquid Laundry Detergent to a new 1.1 million s. f. manufacturing site in York, Pa , with local approval to increase to 1.8 million s.f. Church & Dwight is estimating equipment and leasehold improvements would be roughly \$2.5 million. The applicant is also requesting at the March 2011 Board meeting a BEIP grant to create 28 new jobs to support expansion of its Lakewood facility (P35855), and a BRRAG grant to retain 974 jobs at 3 NJ facilities. 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: 45%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Church & Dwight Co., 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: \$ 1,516,725
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 974

ELIGIBLE BEIP JOBS: Year 1 53 Year 2 52 Base Years Total = 105

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$14,445

ANTICIPATED AVERAGE WAGES: \$90,000

ESTIMATED PROJECT COSTS: \$2,480,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$3,370,500

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$3,539,025

PROJECT IS: Expansion Relocation _____

CONSTRUCTION: Yes No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: Domestic Foreign

DEVELOPMENT OFFICER: J. Colon

APPROVAL OFFICER: M. Krug

FORMULA EVALUATION

<u>Criteria</u>	<u>Score</u>
1. Location: Princeton Borough	N/A
2. Job Creation 105 Targeted : _____ Non-Targeted : <u> X </u>	2
3. Job at Risk: 682	3
4. Industry: other manufacturing Designated : _____ Non-Designated : <u> X </u>	0
5. Leverage: 3 to 1 and up	2
6. Capital Investment: \$2,480,000	1
7. Average Wage: \$ 90,000	4
TOTAL:	12

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:	12 = 40 %
Construction/Renovation :	5 %
Bonus Increases :	0 %
Total Score (not to exceed 80 %):	45 %

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

APPLICANT: Church & Dwight Co., Inc

P35855

PROJECT LOCATION: 800 Airport Road

Lakewood Township

Ocean County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Church & Dwight Co., Inc. (Church & Dwight), founded in 1846, established offices in NJ in 1967. The applicant is a publicly held consumer products company, best known for its Arm & Hammer Baking Soda, the leading U.S. producer of sodium bicarbonate. Over the past 10 years Church & Dwight has acquired 7 of its current 8 "power brands" to become a diversified global packaging goods company, with the "power brands" accounting for 80% of revenues and profits. Among the brand names are Arm & Hammer, Trojan, Oxiclean, Spinbrush, First Response, Nair, Orajel, and Xtra. Today, the applicant has 3,500 employees worldwide, with approximately 1,000 employees in NJ. Church & Dwight's New Jersey facilities include its global and US headquarters in Princeton, and research & development in Princeton and Cranbury, in addition to a personal care products manufacturing plant in Lakewood. Approximately 60% of the US payroll is located in New Jersey. The applicant is economically viable.

MATERIAL FACTOR:

Church & Dwight is seeking a BEIP grant to support creating 28 new jobs for the Lakewood manufacturing site. The applicant's alternate plan is to move the Lakewood manufacturing plant into its existing York, Pa manufacturing plant. In September 2009 Church & Dwight moved its New Brunswick, NJ Liquid Laundry Detergent to a new 1.1 million s. f. manufacturing site in York, Pa , with local approval to increase to 1.8 million s.f. Church & Dwight is estimating equipment and leasehold improvements would be roughly \$17.6 million. The applicant is also requesting at the March 2011 Board meeting a BEIP grant (P35667) to create 105 new jobs to support expansion of its Princeton corporate headquarters and R&D center, and a BRRAG grant to retain 974 jobs at 3 NJ facilities. 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: 80%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Church & Dwight Co., 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: \$ 719,040
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 974

ELIGIBLE BEIP JOBS: Year 1 14 Year 2 14 Base Years Total = 28

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$25,680

ANTICIPATED AVERAGE WAGES: \$90,000

ESTIMATED PROJECT COSTS: \$17,600,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$898,800

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$629,160

PROJECT IS: Expansion () Relocation _____

CONSTRUCTION: Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: Domestic () Foreign

DEVELOPMENT OFFICER: J. Colon

APPROVAL OFFICER: M. Krug

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Lakewood Township	N/A
2. Job Creation	28	1
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	252	2
4. Industry:	other manufacturing	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$17,600,000	2
7. Average Wage:	\$ 90,000	4

TOTAL: **11**

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	<u>20%</u>
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	30%	_____
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	<u>20%</u>
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	_____
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	_____
10% or more of the employees of the business receive a qualified transportation fringe of \$ 30.00 or greater.	15%	_____
Located in an area designated by the locality as an "area in need of redevelopment"	10%	_____
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: **40 %**

Total Score :

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

PROJECT SUMMARY – BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT

APPLICANT: Church & Dwight Co., Inc

COMPANY ADDRESS: 469 North Harrison Street Princeton Mercer County
800 Airport Road Lakewood Ocean County
326 Cranbury Half Acre Road Cranbury Middlesex County

PROJECT LOCATION: 469 North Harrison Street Princeton Mercer County
800 Airport Road Lakewood Ocean County
326 Cranbury Half Acre Road Cranbury Middlesex County

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

APPLICANT BACKGROUND: Church & Dwight Co., Inc. (Church & Dwight), founded in 1846, established offices in NJ in 1967. The applicant is a publicly held consumer products company, best known for its Arm & Hammer Baking Soda, the leading U.S. producer of sodium bicarbonate. Over the past 10 years Church & Dwight has acquired 7 of its current 8 "power brands" to become a diversified global packaging goods company, with the "power brands" accounting for 80% of revenues and profits. Among the brand names are Arm & Hammer, Trojan, Oxiclean, Spinbrush, First Response, Nair, Orajel, and Xtra. Today, the applicant has 3,500 employees worldwide, with approximately 1,000 employees in NJ. Church & Dwight's New Jersey facilities include its global and US headquarters in Princeton, and research & development in Princeton and Cranbury, in addition to a personal care products manufacturing plant in Lakewood. Approximately 60% of the US payroll is located in New Jersey.

MATERIAL FACTOR/NET BENEFIT:

Church & Dwight is seeking a BRRAG grant to support retaining 974 at risk jobs, with 682 jobs at the applicant's Princeton global headquarter and research and development facility, 252 manufacturing jobs in Lakewood, and an additional 40 research and development jobs at its Cranbury facility. Church and Dwight is also requesting at the same Board meeting a BEIP grant (P35667) to create 133 new jobs in Princeton and Lakewood, with an estimated value of \$2.1 million over 10 years. The applicant's alternate plan is to move the global headquarters to Bucks County, Pa, and the Lakewood and Cranbury facilities to its York, Pa facility, which opened in September 2009. In September 2009 the applicant closed its New Brunswick, NJ Liquid Laundry Detergent plant and moved it to the new 1.1 million s. f. York, Pa site, with local approval already in place to increase the facility to 1.8 million s.f. Church & Dwight is estimating equipment and leasehold improvements would be roughly \$20 million. A favorable decision by the Authority to award the BRRAG grant is a material factor in the applicant's decision to continue its expansion in NJ. The applicant has also demonstrated that the grant of these tax credits will result in a net positive benefit to the State.

APPROVAL REQUEST:**TAX CREDIT TERM:** 5 years**COMMITMENT DURATION:** 10 years

The Members of the Authority are asked to approve the proposed BRRAG benefit to Church & Dwight Co., Inc 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 10 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 6/30/2014 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 6/30/2014.

APPLICANT'S FISCAL YEAR ENDS: December 31
CAPITAL INVESTMENT MUST BE SPENT BY: June 30, 2014

TOTAL ESTIMATED GRANT AWARD OVER TERM: \$10,000,000
STATE FISCAL YEAR 1 APPROVAL (SFY2014) \$ 2,000,000
STATE FISCAL YEAR 1 APPROVAL (SFY2015) \$ 2,000,000
STATE FISCAL YEAR 1 APPROVAL (SFY2016) \$ 2,000,000
STATE FISCAL YEAR 1 APPROVAL (SFY2017) \$ 2,000,000
STATE FISCAL YEAR 1 APPROVAL (SFY2018) \$ 2,000,000

ELIGIBLE BRRAG JOBS: 974
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE: \$ 1,500
YEARLY BONUS TAX CREDIT AMOUNT PER EMPLOYEE: \$ 553
YEARLY TAX CREDIT & BONUS \$ 2,053
ANTICIPATED AVERAGE WAGES: \$ 90,000
ESTIMATED TOTAL GROSS ANNUAL PAYROLL: \$87,660,000
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 10YRS: \$31,265,400
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$20,000,000
APPLICANT HAS BEEN IN NJ SINCE: 1967

PROJECT IS: Expansion Relocation

CONSTRUCTION: Yes No

BUSINESS DEVELOPMENT OFFICER: J. Colon **APPROVAL OFFICER:** M.Krug

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

APPLICANT: Citibank, N.A. and Affiliates

P35753

PROJECT LOCATION: 499 Washington Blvd.

Jersey City (T/UA)

Hudson County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Founded in 1812, Citibank, N.A. is the consumer banking arm of financial services giant Citigroup ("Citi"). Citi, which is headquartered in New York, is a global diversified financial services holding company, providing a broad range of financial products and services to consumers and corporate customers. It has approximately 200 million customer accounts, does business in more than 160 countries and jurisdictions, and has approximately 258,000 employees world-wide. In 2004, the Authority awarded a BEIP to Citi valued at \$57,224,400 and in 2006 awarded the company another BEIP estimated at \$37,104,000. The applicant is economically viable.

MATERIAL FACTOR:

The company is in the process of reviewing long-term location alternatives to accommodate its operational and growth needs in lower cost venues. The company is considering increasing its presence in Jersey City by leasing space at Newport Office Center III located at 499 Washington Boulevard. In addition to the site in Jersey City, the applicant is also considering locations in downtown Manhattan and Long Island City. Should the applicant choose the New Jersey location it would result in 400 new full-time jobs in the state. Management has indicated that the BEIP grant is a material factor in the decision to move forward with the project in Jersey City.

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 Citibank, N.A. 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: \$ 12,368,000

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

NJ EMPLOYMENT AT APPLICATION: 4,212

ELIGIBLE BEIP JOBS: Year 1 334 Year 2 66 Base Years Total = 400

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$30,920

ANTICIPATED AVERAGE WAGES: \$100,000

ESTIMATED PROJECT COSTS: \$14,440,800

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$15,460,000

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$10,822,000

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

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New York

APPLICANT OWNERSHIP:(X) Domestic () Foreign

DEVELOPMENT OFFICER: P. Ceppi

APPROVAL OFFICER: K. McCullough

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Jersey City	N/A
2. Job Creation	400	4
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	0	0
4. Industry:	Financial services	2
	Designated : <u> X </u> Non-Designated : _____	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$14,268,000	2
7. Average Wage:	\$ 100,000	4
TOTAL:		14

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	<u>20%</u>
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	30%	_____
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	<u>20%</u>
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	_____
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	<u>15%</u>
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:	14 = 45 %
Construction/Renovation :	5 %
Bonus Increases :	55 %
Total Score (not to exceed 80 %):	80 %

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

APPLICANT: Evonik Degussa Corporation and subsidiary

P35585

PROJECT LOCATION: To be determined

Locations Unknown (N)

Unknown County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Evonik Degussa Corporation, operating in New Jersey since 1973, is a wholly owned subsidiary of Evonik Degussa GmbH, an international company with businesses comprised of specialty chemicals, power generation from hard coal and renewable energies and private real estate in Germany. Evonik Degussa Corp.'s principal business is the manufacture and distribution of a variety of specialty and industrial chemical products in North America. The Company owns and operates production facilities located throughout Canada, Mexico, the Netherlands and the USA. The US headquarters is currently located in leased space in Parsippany, Morris County, NJ and the company also operates a technical laboratory in Piscataway for total NJ employment of 442. Its largest manufacturing facility is located in Mobile, Alabama. The applicant is economically viable.

MATERIAL FACTOR:

Evonik Degussa Corporation requests approval of a BEIP grant to support the relocation of its corporate headquarters and creation of 77 new jobs in NJ. Evonik Degussa Corporation and Evonik Cyro, LLC (collectively "Evonik") currently lease office space in Parsippany for its North American Headquarters which expires in 2011. Evonik is reviewing alternative locations with lower lease costs and is deciding between relocating to a different facility in Parsippany or to Alabama, which is near the largest Evonik manufacturing site. The applicant is also requesting a BRRAG grant at the March 2011 Board meeting to retain 339 corporate headquarter jobs in Parsippany. The company has stated that the BEIP grant is a material factor to remain in NJ. 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 \$2,070,322.

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 Evonik Degussa Corporation and subsidiary 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: \$ 1,035,161
 (not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 442

ELIGIBLE BEIP JOBS: Year 1 42 Year 2 35 Base Years Total = 77

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$13,443

ANTICIPATED AVERAGE WAGES: \$92,304

ESTIMATED PROJECT COSTS: \$1

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$2,587,902

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$2,846,692

PROJECT IS: () Expansion (X) Relocation Parsippany

CONSTRUCTION: () Yes (X) No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: () Domestic (X) Foreign Germany

DEVELOPMENT OFFICER: D. Johnson

APPROVAL OFFICER: T. Wells

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Locations Unknown	N/A
2. Job Creation	77	2
	Targeted : <u> X </u> Non-Targeted : _____	
3. Job at Risk:	339	3
4. Industry:	Advanced materials	2
	Designated : <u> X </u> Non-Designated : _____	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$0	0
7. Average Wage:	\$ 92,304	4
TOTAL:		13

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:

13 = 40 %

Construction/Renovation :

0 %

Bonus Increases :

0 %

Total Score (not to exceed 80 %):

40 %

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

APPLICANT: Evonik Degussa Corporation and subsidiary

COMPANY ADDRESS: 379 Interpace Parkway Parsippany Morris County

PROJECT LOCATION: To Be Determined

GOVERNOR'S INITIATIVES:

() NJ Urban Fund (X) Edison Innovation Fund () Core

APPLICANT BACKGROUND:

Evonik Degussa Corporation, operating in NJ since 1973, is a wholly owned subsidiary of Evonik Degussa GmbH, an international company with businesses comprised of specialty chemicals, power generation from hard coal and renewable energies and private real estate in Germany. Evonik Degussa's principal business is the manufacture and distribution of a variety of specialty and industrial chemical products in North America. Evonik Degussa owns and operates production facilities located throughout Canada, Mexico, the Netherlands and the USA. The company's US headquarters is currently located in leased space in Parsippany and it also operates a technical laboratory in Piscataway for total NJ employment of 442 employees. Its largest manufacturing facility is in Mobile, Alabama.

MATERIAL FACTOR/NET BENEFIT:

Evonik Degussa Corporation and Evonik Cyro, LLC (collectively "Evonik") currently lease office space in Parsippany, Morris County for its North American Headquarters which expires in 2011. Evonik is reviewing alternative locations with lower lease costs and is deciding between relocating to a different facility in Parsippany or to Alabama, which is near the largest Evonik manufacturing site. In addition to the BRRAG application, which would help keep the company's 339 corporate headquarter jobs in New Jersey, Evonik has also applied for a BEIP grant which would provide an incentive for the company to create 77 new jobs in the State within 2 years. Management has indicated that the BRRAG is a material factor in the company's decision to remain in New Jersey. The applicant has also demonstrated that the grant of these tax credits will result in a net positive benefit to the State.

APPROVAL REQUEST:

TAX CREDIT TERM: 2 years
COMMITMENT DURATION: 7 years

The Members of the Authority are asked to approve the proposed BRRAG benefit to Evonik Degussa Corporation and subsidiary 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. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.

4. 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 12/31/2011.

END OF APPLICANT'S FISCAL YEAR:		DECEMBER 31
CAPITAL INVESTMENT MUST BE MADE BY:		N/A
TOTAL ESTIMATED GRANT AWARD OVER TERM:	\$	1,017,000
STATE FISCAL YEAR 1 APPROVAL SFY 2012:	\$	508,500
STATE FISCAL YEAR 2 APPROVAL SFY 2013:	\$	508,500
ELIGIBLE BRRAG JOBS:		339
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	\$	1,500
BONUS AWARD PER EMPLOYEE:	\$	0
ANTICIPATED AVERAGE WAGES:	\$	92,304
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	\$	31,291,056
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 7 YRS:	\$	7,975,444
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$	0
OPERATED IN NEW JERSEY SINCE:		1973
PROJECT IS: () Expansion	(X) Relocation	
CONSTRUCTION/RENOVATION: () Yes	(X) No	
DEVELOPMENT OFFICER: D. Johnson	APPROVAL OFFICER: T. Wells	

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

APPLICANT: Ferraro Foods Inc. and Affiliates

P35673

PROJECT LOCATION: 287 S. Randolphville Road Piscataway (T) Middlesex County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Established in 1975 in Greenbrook, New Jersey, and named after its founder and original owner, Ferraro Foods Inc. initially operated out of a small garage with a single truck. Their vision was to become the premier supplier to the Italian pizza trade with premier service. Today, it is an accomplished domestic distributor of foods and related products primarily to the pizza and restaurant industry on the eastern seaboard. The applicant is economically viable.

In 1985, Michael Giammarino became the new owner and continued the company's vision. In 2002, Ferraro Foods opened its 135,000 sf headquarter and distribution facility in Piscataway, New Jersey, and two years later opened a second distribution facility in High Point, North Carolina. They distribute not only products designated for the Italian food trade but also over 4,000 items that cater to a number of different concepts and restaurant establishments. Ferraro Foods services over 3,500 customers in 16 states. Their exclusive portfolio of brands includes Marino, Ferraro, Domenico Vitale, and Country Brand.

Ferraro Foods Inc. is planning an expansion. This expansion will create 50 new permanent jobs and will require a larger space (a brand new, larger location or an addition). Options being considered are: moving the entire Piscataway operations to a brand new, larger facility; or building an addition at their current site, which is owned by an affiliate. Completely moving to a brand new location can be anywhere in the Northeast region. According to the Applicant, they are being courted by Pennsylvania with an option of moving to the Lehigh Valley area, and New Jersey is competing with Pennsylvania not only to house this planned expansion but also to retain the existing Piscataway headquarters and distribution operation.

The company is contemporaneously proceeding with a BRRAG tax credit application.

MATERIAL FACTOR:

The Applicant is seeking a BEIP grant to support creating the referenced positions in New Jersey. The company has represented that a favorable decision by the Authority to award the BEIP grant is an important inducement in the Applicant's decision to go forward with the project (which is to expand (or relocate) within New Jersey instead of relocating and expanding out of State, such as in Pennsylvania). The Authority staff recommends the award of the proposed BEIP grant.

APPROVAL REQUEST:

PERCENTAGE: 60%
TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Ferraro Foods 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: \$ 345,750
 (not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 251

ELIGIBLE BEIP JOBS: Year 1 30 Year 2 20 Base Years Total = 50

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$6,915

ANTICIPATED AVERAGE WAGES: \$50,000

ESTIMATED PROJECT COSTS: \$4,726,366

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$576,250

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$518,625

PROJECT IS: (X) Expansion () Relocation _____

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: (X) Domestic () Foreign

DEVELOPMENT OFFICER: D. Johnson

APPROVAL OFFICER: D. Sucsuz

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Piscataway	N/A
2. Job Creation	50	1
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	251	2
4. Industry:	Transportation & logistics	2
	Designated : <u> X </u> Non-Designated : _____	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$4,726,366	2
7. Average Wage:	\$ 50,000	2
TOTAL:		11

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	<u>20%</u>
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	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:		20 %

Total Score :

Total Score per formula:	11 = 35 %
Construction/Renovation :	5 %
Bonus Increases :	20 %
Total Score (not to exceed 80 %):	60 %

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

APPLICANT(S): Ferraro Foods Inc. and Affiliates

PROJECT LOCATION(S): 287 S. Randolphville Road Piscataway Middlesex County

GOVERNOR’S INITIATIVES:

Urban Fund Other Urban Edison Core Clean Energy

APPLICANT BACKGROUND:

Established in 1975 in Greenbrook, New Jersey, and named after its founder and original owner, Ferraro Foods Inc. initially operated out of a small garage with a single truck. Their vision was to become the premier supplier to the Italian pizza trade with premier service. Today, it is an accomplished domestic distributor of foods and related products primarily to the pizza and restaurant industry on the eastern seaboard.

In 1985, Michael Giammarino became the new owner and continued the company’s vision. In 2002, Ferraro Foods opened its 135,000 sf headquarter and distribution facility in Piscataway, New Jersey, and two years later opened a second distribution facility in High Point, North Carolina. They distribute not only products designated for the Italian food trade but also over 4,000 items that cater to a number of different concepts and restaurant establishments. Ferraro Foods services over 3,500 customers in 16 states. Their exclusive portfolio of brands includes Marino, Ferraro, Domenico Vitale, and Country Brand.

Ferraro Foods Inc. is planning an expansion. This expansion will require a larger space (a brand new, larger location or an addition) and will create 50 new permanent jobs. Options being considered are: moving the entire Piscataway operations to a brand new, larger facility; or building an addition at their current site, which is owned by an affiliate. Completely moving to a brand new location can be anywhere in the Northeast region. According to the Applicant, they are being courted by Pennsylvania with an option of moving to the Lehigh Valley area, and New Jersey is competing with Pennsylvania not only to retain the existing Piscataway headquarters and distribution operation but also to house this planned expansion.

The company is contemporaneously proceeding with a BEIP grant application (P35673).

MATERIAL FACTOR/NET BENEFIT:

The Applicant is seeking a BRRAG grant to support retaining (or relocating) 251 BRRAG eligible employees located in New Jersey. The company has represented that a favorable decision by the Authority to award the BRRAG grant (along with the BEIP grant P35673) is a material factor in the Applicant's decision to remain (or relocate) within New Jersey and hence not to relocate these jobs outside of the State (i.e., Pennsylvania). According to the Applicant, New Jersey is competing with Pennsylvania to house this relocation (and expansion). The Authority staff recommends the award of the proposed Business Retention and Relocation Assistance Grant.

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

APPROVAL REQUEST:

TAX CREDIT TERM: 2 Years

COMMITMENT DURATION: 7 Years

The Members of the Authority are asked to approve the proposed BRRAG benefit to Ferraro Foods Inc. and Affiliates to encourage the company to remain or 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 meet the statutory definition of Capital Investment and are made on or before 6/30/2012 in order to remain eligible for the bonus award on top of the standard award.
4. No employees subject to a BEIP Grant or another BRRAG/STX benefit, if any, 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 6/30/2012.

APPLICANT'S FISCAL YEAR ENDS:	DECEMBER 31
CAPITAL INVESTMENT MUST BE SPENT BY:	JUNE 30, 2012
TOTAL ESTIMATED TAX CREDIT AMOUNT OVER TERM:	\$ 1,129,500
STATE FISCAL YEAR 1 APPROVAL (SFY 2013)	\$ 564,750
STATE FISCAL YEAR 2 APPROVAL (SFY 2014)	\$ 564,750
ELIGIBLE BRRAG JOBS:	251
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	\$ 1,500
YEARLY BONUS TAX CREDIT AMOUNT PER EMPLOYEE:	\$ 750
ANTICIPATED AVERAGE WAGES:	\$ 50,000
ESTIMATED TOTAL GROSS ANNUAL PAYROLL (for 251 employees):	\$ 12,550,000
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS OVER COMT. (7 years):	\$ 2,024,943
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 4,100,000
OPERATED IN NEW JERSEY SINCE:	1975
PROJECT IS: (X) Expansion (X) Relocation	
CONSTRUCTION: (X) Yes () No	
DEVELOPMENT OFFICER: D. Johnson	APPROVAL OFFICER: D. Sucsuz

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

APPLICANT: ICUP, Inc.

P35666

PROJECT LOCATION: 1665 John Tipton Boulevard Pennsauken Township Camden County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Established in 1998 and based in Croydon, Pennsylvania, ICUP, Inc. is a privately held company specializing in the distribution and manufacture of glassware and barware products. They concentrate in specialty and novelty decorative glass products, pressed and blown glass, plastic and metal novelties and specialties, printed t-shirts, and paper gift wraps. Their licensed products are sold through Kohl's, Target and Sears/Kmart, among others. Two examples of their licensed characters/product concept sources are The Simpsons and the Rolling Stones. The applicant is economically viable.

ICUP has outgrown its 27,000 sf Croydon, PA facility. The company is planning an expansion and is looking for a larger facility to accommodate its current and future growth. They also plan to add a glass decorating department. Lastly, they are also planning to offer wholesale packing, warehousing and product distribution for some of their customers. With the intention to purchase, ICUP is currently looking at two properties, one in Philadelphia, Pennsylvania and the other in Pennsauken, New Jersey.

MATERIAL FACTOR:

The Applicant is seeking a BEIP grant to support relocating 23 existing positions from Pennsylvania into New Jersey and creating 12 brand new positions. The company has represented that a favorable decision by the Authority to award the BEIP grant is an important inducement in the Applicant's decision to go forward with the project (which is to relocate to and expand in New Jersey instead of remaining and expanding out of State, i.e., Pennsylvania). Authority staff recommends the award of the proposed BEIP grant.

APPROVAL REQUEST:

PERCENTAGE: 65%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage ICUP, 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: \$ 113,750
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 0

ELIGIBLE BEIP JOBS: Year 1 30 Year 2 5 Base Years Total = 35

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$3,250

ANTICIPATED AVERAGE WAGES: \$30,000

ESTIMATED PROJECT COSTS: \$2,000,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$175,000

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$148,750

PROJECT IS: () Expansion (X) Relocation Pennsylvania

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: Pennsylvania

APPLICANT OWNERSHIP: (X) Domestic () Foreign

DEVELOPMENT OFFICER: H. Friedberg

APPROVAL OFFICER: D. Sucsuz

FORMULA EVALUATION

<u>Criteria</u>	<u>Score</u>
1. Location: Pennsauken Township	N/A
2. Job Creation 35	1
Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk: 0	0
4. Industry: wholesale	0
Designated : _____ Non-Designated : <u> X </u>	
5. Leverage: 2 to 1	1
6. Capital Investment: \$2,000,000	1
7. Average Wage: \$ 30,000	1

TOTAL: **4**

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20% <u> 20% </u>
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	30% _____
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20% <u> 20% </u>
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20% _____
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15% _____
10% or more of the employees of the business receive a qualified transportation fringe of \$ 30.00 or greater.	15% _____
Located in an area designated by the locality as an "area in need of redevelopment"	10% _____
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: **40 %**

Total Score :

Total Score per formula:	4 = 20 %
Construction/Renovation :	5 %
Bonus Increases :	40 %
Total Score (not to exceed 80 %):	65 %

**BUSINESS RETENTION AND RELOCATION ASSISTANCE
GRANT**

ELIGIBLE BRRAG JOBS:		71
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	\$	1,500
BONUS AWARD PER EMPLOYEE:	\$	750
ANTICIPATED AVERAGE WAGES:	\$	50,000
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	\$	3,550,000
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 6YRS:	\$	490,965
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$	700,000
OPERATED IN NEW JERSEY SINCE:		1999

PROJECT IS: () Expansion (X) Relocation

CONSTRUCTION/RENOVATION: (X) Yes () No

DEVELOPMENT OFFICER: P. Ceppi

APPROVAL OFFICER: K. McCullough

BOARD MEMORANDUMS



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

SUBJECT: Barclays Bank Plc. (Barclays)/Lehman Brothers Holdings, Inc. (LBHI)
Structured Finance Program

DATE: March 8, 2011

Purpose:

Extend the closing date from March 31, 2011 to September 30, 2011 on the transfer to Barclays of EDA's assets purchased by LBHI pursuant to a structured finance agreement to provide time to address Barclays' outside bankruptcy counsel's concerns. Once these issues are resolved, Barclays and EDA can execute documents to transfer EDA's interest in the assets to Barclays upon receipt of the reset fee of \$117,829.

Background:

LBHI closed on a Structured Finance project with the Authority in July 2005. Under the Structured Finance Program, the Authority acquired leasehold improvements and equipment which it then leased to LBHI for the useful life of the equipment and for 15 years for the leasehold improvements. In LBHI's bankruptcy, Barclays purchased the LBHI facilities at which the Authority's leasehold improvement and equipment are located. On February 16, 2010, Barclays expressed an interest in purchasing the rights, titles and interest of the structured finance assets in exchange for a five-year job commitment using Barclays' job numbers.

On July, 15, 2010, EDA's Board approved a 2 month extension (until September 22, 2010) of the July 22, 2010 date by which EDA would transfer its interests in the structured finance assets for nominal consideration. This extension was approved to allow Barclays a reasonable amount of time to negotiate a reset fee and the necessary documentation for the asset acquisition.

On August 10, 2010, EDA's Board approved Barclays' offer to purchase the structured finance assets in exchange for a number of items including but not limited to maintaining a minimum statewide job count, the payment of a reset fee of \$117,829, and making no further purchases under this program.

On September, 24, 2010, at a special meeting, the EDA Board approved a second 2 month extension (until November 22, 2010) to allow Barclays further time to evaluate the proposed asset acquisition.

Due to certain concerns subsequently raised by Barclays' outside bankruptcy attorneys, the EDA Board approved, at its November 9, 2010 meeting, a further extension to March 31, 2011. Staff and the Attorney General's Office have been working with Barclays to resolve these concerns. Barclays has requested additional time to resolve these bankruptcy concerns while the LBHI bankruptcy proceedings unfold and the bankruptcy reorganization is proposed and confirmed. At that time, the LBHI bankruptcy estate expected to reach confirmation of its bankruptcy plan in the first quarter 2011.

Confirmation of the LBHI bankruptcy plan has been delayed and is now expected to occur in the third quarter 2011. In the meantime, Barclays has proposed executing a Letter of Understanding with the terms previously approved by the Board. Staff and the Attorney General's Office have received the proposed LOU and are reviewing it.

Recommendation:

Extend the closing date to September 30, 2011 to allow Barclays a reasonable amount of time to resolve its outside bankruptcy attorneys' concerns and to sign documents with the EDA that set forth the terms mutually reached by the parties.

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

Prepared by John Rosenfeld



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: March 8, 2011

SUBJECT: Foundation for Educational Administration, Inc.
Monroe Township, Middlesex County, NJ
\$4,000,000 Stand-alone Bond (P22322 & P22636)

Request:

Consent to either (i) a change in the reset date and call date on the existing bond to 5 years from the modification date or (ii) an interest rate change in the current fixed interest rate of 4.59% on the bond to the tax exempt equivalent of LIBOR + 220 b.p. with a 5 year interest rate swap and call date; with a 7 year swap and call date or with a 10 year swap and call date.

Background:

Foundation for Educational Administration, Inc. ("FEA") is a not-for-profit 501(C)(3) corporation founded in 1985 to provide professional development and training for members of the NJ Principals and Supervisor Associates. FEA offers professional development and certification programs for school principals and a two-year state-wide principal mentoring program at its facility in Monroe Township.

In July 2008, the Members approved a \$4,000,000 stand-alone conduit tax-exempt bond to refinance conventional debt used for a 12,000 sf building expansion to provide training space for its certification and professional development programs and to refund \$822,000 outstanding under a 2002 EDA Bond. The Bond, purchased by TD Bank, has a term of 20 years and a fixed rate of 4.59% for five (5) years with a rate reset and call date each five years, the first of which is set for October 1, 2013. The Bank and FEA have agreed to modify the Bond to affect a lower interest rate for the Borrower. The options are being provided so the Borrower can obtain the most favorable rate at time of closing.

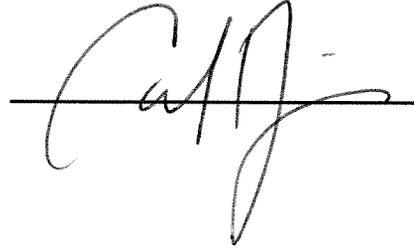
The first option is to keep the current rate and extend the reset date for 5 years from date of modification. The second option is to change the rate on the Bond to a floating rate equal to the tax exempt equivalent of LIBOR + 220 basis points (the "Floating Rate") and enter into either a 5, 7 or 10 year fixed interest rate swap. Call and rate reset dates on the bonds will change to coincide with term of selected interest rate swap. Finally, Borrower may select to enter a swap for a portion of the Bond with the remainder at the Floating Rate.

Wolff & Samson, LLC, Bond Counsel to the Authority, has reviewed this request and have opined that the tax-exempt status of the bond will not be adversely affected as a result of this modification. The Borrower is asking for EDA's consent to this modification, which has been approved by the Bank.

Recommendation:

Consent to the modification of interest rate and call and rate reset provisions as described above is recommended. Authority support will reduce debt service and interest expense for the not-for profit Borrower.

Prepared By: Nancy C. Meyers

A handwritten signature in black ink, appearing to be 'C. Meyers', is written over a horizontal line. The signature is stylized and cursive.



MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini, Chief Executive Officer
DATE: March 8, 2011
SUBJECT: Metro Packaging & Imaging, Inc., Wayne, NJ

Request:

Consent to Sun National Bank's request to subordinate to a \$1.8 million loan. In exchange, EDA's Main Street loan will be paid in full and EDA will gain a pari passu position with the Bank on the real estate in its SLP participation.

Background:

Founded in 1964, Metro Packaging & Imaging, Inc. is a manufacturer of folding cartons and has locations throughout the US. Metro leases a 72,625 square foot facility in Wayne, NJ from its related entity PB Tower, LLC.

In July 2009, EDA provided a 50% subordinate participation of approximately \$1.1 million in a \$2.2 million loan to purchase equipment and a 25% subordinate participation (initially \$350,000) in a \$1.4 million term loan for working capital both with Sun National Bank. The bank also provides a \$5 million line of credit and has a \$3.3 million stand-alone bond which EDA does not participate in or guarantee.

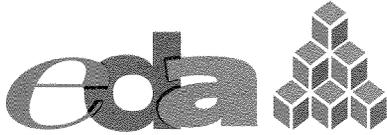
The borrower is near capacity at their current location and plans to build a 28,000 square foot addition to house a web-press needed to be competitive in attracting new customers and to retain its existing customer base. Sun will finance this \$10.2 million project with a \$7.2 million SBA 504 equipment loan secured by the new equipment and a \$1.8 million mortgage on the company's facility. The \$1.2 million balance will be funded by equity.

Sun has asked EDA to subordinate its lien on the property to the new \$1.8 million real estate loan. In consideration staff has negotiated a payoff on the Main Street loan and a pari passu position on the \$979,000 participation EDA has in the existing \$1.96 million SLP loan.

Recommendation:

Consent to the subordination on the new loan in exchange for a reduction in overall EDA exposure via the payoff of EDA's loan and improvement in our collateral position to pari passu on the \$1.96 million SLP loan. Consent will support the expansion of a manufacturing company that employs 120 in New Jersey and expects to add approximately 28 more upon project completion.

Prepared by: Mansi Naik



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: March 8, 2010

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

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

New Jersey Business Growth Fund:

- 1) Enviroprobe Service, Inc. and ETBF, LLC (P35566) will be relocated from Moorestown to Pennsauken Township, Camden County. Enviroprobe Service, Inc. was formed in 1995 as a provider of environmental consulting services. ETBV, LLC is a newly formed real estate holding company that will own and operate the project property. PNC Bank approved a \$395,000 bank loan with a five-year, 25% guarantee, not to exceed \$98,750. Proceeds will be used to purchase the project property. The company currently has 17 employees and plans to create two new jobs within the next two years.
- 2) Essex Coatings, LLC (P35677), located in Woodbridge Township, Middlesex County, was formed in 2004 as a family owned business that manufactures hardwood veneer, plywood and prefinished hardwood plywood. PNC Bank approved a \$144,000 bank loan with a five-year, 25% guarantee of principal outstanding, not to exceed \$36,000. Proceeds will be used to purchase equipment. Currently, the company has eight employees and plans to create three additional positions over the next two years.
- 3) Kaplanova Insurance Agency, LLC (P35663) will be relocated from Marmora to Upper Township, Cape May County. Kaplanova was established in 2003 as an independent insurance broker selling policies of life insurance, disability, long term care and fixed annuities for various companies. PNC Bank approved a \$122,800 bank loan with a five-year, 25% guarantee of principal outstanding, not to exceed \$30,700. Proceeds will be used to purchase commercial property. Currently, the company has three employees and plans to create two additional positions over the next two years.

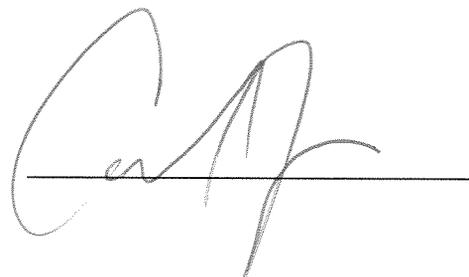
- 4) Ralph & Rachelle Di Clemente and Daily Bread LLC d/b/a Bennie's Bread (P35567) are located in Ocean City, Cape May County. Daily Bread LLC d/b/a Bennie's Bread, formed in 2005, is a wholesale and retail Italian bakery which features breads, rolls, muffins and various pastries. PNC Bank approved a \$470,000 bank loan with a five-year, 50% guarantee of principal outstanding, not to exceed \$235,000. Proceeds will be used to refinance existing real estate. Currently, the company has five employees and plans to create five new positions within the next two years.
- 5) RJ Medical Holdings LLC (P35631) is a newly created real estate holding company that was created to purchase the project property. The operating company, Healthpoint Medical Group of Keyport, a medical practice specializing in internal medicine, orthopedic surgery, clinical pain management and ambulatory surgery procedures. PNC Bank approved a \$725,000 loan with a five-year, 25% guarantee of principal outstanding, not to exceed \$181,250. Proceeds will be used to purchase the project property. The company currently has seven employees and plans to create four new positions within the next two years.
- 6) Wayson LLC (P35261), located in Manasquan Borough, Monmouth County, is a real estate holding company that was formed to purchase the project property. Operating company, Wayne P. Foster M.D., was established in 2003 as a facial plastic surgery facility. PNC Bank approved a \$580,000 loan with a five-year, 25% guarantee of principal outstanding, not to exceed \$145,000. Loan proceeds will be used to purchase the project property. Currently, the company has 21 employees and plans to create four new jobs over the next two years.

NJ Main Street Program:

- 1) 22 Jackson Drive Associated, LLC (P35158), located in Cranford Township, Union County, is a newly formed real estate holding company created to purchase the project property. The operating company, National Mill Industries, Inc. was founded in 1991 as a wholesale distributor of women's apparel. TD Bank has approved a \$3,866,665 bank loan with a 25% (\$966,665) Authority participation. The company currently has twenty employees and plans to create fifteen additional jobs over the next two years.

Preferred Lender Program:

- 1) 502 Pleasant Valley, LLC (P35659), located in Moorestown Township, Burlington County, is a newly formed real estate holding company formed to purchase the project property. Operating company, Chenosa Systems Corporation d/b/a ProPhoenix Corporation, was formed in 2004 as a provider of public safety and security software solutions. Bank of America approved a \$1,138,000 loan contingent upon a \$500,000 (43.94%) Authority participation. Proceeds will be used to purchase the project property. Currently, the company has nine employees and plans to create eight new positions within the next two years.

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

ECONOMIC DEVELOPMENT SITE FUND GRANT



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: March 8, 2011

SUBJECT: Burlington County
Economic Development Site Fund Grant ("EDSF")

Request:

Confirm the eligibility of 25 Lafayette, LLC/Robert C. Halgas as a qualified project under Burlington County's EDSF grant. Approval of the County's \$300,000 loan is required pursuant to the EDSF legislation that provided a \$5 million grant to capitalize Burlington County's revolving loan fund. Approval is subject to confirmation by the State Treasurer.

Background:

The Economic Development Site Fund ("EDSF") was created in 1996 as part of the Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development Bond Act of 1996, (P. L. 1996, c.70) ("Bond Act"). The Bond Act set aside \$20 million for economic development projects in the Delaware River and Bay Region. In 1999, the Legislature appropriated to the Commerce and Economic Growth Commission ("Commerce Commission") a grant in the amount of \$5 million for Burlington County to capitalize a revolving loan fund for economic development site projects along the Route 130 corridor. In May 2000, the Commerce Commission entered into a Grant Agreement with Burlington County.

Pursuant to the appropriation and the Grant Agreement, Burlington County performs the underwriting for the proposed project but must submit the project to the Commerce Commission and the Treasurer for a determination of eligibility pursuant to the Bond Act and other EDSF statutes. In 2008, the restructured Commerce Commission was dissolved and the EDSF program was transferred to the BRAD Division within EDA. The EDA Board reviews the statutory eligibility of project and the EDA CEO, who serves as the acting director of the BRAD Division, signs the approval. Review by the Attorney General's Office and approval by the State Treasurer are also required.

In December 2010, the members confirmed the eligibility of Edgewater Park Crossing Group, LLC as a qualified project under Burlington County's EDSF agreement to facilitate the County providing a \$2,000,000 loan for construction of a medical and health care complex. Burlington County is now requesting a second confirmation for 25 Lafayette, LLC/Robert C. Halgas as a qualified project under the EDSF.

This project will be a \$300,000 loan to finance land acquisition and equipment costs related to the expansion of Café Madison/Towne Tavern. Additional project financing will be provided by a \$670,000 First Republic Bank loan, \$200,000 from Burlington County's federally funded small business loan program and \$598,000 in equity. The County has conducted its credit due diligence on the project and is asking EDA to confirm the eligibility of the applicant as a qualified project under the terms of the grant agreement and supporting legislation.

Staff has completed its review of the statutory guidelines and the grant agreement, and concludes that the project satisfies the eligibility criteria under EDSF. The project complies with the Bond Act because the land and equipment purchase will promote economic activity and new jobs in the Delaware River and Bay Region (Region), defined as including Burlington County. Additionally, by supporting the expansion of and new employment at a restaurant business, the project also meets the four criteria for EDSF Funding in P.L. 1997, c.97, of which only two must be satisfied:

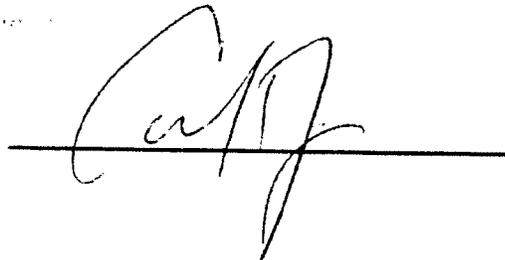
1. the project will support or enhance the existing economic base of the Region
2. the project will result in the expansion of existing facilities in the Region
3. the project will promote the economic activity and new jobs (16 permanent and 9 construction) in the Region
4. the project is expected to foster the development of business or commercial ventures and promote long-term growth in the Region.

Finally, the project's location satisfies the appropriation and Grant Agreement, as it is within the Route 130 Corridor: the municipalities through which Route 130 traverses from Palmyra to Florence.

The Attorney General's Office has advised that this project is eligible for funding as required by the Bond Act and other EDSF statutes and is currently reviewing the loan documents.

Recommendation

Confirm eligibility of 25 Lafayette, LLC as a qualified project pursuant to the Bond Act and the underlying EDSF grant agreement with Burlington County to support the creation of 16 jobs and enhance the economic base of the region. Approval by the Members is subject to the approval by the State Treasurer.





MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: March 8, 2011

SUBJECT: Camden County Improvement Authority
\$1,793,000 Economic Development Site Fund (“EDSF”) Grant

Request:

The members are asked to approve a \$1.793 million grant from the Economic Development Site Fund (“EDSF”) to the Camden County Improvement Authority for the development and construction of a new residential dormitory facility for Rutgers University in Camden City.

Background:

Created in 1996, EDSF was part of the Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development Bond Act, (P. L. 1996, c.70) (“Bond Act”). The Bond Act set aside \$20 million for “the cost of the purchase of real property, equipment, and any building, construction, and miscellaneous site improvements associated with” economic development sites in the Delaware River and Bay Region. In addition to the complying with the Bond Act, a project must meet certain statutory criteria in P.L. 1997, c. 97, s. 8.

In June 2009, P.L. 2009, c. 65, appropriated to the EDA from the EDSF “the sum of \$1,793,000 which the [EDA] shall grant to the Camden County Improvement Authority for the development and construction of new residential dormitory facilities for Rutgers University in Camden City, Camden County.” The use of funds appropriated under the act are “subject to the provisions and conditions of” the Bond Act. P.L. 2009, c. 65, s. 4. Unlike other EDSF appropriations, which were to the Commerce and Economic Growth Commission, this appropriation is directly to the EDA for it to administer and review.

In December 2010, the Camden County Improvement Authority (“CCIA”) filed an application with the EDA to receive the \$1.793 million grant for the development and construction of a dormitory facility to be located on Cooper Street between North Third and North Fourth Streets in Camden, which is adjacent to the Rutgers University Camden Campus. The dormitory will be within the municipality’s University Village District in the downtown redevelopment area. CCIA proposes to use the grant funds to pay acquisition costs for sites to be acquired from the City of Camden Redevelopment Authority.

Project Description

The proposed facility, with an estimated \$50.194 million development cost, will be a 12 story, 161,000 ±SF building that will include 350 student beds (102 one, three and four bedroom apartments) and 7,000 ±SF of ground floor retail. Each apartment will be fully furnished and will include separate bedrooms, full bathroom(s), kitchen with appliances and a living area. The facility will include a social lounge, a fitness center, mailroom, business center, and management and maintenance offices. Rutgers will make parking available to dormitory residents from nearby parking lots.

Unit Mix, Rents, and Market Demand

The following chart summarizes the dormitory’s unit mix and proposed rents:

Unit Type	Number Units	Total Beds	Mo. Rent Per Student	Ann. Student Rent
1 BR	4	4	\$1,150	\$11,500
3 BR Private Bath	23	69	\$1,020	\$10,200
3 BR Shared Bath	23	69	\$1,020	\$10,200
4 BR	52	208	\$997	\$9,970
	102	350		

The Scion Group (TSG) prepared a market study and demand analysis for the proposed dormitory. TSG concluded that there is an existing market demand for approximately 809 total beds for Rutgers student target population.¹ The study also concludes that the proposed rents are competitive with the Rutgers existing dormitory and the private rental market in Camden City and the surrounding area.

Sources and Uses

The following chart summarizes the uses and sources for the proposed dormitory:

Uses	
Acquisition	\$3,504,970
Professional Services & Contingency	\$2,669,374
Permits and Fees	\$879,750
Construction & Contingency	\$40,327,440
Development Fee	\$2,812,703
Total Uses	\$50,194,237
Sources	
Delaware River Port Authority	\$2,000,000
Economic Development Site Funds	\$1,793,000
Federal Funds	\$800,000
Estimated Rutgers University Bond	\$45,601,237
Total Sources	\$50,194,237

¹ The target student population includes Rutgers University law students, other graduate students, and undergraduate upperclassmen.

The final sources and uses statement will be subject to Rutgers' final review and approval. Rutgers has assumed responsibility for unforeseen environmental costs not included in the uses of funds. CCIA and Rutgers will jointly approve change orders for the dormitory.

On February 8, 2011, the Rutgers' Board of Governors passed a resolution approving the project as follows: "\$55 million cost of this project, less the grant proceeds received by CCIA for this project, is expected to be part of an anticipated future bond sale with debt service on this portion of such bonds being covered by University housing fees associated with the new facility." (emphasis added).¹ Rutgers will: (1) provide interim construction financing, and upon receiving title of the facility from CCIA, Rutgers will issue bonds as permanent financing for the balance of the project not funded through grants, and (2) furnish, manage and maintain the dormitory, and provide student services.

The funding commitments from the Delaware River Port Authority and the federal government are still pending.

Development Team

Rutgers University will engage CCIA to provide turnkey development services to complete the dormitory. In this role, CCIA will provide the following services:

1. Enter into a redevelopment agreement with the Camden Redevelopment Authority (CRA) to acquire the City and CRA controlled property.
2. Procure and manage the general contractor.
3. Obtain and manage the grant funding for the project.
4. Manage the construction schedule and budget.

CCIA has already procured Joseph Jingoli & Sons as the project's construction manager. The development team has extensive experience, which is summarized below:

- **CCIA.** The applicant has developed and financed commercial projects for Camden County College (CCC) and Cooper University Hospital (CUH) in Camden. These projects included a parking deck with a book store for CCC, and a parking deck with commercial space for CUH. Currently, CCIA is developing the medical school in Camden in partnership with CUH and Rowan University (RU).
- **Joseph Jingoli & Sons.** This construction management firm has over 85 years experience in the construction industry and is currently the construction manager for CCIA on the medical school being developed on behalf of RU in partnership with CUH.

Project Schedule

Currently, the development of the dormitory has a very aggressive construction schedule, with a targeted construction start date in March 2011, and substantial completion to occur in July 2012, making the dormitory available for occupancy in the 2012-13 academic year.

¹February 8, 2011 Rutgers Board of Governor's Resolution at page 1. The estimated difference between the CCIA project cost, \$50.2 million, and Rutgers Board of Governor's funding authorization, \$55 million, is the additional costs incurred by Rutgers that are not included in CCIA's project costs (e.g., fixtures, furniture and equipment, and financing and related fees).

Project Eligibility

Staff has completed its review of the project as well as the statutory and regulatory criteria and concludes that the project satisfies the eligibility criteria. The project complies with the Bond Act because the land acquisition will promote economic activity and new jobs within the “Delaware River and Bay Region” (Region), defined as including Camden County. By redeveloping empty lots, enhancing the Rutgers’ Camden campus, and increasing residents in the Camden’s downtown, the project also meets the four criteria of P.L. 1997, c.97, of which only two must be satisfied for EDSF funding:

1. the project will support or enhance the existing economic base of the Region
2. the project will result in the expansion of existing facilities in the Region
3. the project will promote the economic activity and new jobs in the Region
4. the project is expected to foster the development of business or commercial ventures and promote long-term growth in the Region.

The project also satisfies the appropriation (P.L. 2009, c. 65), as the project is for “the development and construction of new residential dormitory facilities for Rutgers University in Camden City.” The Attorney General’s Office has advised that this project is eligible for funding as required by the Bond Act and other EDSF statutes.

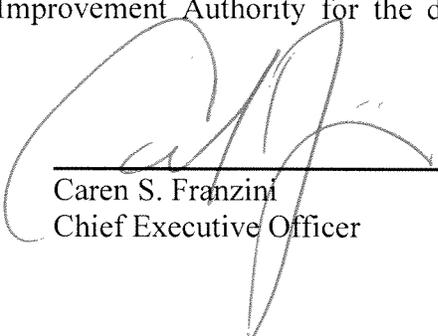
Conditions of Funding

Prior to the Authority releasing the funds, CCIA will need to:

1. Provide executed copies of funding commitments from Delaware River Port Authority (\$2 million) and federal funding source (\$800,000). In the event the grant funding will not be received, CCIA will provide written confirmation from Rutgers that it will fully fund the shortfall in grant proceeds.
2. Provide a copy of Rutgers’ Board of Governor’s approval of bond or other financing in the estimated amount of \$55 million.
3. Provide an opinion of CCIA’s counsel that the engagement of Joseph Jingoli & Sons complies with all procurement laws applicable to CCIA.
4. Provide an executed copy of the Development Agreement between CCIA and Rutgers.
5. Provide an executed copy of the Redevelopment Agreement between CCIA and the Camden Redevelopment Authority (CRA).
6. Provide an executed copy of the Purchase Agreement between the CCIA and CRA.
7. Execute and deliver the grant agreement for the funds to the Authority.

Recommendation

Subject to the conditions of funding included in this memo, I recommend that the Members approve the \$1.793 million grant to Camden County Improvement Authority for the development of the dormitory for Rutgers University in Camden.



Caren S. Franzini
Chief Executive Officer

Prepared by: Juan Burgos

REAL ESTATE

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: March 8, 2011

RE: Leasing Brokerage Services Contracts
Technology Centre of New Jersey & Waterfront Technology Center at Camden

Summary

I am asking the Members to approve the award of leasing brokerage services contracts to Jones Lang LaSalle (JLL) of Parsippany, New Jersey for the Technology Centre of New Jersey and the Waterfront Technology Center at Camden.

Background

The Real Estate Division publicly advertised a Request for Qualifications and Proposals (RFQ/P) for leasing brokerage services with regard to the Technology Centre of New Jersey and the Waterfront Technology Centre at Camden. Pursuant to the terms of the RFQ/P, the Authority has the ability to add additional properties to the scope of services.

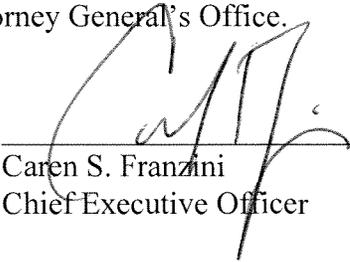
Site tours were held and questions and answers were posted on the Authority's website. Four (4) firms submitted proposals in response to the solicitation. The proposals were reviewed for compliance and evaluated based on the qualifications, experience, and other requirements as outlined in the RFQ/P (reference attached Evaluation Committee memo for detailed information).

JLL is the highest ranked firm and meets all the criteria outlined in the RFQ/P. It is recommended that JLL be retained to provide these services for a 3 year period with a 2 year renewal option. JLL's commission rates for both the Tech Centre and WTCC are 5% with an override rate of 2.5% for years 1 through 5 of the lease term and 2.25% for year 6 through the end of the lease term. When a prospective tenant is represented by a broker, the commission is paid to the tenant's broker and the override rate is paid to the listing broker. However, no override will be paid when JLL or an affiliate or subsidiary of JLL is the tenant's broker. The commission and override rates are fixed for the contract and renewal terms.

The Authority's LLC partner agrees with the recommendation to contract with JLL for the Technology Centre of New Jersey. Final approval of the selection of JLL will be subject to receipt and approval of its campaign contribution compliance documentation. In the alternative, if JLL is found to be non-compliant, we are seeking approval to enter into a contract with the next highest scoring bidder, subject to receipt and approval of campaign contribution compliance documentation, as listed on the attached Evaluation Committee memo.

Recommendation

In summary, I ask for the Members' consent to award leasing brokerage services contracts for the Technology Centre of New Jersey and the Waterfront Technology Center at Camden to Jones Lang LaSalle based on the scoring of their proposal by the Evaluation Committee, and subject to approval of the Chief Executive Officer and the Attorney General's Office.



Caren S. Franzini
Chief Executive Officer

Attachment

Prepared by: Christine Roberts and
Donna Sullivan