



MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini
Chief Executive Officer
DATE: May 13, 2011
SUBJECT: Agenda for Board Meeting of the Authority May 13, 2011

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Bond Projects

Loans/Grants/Guarantees

Incentive Programs

Board Memorandums

Authority Matters

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

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

April 12, 2011

MINUTES OF THE MEETING

Members of the Authority present: Al Koepp, Chairman; Steve Petrecca representing the State Treasurer; Wayne Staub representing the Commissioner of the Department of Environment Protection; Joe Latoof representing the Department of Labor and Workforce Development; Nancy Graves representing the Commissioner of the Department of Banking and Insurance; Public Members: Joseph McNamara, Vice Chairman; Tim Carden, Steve Plofker, Marjorie Perry, Charles Sarlo, Raymond Burke, First Alternate Public Member; Elliot M. Kosoffsky, Second Alternate Public Member; and Kevin Brown, Third Alternate Public Member and Rodney Sadler, Non-Voting Member.

Absent from the meeting: Matt McDermott representing the Executive Branch; and Public Members: Laurence Downes and Richard Tolson.

Also present: Caren Franzini, Chief Executive Officer of the Authority; Bette Renaud, Ed Pillsbury, Wayne Matorelli, Sudi Solomon, and John Dickerson, Deputy Attorneys General; and guests.

Chairman Koepp 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 March 8, 2011 meeting minutes. A motion was made to approve the minutes by Mr. Carden, seconded by Mr. Plofker, and was approved by the 11 voting members present.

The next item of business was the approval of the March 8, 2011 executive session minutes. A motion was made to approve the minutes by Mr. Carden, seconded by Mr. Plofker, and was approved by the 11 voting members present.

Mr. Sarlo entered the meeting.

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

AUTHORITY MATTERS

The next item was discussion and action on the Authority's comprehensive annual report for 2010, as required under Executive Order No. 37 (2006).

MOTION TO APPROVE: Mr. Carden SECOND: Ms. Perry AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

BOND RESOLUTIONS

PROJECT: Women in Support of the Million Man **APPL.#35518 & #35835**
March, Inc.

LOCATION: Newark/Essex Cty.

PROCEEDS FOR: building renovation & refinancing existing debt

FINANCING: \$3,000,000 Series A Qualified School Construction Bond, \$5,200,000 Series B tax-exempt bond, and \$800,000 Series C Taxable Bond

MOTION TO APPROVE: Mr. Plofker SECOND: Mr. McNamara AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

PROJECT: Camden Academy Charter High School **APPL.#34890**

LOCATION: Camden/Camden Cty.

PROCEEDS FOR: refinancing existing debt

FINANCING: \$2,467,080 Tax-Exempt Bond and/or Qualified School Construction Bond

MOTION TO APPROVE: Ms. Perry SECOND: Mr. Carden AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

PRELIMINARY RESOLUTIONS

PROJECT: Congregation and Yeshiva Ohr Elchonon, Inc. **APPL.#35711**

LOCATION: Lakewood/Ocean Cty.

PROCEEDS FOR: refinancing existing debt

MOTION TO APPROVE: Ms. Perry SECOND: Mr. Brown AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

PROJECT: DermaRite Industries LLC and/or Affiliates **APPL.#36073**

LOCATION: North Bergen/Hudson Cty.

PROCEEDS FOR: building acquisition and equipment purchase

MOTION TO APPROVE: Mr. Plofker SECOND: Mr. McNamara AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PROJECT: Moorestown Friends School Assoc. **APPL.#36075**
LOCATION: Moorestown/Burlington Cty.
PROCEEDS FOR: refinancing existing debt
MOTION TO APPROVE: Ms. Perry SECOND: Mr. Brown AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

PROJECT: Triangle Manufacturing Co., Inc. **APPL.#36048**
LOCATION: Upper Saddle River/Bergen Cty.
PROCEEDS FOR: equipment purchase
MOTION TO APPROVE: Mr. Carden SECOND: Ms. Perry AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

DIRECT LOANS

PROJECT: Kontos Foods, Inc. and related entities **APPL.#35660**
LOCATION: Paterson/Passaic Cty.
PROCEEDS FOR: equipment purchase
FINANCING: \$1,093,000 direct loan
MOTION TO APPROVE: Mr. Carden SECOND: Mr. Brown AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PROJECT: Shining Schools, Inc. **APPL.#36119**
LOCATION: East Orange/Essex Cty.
PROCEEDS FOR: building acquisition and renovation
FINANCING: \$550,000 direct loan
MOTION TO APPROVE: Mr. Carden SECOND: Mr. Burke AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

SMALL BUSINESS FUND DIRECT LOAN PROGRAM

PROJECT: Advance Healthcare Services, Inc. **APPL.#35632**
LOCATION: Jersey City/Hudson
PROCEEDS FOR: working capital
FINANCING: \$125,000 Small Business Fund loan
MOTION TO APPROVE: Mr. Brown SECOND: Mr. Kosoffsky AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

Mr. Latoof entered the meeting

PROJECT: Sequins Inc. DBA Sequin City **APPL.#35929**
LOCATION: North Bergen/Hudson
PROCEEDS FOR: acquisition of existing building
FINANCING: \$225,000 Small Business Fund loan
MOTION TO APPROVE: Ms. Perry SECOND: Mr. Brown AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

The following projects were presented under the Petroleum Underground Storage Tank Program.

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

PROJECT: Nilda Canilao **APPL.#35202**
LOCATION: Rochelle Park/Bergen
PROCEEDS FOR: upgrade, closure and site remediation
FINANCING: \$197,975 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: Eduardo Fanio **APPL.#34500**
LOCATION: Shrewsbury Twp./Monmouth
PROCEEDS FOR: upgrade, closure and site remediation
FINANCING: \$138,385 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: Arjun Goyal **APPL.#34465**
LOCATION: Egg Harbor/Atlantic Cty.
PROCEEDS FOR: upgrade, closure and site remediation
FINANCING: \$139,004 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: Marian Hare **APPL.#34041**
LOCATION: Collingswood/Camden
PROCEEDS FOR: upgrade, closure and site remediation
FINANCING: \$235,000 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: David Merlino **APPL.#33540**
LOCATION: Red Bank/Monmouth
PROCEEDS FOR: upgrade, closure and site remediation
FINANCING: \$184,441 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: Estate of Joseph Saitta **APPL.#34598**
LOCATION: Camden/Camden
PROCEEDS FOR: upgrade, closure and site remediation
FINANCING: \$36,610 Petroleum UST Remediation, Upgrade, & Closure Fund Loan.

The next item was a summary of all Petroleum Underground Storage Tank Program Delegated Authority Approvals for the month of March 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. Brown AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PROJECT: City of Gloucester (Gloucester Titanium Site) **APPL.#34955**
LOCATION: Gloucester City/Camden Cty.
PROCEEDS FOR: remedial investigation
FINANCING: \$131,222 Hazardous Discharge Site Remediation Fund

PROJECT: City Works West Lake, LLC **APPL.#35515**
LOCATION: Neptune/Monmouth Cty.
PROCEEDS FOR: remedial action
FINANCING: \$75,542 Hazardous Discharge Site Remediation Fund

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

INCENTIVE PROGRAMS

**BUSINESS INCENTIVE EMPLOYMENT PROGRAM & BUSINESS RETENTION
AND RELOCATION ASSISTANCE GRANT PROGRAM**

PROJECT: Brad's Raw Chips, LLC **APPL.#35664**
LOCATION: Trenton/Mercer **BUSINESS:** food products
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Carden **SECOND:** Ms. Perry **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PROJECT: FIMS Manufacturing Corporation **APPL.#35633**
(formerly IMS Tool, Inc.)
LOCATION: TBD **BUSINESS:** industrial/electrical equipment
GRANT AWARD: 30% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Plofker **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PROJECT: Mission Solutions Engineering, LLC **APPL.#35901**
LOCATION: TBD **BUSINESS:** professional services
GRANT AWARD: 45% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Latoof **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11
GRANT AWARD: \$3,746,250 (estimate), 3 years **Business Retention and Relocation Assistance Grant**
MOTION TO APPROVE: Mr. Carden **SECOND:** Ms. Perry **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

PROJECT: Montrose Molders Corporation and Affiliates **APPL.#36047**
LOCATION: TBD **BUSINESS:** plastics
GRANT AWARD: 35% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Brown **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11
GRANT AWARD: \$528,750 (estimate), 1 year **Business Retention and Relocation Assistance Grant**
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Carden **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: Postcard Press, Inc. **APPL.#36025**
LOCATION: TBD **BUSINESS:** printing and publishing
GRANT AWARD: 30% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Carden **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PROJECT: Puratos Corporation
LOCATION: Various **BUSINESS:** food products
GRANT AWARD: \$371,250 (estimate), 1 year **Business Retention and Relocation Assistance Grant**
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Carden **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

PROJECT: Realogy Corporation
LOCATION: Various **BUSINESS:** real estate services
GRANT AWARD: \$10,721,250 (estimate), 5 years **Business Retention and Relocation Assistance Grant**
MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Ms. Perry **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: SYNEX Corporation **APPL.#36024**
LOCATION: TBD **BUSINESS:** wholesale
GRANT AWARD: 30% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Mr. Carden **SECOND:** Ms. Perry **AYES:** 12
Mr. Kosoffsky abstained because he is familiar with the lease.
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11
GRANT AWARD: \$202,500 (estimate), 1 year **Business Retention and Relocation Assistance Grant**
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Latoof **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16
Mr. Kosoffsky abstained because he is familiar with the lease.

PROJECT: Teachers Insurance and Annuity Association **APPL.#35906**
Of America
LOCATION: Woodbridge/Middlesex Cty. **BUSINESS:** financial services
GRANT AWARD: 80% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Mr. Brown **SECOND:** Mr. Latoof **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PROJECT: Vertellus Specialties Inc. **APPL.#35949**
LOCATION: Roxbury/Morris Cty. **BUSINESS:** advanced materials
GRANT AWARD: 30% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Ms. Perry **SECOND:** Mr. Carden **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ECONOMIC REDEVELOPMENT AND GROWTH (ERG) PROGRAM

The next item was discussion and action on proposed special adoption rules implementing the Economic Redevelopment and Growth (ERG) Program. The proposal memorializes guidelines for the program previously approved by the Board and reflects recent statutory revisions pursuant to P.L. 2010, C.10.

Ms. Franzini noted that the Incentives Committee of the Board had considered the proposal at its meeting last week. The proposal incorporates policies previously adopted by the Board considering calculations of the sales tax in the net benefits test; repayment of grants for large projects, and the treatment of infrastructure. Mr. McNamara acknowledged discussion at the Incentives Committee and recognized that the Act allowed for Special Adoption and that the proposal mirrors guidelines previously adopted, and reflects how the program is being administered. Submission of the proposal to the Office of Administrative Law is subject to review by Governor's Counsel and the Division of Law.

MOTION TO APPROVE: Mr. Plofker SECOND: Mr. Carden AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

BOARD MEMORANDUMS

PROJECT: First Street Properties, LLC **APPL.#12177**

LOCATION: Perth Amboy/Middlesex Cty.

FINANCING: \$2,100,000 Stand-Alone bond

REQUEST: Consent to the modification of the existing bond interest rate provisions to allow a reduction from the existing rate of 5.25% to 5.00% fixed for five years.

MOTION TO APPROVE: Mr. Carden SECOND: Mr. Staub AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

The next item was discussion and action on staff's recommendation to not disqualify Novo Nordisk for its request for consent to an increase in the New Employment Commitment after a review of legal matters.

MOTION TO APPROVE: Mr. Carden SECOND: Mr. Latoof AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

PROJECT: Novo Nordisk, Inc. **APPL.#18102**

LOCATION: Princeton/Mercer Cty.

FINANCING: \$5,405,932 Business Employment Incentive Grant

REQUEST: Consent to an increase in the New Employment Commitment from 211 jobs to 414 jobs due to the company making additional significant capital investments at the project site.

MOTION TO APPROVE: Mr. Brown SECOND: Ms. Perry AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

The next item was a list of the BEIP modifications and the BRRAG UEZ and Salem Sales Tax Exemption extensions that were approved in the 1st quarter ending March, 31, 2011. **(For Informational Purposes Only)**

The next item was a list of the actions approved under Delegated Authority by Post Closing Financial Services during the 1st quarter 2011. **(For Informational Purposes Only)**

The next item was a summary of projects approved under Delegated Authority in March 2011.

New Jersey Business Growth Fund: Gary R. Banks Industrial Group, LLC and Nominee; Q.W.L LLC; Swedish Auto Sports Inc. or Nominee; Wipe Out Productions, LLC

PNC Business Growth Fund – Modification: Ricetz Corporation; Ralph & Rachelle Di Clemente and Daily Bread, LLC d/b/a Bennie’s Bread

EXECUTIVE SESSION

The next item was to adjourn the public session of the meeting and enter into Executive Session to discuss 1) recommendations of the hearing officer in connection with the Clean Energy Solutions ARRA CHP Program, 2) potential litigation related to a real estate contract matter, and 3) a remediation agreement.

MOTION TO APPROVE: Mr. Burke SECOND: Ms. Perry AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

The Board returned to Public Session.

CLEAN ENERGY SOLUTIONS

The next item was discussion and action on the hearing officer’s report in connection with applications for the competitive solicitation for the Clean Energy Solutions ARRA CHP Program and upholding the denials of AHS Hospital, Robert Wood Johnson University Hospital, Rutgers, the State University of New Jersey; and Montclair State University, and to reverse the denial for one applicant, RED-Burlington, LLC.

MOTION TO APPROVE: Mr. Brown SECOND: Mr. Latoof AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

Mr. Plofker abstained because he is on the Board of Overseers for Rutgers University.

PROJECT: RED-Burlington, LLC **APPL.#33802**

LOCATION: Burlington City/Burlington Cty.

PROCEEDS FOR: installation of a CHP energy system

FINANCING: \$1,365,300 Clean Energy Solutions ARRA CHP Grant

MOTION TO APPROVE: Mr. Brown SECOND: Mr. Latoof AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

The next item was to approve authorization to expend up to an additional \$30,000 through July 2011, increasing the contract budget of the Vitetta Group, Inc from \$11,983,000 to \$12,013,000.

MOTION TO APPROVE: Mr. Kosoffsky SECOND: Mr. Carden AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

The next item was to approve execution of an agreement between New Jersey Economic Development Authority, New Jersey Department of Environmental Protection, Lillian Applegate and ExxonMobil Corporation concerning responsibility for remediation at the project location.

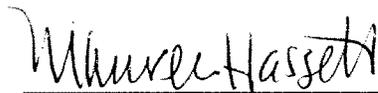
MOTION TO APPROVE: Mr. Brown SECOND: Ms. Perry AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion by Mr. Staub, and seconded by Mr. Brown, the meeting was adjourned at 12:30 pm.

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



Maureen Hassett, Assistant Secretary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

April 25, 2011

MINUTES OF THE SPECIAL MEETING

Members of the Authority present: Wayne Staub representing the Commissioner of the Department of Environment Protection; Nancy Graves representing the Commissioner of the Department of Banking and Insurance; and Joe Latoof representing the Department of Labor and Workforce Development.

Present via conference call: Al Koepp, Chairman; Jim Kelly representing the State Treasurer; Public Members: Joseph McNamara, Vice Chairman; Tim Carden, Richard Tolson, Laurence Downes, Marjorie Perry, Raymond Burke, First Alternate Public Member and Kevin Brown, Third Alternate Public Member.

Absent: Matt McDermott representing the Executive Branch; Public Members: Charles Sarlo, Steve Plofker, Elliot M. Kosoffsky, Second Alternate Public Member

Also present: Caren Franzini, Chief Executive Officer of the Authority; Patricia Roach, Deputy Attorney General; Nicole Crifo, Governor's Authorities' Unit and guests.

Chairman Koepp called the meeting to order at 12:00 p.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.

The next item was to adjourn the public session of the meeting and enter into Executive Session to discuss recommendations with regard to the loan status for 255-267 Verona Avenue, LLC

MOTION TO APPROVE: Mr. Staub SECOND: Mr. Latoof AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

The Board returned to Public Session.

PROJECT: 255-267 Verona Avenue, LLC **APPL.#22173**

LOCATION: Newark/Essex Cty.

FINANCING: \$\$916,666 SLP Loan/Delinquent

REQUEST: Consent to the settlement from Sun National Bank as payment in full of EDA's \$916,666 share in this \$3,417,000 loan. Upon closing of the transaction, EDA will have no further recourse and the loan would be reclassified as written off without recourse, subject to concurrence by the Attorney General's office

MOTION TO APPROVE: Mr. Kelly SECOND: Ms. Perry AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

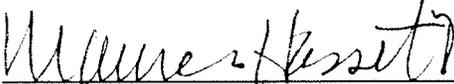
PUBLIC COMMENT

Chairman Koepp asked for any additional public comments.

There was no comment from the public.

There being no further business, on a motion by Mr. Latoof, and seconded by Ms. Graves, the meeting was adjourned at 12:10 p.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: May 13, 2011

RE: Chief Executive Officer's Report to the Board

Funding Update for Petroleum Underground Storage Tank (PUST) Program

Along with the Department of Environmental Protection (DEP), EDA has been continuously monitoring the balance of funding available under the Petroleum Underground Storage Tank (PUST) Program. It has been determined that the funding for this program will be fully expended by May 31, 2011.

Appropriation funding has historically been sufficient to support PUST through Corporate Business Tax (CBT) receipts which are constitutionally dedicated to capitalize the Fund. Currently, the appropriations for this program will be fully committed by May 31, 2011, however, future activity will resume when funding becomes available through future CBT revenues.

Because the funds in the program have been fully committed at this time, the EDA is no longer accepting new applications for the PUST Program for non-leaking tanks effective May 3, 2011. For the leaking tank program co-administered by the EDA and the DEP, the DEP will continue to accept new applications, record their date received, and hold them until sufficient funds become available.

Applications that are already in-house will be reviewed and processed in the order that they were received and in accordance with statutory priority set forth in NJSA 58:10A-37.4 until current funding is exhausted.

The status of the program has been noted on both EDA and DEP's websites, and program stakeholders have been notified.

Matrix Presents Master Plan to Help FMERA Negotiate Army Transfer of Fort Monmouth, Parkway Interchange Project Announced

At the April 20 FMERA Board meeting, Matrix Design Group presented an Overview of the BRAC Process, Summary of the Business Plan and Infrastructure and reviewed the Fort's

environmental status. The Business Plan, Infrastructure analysis and environmental status will assist the Fort Monmouth Economic Revitalization Authority (FMERA) in their negotiations with the Army for transfer of the Fort Property. The plan has already proven to be useful as FMERA was able to immediately email property details to a business that expressed interest in one of the Fort's larger facilities.

In additional good news from Fort Monmouth, the Christie Administration announced plans to invest New Jersey Turnpike Authority capital funds in a project that will add value and demonstrate a commitment to the Fort's redevelopment. The Turnpike Authority plans to reconfigure the Garden State Parkway in Tinton Falls, adding new ramps from the southbound Parkway to Wayside Avenue and signage in both directions at Exit 105 for Fort Monmouth visitors. The project also includes improving areas plagued by congestion and traffic delays, which will improve traffic flow in the vicinity and provide better access to the western portion of the Fort. This excellent infrastructure improvement will create additional access to the Fort, attracting redevelopment opportunities and spurring job creation.

Fiscal Year 2012 State Budget Hearings

The EDA appeared with State Treasurer Andrew P. Sidamon-Eristoff, and all other interdepartmental agencies, before the Senate and Assembly Budget Committees regarding proposed funding under the Fiscal Year 2102 State Budget. In addition, the Authority also appeared with Lt. Governor/Secretary of State Kim Guadagno and representatives from Choose New Jersey and the Business Action Center, regarding the Department of State's FY 2012 Budget. Through these hearings, Lt. Governor Guadagno detailed how all three elements of the Partnership for Action are working in coordination to foster economic development, business attraction, and job creation in New Jersey. In my testimony which focused on the State's various business incentive programs administered by EDA, I reinforced the Authority's commitment to responsibly administering financial assistance to businesses on behalf of the State, while working with the Christie Administration and State Legislature to create a prosperous environment for businesses in New Jersey.

FINANCING ACTIVITY

In the first four months of 2011, EDA closed financing and incentives totaling over \$441 million for 53 projects that are expected to spur the creation of nearly 6,600 new, full-time jobs and leveraging over \$1.7 billion in total public/private investment.

- In lending activity, EDA closed financing totaling over \$161 million for 38 projects that are expected to spur the creation of just over 160 new, full-time jobs and leveraging over \$276 million in total public/private investment.
- Through our incentive programs, EDA closed on 15 projects totaling over \$279 million in estimated benefits that are expected to create nearly 6,400 new, full-time jobs and leveraging over \$1.4 billion in total public/private investment.

Among the businesses assisted in April:

ACR Energy Partners, LLC, which closed on \$130 million in tax-exempt bond financing to design, develop, construct, own, operate and maintain the Inlet District Energy Center in the inlet area of Atlantic City. The Inlet District Energy Center will provide thermal energy in the form of chilled water and hot water from a central production facility and a distribution system consisting of pipelines to the Revel Entertainment complex and the Bella Condominium Association located nearby. This assistance is expected to create 574 construction jobs and leverage just over \$30 million in capital investment.

Kontos Foods, Inc., which closed on nearly \$9 million in tax-exempt bond financing to purchase the 60,000 sq ft building in which it currently operates, a nearby 25,000 sq. ft. facility, and equipment and machinery. Kontos Foods, Inc. is a Paterson-based manufacturer of authentic hand stretched flatbread. This assistance is expected to create 20 new jobs, support 160 existing jobs, and leverage just over \$11.4 million in public/private investment.

ProPhoenix Corporation, which closed a \$487,300 participation in a \$1.1 million bank loan through the Statewide Loan Pool Program. ProPhoenix Corporation is a Moorestown-based provider of public safety and security software solutions. This assistance will enable the company to purchase a 7,000 square-foot property to facilitate business expansion. The company has committed to creating eight new full-time jobs and four new part-time jobs within two years.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 13 events in April. These included the Rutgers-Camden housing facility groundbreaking ceremony in Camden, Gloucester County Dept. of Economic Development 10th Annual Bankers and Brokers Breakfast in Deptford, 3rd Annual SCORE Small Business Fair in Princeton, and the 2011 EPA Brownfields Conference in Philadelphia.

Additionally, Lt. Governor Guadagno and I participated in the Sophion Bioscience ribbon cutting in North Brunswick. This biotech company, formerly a tenant at the Commercialization Center for Innovative Technologies (CCIT), announced that they are “graduating” to larger space at the Technology Centre of New Jersey. In addition to being a tenant at CCIT, Sophion has also received EDA assistance through the Technology Business Tax Certificate Transfer Program.



BOND RESOLUTIONS

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

APPLICANT: Triangle Manufacturing Co. Inc.

P36048

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 25 Park Way

Upper Saddle River Borough (N) Bergen

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

APPLICANT BACKGROUND:

Triangle Manufacturing Co. Inc. (Triangle), formed in 1955, is a privately held company, with second and third generation now working for the company. The applicant is a leading provider of surgical implants, medical instruments, specialized powered surgical hand instruments, and complex electro and hydro mechanical assemblies that require tight-tolerance machined parts and assemblies for commercial use. Included among the medical products manufactured by Triangle are hip, knee, shoulder and spine implants, powered instruments for spinal and ENT procedures, bone burring drills and surgical navigation devices.

Triangle is a long term customer of the Authority, with its first bond financing dating back to 1980. The most recent transaction was a \$2.2 million, 10 year tax-exempt bond (P20707) that closed in May 2008, with the proceeds used to acquire manufacturing equipment. Aggregate face value of the three tax-exempt bonds issued for Triangle is \$6.3 million.

APPROVAL REQUEST:

Authority assistance will enable the borrower to acquire new manufacturing equipment to meet customer needs.

FINANCING SUMMARY:

BOND PURCHASER: Sovereign Bank (Direct Purchase)

AMOUNT OF BOND: \$2,750,000 (max.) Tax-Exempt Bond

TERMS OF BOND: 10 years; variable interest rate based on the tax-exempt equivalent of one (1) month LIBOR plus 325 basis points; subject to call option on the 7th anniversary of the bond. On the closing date, the applicant may enter into a 7 year swap to a fixed rate estimated to be 4.35% as of April 27th, 2011. If the bond is not called the rate for the remaining 3 years will reset using the same rate formula mentioned above.

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	\$2,925,000
Legal fees	\$40,000
Finance fees	\$29,000
Accounting fees	\$6,000
TOTAL COSTS	<hr/> \$3,000,000 <hr/>

JOBS: At Application 135 Within 2 years 7 Maintained 0 Construction 0

PUBLIC HEARING: 04/12/11 (Published 03/29/11) **BOND COUNSEL:** Wolff & Samson

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

PRELIMINARY RESOLUTIONS

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

APPLICANT: Century Packaging, Inc.

P36372

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 42 Edgeboro Road

East Brunswick Township (N)

Middlesex

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

APPLICANT BACKGROUND:

Century Packaging, Inc. (Century), formed in 1986, is a full service manufacturer that specializes in designing folding cartons to customer specification. The applicant handles all aspects of carton creation, from the prototype phase to graphic layout, manufacturing and delivery of the final product. Century's customers are nationwide, with a primary focus on the New York, New Jersey, Pennsylvania tri-state area. Industries served by the applicant include cosmetic, pharmaceutical, healthcare, nutritional, food, bakery products, automotive & industrial hardware and pet products.

The Authority approved at its August 2009 Board meeting a \$2.5 million tax-exempt bond (P26784) for Century Packaging to acquire a Mitsubishi sheetfed press that closed in November 2009. People's Capital & Leasing Corp bought the bond and are reviewing Century's current request to finance the new equipment. Since the purchase of the 1st press in 2009, sales and production has increased 32%. A 7 year \$400,000 SLP loan (P11188) with a 25% Authority participation, not to exceed \$75,000, closed in April 2000 and was subsequently paid off in May 2007, as agreed.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to acquire a Mitsubishi Diamond 3000LX 6-16 28" (40") 6 color sheetfed printing press with auxiliary equipment, similar to the one acquired in 2009. The applicant is projecting the acquisition of the new press will allow it to increase business an additional 20%.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	\$1,800,000
Renovation of existing building	\$60,000
Legal fees	\$40,000
TOTAL COSTS	\$1,900,000

JOBS: At Application 53 Within 2 years 7 Maintained 0 Construction 2

PUBLIC HEARING:

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: P. Ceppi

APPROVAL OFFICER: M. Krug

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

APPLICANT: Congregation Meoros Nosson Inc.

P36404

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 419 5th St.

Lakewood Township (T/UA)

Ocean

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

APPLICANT BACKGROUND:

Congregation Meoros Nosson Inc. is a 501(c)(3) not-for-profit organization established in 2002 to operate the Cheder Bnie Torah of Lakewood school for boys in grades kindergarten through 5th grade. The School located in Lakewood, Ocean County, has enrollment of 315 with 35 employees. Abraham Bursztyn is the Administrator. The project is being reviewed by the Attorney General's Office relating to the First Amendment's Establishment Clause.

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

APPROVAL REQUEST:

Authority assistance will enable the Applicant to refinance several private loans used to purchase and renovate the School.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	\$2,600,000
Finance fees	\$54,000
Legal fees	\$35,000
TOTAL COSTS	\$2,689,000

JOBS: At Application 35 Within 2 years 6 Maintained 0 Construction 0

PUBLIC HEARING:

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: R. Fischer

APPROVAL OFFICER: T. Wells

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

APPLICANT: Postcard Press, Inc.

P36406

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: TBD

Locations Unknown (N)

Unknown

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

APPLICANT BACKGROUND:

Postcard Press, Inc., (Postcard), a California based company doing business as Nextdayflyers.com, provides small businesses next day delivery of printed material, at lower prices. Approximately 95% of all its business is a result of internet marketing, utilizing a pay per click internet search engine model to promote its services. The company was formed in 1994 by David Handmaker, as a printing broker, subcontracting out all work. In 2001, Mr. Handmaker bought his own press and building, eliminating the middle man. With 40% of the business coming from the East Coast, a decision was made to open a 2nd facility to service this market.

At the April 2011 Board meeting the Authority approved a 10 year BEIP grant (P36025), at a 30% award level, with a projected value of \$101,062 to support Postcard's creating 50 jobs to open an East Coast operation that will eventually mirror their 140 person operation in California. To date, a building has not been chosen. Under consideration are lease to own or purchase terms. Should they decide to purchase a building, it is anticipated Postcard will request the Authority to approve tax-exempt financing.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to acquire a Komori 40" 4 color press and ancillary equipment, including imposition, cutting and bindery equipment to set up its East Coast printing plant. Equipment delivery is scheduled for August and expected to be fully operational by October 2011.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	\$3,275,000
Renovation of existing building	\$100,000
Legal fees	\$50,000
Finance fees	\$50,000
Accounting fees	\$25,000
TOTAL COSTS	\$3,500,000

JOBS: At Application 0 Within 2 years 50 Maintained 0 Construction 3

PUBLIC HEARING:

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: P. Ceppi

APPROVAL OFFICER: M. Krug

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

APPLICANT: Precision Properties LLC

P36566

PROJECT USER(S): Montrose Molders Corporation

* - indicates relation to applicant

PROJECT LOCATION: 1000 South Second Street

Plainfield City (T/UA)

Union

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

APPLICANT BACKGROUND:

Montrose Molders Corporation is one of the Tri-State-Area's premier plastics processors. From engineering and tool making to injection molding and hot stamping, they meet all molding and plastic processing needs under one roof.

Precision Properties LLC, an existing related entity, is expected to hold the title to the project site.

In 1966, Montrose started as Continental Precision with a 22-person mold building shop. Since then, the company has grown steadily. Montrose regularly invests in new injection molding machines. Robots run on 23 of the company's 35 injection presses. Today, Montrose is a 235-person, full-service molding facility. While they specialize in point of purchase displays, as a custom injection molder, they have the capabilities to service a variety of industries.

They have outgrown their current leased 110,000 sf manufacturing plant in South Plainfield. They are in negotiations with the owner of a 280,000 sf manufacturing facility that has been operated in the same industry for over 30 years.

In April 2011, Montrose Molders Corporation was approved for the following grants: (i) a BEIP grant for 10 years, 85 jobs, estimated benefit of \$148,750 (initially at 35% - w/o a location; P36047); and (ii) a BRRAG grant for one year, 235 jobs, estimated tax-credit benefit of \$528,750.

APPROVAL REQUEST:

Authority assistance will enable the acquisition, renovation and equipping of a 280,000 sf manufacturing facility on 9.9 acres.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	\$3,500,000
Purchase of equipment & machinery	\$3,500,000
Renovation of existing building	\$1,000,000
Finance fees	\$200,000
Cost of Issuance	\$80,000
Accounting fees	\$50,000
TOTAL COSTS	\$8,330,000

JOBS: At Application
Jobs on Related 36047

Within 2 years

Maintained

Construction

8

PUBLIC HEARING:

DEVELOPMENT OFFICER: P. Ceppi

BOND COUNSEL: McManimon & Scotland

APPROVAL OFFICER: D. Sucsuz

DIRECT LOANS

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

APPLICANT: South Olden Avenue Realty Group

P36074

PROJECT USER(S): Quick Chek

* - indicates relation to applicant

PROJECT LOCATION: 1110 South Olden Ave

Hamilton Township (T)

Mercer

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

APPLICANT BACKGROUND:

Founded in 1972, South Olden Avenue Realty Group ("SOARG" or "Company") is a real estate holding company, that currently owns two properties. The first property is leased to Quick Chek and the other property is leased to an independent proprietor. This project includes the purchase of two additional adjacent properties, demolition of the homes located on the sites, expansion and upgrade of an existing 3,200 square foot Quick Chek store to a 4,000 square foot store and the installation of a 3,956 square foot fueling station. Quick Chek will pay for all the internal fit out of the store. The existing Quick Chek store has been located on this property since 1972.

This project will create 12 full time jobs and eight part time jobs. For the public purpose analysis, a total of 16 full time jobs was used. This figure is comprised of 12 traditional full-time jobs plus the conversion of eight part-time jobs into four full time jobs. Note that the four additional full time jobs are not reflected on this project summary. The conversion of part time jobs to full time jobs was due to the necessity and permanent nature of the positions.

The Authority currently participates in two different term loans to L&F Properties, a New Jersey Partnership (P16367 & P21614), which is related to our borrower through common ownership.

APPROVAL REQUEST:

Approve a \$785,000 a term loan under the Direct Loan Program.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: \$785,000

TERMS OF LOAN: Fixed Rate of 5-Year UST + 150bps
5-Year Term/15-Year Amortization

PROJECT COSTS:

Construction of new building or addition	\$1,156,000
Renovation of existing building	\$1,139,000
Purchase of equipment & machinery	\$698,000
Land	\$625,000
Soft costs	\$360,000
Contingency	\$114,000
Interest during construction	\$88,000
Finance fees	\$44,000
TOTAL COSTS	<u><u>\$4,224,000</u></u>

JOBS: At Application 6 Within 2 years 12 Maintained 0 Construction 29

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: J. Wentzel

LOCAL DEVELOPMENT FINANCING FUND

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - LOCAL DEVELOPMENT FINANCING FUND PROGRAM**

APPLICANT: Damascus Bakery NJ LLC

P36346

PROJECT USER(S): Damascus Bakery, NJ, Inc. *

* - indicates relation to applicant

PROJECT LOCATION: 60 McClellan Street

Newark City (T/UA)

Essex

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

APPLICANT BACKGROUND:

Damascus Bakery, Inc. ("DB") is a family-run commercial bakery now in its third generation. The business operates from a 20,000 square foot facility in Brooklyn, was started in 1930 and is owned by two brothers, Edward and David Mafoud (each of whom have worked for the business over 25 years).

Damascus Bakery, NJ, LLC ("DNJ") is a new real estate holding entity (with ownership identical to DB) formed to operate a second commercial bakery location in Newark, New Jersey. A yet to be named/formed operating entity (related to DNJ and DB with similar principals) will operate a baking business in this New Jersey facility. DNJ seeks financing to purchase a 117,000 square foot facility (under long term land lease), purchase equipment (as well as move equipment purchased in 2007 and currently in storage) and perform renovations.

Damascus has an existing tax exempt bond (P 17629) and BEIP (P 17378) all of which are being modified simultaneously under separate memos.

APPROVAL REQUEST:

Approval is requested for a \$1 million direct loan to support the renovations at the Newark facility.

Approval is also requested to modify the security of the existing direct loan.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: \$1,000,000

TERMS OF LOAN: Fixed at closing at the five-year UST + 150 basis points or variable at Prime minus 1% with a 3% floor for five years based on a 15 year amortization.

PROJECT COSTS:

Acquisition of existing building	\$3,550,000
Renovation of existing building	\$1,900,000
Engineering & architectural fees	\$470,000
Contingency	\$250,000
Finance fees	\$100,000
TOTAL COSTS	<u><u>\$6,270,000</u></u>

JOBS: At Application	Within 2 years	Maintained	Construction	<u>17</u>
Jobs on Related 17629	<u>0</u>	<u>100</u>	<u>0</u>	<u>75</u>

DEVELOPMENT OFFICER: M. Abraham

APPROVAL OFFICER: M. Conte



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: May13, 2011

SUBJECT: Damascus Bakery, Inc. (“Damascus”)
Newark, Essex County, NJ
\$7,750,000 Tax Exempt Bond with 12.9% Authority Guarantee (“Bond”)
(P17629) (EDA Guarantee exposure of \$801,090 will be cancelled at closing)

Request:

Consent to change the existing fixed interest rate of 5.44% to a floating tax exempt equivalent rate of 30 day LIBOR + 275 basis points with an interest rate swap to the 11/01/2017 maturity. This modification is in conjunction with a new financing from Sovereign Bank and EDA to fund the relocation of the Borrower to New Jersey.

This memorandum is presented concurrently with a request for a \$1,000,000 Local Development Financing Fund Loan (P36346), and modification to an existing \$499,283 Direct Loan (P17790). As a bond resolution is required, this request is being presented separately.

Background:

Damascus Bakery, Inc. (Damascus) was formed in 1930 in Brooklyn, New York, as a baker of pita bread. Today, the company manufactures pita bread, lahvash wraps, panini, rollups, pizza crusts and gourmet flat breads for national distribution.

In January 2007, the Members approved a \$7,750,000 tax-exempt bond with a 12.9% (\$1,000,000) Authority Guarantee and \$750,000 Direct Loan to assist the Borrower to relocate from Brooklyn to a 100,000 square foot leased facility in Secaucus, NJ, and to fund the purchase of new bakery machinery and equipment. The Bond, purchased by Sovereign Bank, had a term of 10 years 5 months, and a fixed interest rate of 5.50%; the bond had a reset date of November 1, 2007 wherein the rate was then adjusted to the current rate of 5.44%. The Authority guarantee was for five years, and will expire in May 2012. The bond and EDA’s direct loan are secured by equipment purchased and junior liens on the Borrower’s Brooklyn facility. Both financings closed in May 2007.

Subsequently the Borrower was not able to move to the original project facility and has been seeking alternative sites. However, Damascus has made payments as agreed and reduced the balance on the Bond to \$6,210,000 (with current EDA guarantee exposure of \$801,090) and Direct Loan to \$499,000. In late 2010, the Borrower located a new site in Newark which they plan to purchase subject to a long term land lease.

In February 2011, the Board approved modifications to the bond to (i) amend the project location site to Newark, New Jersey and (ii) amend use of the proceeds of the Bonds to include the acquisition of and renovations to the new facility.

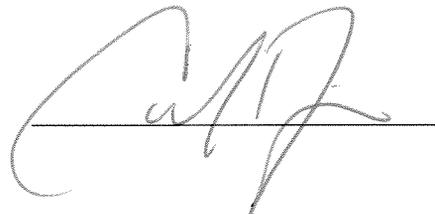
Presently, Sovereign Bank has agreed to provide additional financing for the Newark facility and to release the Authority from its existing \$801,090 guarantee. Since the Authority will no longer have credit exposure on the Bond, the Bank will be able to modify the collateral and amending financial covenants to be consistent with the Bank's new direct loans as needed.

The Bank and Borrower wish to modify the Bond interest rate from 5.44% fixed to a floating interest rate of tax exempt equivalent of 30 day LIBOR + 275 basis points, to be hedged with an interest rate swap through maturity (3.55% as of April 21, 2011). As a result principal and interest payments will change and debt service will be reduced. As this change is considered material, a bond resolution is required. Sovereign has approved the Bond modifications and is requesting EDA's approval of same.

Wolff & Samson, LLC, Bond Counsel to the Authority, has reviewed this request and will opine 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 resulting modification of the monthly principal and interest payments, subject to cancellation of NJEDA guarantee on Bond as described above, is recommended.

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

Prepared By: Nancy C. Meyers

CAMDEN ECONOMIC RECOVERY BOARD



TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: May 13, 2011

RE: The Cooper Health System (Cooper)
P 35976

Request

The Members of the Authority are asked to approve the funding authorization for a \$1 million non-recoverable grant under the Higher Education and Regional Health Care Development Fund (HERHC) established through the Municipal Rehabilitation and Economic Recovery Act (Act) to Cooper to fund a portion of the permanent financing for the Cooper Cancer Institute (CCI), a new 5-story comprehensive cancer center.

Background

The HERHC fund allows funds to be used to provide grants to nonprofit educational institutions and regional health care facilities. Grants to nonprofit regional health care facilities are to be provided on a matching basis to allow for facility expansion, including but not limited to facilities for pre-admission testing, occupational health, health-related education facilities such as school of nursing and emergency room facilities. Each health care facility is required to raise one dollar for every three dollars provided by the State. Receipt of ERB grants is also conditioned on the nonprofit negotiating a service agreement with the City of Camden for payment in lieu of taxes.

In 2005, legislation was passed demonstrating New Jersey's commitment to providing capital support for a comprehensive cancer center in south Jersey and directing Cooper University Hospital to develop a cancer program. Under Senate Bill S 2005 the State appropriated \$9 million for this purpose. In subsequent years the Senate appropriated a total of \$48 million in total appropriations for the CCI.

In order to comply with the state's mandate, expand access to cancer treatment in Camden and address healthcare disparities, Cooper is planning to build a new 5-story building to house a comprehensive cancer center. The new 158,300 square foot CCI will be located at 2 Cooper Plaza on the corner of Haddon Avenue and Martin Luther King Boulevard in the city of Camden. The state-of-the-art building will replace an underutilized existing surface parking lot directly across the street from the Emergency Department entrance of Cooper Hospital. The project has been designed to accommodate future vertical expansion.

In conjunction with the new Cooper Medical School of Rowan University, CCI will be able to expand the scope of research and clinical trials available in south Jersey. The nature of cancer research relies on a close interplay between clinical services and basic research. The connection between the medical school and CCI will increase the emphasis on developing cancer focused basic research initiatives and will rely on CCI's infrastructure for clinical and population research, making CCI an integral part of the medical school's success.

It is expected CCI will develop into a major medical technology center addressing the fight against cancer in the south Jersey region during the next two decades. As the new four-year medical school becomes established and expands its clinical and basic research mission, dozens of researchers will be recruited and basic lab facilities will be expanded.

Applicant

Cooper Health System and its flagship Cooper University Hospital is the leading provider of comprehensive health services, medical education and clinical research in Southern New Jersey and the Delaware Valley. With over 700 physicians in over 75 specialties, Cooper is equipped to provide a vast number of medical services. As the clinical campus of the University of Medicine and Dentistry of New Jersey – Robert Wood Johnson Medical School at Camden, the hospital is committed to excellence in medical education, patient care and research. Cooper offers training programs for medical students, residents, fellows, nurses and allied health professionals in a variety of specialties.

Cooper University Hospital has a current workforce of 5,593 employees and is the largest private employer in the City of Camden with more than 4,300 employees working in Camden of which 506 are Camden City residents. Cooper is committed to hiring, retaining and promoting Camden City residents and has implemented several initiatives and partnerships to provide opportunities for Camden residents.

The development team includes CUH2A, a Division of HDR as the architect and Joseph Jingoli & Son, Inc. (JJS) as the construction manager. CUH2A serves academic, corporate, and government and institutional markets. It was founded in 1962 and is headquartered in Lawrenceville, New Jersey. The company plans and designs research facilities, specializing in science and technology projects.

JJS, also headquartered in Lawrenceville, NJ is a national constructor providing general contracting and construction management services for public and private entities and government institutions, primarily in New Jersey, New York, and Pennsylvania. The fourth-generation family-owned company has been in operation since 1922 and specializes in utility infrastructure services, as well as correctional, education, health care, office, retail, and entertainment projects. The company also is involved in real estate development, landfill services, and other endeavors.

Project Summary

The State of New Jersey has identified the need for comprehensive cancer services in the southern New Jersey as a priority and has designated Cooper to develop the necessary

comprehensive cancer program to serve the City of Camden and the southern New Jersey region. Cooper is the only hospital in southern New Jersey with a dedicated inpatient oncology unit and the expertise to deal with complex hematology and oncology cases and has the capacity to build this cancer center.

CCI will greatly enhance Cooper's facilities and its ability to expand its reach to the City of Camden, Camden County and surrounding communities. The new center will accommodate more visits by Camden residents and alleviate the burden of Camden residents having to leave the City for treatment and care. It is anticipated that more than 7,100 visits annually will be realized by Camden residents. The location of the facility will be easily accessible via public transportation due to its close proximity to the Walter Rand Transportation Center and the NJ Transit River Line service.

CCI will also attract more South Jersey residents to travel to Camden for medical care, capturing many of the estimated 25,000 South Jersey residents that leave New Jersey for tertiary-level care, especially cancer treatment, in out-of state medical centers.

The project has received broad support from the City of Camden, local elected officials, the local neighborhood associations, and community based organizations.

The Broadway Main Street program is taking steps to enhance the commercial nature of Broadway as a retail marketplace and a vibrant multi-cultural destination. This new facility will support the revitalization and encourage development of new and sustainable retail options in the neighborhood and along Broadway. This project will be another asset in a city that is becoming a major center for education, clinical care and research. CCI expands the footprint of the Cooper health sciences campus and the City's healthcare infrastructure.

During the 2-year construction phase, it is anticipated that 200 construction jobs will be created. This does not include the additional jobs to support the project through building suppliers and other construction related needs.

CCI will have a direct employment impact on the City of Camden, creating 52 new full time positions when completed and relocating 48 full time employees to the Camden campus from existing locations outside of the City. Cooper is committed to implementing a plan to recruit and hire Camden residents to fill the identified positions. The new facility will have a total of 182 full time positions to support the cancer program and the new facility.

Cooper plans to implement a pre-apprenticeship program established by the Cooper Medical School of Rowan University project. This will provide opportunities for Camden resident to work on the construction phase of the project.

The new facility will provide dedicated space designed to accommodate groups for community education programs and special events. This will help Cooper expand its community education to the residents of Camden.

The Camden city Planning Board granted approval for the project on February 10, 2011. The project is consistent with the objectives of the Cooper Plaza Redevelopment Plan and the Camden City Master Plan.

An option agreement for the acquisition of the project site was executed with the property owner (2 Cooper Plaza Associates) in January, 2011. Groundbreaking is scheduled for summer, 2011. Construction will follow immediately with the project scheduled for completion in May 2013 and occupancy by June 2013.

A number of green building strategies are being incorporated into the building and site design and are consistent with the interim guide on green building strategies. The building is designed to be certified under the LEED rating system with a goal of achieving the Silver Certification Level.

Project Budget

Cooper's sources and uses for this project follows:

Uses of Funds

Land Acquisition	\$ 2,100,000
Construction	80,673,799
Acquisition of Equipment/Machinery	8,062,967
Engineering /Architectural Fees	7,300,000
Legal fees	200,000
Contingency	4,776,000
Other (Reimbursables)	2,388,000
Other (State/Local Review Fees)	200,000

Total Uses

\$105,700,766

Sources of Funds

Cooper Hospital	\$ 51,700,766
Cooper Foundation	5,000,000
State of New Jersey	48,000,000
ERB Grant	1,000,000

Total Sources

\$105,700,766

Contingencies

Disbursement of ERB funds will be contingent upon:

1. Confirmation of all funding sources.
2. Submission of detailed construction budget.
3. Receipt of a permanent certificate of occupancy.
4. Annual Service Charge Agreement with the City of Camden.
5. Quarterly reporting on construction jobs detailing the number of Camden residents employed during the construction phase.
6. Verification of a Project Labor Agreement.

7. Details of their apprenticeship program and quarterly reporting on program results.
8. Information on their outreach to technical schools.
9. Information on their relationship with Brimm Medical Arts High School.
10. Quarterly reporting on the permanent jobs to be created detailing the number of Camden residents employed.

Security and Repayment

This ERB funding is unsecured.

Project Eligibility and Benefits

The project is consistent with the Strategic Revitalization Plan (SRP) and with the city's Master Plan that recognizes that hospitals like Cooper are major stakeholders in the health and economic well being of the City's residents. CCI's project will add to the tremendous real estate development investment the institution already has in Camden. This project is located in an employment opportunity area as defined in the SRP and will create 52 new permanent full time jobs within two years of the completion of the project.

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 \$1 million grant request through the Higher Education and Regional Health Care Development Fund established by the Act.

Recommendation

Staff has reviewed the application for consistency with the Act and the Strategic Revitalization Plan. The project meets all eligibility and statutory requirements and will be an important investment in the Cooper Plaza neighborhood, the health of the City's residents and the future of the City.

The Members of the ERB approved this request at its meeting on April 26, 2011. Accordingly, the Members of the Authority are asked to approve the funding authorization for a \$1 million non-recoverable grant under the Higher Education and Regional Health Care Development Fund (HERHC) established through the Municipal Rehabilitation and Economic Recovery Act (Act) to Cooper to fund a portion of the permanent financing for the CCI.



Caren S. Franzini

**PETROLEUM UNDERGROUND STORAGE TANK
PROGRAM**



MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini
Chief Executive Officer
DATE: May 13, 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:

Globe Petroleum Inc.....	\$106,676
Ramon Quinones.....	\$128,886
Tim Wallace.....	\$168,036

Total UST funding for May 2011..... \$403,598

Prepared by: Lisa Petrizzi

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

APPLICANT: Globe Petroleum Inc.

P34177

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 9 Central Avenue

Red Bank Borough (N)

Monmouth

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

APPLICANT BACKGROUND:

Globe Petroleum Inc., owned by Pat Mazzucca, is seeking to remove four leaking underground storage tanks (USTs) and perform the required soil remediation and groundwater and vapor intrusion investigations. 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 hardship grant.

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$106,676 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$10,668 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: \$106,676

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	\$106,676
NJDEP oversight cost	\$10,668
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$117,844 <hr/>

APPROVAL OFFICER: J. Niles

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

APPLICANT: Ramon Quinones

P34837

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 249 Mountain Avenue

North Plainfield Borough (N)

Somerset

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

APPLICANT BACKGROUND:

Ramon Quinones received a grant in April 2010 in the amount of \$8,395 under P30420 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible, to perform additional remedial activities.

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 \$128,886 to perform the approved scope of work at the project site, for a total funding to date of \$137,281.

The NJDEP oversight fee of \$12,889 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\$128,886

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$128,886
NJDEP oversight cost	\$12,889
EDA administrative cost	\$250
TOTAL COSTS	<hr/> \$142,025 <hr/>

APPROVAL OFFICER: J. Niles

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

APPLICANT: Tim Wallace

P34444

PROJECT USER(S): Fairway Fuel Service *

* - indicates relation to applicant

PROJECT LOCATION: Route 9 & Mays Landing Road Somers Point City (N)

Atlantic

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

APPLICANT BACKGROUND:

Tim Wallace, owner of the project site and Fairway Fuel Service, is seeking to close three 1,000 gallon underground storage tanks (UST's), perform soil investigation and groundwater sampling 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 \$168,036 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$16,804 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: \$168,036

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	\$168,036
NJDEP oversight cost	\$16,804
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$185,340 <hr/>

APPROVAL OFFICER: J. Niles



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: May 13, 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 Managing Director of Finance & Development 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 Finance & Development for the period April 01, 2011 to April 30, 2011

Summary:		# of Grants	\$ Amount
Leaking tank grants awarded		75	\$1,409,433
Non-leaking tank grants awarded		149	\$416,618

Applicant	Description	Grant Amount	Awarded to Date
Adkins, Carter and Deborah (P35372)	Initial grant for upgrade, closure and remediation	\$25,063	\$25,063
Ayers, Gladys (P34580)	Initial grant for upgrade, closure and remediation	\$4,404	\$4,404
Barney, John (P34795)	Initial grant for upgrade, closure and remediation	\$5,795	\$5,795
Bellaus, Linda (P34915)	Initial grant for upgrade, closure and remediation	\$5,100	\$5,100
Benefield, James (P34586)	Initial grant for upgrade, closure and remediation	\$21,463	\$21,463
Bergman, James and Mary (P34103)	Initial grant for upgrade, closure and remediation	\$22,498	\$22,498
Bickoff, Adam (P34503)	Supplemental grant for upgrade, closure and remediation	\$12,603	\$21,168
Biehl, Kenneth (P35853)	Initial grant for upgrade, closure and remediation	\$7,860	\$7,860
Bujalski, Terri (P34539)	Initial grant for upgrade, closure and remediation	\$14,559	\$14,559
Catrambone, Joseph (P35843)	Initial grant for upgrade,	\$7,395	\$7,395

Applicant	Description	Grant Amount	Awarded to Date
	closure and remediation		
Cooper, Raymond (P35828)	Partial initial grant for upgrade, closure and remediation	\$1,330	\$1,330
Cosmi, Adelaide (P35986)	Supplemental grant for upgrade, closure and remediation	\$42,565	\$82,860
Crimmins, MaryAnn G. (P34526)	Initial grant for upgrade, closure and remediation	\$77,210	\$77,210
Croft, Joann (P34344)	Initial grant for upgrade, closure and remediation	\$13,403	\$13,403
D'Aiuto, Gail (P34742)	Initial grant for upgrade, closure and remediation	\$15,326	\$15,326
Dani, Tibor and Magdolna (P34234)	Initial grant for upgrade, closure and remediation	\$20,532	\$20,532
Detofsky, Louis (P35766)	Initial grant for upgrade, closure and remediation	\$47,463	\$47,463
Finnegan, Donald (P32449)	Partial initial grant for upgrade, closure and remediation	\$2,336	\$2,336
Flaherty, Gail (P34724)	Initial grant for upgrade, closure and remediation	\$12,876	\$12,876
Fowler, Diane L. (P33778)	Initial grant for upgrade, closure and remediation	\$2,655	\$2,655
Francis, Flammarion (P33525)	Initial grant for upgrade, closure and remediation	\$80,247	\$80,247
Frazier, Diane M. (P35973)	Supplemental grant for upgrade, closure and remediation	\$7,134	\$13,474
Frederickson, Steven (P34908)	Initial grant for upgrade, closure and remediation	\$4,953	\$4,953
Gannon, Robert (P34260)	Initial grant for upgrade, closure and remediation	\$31,248	\$31,248
Glass, Elsie (P34104)	Initial grant for upgrade, closure and remediation	\$10,626	\$10,626
Gof, Mohiddeen (P33968)	Initial grant for upgrade, closure and remediation	\$7,140	\$7,140
Grossfeld, Paul (P33518)	Initial grant for upgrade, closure and remediation	\$15,318	\$15,318
Gutkowski, Teresa (P34590)	Initial grant for upgrade, closure and remediation	\$4,822	\$4,822
Guzikowski, George (P35221)	Initial grant for upgrade, closure and remediation	\$27,528	\$27,528
Harbuzinski, Walter (P36031)	Initial grant for upgrade, closure and remediation	\$3,851	\$3,851
Helder, James and Catherine (P34521)	Supplemental grant for upgrade, closure and remediation	\$4,101	\$96,478
Henderson, Roy and Beverly	Initial grant for upgrade,	\$5,573	\$5,573

Applicant	Description	Grant Amount	Awarded to Date
(P32700)	closure and remediation		
Hess, Bernard (P35762)	Initial grant for upgrade, closure and remediation	\$15,950	\$15,950
Hult, David and Florence (P35168)	Supplemental grant for upgrade, closure and remediation	\$1,654	\$21,739
Isaacson, Allen (P32114)	Initial grant for upgrade, closure and remediation	\$11,601	\$11,601
Joseph, Lesley (P34933)	Initial grant for upgrade, closure and remediation	\$14,346	\$14,346
Kelly, William and Katherine (P34835)	Initial grant for upgrade, closure and remediation	\$7,814	\$7,814
Kerstetter, Christine (P36113)	Initial grant for upgrade, closure and remediation	\$42,678	\$42,678
Kim, Jung Sook (P35192)	Initial grant for upgrade, closure and remediation	\$12,775	\$12,775
Koechlein, Harold (P34927)	Initial grant for upgrade, closure and remediation	\$16,710	\$16,710
Kogut, Carolyn (P35863)	Initial grant for upgrade, closure and remediation	\$1,450	\$1,450
Kooy, Hans (P35985)	Initial grant for upgrade, closure and remediation	\$16,355	\$16,355
Koslowsky, Ronald (P32479)	Initial grant for upgrade, closure and remediation	\$21,157	\$21,157
Landi, Jim and Dale (P34618)	Initial grant for upgrade, closure and remediation	\$4,620	\$4,620
Liu, Larry (P35375)	Initial grant for upgrade, closure and remediation	\$14,788	\$14,788
Lowkowski, Irene (P34810)	Initial grant for upgrade, closure and remediation	\$11,326	\$11,326
Lui, Fang and Choong Hoong Liew (P36007)	Partial initial grant for upgrade, closure and remediation	\$2,096	\$2,096
Magna, William A. (P32926)	Initial grant for upgrade, closure and remediation	\$12,025	\$12,025
Masker, Edwin (P31534)	Initial grant for upgrade, closure and remediation	\$34,505	\$34,505
McLaughlin, Donna (P34545)	Partial initial grant for upgrade, closure and remediation	\$3,888	\$3,888
Mendonca, Manuel and Maria (P33538)	Initial grant for upgrade, closure and remediation	\$13,473	\$13,473
Milano, Peter and Helen (P35162)	Initial grant for upgrade, closure and remediation	\$17,545	\$17,545
Mulkeen, Jeanne (P35675)	Initial grant for upgrade, closure and remediation	\$19,372	\$19,372
Owens, Gary Alan and	Initial grant for upgrade,	\$18,679	\$18,679

Applicant	Description	Grant Amount	Awarded to Date
Barbara (P32794)	closure and remediation		
Paparella, Angelo (P34202)	Initial grant for upgrade, closure and remediation	\$6,626	\$6,626
Perry, Richard (P32946)	Initial grant for upgrade, closure and remediation	\$19,026	\$19,026
Pini, Christine (P33214)	Initial grant for upgrade, closure and remediation	\$39,585	\$39,585
Procopio, Roseann (P34519)	Initial grant for upgrade, closure and remediation	\$14,390	\$14,390
Reed, Gerald F. (P34916)	Initial grant for upgrade, closure and remediation	\$1,290	\$1,290
Reyes, Joel (P35771)	Initial grant for upgrade, closure and remediation	\$21,998	\$21,998
Rogero, David (P31712)	Initial grant for upgrade, closure and remediation	\$46,927	\$46,927
Ross, Donald (P34116)	Initial grant for upgrade, closure and remediation	\$58,267	\$58,267
Sisco, Lois (P35859)	Initial grant for upgrade, closure and remediation	\$24,451	\$24,451
Smith, Vivian (P34812)	Initial grant for upgrade, closure and remediation	\$12,338	\$12,338
Spinosa, David and Patricia (P32447)	Initial grant for upgrade, closure and remediation	\$7,071	\$7,071
Steele, Tom (P34804)	Initial grant for upgrade, closure and remediation	\$37,527	\$37,527
Stein, Shira (P32749)	Initial grant for upgrade, closure and remediation	\$8,412	\$8,412
Teixeira, Henrique (P35770)	Partial initial grant for upgrade, closure and remediation	\$7,489	\$7,489
Ullah, Zia (P35734)	Initial grant for upgrade, closure and remediation	\$10,036	\$10,036
Vannoy, Steven (P34169)	Initial grant for upgrade, closure and remediation	\$3,680	\$3,680
Villalobos, William (P32472)	Initial grant for upgrade, closure and remediation	\$58,641	\$58,641
Wallace, Ed (P35622)	Initial grant for upgrade, closure and remediation	\$23,504	\$23,504
White, Judith Dugan (P35690)	Supplemental grant for upgrade, closure and remediation	\$50,692	\$139,989*
Witty, Craig and June (P30867)	Initial grant for site remediation	\$15,323	\$15,323
Zane, Jane M. (P34901)	Initial grant for upgrade, closure and remediation	\$62,376	\$62,376

Applicant	Description	Grant Amount	Awarded to Date
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75 Grants

Total Delegated Authority
funding for Leaking
applications.

\$1,409,433

Abrahamson, Devorah and Abraham (P34978)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,900	\$3,900
Agresta, Anthony M and Antoinette A (P35058)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,200	\$2,200
All Saints Catholic School (P36054)	Grant to remove an underground storage tank	\$1,500	\$1,500
Almas, Frances L (P36056)	Grant to remove an underground storage tank	\$1,250	\$1,250
Babbitt, Scott L. and Linda M. (P34959)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,475	\$3,475
Baird, Catherine (P35388)	Grant to remove an underground storage tank	\$1,500	\$1,500
Baker, Kenneth and Bertha (P35052)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,348	\$3,348
Barnard, Joan (P35707)	Grant to remove an underground storage tank	\$950	\$950
Barrera, Kim (P35508)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Barrow, James J. (P30262)	Grant to remove an underground storage tank	\$1,126	\$1,126
Beasley, Lee and Joanna (P35823)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,025	\$4,025
Beattie, Janet J. (P35838)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,531	\$3,531
Bender, Brian and Melanie (P33613)	Grant to remove an underground storage tank	\$1,500	\$1,500
Bertoti Jr., Anthony and Cheryl (P35875)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,257	\$3,257
Bond, Christopher and Diane (P35030)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,951	\$4,951
Bruno, John and Karen (P34479)	Grant to remove an underground storage tank	\$1,500	\$1,500

Applicant	Description	Grant Amount	Awarded to Date
Bruno, Thomas J and Barbara (P35941)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,328	\$3,328
Carney, Christine (P35348)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Cavadas, Christina (P35881)	Grant to remove an underground storage tank	\$1,500	\$1,500
Christiansen, John and Mona D. (P35965)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Cleveland, James (P35940)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,430	\$3,430
Coccia, Shirley (P36139)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Cohen, Lee S. and Sandra L. (P35813)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$2,092	\$2,092
Cole, Suzan E (P35971)	Grant to remove an underground storage tank	\$1,500	\$1,500
Cosme, Emidio and Maria (P34416)	Grant to remove an underground storage tank	\$2,100	\$2,100
Crestwood Village Six Community Association (P31879)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,700	\$4,700
Crestwood Village Six Community Association (P31880)	Grant to remove an underground storage tank and install an above ground storage tank	\$5,200	\$5,200
Csosz, Barbara J (P35947)	Grant to remove an underground storage tank	\$1,200	\$1,200
Cutchis, James P. and Joan A. (P35398)	Grant to install an above ground storage tank	\$3,009	\$3,009
D'Amico, Carmella (P33679)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Daher, Edward (P35286)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Davis, Kathryn M. (P32085)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,750	\$2,750
De Witt, Helen (P35031)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,924	\$2,924

Applicant	Description	Grant Amount	Awarded to Date
DeLillo, Evelyne (P35839)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Devlin, Christine Elizabeth and Kevin Robert (P36094)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,379	\$3,379
Dhabalia, Amit and Darshana (P35424)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$2,100	\$2,100
Diaz, Francisco and Irina Abdulkina (P36091)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,300	\$3,300
Donnelly, Josephine (P35479)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,246	\$3,246
Dorr, Patricia H. and Barry S Lewin (P35705)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$2,085	\$2,085
Etchason, Erica (P32824)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,185	\$3,185
Fazio, Judith and Richard J. (P35939)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,900	\$3,900
Ferretti, Joseph and Susan (P35378)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Fisk, Gwendolyn (P30261)	Grant to remove an underground storage tank	\$1,200	\$1,200
Forbes, Thomas and Joanna (P34162)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Glaeser, Donna (P34751)	Grant to install an above ground storage tank	\$3,051	\$3,051
Goldman, Aron amd Devora (P35449)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,500	\$4,500
Goldman, Gale (P34777)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,485	\$3,485
Gross, John and Michele (P35883)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Halpern, Joel B. and Shari G. (P34964)	Grant to remove an underground storage tank	\$1,295	\$1,295

Applicant	Description	Grant Amount	Awarded to Date
Harris, Craig and Avion (P35034)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,815	\$2,815
Henderson, Michael E. and Cathleen (P35783)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Hilliard, Dominick and Carol (P35742)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,698	\$2,698
Hoch, John J and Rita (P35938)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,660	\$3,660
Hubbard, Lawrence N. and Linda Joy (P35351)	Grant to remove an underground storage tank and install an above ground storage tank	\$5,500	\$5,500
Hurff, Curtis J. and Denise A. (P34388)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,945	\$2,945
Ippolito, Nicholas and Michelle (P34591)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,300	\$3,300
Jacobs, Dana and Sharon (P35403)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Jedrzejewski, Tomasz and Jennifer (P35412)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,500	\$4,500
Johnson, Brenda and Dennis (P36046)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$2,800	\$2,800
Jones, Patricia A. (P34781)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,465	\$3,465
Kaighn, John H. and Margaret (P34950)	Grant to remove an underground storage tank	\$1,500	\$1,500
Kelly, Edward and Catherine (P35385)	Grant to remove an underground storage tank	\$1,250	\$1,250
Kinloch, Gregory J and Nancy R (P35778)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$1,259	\$1,259
Klemic, Joyce E. (P36040)	Grant to remove an underground storage tank	\$1,476	\$1,476
Kramer, Alex and Vicky (P35036)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,200	\$3,200

Applicant	Description	Grant Amount	Awarded to Date
Lardieri, Frederick and Lisa (P35396)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Larosa, Francesco A. (P36019)	Grant to remove an underground storage tank	\$1,275	\$1,275
Lengyel, Danielle (P35311)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Longo, Daniel and Melissa (P32383)	Grant to remove an underground storage tank	\$1,500	\$1,500
Lopez, Consuelo (P33132)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,408	\$3,408
Lotito, Christopher A and Cheryl L (P35943)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,659	\$3,659
Loud, Patricia M (P35580)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
MacEachern, William and Kevin (P31661)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,300	\$3,300
Macejka, Donald (P35380)	Grant to remove an underground storage tank	\$1,500	\$1,500
Maloney, Kevin amd Donna (P32178)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,300	\$3,300
Malpeta, Glen (P35496)	Grant to remove an underground storage tank	\$1,500	\$1,500
Mann, Richard K. and Barbara J. (P35342)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,528	\$3,528
Martin, Joan (P36035)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,100	\$4,100
Martyna, Slawomir Z. and Joanna Gajewska (P34957)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Mazur, Stephen and Donna (P34701)	Grant to remove an underground storage tank	\$1,500	\$1,500
McDonald, John and Patricia (P36090)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,453	\$3,453
Melnyk, Theresa (P35427)	Grant to remove an underground storage tank	\$1,500	\$1,500
Mercadante, Jerome and	Grant to remove an underground	\$3,500	\$3,500

Applicant	Description	Grant Amount	Awarded to Date
Salvatore (P34697)	storage tank and install an above ground storage tank		
Mihalker, Marion and Nancy Nolan (P35937)	Grant to remove an underground storage tank	\$1,250	\$1,250
Mlodgenski, James and Elisabeth (P35920) Tank A	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Mlodgenski, James and Elisabeth (P35921) Tank B	Grant to remove an underground storage tank	\$1,500	\$1,500
Monner-Sebak, Linda A. and Kenneth J. Sebak (P30895)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Mooney, Raymond and Marie (P35681)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,212	\$3,212
Moreau III, Leon J and MaryAnn (P35679)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$665	\$665
Moriarty, Katelyn (P34418)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,399	\$3,399
Murray, Vivian (P32661)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,485	\$3,485
Naprstek, Joanne (P35319)	Grant to remove an underground storage tank	\$1,500	\$1,500
Nattermann, John B. and Catherine (P35367)	Grant to remove an underground storage tank	\$1,447	\$1,447
Osborn, David and Katharine (P35575)	Grant to remove an underground storage tank	\$1,475	\$1,475
Ottepkka, Edward (P35788)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Pagano, Joan and Frank (P35468)	Grant to remove an underground storage tank	\$1,500	\$1,500
Parsons, Fred and Michelle (P35410)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,600	\$3,600
Parsons, Sheila and Sheila Avilla (P35136)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,503	\$3,503
Pearce, Richard J. Sr. and Emma (P33099)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,600	\$2,600

Applicant	Description	Grant Amount	Awarded to Date
Pintsch, Aldona (P35344)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,900	\$3,900
Piscatowski, Carl and Leslea (P35406)	Grant to remove an underground storage tank	\$1,200	\$1,200
Pisciotta, MaryJo and Eugene Jr. (P32877)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Post, Bruce and Margaret (P35968)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Pregenzer, Linda A (P35045)	Partial grant to remove an underground storage tank	\$900	\$900
Punsal, Alena and Larry (P30985)	Grant to remove an underground storage tank	\$1,500	\$1,500
Radesco, Anthony (P35821)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,250	\$3,250
Ragonese, Salvatore and Edith (P34657)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Rappleyea, Julie (P33585)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,777	\$3,777
Reed, Bruce (P35383)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Rosato, William and Rose (P35775)	Grant to remove an underground storage tank	\$1,460	\$1,460
Rossi, Josephine (P35741)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Ruggiero, Vincenzo and Shell (P33290)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Ryan, Barbara (P33278)	Grant to remove an underground storage tank	\$1,300	\$1,300
Sanchez, John (P35379)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,900	\$2,900
Santos, Joe J. and Patricia (P36020)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,250	\$3,250
Saski, Stephen and Rosa (P33301)	Partial grant to remove an underground storage tank and install an above ground storage tank	\$2,760	\$2,760

Applicant	Description	Grant Amount	Awarded to Date
Schwarz, Karen Lee (P35951)	Grant to remove an underground storage tank	\$1,275	\$1,275
Scialla, Margaret and Scialla Jr., Robert (P35953)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,273	\$3,273
Scialla, Mark Anthony and Kristine M. (P35934)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,273	\$3,273
Scott, Corey and Rebecca (P35414)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,120	\$3,120
Scott, Denise and Kathleen Cleary (P35328)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,900	\$3,900
Serra, Agusti and Beatriz M. (P34171)	Grant to install an above ground storage tank	\$3,500	\$3,500
Sherman, Sabrina (P35273)	Grant to remove an underground storage tank	\$1,500	\$1,500
Signorelli, Teresa (P35952)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Smith, Michael J. and Karen (P35393)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Smith, Thomas J and Beth A (P35978)	Grant to remove an underground storage tank	\$2,100	\$2,100
Sorge, Judith E. (P32920)	Partial grant to install an above ground storage tank	\$3,760	\$3,760
Stankus, Phyllis (P35085)	Grant to remove an underground storage tank	\$1,500	\$1,500
Steg, Kurt (P35407)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Tesser, Joseph and Ann (P33448)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Thomas, Harold E. and Josephine (P35744)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Totaro, Chris and Adriana (P35455)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Traut, Philip A. and Denise M. (P33362)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,197	\$3,197
United Methodist Church of	Grant to remove an underground	\$1,500	\$1,500

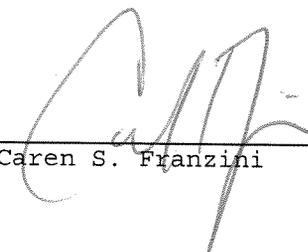
Applicant	Description	Grant Amount	Awarded to Date
Mantua (P35977)	storage tank		
Urato, Peter and Marilyn (P35849)	Grant to remove an underground storage tank	\$1,300	\$1,300
Van Dyk, Gary and Colleen (P34838)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Vogel, Peter and Irene (P35791)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,100	\$4,100
Volino, Ronnie and Tricia (P34320)	Grant to remove an underground storage tank	\$2,100	\$2,100
Weir, Charles (P35478)	Grant to remove an underground storage tank	\$1,500	\$1,500
Weiss McGill, Eleanor (P35526)	Grant to remove an underground storage tank	\$1,500	\$1,500
Welch, Nancy C (P35945)	Grant to remove an underground storage tank	\$1,200	\$1,200
Woelfel, Keith and Claire O'Donnell (P34099)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,157	\$3,157
Wolf, Stevan A. and Karen (P35289)	Grant to remove an underground storage tank and install an above ground storage tank	\$4,075	\$4,075
Wozniak, Conrad (P35358)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Wszeborowski, Stephen W. (P35804)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,500	\$3,500
Yerovi, Jose and Magleny (P35789)	Grant to remove an underground storage tank	\$1,500	\$1,500
Zaccagnino, Neil and Mary (P35918)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,557	\$2,557
Zamorski, Daniel M., Jr. (P34075)	Grant to remove an underground storage tank	\$1,375	\$1,375
Zampella, David J. and Lisa M. (P35290)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,660	\$3,660

149 Grants

Total Delegated Authority
funding for Non-Leaking
applications.

\$416,618

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



Caren S. Franzini

Prepared by: Lisa Petrizzi, Sr. Finance Officer

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 Sales and Use Tax
Exemption (BRRAG STX) Program

DATE: May 13, 2011

Request:

The Members of the Board are requested to approve proposed rule amendments to the Business Retention and Relocation Assistance Grant (BRRAG) Sales and Use Tax Exemption (STX) Program which conform to recent rule amendments recently approved by the EDA Board and proposed for adoption as part of the BRRAG Program.

The proposed amendments, which mainly enable capital expenses incurred on behalf of a tenant by a landlord to meet the capital investment expenditures requirement for eligibility, are summarized as follows:

- 19:31-16.2 amended to establish a new definition for “capital investment,” which among other provisions, define the parameters for capital expenses incurred on behalf of the tenant by a landlord and financed through the lease; and, revise the definition of “sales tax recapture amount” to include a recapture of certain benefits, pursuant to N.J.A.C. 19:31-16.12(a)3, received by a business that is a tenant with capital investment expenses incurred on its behalf by a landlord;
- N.J.A.C. 19:31-16.5(a)1xiii amended to require applicants that are tenants with capital investment expenses incurred by a landlord, to certify the amount of additional tenant improvements and that the rent shall amortize the improvements over the term of the lease and, as well, to provide supporting evidence to the same;
- N.J.A.C. 19:31-16.7(a) amended to require a tenant with capital investment expenses incurred by a landlord to provide documentation which may include a lease or letter of credit that demonstrates, in the event of an early lease termination, that the tenant is financially liable for the cost of the capital investment;
- N.J.A.C. 19:31-16.7(b)2 amended to include, within the terms or conditions of the project agreement, a requirement that a business, or in the case of a tenant a landlord, submit a

certification by a certified public accountant relating to the amount of eligible capital investment with supporting evidence, prior to the commencement of the tax exemption term;

- N.J.A.C. 19:31-16.12(a)3 amended to provide for default and recapture of benefits received by a business that is a tenant with capital investment expenses incurred on its behalf by a landlord, the amount of which is less than the amount as certified pursuant to N.J.A.C. 19:31-16.7(b)2 and the amount of the benefit received; and
- N.J.A.C. 19:31-16.14 amended to delete the current appeals procedure outlined for the program and to clarify that the appeal of the decision is not a contested case under the Administrative Procedure Act and will be handled by a hearing officer within the EDA.

Recommendation:

The Members of the Board approve the proposed amendments to the rules implementing the BRRAG STX Program and provide authorization of staff to submit 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).

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

Prepared By: Jacob Genovay

DRAFT

OTHER AGENCIES NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Proposed Amendments: N.J.A.C. 19:31-16.2, 16.5, 16.7, 16.12 and 16.14

Sales and Use Tax Exemption Program

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

Authority: N.J.S.A. 34:1B-1 et seq. and P.L. 2004, c.65.

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

The agency proposal follows:

Summary

The New Jersey Economic Development Authority (“EDA” or “Authority”) is proposing amendments to the Business Retention and Relocation Assistance Grant (“BRRAG”) Sales and Use Tax Exemption (“STX”) Program (“BRRAG STX Program”) which, along with the BRRAG Program, encourages economic development and preserves jobs that currently exist in New Jersey, but are in danger of being located outside of the State.

The proposed amendments, which enable capital expenses incurred on behalf of a tenant by a landlord to meet the capital investment expenditures requirement for eligibility, are summarized as follows:

Specifically, the proposed amendment, at 19:31-16.2, establishes a new definition for “capital investment,” which among other provisions, defines the parameters for capital expenses incurred on behalf of the tenant by a landlord and financed through the lease; and, revises the definition of “sales tax recapture amount” to include a recapture of certain benefits, pursuant to N.J.A.C. 19:31-16.12(a)3, received by a business that is a tenant with capital investment expenses incurred on its behalf by a landlord.

The proposed amendment, at N.J.A.C. 19:31-16.5(a)1xiii, requires applicants that are tenants with capital investment expenses incurred by a landlord, to certify the amount of additional tenant improvements and that the rent shall amortize the improvements over the term of the lease and, as well, to provide supporting evidence to the same.

Also, the proposed amendment, at N.J.A.C. 19:31-16.7(a), requires a tenant with capital investment expenses incurred by a landlord to provide documentation which may include a lease or letter of credit that demonstrates, in the event of an early lease termination, that the tenant is financially liable for the cost of the capital investment.

The proposed amendment, at N.J.A.C. 19:31-16.7(b)2, includes, within the terms or conditions of the project agreement, a requirement that a business, or in the case of a tenant a landlord, submit a certification by a certified public accountant relating to the amount of eligible capital investment with supporting evidence, prior to the commencement of the tax exemption term.

The proposed amendment, at N.J.A.C. 19:31-16.12(a)3, provides for default and recapture of benefits received by a business that is a tenant with capital investment expenses incurred on its behalf by a landlord, the amount of which is less than the amount as certified pursuant to N.J.A.C. 19:31-16.7(b)2 and the amount of the benefit received.

Finally, the proposed amendments delete the current appeals procedure outlined for the program, at N.J.A.C. 19:31-16.14, to clarify that the appeal of the decision is not a contested case under the Administrative Procedure Act and will be handled by a hearing officer within the EDA.

Social Impact

The BRRAG STX Program enables qualifying businesses to be exempt from sales and use tax for eligible property located or placed at a business location for a construction and/or renovation project pursuant to the terms and conditions of the project approval agreement. The proposed amendments are intended to enable more projects to be eligible for the program and further the State's efforts to retain and grow jobs necessary for a high quality of life and strong economy in New Jersey.

Economic Impact

The BRRAG STX Program encourages existing businesses to make additional capital investments in New Jersey and is specifically targeted to businesses facing pressures to relocate jobs out-of-State. By encouraging such businesses to make investments in new or renovated facilities to retain employees, the programs positively promote economic development, job retention, and capital investment in New Jersey. Since inception in 2004, 23 projects have been executed under the BRRAG STX Program for a total estimated benefit of over \$65 million. The proposed amendments will enable additional projects to be eligible under the program and, as a result, will have a positive economic impact on the State.

Federal Standards Statement

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

Jobs Impact

The proposed amendments pertaining to the BRRAG STX Program will result in retaining existing private sector jobs and stimulating the creation of new private sector jobs. The number of jobs retained through the BRRAG STX Program to date is 16,398 jobs. The extension of eligibility for tenants which undertake capital improvements is intended to preserve and create additional jobs through the financial benefits offered by the program.

Agriculture Industry Impact

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

Regulatory Flexibility Analysis

The proposed amendments pertaining to the BRRAG STX Program will not directly impact businesses as defined under the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The proposed amendments will impose an additional reporting, recordkeeping or compliance requirement, mainly through production of certification and supporting documentation, at application and as part of the project approval agreement relating to the amount of additional tenant improvements, rent amortization over the term of the lease, and tenant financial liability for early lease termination. The EDA however, believes that any costs due to reporting, recordkeeping, or other compliance requirements on qualifying small businesses are fully-offset by the amount of financial assistance received.

Smart Growth Impact

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

Housing Affordability Impact

The proposed amendments will not impact the amount or cost of housing units, including multi-family rental housing and for sale housing in the State. The proposed amendments enable capital expenses incurred on behalf of a tenant by a landlord to meet the capital investment expenditures requirement for eligibility under the BRRAG STX Program.

Smart Growth Development Impact

The proposed amendments will not impact the number of housing units or result in any

increase or decrease in the average cost of housing in Planning Areas 1 or 2 or designated centers of the State Development and Redevelopment Plan. The proposed amendments enable capital expenses incurred on behalf of a tenant by a landlord to meet the capital investment expenditures requirement for eligibility under the BRRAG STX Program.

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

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

SUBCHAPTER 16. SALES AND USE TAX EXEMPTION PROGRAM

19:31-16.1 Applicability and scope

The rules in this subchapter are promulgated by the New Jersey Economic Development Authority, after consultation with the Director of the Division of Taxation in the Department of the Treasury, to implement sections 19 through 22 of the Business Retention and Relocation Assistance Act, P.L. 2004, c.65 (the "Act"), which provides several incentive programs aimed at retaining in New Jersey the full-time jobs of businesses already active in this State. The purpose of the sales and use tax exemption program is to encourage economic development and to preserve jobs that currently exist in New Jersey. Qualifying businesses will be exempt from sales and use tax for eligible property located or placed at a business location for a construction and or renovation project pursuant to the terms and conditions of a project approval agreement. The sales tax exemption certificate, which applies only to property purchased for installation in that approved project will allow the business to purchase machinery, equipment, furniture and furnishings, fixtures and building materials other than tools and supplies for placement at the project location without the imposition of sales and use tax until the new facility is functional, as further specified in this subchapter.

19:31-16.2 Definitions

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

...

“Capital investment” means expenses that the business incurs following its submission of an application to the Authority pursuant to section 21 of P.L. 2004, c. 65 (N.J.S.A. 34:1B-186) 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. If the business is a tenant, expenses incurred on behalf of the tenant by the landlord and financed through the lease shall constitute shall constitute capital investment expenses incurred by the tenant provided that the capital investment shall relate solely to the tenant’s leasehold space and not the common areas of the building and shall be supported by the documentation referenced in N.J.A.C. 19:31-16.5(a)1xiii and N.J.A.C. 19:31-16.7(a).

...

“Sales tax recapture amount” means either:

1. – 2. (No change.)

3. If the event of recapture, pursuant to N.J.A.C. 19:31-16.12(a)3, occurs during or prior to the commitment duration: the sum of 3i, ii and iii below and penalties pursuant to the State Uniform Tax Procedure Law, N.J.S.A. 54:49-1 et seq. which may be imposed.

i. Repayment of the amount of the sales and use taxes, which would have been payable on the property purchased for the project if the property was not purchased with the sales tax certificate that is no longer eligible as a result of the calculation in N.J.A.C. 19:31-16.12(a)3.

ii. Interest on the amount referred to in i above at the rate equal to the statutory rate for sales tax deficiencies; and

iii. All costs incurred by the Chief Executive Officer and the Division of Taxation in connection with the pursuit of the sales tax recapture amount (including, but not limited to, counsel fees, court costs and other costs of collection).

...

19:31-16.5 Submission requirements

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

1. (No change.)

2. Project information shall include the following:

i. – xi. (No change.)

xii. Evidence of alternative relocation plans, such as an analysis of the cost effectiveness of remaining in this State versus relocation under the alternative plans; [and]

xiii. If the applicant is a tenant with capital investment expenses incurred on behalf of the tenant by the landlord, the tenant's chief executive officer and the landlord shall certify to the amount of additional tenant improvements that the landlord is undertaking on behalf of the tenant and shall certify that the rent amortizes these tenant improvements over the term of the lease; and, the tenant shall provide evidence satisfactory to the Authority to support such certification, which may include evidence of comparable market rents; and

[xiii.] xiv. (No change in text.)

3. (No change.)

19:31-16.7 Project approval agreement

(a) If the Board approves the application to the program, participation in the program is conditioned upon the applicant executing a project approval agreement with the Chief Executive Officer to establish the terms and the conditions of the project approval, **which shall include but not be limited to: for a tenant with capital investment expenses incurred on behalf of the tenant by a landlord, prior to execution of the project agreement, the tenant shall provide documentation satisfactory to the Authority consistent with the chief executive officer's certification in N.J.A.C. 19:31-16.5(a)1xiii which may include, but not be limited to, a lease or letter of credit that demonstrates in the event of an early termination of the lease that the tenant is financially liable for the cost of the capital investment.**

(b) The terms and conditions of the project approval agreement shall include, but not be limited to, the following:

1. Terms establishing the starting date, or event that will determine the starting date and ending date, of the commitment duration;

2. A requirement that a certification by a certified public accountant relating to the amount of eligible capital investment with supporting evidence satisfactory to the Authority shall be submitted by the business or, in the case of a tenant, the landlord prior to the commencement of the tax exemption term.

Recodify existing 2. through 10 as 3. through 11. (No change in text.)

19:31-16.12 Events of recapture and default

(a) The occurrence of any one 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 regulations of any

administrative or governmental body) shall constitute an event of recapture under the project approval agreement:

1. The business reduces or relocates the retained full-time jobs, such that the number of retained full-time jobs falls below the number required pursuant to N.J.A.C. 19:31-16.5(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) but has relocated at least the threshold number for project eligibility, 250 or 500 (as applicable to the type of business and as may be reduced up to five percent or 10 percent, as applicable); [or]

2. The business notifies the Authority, prior to the commitment duration, that it will not relocate 100 percent of the retained full-time jobs set forth in the project approval agreement, but will relocate at least the threshold number for project eligibility, 250 or 500, as applicable to the type of business[.] ; **or**

3. The business is a tenant with capital investment expenses incurred on behalf of the tenant by the landlord, the amount of which is less than the amount as certified pursuant to N.J.A.C. 19:31-16.7(b)2.

(b) (No change.)

19:31-16.14 Appeals

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

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

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

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

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

(a) The procedure for an appeal of the Board's action on an application to the program shall be as follows. An applicant may appeal the Board's action by submitting in writing to the Authority, within 30 days from the date of the Board's action, an explanation as to how the applicant has met the program criteria. Such appeals are not contested cases subject to the requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq. and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1. Appeals will be handled by the Authority as follows:

1. The Chief Executive Officer shall designate an employee of the Authority to serve as a hearing officer for the appeal and to make a recommendation on the merits of the appeal to the Board. The hearing officer shall perform a review of the written record and may require an in-person hearing. The hearing officer has sole discretion to determine if an in-person hearing is necessary to reach an informed decision on the appeal;

2. Following completion of the record review and/or in-person hearing, as applicable, the hearing officer shall issue a written report to the Board containing his/her finding(s) and recommendation(s) on the merits of the appeal; and

3. The Board shall consider the hearing officer's recommendation(s) and, based on that review, shall issue a final agency decision on the appeal.



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: May 13, 2011

SUBJECT: Delegated Authority Revisions to Economic Redevelopment and Growth Grant (ERG Grant), Urban Transit Hub Tax Credit (HUB) and Business Retention and Relocation Assistance Grant (BRRAG)

Request

The Members are requested to approve revisions to the incentives delegations to incorporate the new programs of ERG Grants and HUB, consistent with other incentive delegations, and to revise the BRRAG delegations. These changes are recommended to provide efficiency in administering the programs and will allow staff to be responsive to customers' requests.

Background

Since 2003, the Members' approval has been sought several times to delegate authority to staff for administrative matters which creates efficiencies and gives staff the ability to respond to the needs of our customers. Today, the Members are being requested to approve delegation changes outlined below in keeping with these goals. Attached please find the Incentives section of the delegations. These reorganize all of the incentive delegations into one document. In March of 2011, the Authority underwent a staff restructuring to facilitate business flow, creating the position of Managing Director and making title changes to some Director positions. The attached grid reflects these changes, but does not extend authority beyond what was previously authorized.

Summary of Delegation Request

1) ERG Grant and HUB – With the implementation of these two new programs, staff has recognized a need for delegations similar to ones provided to other incentives. These are provided below.

A) Award Reduction – After approval of ERG and HUB incentives, project net benefits and/or the amount of capital investment may decrease due to changes in the project development. In these instances, staff will be authorized to reduce the award of the previously-approved project up to a 25% reduction of the original approval. Reductions in excess of 25% will be presented to the Board.

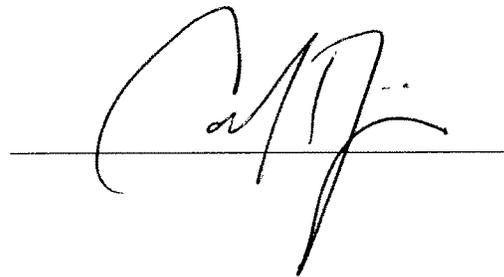
B) Extensions – Upon approval, applicants under the ERG and HUB programs have one year to meet milestones established in their approvals. Delegation to staff is requested to extend the timeframe for meeting those milestones, provided applicants can demonstrate progress against them and review by Authority staff finds progress to be satisfactory. Delegation will allow staff

to grant one extension of 6 months. Any other extensions will be required to be approved by the Board.

2) **BRRAG** – Due to the changes in the BRRAG legislation that expand the program to a multi-year incentive, at the time of application, staff is required to assign applicants a specific state fiscal year in which the applicant would receive the credit to ensure that the annual cap of \$20 million is not exceeded in any fiscal year. Because applicants report their financial results in a different tax period than that of the State, which ends its fiscal year on June 30th, and the tax credits for capital improvement projects may only be used in that particular tax period, some of the applications presented for approval earlier this year may have been assigned to be funded in a fiscal year which is not consistent with the year the project will be completed. This delegation will provide the ability to amend those projects as necessary. In addition, in the event a project is not completed as originally anticipated, and the applicant requests a change to the state fiscal year in which they would receive the benefit, staff will have the ability to modify the fiscal year provided funds are available in that fiscal year's appropriation.

Recommendation

The Members are requested to approve revisions to the incentives delegations to incorporate the new programs of ERG Grants and HUB, consistent with other incentive delegations, and to revise the BRRAG delegations. As with other delegated approvals, these actions will be reported to the Members monthly.

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

Attachment

Prepared by: Gina Behnfeldt

INCENTIVES DELEGATIONS

	Level 1	Level 2	Level 3	Level 4	Board Approval Date of Delegation Policy	Rationale for Change
	CEO	CEO or CFO with any SVP or Managing Director of Underwriting & Closing or Managing Director of Post-Closing Financial Services and any one of the following: Director of Credit & Real Estate Underwriting or Director of Incentives Management	CFO or any SVP or Managing Director of Underwriting & Closing or Managing Director of Post-Closing Financial Services with any one of the following: Director of Credit & Real Estate Underwriting or Director of Incentives Management; with recommending Officer	Director of Credit & Real Estate Underwriting or Director of Incentives Management with recommending Officer		To reflect new organizational structure and title changes.
BEIP Program						
1. a) Name Changes, Address Changes, Internal Mergers of Subsidiaries, delete 'without job creation' reducing the NEC or b) adding a Professional Employment Organizations (PEO) [NOTE: Mergers and Acquisitions that result in significant job growth and debarment issues will continue to require Board Approval.]		a) Changes are ministerial in nature and will not significantly increase employment numbers and b) 1. The PEO is organized under the NJ official definition; 2. The grant company is held responsible for maintaining the NEC at the project site for the commitment duration and for all conditions and requirements under the BEIP Grant Agreement; 3. The grant proceeds are disbursed in a check payable to the grant company; 4. The grant company and PEO agree to the release of tax information to each other and to the Division of Taxation in order to complete and audit the payroll reports; 5. The grant company and PEO enter into a PEO contract which is reviewed and found satisfactory to the Authority; 6. Outsourced jobs are not included			a) + b) October 10, 2004	
BRRAG Program(s): Grant, STX, Tax Credit						
1) Approve Amendments to Projects up to a 20% change from the original approval.					March 10, 2009: Change to Level 2	
2) Execute Project Agreement or other approval document with BRRAG Applicant					March 10, 2009: Change to Level 4	
3) Approve Rescissions and/or Recaptures of defaulted obligations					March 10, 2009: Change to Level 2	
4) Modify fiscal year for benefit pay-out at the request of the customer provided funding is available in alternate year.					May 13, 2011	Provides ability to modify the FY in which a benefit will be received provided allocation is available in the alternate year.
Economic Development Site Fund ("EDSF")						
(1) Amendments to loan terms on loans below \$500,000 without extending maturities beyond 10 years.					March 10, 2009: Change to Level 2	
(2) Execute Economic Development Site Fund Agreement or amendments to Economic Development Site Fund Agreements.					March 10, 2009: Change to Level 4	

ERG Grant and HUB					May 13, 2011	Added new section to reflect new programs
1) Adjust award amount if changes to Net Benefits or capital investment result in award reduction up to 25% of original approval					May 13, 2011	Provides ability to make a reduction to the amount of an award due to changes in project costs or net benefits up to 25% of original approval. Reductions greater than 25% will be presented to the Board.
2) One 6-month extension to the term of the agreement					May 13, 2011	Provides ability to extend the time for a project to meet certain prescribed milestones, as long as applicant has demonstrated progress satisfactory to the Authority.
Sales Tax Exemption Tax Credit (Salem County)						
1) Approve Annual Renewals subsequent to original Board Approval (See Note Below)					March 2009: Change to Level 2 August 2010: Change to Level 4	
2) Execute STX (Salem) Agreements or approve amendments to existing agreements					March 10, 2009: Change to Level 2	
3) Approve Rescissions and/or Recapture of defaulted obligations					March 10, 2009: Change to Level 2	
Urban Enterprise Zone STX Program						
1) Approval Annual Renewals subsequent to original Board Approval (See Note Below)					March 10, 2009: Change to Level 2	
2) Execute UEZ STX Agreements or approve amendments to existing agreements					March 10, 2009: Change to Level 4	
3) Approve Rescissions and/or Recapture UEZ STX on defaulted obligations					March 10, 2009: Change to Level 2	
Note: Applicants are required to meet very specific statutory guidelines at the time of application. Once applicants meet those guidelines, renewal of the benefit can be effectuated through a delegated approval as long as applicants can continue to meet those statutory guidelines.						

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

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

APPLICANT: Aeropostale, Inc.

P36345

PROJECT LOCATION: To Be Determined

Locations Unknown (N) Unknown County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Aeropostale, Inc. is a primarily mall-based, specialty retailer of casual apparel and accessories, principally targeting 14 to 17 year old young men and women through its Aeropostale stores and 7 to 12 year old children through its P.S. from Aeropostale stores. The company is headquartered in New York, but has administrative offices in Wayne, New Jersey which it has maintained since 1995. Aeropostale maintains control over its proprietary brands by designing, sourcing, marketing and selling all of its own merchandise. The company operates 965 Aeropostale stores throughout the United States, Canada, and Puerto Rico. Aeropostale's stock is traded on the New York Stock Exchange under the ticker ARO. The applicant is economically viable.

MATERIAL FACTOR:

Aeropostale currently leases office space in Wayne that is used as administrative offices for finance, operations, and information systems personnel. The lease is set to expire in 2012 and the company is exploring relocation options to house its current 146 employees as well as an additional 75 new employees that will be brought to the new project location as a result of the move. Under consideration are several locations in New Jersey as well as Rockland County, New York. The company has simultaneously applied for a BEIP and BRRAG to provide an incentive to locate the project in New Jersey and management has indicated that this is a material factor in the company's relocation decision. Based on certain smart growth criteria, the award percentage could go as high as 80% once the location is finalized for an estimated award of \$1,533,000.

APPROVAL REQUEST:

PERCENTAGE: 40%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Aeropostale, 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: \$ 766,500
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 146

ELIGIBLE BEIP JOBS: Year 1 30 Year 2 45 Base Years Total = 75

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$10,220

ANTICIPATED AVERAGE WAGES: \$80,000

ESTIMATED PROJECT COSTS: \$6,000,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$1,916,250

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$2,107,875

PROJECT IS: (X) Expansion (X) Relocation Wayne Township

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New York

APPLICANT OWNERSHIP:(X) Domestic () Foreign

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: K. McCullough

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Locations Unknown	N/A
2. Job Creation	75	1
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	146	1
4. Industry:	business management & support services	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$6,000,000	2
7. Average Wage:	\$ 80,000	4

TOTAL: 10

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: **10 = 35 %**

Construction/Renovation : **5 %**

Bonus Increases : **0 %**

Total Score (not to exceed 80 %): **40 %**

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

APPLICANT: Aeropostale, Inc.

COMPANY ADDRESS: 201 Willowbrook Blvd Wayne Township Passaic County

PROJECT LOCATION: To Be Determined

GOVERNOR'S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core

APPLICANT BACKGROUND:

Aeropostale, Inc. is a primarily mall-based, specialty retailer of casual apparel and accessories, principally targeting 14 to 17 year old young men and women through its Aeropostale stores and 7 to 12 year old children through its P.S. from Aeropostale stores. The company is headquartered in New York, but has administrative offices in Wayne, New Jersey which it has maintained since 1995. Aeropostale maintains control over its proprietary brands by designing, sourcing, marketing and selling all of its own merchandise. The company operates 965 Aeropostale stores throughout the United States, Canada, and Puerto Rico. Aeropostale's stock is traded on the New York Stock Exchange under the ticker ARO.

MATERIAL FACTOR/NET BENEFIT:

Aeropostale currently leases office space in Wayne that is used as administrative offices for finance, operations, and information systems personnel. The lease is set to expire in 2012 and the company is exploring relocation options to house its current 146 employees as well as an additional 75 new employees that will be brought to the new project location as a result of the move. Under consideration are several locations in New Jersey as well as Rockland County, New York. The company has simultaneously applied for a BEIP and BRRAG to provide an incentive to locate the project in New Jersey. The applicant has demonstrated that the grant of these credits will result in a net positive benefit to the state of \$24.9 million.

APPROVAL REQUEST:

TAX CREDIT TERM: 1 year
COMMITMENT DURATION: 6 years

The Members of the Authority are asked to approve the proposed BRRAG benefit to Aeropostale, 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 8 years exclusive of any renewal options.
3. Expenditures totaling at least twice as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before 06/30/2012 in order to remain eligible for the bonus award.
4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.
5. If the applicant remains in a location at which it currently operates, expenditures totaling at least as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before 06/30/2012.

END OF APPLICANT'S FISCAL YEAR:		JANUARY 31
CAPITAL INVESTMENT MUST BE MADE BY:		JUNE 30, 2012
TOTAL ESTIMATED GRANT AWARD OVER TERM:	\$	328,500
STATE FISCAL YEAR 1 APPROVAL (SFY 2013):	\$	328,500
ELIGIBLE BRRAG JOBS:		146
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	\$	1,500
BONUS AWARD PER EMPLOYEE:	\$	750
TOTAL YEARLY TAX CREDITS INCLUDING BONUS:	\$	2,250
ANTICIPATED AVERAGE WAGES:	\$	94,000
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	\$	13,724,000
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 6 YRS:	\$	3,041,472
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$	6,000,000
OPERATED IN NEW JERSEY SINCE:		1995
PROJECT IS: (X) Expansion	(X) Relocation	
CONSTRUCTION/RENOVATION: (X) Yes	() No	
DEVELOPMENT OFFICER: K. Durand	APPROVAL OFFICER: K. McCullough	

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

APPLICANT: Bed Bath & Beyond Inc. and Subsidiaries

P36408

PROJECT LOCATION: 650 Liberty Ave

Union Township (T)

Union County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Bed Bath & Beyond Inc. and subsidiaries is a chain of retail stores operating under the names Bed Bath & Beyond, Christmas Tree Shops, Harmon, and buybuy BABY. The company sells a wide assortment of merchandise including domestics and home furnishings as well as food, giftware, health and beauty care items and infant and toddler merchandise. The company which was founded in 1971 is headquartered in Union, New Jersey. Bed Bath & Beyond went public in 1992 and trades on the NASDAQ under the ticker BBBY. The applicant is economically viable.

In 2006, the Authority awarded BEIP grants to Bed Bath & Beyond and its subsidiary Christmas Tree Shops to locate distribution centers in Woodbridge Township and Florence Township, respectively. Both companies are in compliance with those agreements.

MATERIAL FACTOR:

Bed Bath & Beyond is evaluating options for redistributing its operations and is considering a scenario in which it might move some employees from New York and hire additional new employees for a total of 340 new jobs at its headquarters in Union. The company is requesting a BEIP grant to provide an incentive to move forward with the project in New Jersey and has indicated that it is a material factor in its decision.

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 Bed Bath & Beyond Inc. and Subsidiaries 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: \$ 8,541,650

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

NJ EMPLOYMENT AT APPLICATION: 811

ELIGIBLE BEIP JOBS: Year 1 135 Year 2 205 Base Years Total = 340

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$25,122

ANTICIPATED AVERAGE WAGES: \$100,000

ESTIMATED PROJECT COSTS: \$25,000,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$13,141,000

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$11,169,850

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

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: (X) Domestic () Foreign

DEVELOPMENT OFFICER: D. Johnson

APPROVAL OFFICER: K. McCullough

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Union Township	N/A
2. Job Creation	340	4
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	0	0
4. Industry:	business management & support services	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$25,000,000	3
7. Average Wage:	\$ 100,000	4
TOTAL:		13

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:	13 = 40 %
Construction/Renovation :	5 %
Bonus Increases :	20 %
Total Score (not to exceed 80 %):	65 %

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Union Township	N/A
2. Job Creation	340	4
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	0	0
4. Industry:	business management & support services	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$25,000,000	3
7. Average Wage:	\$ 100,000	4

TOTAL: 13

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: 13 = 40 %

Construction/Renovation : 5 %

Bonus Increases : 20 %

Total Score (not to exceed 80 %): 65 %

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

APPLICANT: Dicaperl Minerals Corp., Dicalite Management Group, Inc. and P36360

PROJECT LOCATION: 6950 Sherman Lane Pennsauken Township Camden County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Incorporated in 1995, Dicaperl Minerals Corp. mines and processes perlite ore. It is a part of the privately-held Dicalite Management Group, Inc. Their corporate headquarters are currently located in Bala Cynwyd, Pennsylvania. The applicant is economically viable.

Perlite's industrial uses include filtration (e.g., brewing), horticultural applications (such as soil repair, bulb storage, and as a plant growth medium), construction (e.g., insulation or binder), as an inert carrier, and in a multitude of filler applications.

Dicaperl Minerals Corp., a subsidiary of Dicalite Management Group, Inc., and its affiliates own and operate two of the most extensive perlite mining operations in North America, both located in New Mexico. Unlike most perlite companies, the Dicaperl Minerals/Dicalite group of companies owns and operates both the perlite ore mining operations and the processing and expansion facilities. This allows them to maintain a much higher level of quality control and ensures volume and supply for their expanded perlite customers. The group has several processing facilities around the country.

Dicaperl Minerals Corp. is considering acquiring a property in the Mid-Atlantic region to establish a new perlite processing facility for end users. This new industrial facility is expected to house their corporate headquarters as well. Once established, the new facility is expected to employ at least 20 new industrial (manufacturing) positions and also house 15 relocated corporate positions.

MATERIAL FACTOR:

The Applicant is seeking a BEIP grant to support creating 35 permanent FT positions in New Jersey within the first two years. The company has represented that a favorable decision by the Authority to award the BEIP grant is a material factor in the Applicant's decision to go forward with the project. The Authority staff recommends the award of the proposed BEIP grant.

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 Dicaparl Minerals Corp., Dicalite Management 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: \$ 209,300
 (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 10 Year 2 25 Base Years Total = 35

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

ANTICIPATED AVERAGE WAGES: \$40,000

ESTIMATED PROJECT COSTS: \$4,900,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$261,625

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$183,138

PROJECT IS: (X) Expansion (X) Relocation Bala Cynwyd, PA

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:	other manufacturing	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$4,900,000	2
7. Average Wage:	\$ 40,000	2

TOTAL: 7

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%	<u>10%</u>
Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site	10%	_____
Company is within 5 miles of and working cooperatively with a public or non-profit university on research and development	10%	_____

Total Bonus Points: **50 %**

Total Score :

Total Score per formula: 7 = **25 %**

Construction/Renovation : **5 %**

Bonus Increases : **50 %**

Total Score (not to exceed 80 %): **80 %**

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

APPLICANT: EMX, LP and Subsidiaries

P36331

PROJECT LOCATION: To Be Determined

Locations Unknown (N) Unknown County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

EMX, LP (EMX), formed as a partnership in June 1997, provides billing, management and software services through its wholly owned entity, Alpha Group I, LLC (Alpha) and its respective subsidiaries. The consulting services are provided to Emergency Medical Associates (EMA) and its affiliates, physician owned entities that provide emergency department (ED) staffing for hospitals. EMA is one of the largest ED firms in the US, and treats almost 1 million patients annually while serving over twenty hospital clients in NY, NJ and NC. The applicant is economically viable.

MATERIAL FACTOR:

EMX is seeking a BEIP grant to create 200 new jobs, in its efforts to double the size of the company. The jobs will be spread over 3 wholly owned entities, Bravo, EDIMS and Alpha. Currently the applicant is working out of a 27,000 s.f. facility and will need 60,000 s.f. Cushman & Wakefield performed a site selection study to explore sites with lower labor costs. Based on the study, the applicant is considering a new facility in Livingston, NJ, Altoona, Pa or Morgantown, WV. Management estimates project capital expenditures will exceed \$1.3 million. Should EMX remain in Livingston, the BEIP grant score would increase to 65%, with a 10 year grant value of \$3.6 million and possibly increase to 80% in certain smart growth areas, with a 10 year value of \$4.4 million. The applicant will also be requesting a BRRAG at the May 2011 Board meeting to support relocating and retaining 327 jobs in NJ. A favorable decision by the Authority to award the BEIP grant is a material factor in the applicant's decision to remain and expand 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 EMX, LP and Subsidiaries 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: \$ 2,476,350
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 380

ELIGIBLE BEIP JOBS: Year 1 100 Year 2 100 Base Years Total = 200

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$12,381

ANTICIPATED AVERAGE WAGES: \$83,000

ESTIMATED PROJECT COSTS: \$1,300,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$5,503,000

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$5,778,150

PROJECT IS: Expansion Relocation Livingston, NJ

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:	Locations Unknown	N/A
2. Job Creation	200	3
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	327	2
4. Industry:	business management & support services	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$1,300,000	1
7. Average Wage:	\$ 83,000	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 RETENTION AND RELOCATION ASSISTANCE GRANT**

APPLICANT: EMX, LP and Subsidiaries

COMPANY ADDRESS: West Mount Pleasant Avenue Livingston Essex County

PROJECT LOCATION: To Be Determined

GOVERNOR'S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core

APPLICANT BACKGROUND:

EMX, LP (EMX), formed as a partnership in June 1997, provides billing, management and software services through its wholly owned entity, Alpha Group I, LLC (Alpha) and its respective subsidiaries. The consulting services are provided to Emergency Medical Associates (EMA) and its affiliates, physician owned entities that provide emergency department (ED) staffing for hospitals. EMA is one of the largest ED firms in the US, and treats almost 1 million patients annually while serving over twenty hospital clients in NY, NJ and NC.

MATERIAL FACTOR/NET BENEFIT:

Alpha Group I LLC dba Alpha Physician Resources	184 jobs
Bravo Associates, LLC dba Bravo Reimbursement Specialists	97 jobs
EDIMS, LLC	<u>46 jobs</u>
Total Jobs	<u>327 jobs</u>

EMX is seeking a BRRAG to relocate and retain 327 jobs within NJ. The jobs will be spread over 3 wholly owned entities, Alpha Physician Resources, Bravo, and EDIMS. In addition to the BRRAG, the applicant is also seeking a BEIP grant (P36331) to create 200 new jobs in an effort to double the size of the company within 5 years. Currently the applicant is working out of a 27,000 s. f. facility and will need 60,000 s. f. to accommodate the projected growth. Cushman & Wakefield performed a site selection study to explore sites with lower labor costs within a 3 hour travel time by plane to Livingston. Based on the study, the applicant is considering a new facility in either Livingston, NJ, Altoona, Pa or Morgantown, WV. Management estimates project capital expenditures will exceed \$1.3 million eligible costs. The company has also demonstrated that the grant of these tax credits will result in a net positive benefit to the state of \$22.1 million. A favorable decision by the Authority to award the BRRAG grant is a material factor in the applicant's decision to remain and expand in NJ.

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 EMX, LP and subsidiaries to encourage the company to relocate within New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award amount and the term. If the criteria met by the company differs from that shown herein, the award amount and the term will be raised or lowered to reflect the award amount and the term that corresponds to the actual criteria that have been met.

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in NJ unless the applicant had a pre-application meeting with the Authority during the grandfathering period.
2. If the applicant enters into a lease for the project site, the term of the lease will be no less than 8 years exclusive of any renewal options.

3. Expenditures totaling at least twice as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before March 30, 2012 in order to remain eligible for the bonus award.
4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.
5. If the applicant remains in a location at which it currently operates, expenditures totaling at least as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before March 30, 2012.

END OF APPLICANT'S FISCAL YEAR:		December 31
CAPITAL INVESTMENT MUST BE MADE BY:		March 30, 2012
TOTAL ESTIMATED GRANT AWARD OVER TERM:	\$	981,000
STATE FISCAL YEAR 1 APPROVAL (SFY 2013):	\$	490,500
STATE FISCAL YEAR 2 APPROVAL (SFY 2014):	\$	490,500
ELIGIBLE BRRAG JOBS:		327
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	\$	1,500
BONUS AWARD PER EMPLOYEE:	\$	0
TOTAL YEARLY TAX CREDITS INCLUDING BONUS:	\$	1,500
ANTICIPATED AVERAGE WAGES:	\$	83,000
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	\$	27,141,000
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 7 YRS:	\$	6,298,184
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$	1,300,000
OPERATED IN NEW JERSEY SINCE:		1997
PROJECT IS: (X) Expansion	(X) Relocation	
CONSTRUCTION/RENOVATION: (X) Yes	() No	
DEVELOPMENT OFFICER: J. Colon	APPROVAL OFFICER: M.Krug	

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

APPLICANT: Farmers Insurance Exchange and Affiliates

P36409

PROJECT LOCATION: TBD

Locations Unknown (N) Unknown County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Farmers Insurance Exchange ("Applicant"), along with Fire Insurance Exchange and Truck Insurance Exchange (Exchanges), are inter-insurance exchanges owned by their policyholders and organized under the laws of the State of California. The Exchanges, directly or through their subsidiaries, offer homeowners insurance, auto insurance, commercial insurance, and financial services throughout the United States. The Applicant is economically viable.

Farmers Insurance Exchange has a dominant position in its designated lines of business in most markets west of the Mississippi, and has recently launched a market penetration effort into select regions of the Eastern United States. To that end, the company is planning to establish new regional training facilities. One or two such training centers may be established in the Northeastern United States. Upon establishing and successfully operating a certain number of new Eastern regional training facilities for a while, the Applicant may follow on with the establishment of new regional claims processing operations, which may be located near, or co-located with, the recently established training facilities. This project entails only the openings of up to two insurance training centers to house 80 jobs (about 40 positions each). According to the Applicant, for the Northeastern regional training centers, New Jersey is competing with the states of Maryland, Pennsylvania, and New York.

Contemporaneously, the Applicant is also proceeding with a BEIP application for their contemplated future claims center(s)(P36567).

Per the New Jersey Department of Banking and Insurance, Farmers Insurance Exchange is licensed in the State. In the event that this business chooses certain smart growth areas, the BEIP score may increase to 80%, at which percentage an estimated amount of the grant would be \$685,760 over the term of the grant.

MATERIAL FACTOR:

The Applicant is seeking a BEIP grant to support creating 80 permanent FT positions in New Jersey within the first two years. The company has represented that a favorable decision by the Authority to award the BEIP grant is a material factor in the Applicant's decision to go forward with the project. The Authority staff recommends the award of the proposed BEIP grant.

APPROVAL REQUEST:

PERCENTAGE: 35%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Farmers Insurance Exchange 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: \$ 300,020
 (not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 147

ELIGIBLE BEIP JOBS: Year 1 80 Year 2 0 Base Years Total = 80

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$3,750

ANTICIPATED AVERAGE WAGES: \$48,000

ESTIMATED PROJECT COSTS: \$2,000,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$857,200

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$985,780

PROJECT IS: (X) Expansion () Relocation

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: California

APPLICANT OWNERSHIP: (X) Domestic () Foreign

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: D. Sucsuz

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Locations Unknown	N/A
2. Job Creation	80	2
	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:	\$2,000,000	1
7. Average Wage:	\$ 48,000	2
TOTAL:		9

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	_____
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: **9 = 30 %**

Construction/Renovation : **5 %**

Bonus Increases : **0 %**

Total Score (not to exceed 80 %): **35 %**

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

APPLICANT: Farmers Insurance Exchange and Affiliates

P36567

PROJECT LOCATION: TBD

Locations Unknown (N) Unknown County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Farmers Insurance Exchange ("Applicant") is an inter-insurance exchange owned by their policyholders and organized under the laws of the State of California. The Exchange, directly or through their subsidiaries, offers homeowners insurance, auto insurance, commercial insurance, and financial services throughout the United States. The Applicant is economically viable.

Farmers Insurance Exchange has a dominant position in its designated lines of business in most markets west of the Mississippi, and has recently launched a market penetration effort into select regions of the Eastern United States. To that end, the company is poised to establish new regional training facilities. Upon establishing and successfully operating a certain number of new Eastern regional training facilities for a while, the Applicant is expected to follow on with the establishment of new regional claims processing operations, which may be located in Maryland, Pennsylvania or New Jersey. This project entails only the openings of up to two insurance claims centers to house 120 jobs (about 60 positions each). The claims centers will be established only after there is sufficient mature business on the East Coast. According to the Applicant, for the Northeastern regional claims centers, New Jersey is competing with the states of Maryland, Pennsylvania, and New York.

Contemporaneously, the Applicant is proceeding with a BEIP application for their training center(s) (P36409).

Per the New Jersey Department of Banking and Insurance, Farmers Insurance Exchange is licensed in the State. In the event that this business chooses certain smart growth areas, the BEIP score may increase to 80%, at which percentage an estimated amount of the grant would be \$1,028,640 over the term of the grant.

MATERIAL FACTOR:

The Applicant is seeking a BEIP grant to support creating 120 permanent FT positions in New Jersey. The company has represented that a favorable decision by the Authority to award the BEIP grant is a material factor in the Applicant's decision to go forward with the project. The Authority staff recommends the award of the proposed BEIP grant.

APPROVAL REQUEST:

PERCENTAGE: 35%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Farmers Insurance Exchange 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: \$ 450,030
 (not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 147

ELIGIBLE BEIP JOBS: Year 1 0 Year 2 120 Base Years Total = 120

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$3,750

ANTICIPATED AVERAGE WAGES: \$48,000

ESTIMATED PROJECT COSTS: \$2,000,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$1,285,800

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$1,478,670

PROJECT IS: (X) Expansion () Relocation

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: California

APPLICANT OWNERSHIP: (X) Domestic () Foreign

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: D. Sucsuz

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Locations Unknown	N/A
2. Job Creation	120	2
	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:	\$2,000,000	1
7. Average Wage:	\$ 48,000	2
TOTAL:		9

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	_____
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:	9 = 30 %
Construction/Renovation :	5 %
Bonus Increases :	0 %
Total Score (not to exceed 80 %):	35 %

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

APPLICANT: Merisel Americas, Inc. and Affiliates

P36405

PROJECT LOCATION: 190 Jony Drive

Carlstadt Borough (N)

Bergen County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Merisel Americas, Inc., headquartered in New York, NY, is a leading visual communications and brand imaging solutions provider. Merisel provides a broad portfolio of digital and graphic services to its clients in the retail, manufacturing, beverage, cosmetic, advertising, entertainment and consumer packaged goods industries. These solutions are delivered to its clients through its portfolio companies or business units/brands: ColorEdge, Crush Creative, Comp 24, and Fuel Digital. Merisel has sales offices in New York, Georgia, California, Illinois, and Oregon; and production facilities in Manhattan, Atlanta, Los Angeles, and Edison, New Jersey to ensure the highest quality solutions and services to its clients. The Applicant's parent is Merisel, Inc. The Applicant is economically viable.

The company is planning to relocate and consolidate the bulk of its existing Manhattan operations and all of its Edison, New Jersey operations to a new, larger single facility. The project involves: (i) relocation of approximately 90 positions or jobs from Manhattan; (ii) the creation of approximately 30 new jobs; and lastly, if a New Jersey site is chosen for this consolidation-expansion plan, (iii) the retention of approximately 24 jobs in New Jersey. According to the company, a prospective Carlstadt, New Jersey site is competing with a prospective Bronx, New York site.

MATERIAL FACTOR:

The Applicant is seeking a BEIP grant to support creating or bringing in 120 new permanent FT positions in New Jersey within the first two years. The company has represented that a favorable decision by the Authority to award the BEIP grant is a material factor in the Applicant's decision to go forward with the project. The Authority staff recommends the award of the proposed BEIP grant.

APPROVAL REQUEST:

PERCENTAGE: 55%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Merisel Americas, 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: \$ 836,154
 (not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 24

ELIGIBLE BEIP JOBS: Year 1 110 Year 2 10 Base Years Total = 120

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$6,967

ANTICIPATED AVERAGE WAGES: \$52,600

ESTIMATED PROJECT COSTS: \$2,700,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$1,520,280

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$1,444,266

PROJECT IS: Expansion Relocation New York, NY

CONSTRUCTION: Yes No

PROJECT OWNERSHIP HEADQUARTERED IN: New York

APPLICANT OWNERSHIP: Domestic Foreign

DEVELOPMENT OFFICER: D. Johnson **APPROVAL OFFICER:** D. Sucsuz

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Carlstadt Borough	N/A
2. Job Creation	120	2
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	24	0
4. Industry:	printing and publishing	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$2,700,000	1
7. Average Wage:	\$ 52,600	3

TOTAL: 8

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:	8 = 30 %
Construction/Renovation :	5 %
Bonus Increases :	20 %
Total Score (not to exceed 80 %):	55 %

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

APPLICANT(S): Realogy Corporation

COMPANY ADDRESS: 1 Campus Drive Parsippany Morris County

PROJECT LOCATION(S): TBD

GOVERNOR'S INITIATIVES:

Urban Fund Other Urban Edison Core Clean Energy

APPLICANT BACKGROUND:

Realogy Corporation (Realogy), a global provider of real estate and relocation services, has a diversified business model that includes real estate franchising, brokerage, relocation and title services. Realogy's world-renowned brands and business units include Better Homes and Gardens® Real Estate, CENTURY 21®, Coldwell Banker®, Coldwell Banker Commercial®, The Corcoran Group®, ERA®, Sotheby's International Realty®, NRT LLC, Cartus and Title Resource Group. Collectively, Realogy's franchise systems have approximately 14,700 offices and 264,000 sales associates doing business in 100 countries since 1995.

NRT, LLC, a subsidiary of Realogy was approved in May 2002 for a 10 year BEIP grant, 50% award level, to create 115 new jobs in Parsippany. To date NRT has received \$ 1,415,640 for the creation of 111 jobs. At the April 12, 2011 Board meeting, the applicant was approved for a BRRAG grant to retain 953 jobs at the Parsippany and Mt. Laurel facilities. The credit will be for 5 years, with a total value of \$10,721,250.

The \$25,060,000 capital expenditure will apply only to the employees located at the corporate headquarters in Parsippany.

MATERIAL FACTOR:

Realogy is seeking a Sales & Use Tax Exemption (STX) grant to support retaining and relocating a total of 713 STX eligible jobs to a new corporate headquarters in Morris County. The applicant's request is based on the expiration of the Parsippany facility lease on Oct 31, 2013, the facility needing significant leasehold improvements, and the facility being larger than needed. Realogy inherited the Parsippany building at the time of being spun off from Cendant. The 377,000 s.f facility was significantly larger than the applicant needed, in addition to being a highly inefficient building with a high loss factor due to the amount of common area. The applicant is looking for a 225,000 s.f. facility to house the corporate headquarters in Morris County. Also under consideration is consolidating all the NJ operations, which also includes 240 jobs at Title Resource Group in Mt. Laurel (81,000 s.f.) into a 280,000 s.f. facility in either North Carolina or Georgia. Project costs are estimated to exceed \$25 million.

SCOPE OF STX BENEFITS:

Authority assistance will induce the applicant to relocate its operations to a new, approximately 225,000 s.f. facility (location/facility TBD). The business will be exempt from sales and use tax for eligible property located or placed at the eligible business location(s) for the renovation project pursuant to the terms and conditions of a project agreement. The sales tax exemption certificate applies only to property purchased for installation at the approved project site(s) and will allow the business to purchase machinery, equipment, furniture and furnishings, fixtures, and building materials, other than tools and supplies, without the imposition of sales and use tax. The sales tax exemption (STX) is administered pro rata to reflect the eligible scope of the project, based on the number of retained STX eligible full-time jobs, increased no more than 20 percent, relative to the sum of all of jobs/employees located at the approved project site(s) during the commitment duration period, subject to the Act, Regulations, and the terms of the Project Agreement. The recommended benefit is contingent upon receipt by the

Authority of evidence that the company has met certain criteria to substantiate the recommended benefit amount. If the criteria met by the company differs from that shown herein, the benefit amount will be raised or lowered to reflect the benefit amount that corresponds to the actual criteria that have been met.

APPROVAL REQUEST:

STX COMMITMENT DURATION: 5 years

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

ESTIMATED ELIGIBLE EXPENSES:	\$ 25,060,000
ESTIMATED VALUE OF STX:	\$ 1,445,987
RETAINED/MOVED STX ELIGIBLE EMPLOYEES:	713
RELOCATED NEW JERSEY EMPLOYEES (ALL):	713
NEW JERSEY GROUP EMPLOYMENT AT APPLICATION (ALL):	1,038
ALL EMPLOYEES BENEFITTING FROM STX PROJECT:	713
ANTICIPATED AVERAGE WAGES:	\$ \$80,916
PROJECT LOCATION IS IN PLANNING AREA 1 OR 2:	TBD

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

PROJECT IS: () Expansion (X) Relocation

CONSTRUCTION: (X) Yes () No

DEVELOPMENT OFFICER: J. Colon

APPROVAL OFFICER: M. Krug

STX benefit calculation formula:

Estimated Eligible Property x Sales Tax Rate = Estimated Gross Sales Tax Liability	$\$25,060,000 \times 0.07 = \$1,754,200$
(Retained Full-Time Jobs (STX Eligible Jobs) / Estimated Total Occupants of the Facility) x Regulatory 20% Automatic Increase for All STX Projects = Proportionate Value (Pro Rata Eligible Scope) with 20% Increase	$713/1038 = 68.08\% \times 1.2 = 82.43$
Adjusted Proportionate Value x Estimated Gross Sales Tax Liability = Estimated Amount of the Sales and Use Tax Exemption Certificate	$.8243 \times \$1,754,200 = 1,445,987$

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

APPLICANT: Rosetta Marketing Group, LLC

P36410

PROJECT LOCATION: To Be Determined

Locations Unknown (N)

Unknown County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Rosetta Marketing Group, LLC is the nation's largest independent interactive marketing agency, providing an array of interactive marketing strategies and personality based marketing solutions on a global basis. Rosetta's core offerings include patented personality based marketing, development of e-commerce sites, consulting services, creative services, search engine optimization, relationship marketing, and development of applications across mobile platforms. The company is headquartered in Hamilton, New Jersey, where it began operations in 1998. Rosetta has expanded from 4 employees at its inception to over 1,100 today with offices in New York, Cleveland, Chicago, Toronto, Los Angeles, and San Jose. The applicant is economically viable.

MATERIAL FACTOR:

Rosetta Marketing Group is in the midst of examining location strategies in an effort to manage costs and enhance its headquarters facility. In addition to the company's current 165 employees, management plans on hiring 64 new employees as part of the project. The company is exploring the option of making upgrades to its current facility in Hamilton in order to meet its needs. Another in-state option that Rosetta is evaluating is a possible move to Ewing. Rosetta is also considering relocating out of state at a facility in Bucks County, Pennsylvania. The company has simultaneously applied for a BEIP and BRRAG to provide an incentive to locate the project in New Jersey. Depending on certain smart growth criteria, the grant could increase to as much as 80% with an estimated value of \$2,079,488 when the applicant finalizes a location in New Jersey.

APPROVAL REQUEST:

PERCENTAGE: 35%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Rosetta Marketing Group, LLC 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: \$ 909,776
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 165

ELIGIBLE BEIP JOBS: Year 1 34 Year 2 30 Base Years Total = 64

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$14,215

ANTICIPATED AVERAGE WAGES: \$103,000

ESTIMATED PROJECT COSTS: \$1,396,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$2,599,360

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$2,989,264

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

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP:(X) Domestic () Foreign

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: K. McCullough

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Locations Unknown	N/A
2. Job Creation	64	1
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	165	1
4. Industry:	professional services	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$1,396,000	1
7. Average Wage:	\$ 103,000	4

TOTAL: 9

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: **9 = 30 %**

Construction/Renovation : **5 %**

Bonus Increases : **0 %**

Total Score (not to exceed 80 %): **35 %**

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

APPLICANT: Rosetta Marketing Group, LLC

COMPANY ADDRESS: 100 American Metro Blvd Hamilton Township Mercer County

PROJECT LOCATION: To Be Determined

GOVERNOR'S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core

APPLICANT BACKGROUND:

Rosetta Marketing Group, LLC is the nation's largest independent interactive marketing agency, providing an array of interactive marketing strategies and personality based marketing solutions on a global basis. Rosetta's core offerings include patented personality based marketing, development of e-commerce sites, consulting services, creative services, search engine optimization, relationship marketing, and development of applications across mobile platforms. The company is headquartered in Hamilton, New Jersey, where it began its operations in 1998. Rosetta has expanded from 4 employees at its inception to over 1,100 today with offices in New York, Cleveland, Chicago, Toronto, Los Angeles, and San Jose.

MATERIAL FACTOR/NET BENEFIT:

Rosetta Marketing Group is in the midst of examining location strategies in an effort to manage costs and enhance its headquarters facility. In addition to the company's current 165 employees, management plans on hiring 64 new employees as part of the project. The company is exploring the option of making upgrades to its current facility in Hamilton in order to meet its current and future needs. Another in-state option that Rosetta is evaluating is a possible move to Ewing. Rosetta is also considering relocating out of state at a facility in Bucks County, Pennsylvania. The company has simultaneously applied for a BEIP and BRRAG to provide an incentive to locate the project in New Jersey and management has indicated that the grants are a material factor in the relocation decision. The applicant has demonstrated that the grant of the BRRAG credits will result in a net positive benefit to the state of \$23.4 million.

APPROVAL REQUEST:

TAX CREDIT TERM: 1 year
COMMITMENT DURATION: 6 years

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

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in NJ unless the applicant had a pre-application meeting with the Authority during the grandfathering period.
2. If the applicant enters into a lease for the project site, the term of the lease will be no less than 8 years exclusive of any renewal options.
3. Expenditures totaling at least twice as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before 06/30/2012 in order to remain eligible for the bonus award.
4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.

5. If the applicant remains in a location at which it currently operates, expenditures totaling at least as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before 06/30/2012.

END OF APPLICANT'S FISCAL YEAR:		DECEMBER 31
CAPITAL INVESTMENT MUST BE MADE BY:		JUNE 30, 2012
TOTAL ESTIMATED GRANT AWARD OVER TERM:	\$	371,250
STATE FISCAL YEAR 1 APPROVAL (SFY 2013):	\$	371,250
ELIGIBLE BRRAG JOBS:		165
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	\$	1,500
BONUS AWARD PER EMPLOYEE:	\$	750
TOTAL YEARLY TAX CREDITS INCLUDING BONUS:	\$	2,250
ANTICIPATED AVERAGE WAGES:	\$	103,000
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	\$	16,995,000
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 6YRS:	\$	4,020,885
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$	1,396,000
OPERATED IN NEW JERSEY SINCE:		1998
PROJECT IS: (X) Expansion	(X) Relocation	
CONSTRUCTION/RENOVATION: (X) Yes	() No	
DEVELOPMENT OFFICER: K. Durand	APPROVAL OFFICER: K. McCullough	

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

APPLICANT: Spectra East Inc.

P36407

PROJECT LOCATION: To be determined

Locations Unknown (N) Unknown County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Spectra East Inc. is a wholly owned subsidiary of Fresenius Medical Care which in turn is owned by Fresenius Medical Care AG, headquartered in Bad Homburg, Germany. Spectra East is an integrated dialysis service provider performing renal-specific tests. The company is presently headquartered in Rockleigh, Bergen County where they also have one of two major US laboratories, the other being in Milpitas, CA. Established in 1982, Spectra's state-of-the art analytical equipment, automated specimen processing, and reporting applications provide rapid and reliable test results annually, reaching over 168,000 renal patients and 2,300 free-standing and hospital based dialysis facilities across the US. Spectra also supplies laboratory services to the clinical research and healthcare communities through its Spectra Clinical Research and Spectra Diagnostics divisions. Spectra has over 64,000 employees in North America and approximately 1,400 employees in New Jersey. The applicant is economically viable.

MATERIAL FACTOR:

Spectra East Inc. requests approval of a BEIP grant to offset the costs of upgrading and expanding its laboratory capacity, as well as the recruitment of specialized talent. Spectra East is in the process of examining locations for its planned new state-of-the-art headquarters and laboratory facilities. The search has been defined to include locations in Bergen/Passaic NJ area and the Orange/Rockland County area of NY. The applicant has simultaneously applied for a BRRAG for the retention of 460 employees at the Rockleigh facility. The applicant has indicated a BEIP grant is a material factor to relocate and expand 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 \$530,513.

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 Spectra East 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: \$ 265,256
 (not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 1,400

ELIGIBLE BEIP JOBS: Year 1 37 Year 2 19 Base Years Total = 56

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$4,736

ANTICIPATED AVERAGE WAGES: \$50,720

ESTIMATED PROJECT COSTS: \$16,000,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$663,141

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$729,455

PROJECT IS: Expansion Relocation Rockleigh, NJ

CONSTRUCTION: Yes No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: Domestic Foreign Germany

DEVELOPMENT OFFICER: M. Abraham

APPROVAL OFFICER: T. Wells

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Locations Unknown	N/A
2. Job Creation	56	1
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	460	2
4. Industry:	health care	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$16,000,000	2
7. Average Wage:	\$ 50,720	3
TOTAL:		10

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: 10 = 35 %

Construction/Renovation : 5 %

Bonus Increases : 0 %

Total Score (not to exceed 80 %): 40 %

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

APPLICANT: Spectra East Inc.

COMPANY ADDRESS: 8 King Road Rockleigh Bergen County

PROJECT LOCATION: To be determined

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Spectra East Inc. is a wholly owned subsidiary of Fresenius Medical Care which in turn is owned by Fresenius Medical Care AG, headquartered in Bad Homburg, Germany. Spectra East is an integrated dialysis service provider performing renal-specific tests. The company is presently headquartered in Rockleigh, Bergen County where they also have one of two major US laboratories, the other being in Milpitas, CA. Established in 1982, Spectra's state-of-the art analytical equipment, automated specimen processing and reporting applications provide rapid and reliable test results annually, reaching over 168,000 renal patients and 2,300 free-standing and hospital based dialysis facilities across the US.

MATERIAL FACTOR/NET BENEFIT:

Spectra East Inc. requests approval of a BRRAG to support the retention of 460 employees at its headquarters and laboratory located in Rockleigh, Bergen County. Spectra is in the process of examining locations for its planned new state-of-the-art headquarters and laboratory facilities. The search has been defined to include locations in Bergen/Passaic NJ area and the Orange/Rockland area of NY. Management has indicated that a BRRAG award will be a material factor in the company's decision to remain in New Jersey. Spectra East has also demonstrated that the grant of these tax credits will result in a net positive benefit to the State of \$65.4 million. In addition, the applicant has simultaneously applied for a BEIP grant for the creation of additional 56 jobs in the next two years.

APPROVAL REQUEST:

TAX CREDIT TERM: 3 years
COMMITMENT DURATION: 8 years

The Members of the Authority are asked to approve the proposed BRRAG benefit to Spectra East 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 8 years exclusive of any renewal options.
3. Expenditures totaling at least twice as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before 12/31/2012 in order to remain eligible for the bonus award.
4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.

5. If the applicant remains in a location at which it currently operates, expenditures totaling at least as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before 12/31/2012.

END OF APPLICANT'S FISCAL YEAR:	December 31
CAPITAL INVESTMENT MUST BE MADE BY:	December 31, 2012
TOTAL ESTIMATED GRANT AWARD OVER TERM:	\$ 3,105,000
STATE FISCAL YEAR 1 APPROVAL (SFY 2013):	\$ 1,035,000
STATE FISCAL YEAR 1 APPROVAL (SFY 2014):	\$ 1,035,000
STATE FISCAL YEAR 1 APPROVAL (SFY 2015):	\$ 1,035,000
ELIGIBLE BRRAG JOBS:	460
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	\$ 1,500
BONUS AWARD PER EMPLOYEE:	\$ 750
TOTAL YEARLY TAX CREDITS INCLUDING BONUS:	\$ 2,250
ANTICIPATED AVERAGE WAGES:	\$ 50,720
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	\$ 23,331,200
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 8 YRS:	\$ 4,357,782
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 16,000,000
OPERATED IN NEW JERSEY SINCE:	1985
PROJECT IS: (X) Expansion (X) Relocation	
CONSTRUCTION/RENOVATION: (X) Yes () No	
DEVELOPMENT OFFICER: M. Abraham	APPROVAL OFFICER: T. Wells

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

APPLICANT: TBB, Inc. d/b/a O Padeiro

P36371

PROJECT LOCATION: 1 Amboy Ave

Woodbridge Township

Middlesex County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Established in 1976, TBB, Inc. d/b/a O Padeira, is a manufacturer of fresh bakery products for regional distribution and parbaked frozen bakery products for national distribution. TBB is owned by Manuel Teixeira, a fifth generation baker from Portugal, with over 50 years experience in the baking industry and was the founder of Teixeira's Bakery, which he successfully operated in NJ for 24 years until 10 years ago when the company was sold. Mr. Teixeira also owns and operates Lusitania Bakery in Bethlehem, PA which has been baking a variety of fresh breads since 1996. The applicant is economically viable.

Teixeira's Bakery, under the ownership of Mr. Teixeira, received EDA assistance in 1988 and 1994 to acquire its facility in Newark via tax exempt bond financing in aggregate principal amount of \$6,284,000. The Bonds are paid in full.

MATERIAL FACTOR:

TBB, Inc. requests approval of a BEIP grant for a new bakery in NJ and the creation of 140 new jobs. Under consideration is the lease of a vacant bakery in Woodbridge, Middlesex County or expanding the existing bakery in Bethlehem, PA. The applicant has indicated a BEIP grant is a material factor to locate the bakery in New Jersey.

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 TBB, Inc. d/b/a O Padeiro 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: \$ 672,000
(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 50 Year 2 90 Base Years Total = 140

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$4,800

ANTICIPATED AVERAGE WAGES: \$35,000

ESTIMATED PROJECT COSTS: \$9,895,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$840,000

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$588,000

PROJECT IS: Expansion Relocation

CONSTRUCTION: Yes No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: Domestic Foreign

DEVELOPMENT OFFICER: P. Ceppi

APPROVAL OFFICER: T. Wells

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Woodbridge Township	N/A
2. Job Creation	140	3
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	0	0
4. Industry:	food products	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$9,895,000	2
7. Average Wage:	\$ 35,000	2
TOTAL:		9

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	<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%	<u>10%</u>
Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site	10%	_____
Company is within 5 miles of and working cooperatively with a public or non-profit university on research and development	10%	_____

Total Bonus Points: **50 %**

Total Score :

Total Score per formula:	9 = 30 %
Construction/Renovation :	5 %
Bonus Increases :	50 %
Total Score (not to exceed 80 %):	80 %

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

APPLICANT: ThromboGenics, Inc. and Affiliates

P36374

PROJECT LOCATION: TBD

Locations Unknown (N) Unknown County

GOVERNOR'S INITIATIVES:

Urban Edison Core Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Established in 1991, ThromboGenics NV (NYSE Euronext - Brussels: THR) is a Belgium-based biopharmaceutical company focused on the discovery and development of innovative therapies and medicines for the treatment of eye disease, vascular disease, and cancer. They have subsidiaries (branch offices) in Dublin, Ireland and New York, NY. ThromboGenics, Inc. is the US subsidiary. The applicant is economically viable.

Their lead product, ocriplasmin (microplasmin), has completed two successful Phase III clinical trials for the pharmacological treatment of symptomatic vitreomacular adhesion (a retina condition in the eye). In addition, ThromboGenics is developing novel antibody therapeutics in collaboration with BioInvent International, including a novel anti-cancer agent in partnership with Roche.

ThromboGenics is planning to commercialize ocriplasmin, their lead product, via its own dedicated sales force in the United States and in Europe. The company is looking for a larger space to accommodate its growth in the United States.

In the event that this business chooses a certain smart growth area, the BEIP score may increase to 80%, at which percentage an estimated amount of the grant would be \$2,263,920 over the term of the grant.

MATERIAL FACTOR:

The Applicant is seeking a BEIP grant to support creating 60 permanent FT positions in New Jersey within the first two years, of which, 6 FT positions will be relocating from New York. The remainder will involve the creation of 54 new positions (expansion). The company has represented that a favorable decision by the Authority to award the BEIP grant is a material factor in the Applicant's decision to go forward with the project. The Authority staff recommends the award of the proposed BEIP grant.

APPROVAL REQUEST:

PERCENTAGE: 35%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage ThromboGenics, 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: \$ 990,465
 (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 30 Base Years Total = 60

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$16,507

ANTICIPATED AVERAGE WAGES: \$113,000

ESTIMATED PROJECT COSTS: \$300,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$2,829,900

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$3,254,385

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

CONSTRUCTION: () Yes (X) No

PROJECT OWNERSHIP HEADQUARTERED IN: _____

APPLICANT OWNERSHIP: () Domestic (X) Foreign Belgium

DEVELOPMENT OFFICER: P. Ceppi

APPROVAL OFFICER: D. Sucsuz

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Locations Unknown	N/A
2. Job Creation	60	2
	Targeted : <u> X </u> Non-Targeted : _____	
3. Job at Risk:	0	0
4. Industry:	Biotechnology	2
	Designated : <u> X </u> Non-Designated : _____	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$300,000	0
7. Average Wage:	\$ 113,000	4
TOTAL:		10

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: **10 = 35 %**

Construction/Renovation : **0 %**

Bonus Increases : **0 %**

Total Score (not to exceed 80 %): **35 %**

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

APPLICANT: VISH LLC

P36312

PROJECT LOCATION: Block 0, Lot 0

Locations Unknown (N) Unknown County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

VISH LLC (VISH), formed in 1997, is a leading processor of plastic recyclable materials in the Northeast, providing end to end global solutions for waste management. Vishal Kukreja, the founder of VISH, was introduced to the plastic recycling industry by his father who started a plastic scrap trading business in 1980. VISH's corporate office is located in Mahwah, with a 45,000 s.f. warehouse in Newark. The applicant reprocesses all forms of plastic materials by repackaging, shredding, grinding or consolidating the materials, generally into pellet form, primarily for export. VISH includes several Fortune 500 companies among their clients. The applicant is economically viable.

MATERIAL FACTOR:

VISH is seeking a BEIP grant to support creating 35 new jobs and acquisition of a larger facility to accommodate growth and the corporate office. Under consideration are a 100,000 s.f. facility in North Brunswick and a 142,000 s.f. site in Bangor, Pa (Lehigh Valley). Project costs are estimated to be in excess of \$4.2 million, including purchase of a building for approximately \$3.6 million. If VISH chooses North Brunswick, as a result of smart growth the BEIP score will be 80%, with a projected 10 year BEIP value of \$322,700. A favorable decision by the Authority to award the BEIP grant is a material factor in the applicant's decision to remain and expand in NJ.

APPROVAL REQUEST:

PERCENTAGE: 30%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage VISH LLC 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: \$ 121,012
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 10

ELIGIBLE BEIP JOBS: Year 1 15 Year 2 20 Base Years Total = 35

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: \$3,457

ANTICIPATED AVERAGE WAGES: \$50,000

ESTIMATED PROJECT COSTS: \$4,250,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$403,375

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$484,050

PROJECT IS: (X) Expansion (X) Relocation Mahwah, Newark

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP:(X) Domestic () Foreign

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: M. Krug

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Locations Unknown	N/A
2. Job Creation	35	1
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	10	0
4. Industry:	other manufacturing	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$4,250,000	2
7. Average Wage:	\$ 50,000	2

TOTAL: 7

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:	7 = 25 %
Construction/Renovation :	5 %
Bonus Increases :	0 %
Total Score (not to exceed 80 %):	30 %

BOARD MEMORANDUMS



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: May 13, 2011

SUBJECT: Restructure of Defaulted Hazardous Discharge Site Remediation Fund (“HDSRF”) and Underground Storage Tank (“UST”) Loans

Request:

- 1) Consent to restructuring defaulted HDSRF and UST loans for borrowers unable to repay within the maximum 10 year term in order to maximize collection opportunities while supporting the clean-up of environmentally contaminated sites.
- 2) Delegate loan extension and restructuring approvals to the Director of Finance and Bond Management or Credit Underwriting within the parameters below.

Background:

In the 1990's, legislation was enacted to create HDSRF and UST revolving funds to provide financial assistance for the environmental remediation of commercial and residential properties. DEP oversees the technical aspects of remediation projects, including initial qualification for financing, monitoring of the environmental clean up process and authorizing project disbursements. NJEDA manages the revolving funds including approval and servicing of grants and/or loans recommended by DEP and approved by EDA. Excluding loans to municipalities, there are 28 outstanding HDSRF loans totaling \$5.1 million and 11 outstanding UST loans totaling \$502,000.

The enabling legislation for each program prescribes eligibility for assistance and restricts loan terms to a maximum of 10 years. In certain cases, the borrower is at or near the 10 year term and additional time is needed to complete the clean-up or to amortize the loan. The primary causes include increased scope and/or extended timelines of remediation, delays in issuance of No Further Action letters, the inability to sell project properties, or financial difficulties.

Thirteen (13) loans with a total balance of \$3.6 million have reached or are approaching maturity. Because some of these loans were structured with a balloon payment due at maturity to make debt service affordable to the borrower, loans will be maturing with borrowers unable to pay the balance in full due to financial hardship or because remediation is ongoing and repayment was expected to be made once the fully remediated site was sold upon completion of the clean up.

Without further action, these funds would likely not be recovered resulting in less funding available for new projects. Additionally, EDA would be faced with the potential expense of collection and legal action against the owners and foreclosure of contaminated properties with

uncertain if any value. Expenses for continuing remediation might then be borne directly by the State.

Staff is recommending the restructure of defaulted loans to permit additional time for repayment and return of the HDSRF/UST funds. As non-payment is a violation of the loan documents, notices of default will be issued to borrowers who do not repay loans at maturity. Upon a borrower's request and demonstration of need, staff will work with the borrower to restructure the loan including extending the maturity for up to 5 years or, in cases where the loan had a 10 year term and 20 year amortization, for up to 10 years to allow borrowers to avoid financial hardship. The Attorney General's office has reviewed this recommendation and has determined that the proposed restructure for defaulted loans is permissible under the enabling legislation.

Delegated Authority is recommended to improve the Authority's efficiency in servicing these customers, without which each request would require separate board approval. Actions taken under this delegation will be summarized and reported to the Board quarterly.

Change to Loan Terms:

Qualification:

- 1) The borrower is in compliance with DEP requirements.
- 2) Written notice of default has been issued.
- 3) Certification from borrowers/guarantors and financial statements demonstrating that they are unable to repay or refinance loan balloon at maturity and written request for extended term.

Term:

Loan maturity may be extended for up to 5 years based on borrower's cash flow available to service debt and/or time needed to remediate and sell the property. In cases where the loan had a 10 year term and 20 year amortization, the loan may be extended for up to 10 additional years, to allow borrowers avoid financial hardship.

Repayment:

- 1) Interest payments will be due monthly, unless borrower is financially unable to make interest payments. Under these circumstances interest may be capitalized.
- 2) Principal will be repaid in full by maturity.
- 3) Loans are immediately due upon the sale of project property.

Fees:

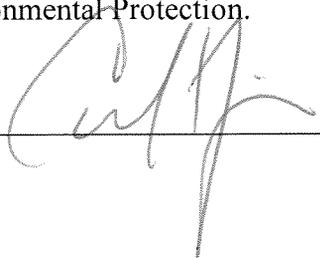
Standard Modification fee of \$1,000

Recommendation:

Consent to the restructure of defaulted HDSRF and UST loans for borrowers unable to repay or refinance the balloon payment due at maturity. The Members are also asked to delegate approval to staff (Director of Finance and Bond Management or Credit Underwriting) to

extend loan maturities for up to ten (10) additional years and modify payment terms on these loans as described above.

By providing longer repayment terms, EDA will support small business owners and homeowners in difficult economic and credit environments, who have complied with the environmental clean-up requirements by the New Jersey Department of Environmental Protection.



Prepared by: Daniel Weick and Natalia Nagovsky



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: May 13, 2011

SUBJECT: Mybar Realty Company, Newark, New Jersey
P19033 (\$385,193) Hazardous Discharge Site Remediation Fund Loan

Request:

- 1) Extend the HSDRF loan maturity four (4) years to 11/1/15 to provide necessary time to complete environmental remediation and to sell the subject property.
- 2) Extend a second principal moratorium for twelve (12) months to March 1, 2012 to provide continued payment relief.

Background:

Mybar Realty Company (“Mybar”) was formed as a real estate holding company for related company, Steel Craft Industries which ceased operations in 2004. Barry Meister, retired and sole owner, has invested \$2.8 million to date for the environment clean up of the vacant property with the objective of selling it for redevelopment upon remediation.

In 2008, NJ Department of Environmental Protection requested and EDA closed a \$596,486 HSDRF loan to Mybar for remediation of soil and groundwater contamination. To date \$434,801 was advanced for eligible costs, and \$161,685 remains available for disbursement. \$211,293 in principal has been repaid through regular principal payments.

In 2010, Mr Meister became subject to a court imposed restriction on his personal assets resulting from the owner’s pending divorce and was unable to continue amortizing the loan. In October 2010, Borrower requested a 6 month principal moratorium which was approved under delegated authority. Presently, the Borrower is requesting a second principal moratorium for twelve (12) months to allow time to resolve the divorce. Staff recently was advised that real estate taxes have not been paid; however the borrower has requested release of funds to pay these taxes current.

On-site investigation indicates that further investigation of nearby homes will be required; however gaining permission from homeowners has been time consuming. As a result, Borrower and its remediation contractor, Whitman Environmental Company (“Whitman”), have requested an extension of the November 1, 2011 loan maturity for 4 years to November 1, 2015. Whitman will also assume project management on behalf of DEP as of May 2012. This additional time is needed to complete investigations, remediate the contamination and obtain NJDEP approval needed to sell the property and repay the loan.

Whitman has projected a maximum cost of \$2.6 million to complete investigations and remediation. To fund the cleanup, Mr. Meister will seek an investor and/or sell thirteen (13) non-contaminated parcels of land permitted by DEP. The parcels are approximately one-tenth of an acre each and in aggregate have equalized assessed values of \$1.43 million in 2011. Net sale proceeds will be escrowed to fund approved DEP costs and/or repay the loan.

Recommendation:

Consent to extending the principal moratorium for 12 months and extend the term of the HDSRF loan for 4 years to 11/1/15. EDA's support will provide the borrower time to obtain alternative funding to complete investigation and remediation of the site so that it may be sold and the HDSRF loan repaid.

The approval will be subject to the following conditions:

- 1) Receipt of proof that all real estate taxes have been paid.
- 2) Net sale proceeds from any parcel of land will be escrowed for eligible clean up costs or repayment of the loan.

In September 2011 the Borrower will be required to submit an update on divorce proceedings, remedial investigation of the property and funding sources to complete remediation.

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

Prepared by: Tejinder Gill



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini, Chief Executive Officer
DATE: May 13, 2011
SUBJECT: Projects Approved Under Delegated Authority - **For Informational Purposes Only**

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

New Jersey Business Growth Fund:

- 1) Executive Lawn Service, Inc. or Nominee (P36435) located in Berkeley Township, Ocean County, was founded in 1983 as a provider of landscape care and maintenance service, including trees, shrubs, plants, lawns and gardens for residential and commercial industries. PNC Bank approved a \$400,000 bank loan with a five-year, 50% guarantee of principal outstanding, not to exceed \$200,000. Proceeds will be used to purchase real estate. Currently, the company has eight employees and plans to create four new jobs over the next two years.

NJ Main Street Program:

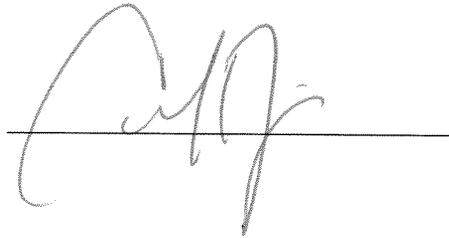
- 1) MamaMia Produce, LLC (P36201), located in East Rutherford Borough, Bergen County, was formed in 2003 as a distributor of fresh produce. Provident Bank approved a \$1,800,000 working capital line of credit, with a 13.889% EDA guarantee of principal outstanding, not to exceed \$250,000. The company currently has 26 employees and plans to create six new positions within the next two years.
- 2) Puerto Rican Action Board, Inc., located in New Brunswick, Middlesex County, was established in 1971 as a not-for-profit organization providing social and education services to low income area residents. PRAB was approved for a \$249,200 Main Street loan (P36199) to refinance a matured Local Development Financing Fund loan and a New Jersey Development Authority loan both originally used to acquire a 17,500 square foot educational facility in 2001. The organization has prospered and has 210 employees. As a result, it no longer meets the "but for" provision of the LDFP program. The NJDA loan program has also been retired. Other project lenders include Wells Fargo and NJRA which extended its loan for five years. The Main Street loan has a 5% interest rate and a 5 year term with a 10 year amortization.

Preferred Lender Program:

- 1) Bounderby, LLC (P36076), located in Pennsauken Township, Camden County is a related real estate holding company that will purchase and renovate the project property. The operating company, ICUP, Inc. was formed in 1998 as a designer and distributor of licensed t-shirts, novelty gift items and other paraphernalia. Sovereign Bank approved a \$1,800,000 mortgage loan contingent upon a \$750,000 (41.67%) Authority participation. Proceeds will be used to purchase the project property, so that ICUP can relocate from PA to Pennsauken, NJ to facilitate business expansion. The company has committed to creating 35 full-time jobs at the project property within two years.

Preferred Lender Program - Modification:

- 1) 502 Pleasant Valley LLC (P35659), located in Moorestown Township, Burlington County, was approved for a \$500,000 (44.13%) participation of a \$1,133,000 Bank of America loan under the Preferred Lender Program. The company requested a decrease in the loan amount from \$1,133,000 with a \$500,000 participation, to \$1,104,300 with a \$487,300 participation (44.128%). All other terms and conditions of the original approval remain unchanged.

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

Prepared by: D. Lawyer
SM/gvr

AUTHORITY MATTERS



MEMORNADUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: **US Treasury Grant Opportunity**
State Small Business Credit Initiative (SSBCI)

DATE: May 13, 2011

Request

The Members are requested to authorize the Chief Executive Officer to execute a grant agreement for \$33,760,698 with the US Treasury, subject to the Treasury's approval of the EDA's application. This grant opportunity falls under the State Small Business Credit Initiative section of the Small Business Jobs Act of 2010. The goal of the grant is to finance small business growth and job creation. These grant dollars will be deployed by the EDA in alignment with the requirements under the Act and will provide additional funding resources to support business growth in New Jersey.

Background:

The Small Business Jobs Act (SBJA) was signed by President Obama on September 27, 2010. The goal of SBJA is to support job creation by financing the growth of small businesses. This complements the outreach and support to larger businesses provided for in the previous stimulus bills. The SBJA makes provisions for various channels of support including funding, federal tax cuts, technical assistance, trade and export opportunities, and small, women and minority contracting assistance. The funding to small businesses consists of three components –

- 1) changes to and increased ceilings for Small Business Administration's loan programs
- 2) federal loan funds available through credit unions and community banks
- 3) State Small Business Credit Initiative (SSBCI)

The SSBCI component is the one that is directly relevant to the State and EDA. Under SSBCI, a total of \$1.5 billion is designated to 55 states and territories who may apply for this grant funding. It is to be leveraged 1:10 by using public resources to promote private access to credit by small businesses. This is expected to result in \$15 billion of capital for small businesses nationwide.

The allocations to the states and territories were determined by a formula based on unemployment and is defined in the federal legislation. Allocations are awarded by Treasury through an application process. New Jersey's allocation is \$33,760,698. In recognition of EDA's role as the State's "bank for business" and experience in providing financial assistance to small businesses, Governor Christie identified the EDA as the State's designee to apply for New Jersey's allocation. EDA filed a Notice of Intent to apply in early November. Since that time, staff has been in dialogue with Treasury as they rolled out the guidelines and application process. EDA identified funding models which will best serve the small businesses and align with the leverage requirements of SBJA/SSBCI. Staff has worked across the

organization, as well as with the Attorney General's office, to assure that the application submission is consistent with the federal requirements and positions EDA to appropriately deploy and track the capital to small businesses.

Upon Treasury approval, the grant proceeds will be available in three equal tranches. EDA is required to obligate 80% of the amount in order to receive the next tranche. The five-year SSBCI program concludes in March 2017 and as the funds revolve back to EDA, they will be recycled into new financing opportunities.

Staff is in the final stages of completing the application in accordance with SBJA/SSBCI and subsequent guidelines. Once Treasury approves the application, the Allocation Agreement must be signed within five days. Thus, the timing of this request to the Board is to enable CEO to execute the Agreement and meet the Treasury timeline. The Allocation Agreement is attached in its substantially final form subject to final review by the Deputy Attorney General.

Fund Utilization Plan:

Consistent with the SSBCI, the approach is to utilize the grant proceeds to increase the availability of financing to small businesses through existing EDA financing programs including direct loans, participations, venture funding and guarantees.

Recommendation:

The Members' approval is requested to authorize the Chief Executive Officer to execute a Grant Agreement and any other documents necessary to effectuate the grant, upon approval of the EDA's grant application by US Treasury. The grant is in the amount of \$33,760,698 and represents New Jersey's allocation under the SBJA of 2010.



Caren S. Franzmi

Prepared by Marion Zajac

(STATE SMALL BUSINESS CREDIT INITIATIVE ACT OF 2010)
OMB Control # 1505-0227

DRAFT

INSERT NAME OF PARTICIPATING STATE

State of New Jersey

STATE SMALL BUSINESS CREDIT INITIATIVE
ALLOCATION AGREEMENT
FOR
PARTICIPATING STATES

Need Date

[INSERT DATE OF ALLOCATION AGREEMENT]

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(STATE SMALL BUSINESS CREDIT INITIATIVE ACT OF 2010)

ALLOCATION AGREEMENT dated as of
[Date _____], between the **United States
Department of the Treasury**, an executive
department of the United States Government
("Treasury"), and
[State of New Jersey _____]
(the "Participating State").

RECITALS

WHEREAS, many companies, particularly small businesses, have found it increasingly difficult to get new loans to keep their businesses operating and banks are tightening requirements or cutting off existing lines of credit even when the businesses are up-to-date on their loan repayments;

WHEREAS, in the State Small Business Credit Initiative Act of 2010 (title III of the Small Business Jobs Act of 2010, Public Law 111-240, 124 Stat. 2568, 2582) (the "Act"), Congress appropriated funds to Treasury to be allocated and disbursed to States that have created programs to increase the amount of capital made available by private lenders to small businesses, and to cover Treasury's reasonable administrative expenses;

WHEREAS, in order to be considered for an allocation (as hereinafter defined), States must submit an Application (as hereinafter defined) to Treasury for review and evaluation in a noncompetitive selection process; and

WHEREAS, based on a review and evaluation of the Participating State's Application, the Participating State has been approved to receive an allocation, subject to the satisfaction of the terms and conditions contained in this Agreement (as hereinafter defined);

THEREFORE, in consideration of the premises and mutual covenants, conditions and agreements hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS AND RULES OF INTERPRETATION

Section 1.1 Definitions. Terms used in this Agreement that are not defined shall have the same meaning as in the Act. When used in this Agreement, the following terms shall have the respective meanings specified in this Section 1.1, unless the text clearly requires otherwise.

Allocated Funds. "Allocated Funds" shall mean the funds awarded to the Participating State on account of this Allocation.

Allocation. "Allocation" shall mean the award of Federal funds by the Treasury to the Participating State in accordance with the allocation formula contained in the Act.

Allocation Time Period. "Allocation Time Period" shall have the meaning ascribed to such term in Section 2.3 of this Agreement.

Application. "Application" shall mean the State Small Business Credit Initiative Application dated Need Date [Insert Date for Participating State application], including any written information in connection therewith and any attachments, appendices and/or written supplements thereto, submitted by the Participating State to Treasury.

Approved State Program. "Approved State Program" means the State other credit support program [insert "State capital access program" or "State other credit support program" or "State capital access program and State other credit support program"] approved by Treasury as eligible for Federal contributions to, or for the account of, the State program.

Authorized State Official. "Authorized State Official" means the Participating State official having oversight responsibility for the Approved State Program.

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Disbursement. "Disbursement" shall mean a transfer of Allocated Funds by Treasury to the Participating State under this Agreement.

Principal. "Principal" shall mean, for purposes of Section 4.9, an officer, director, owner, partner, principal investigator, or other individual within a private entity with management or supervisory responsibilities related to the Allocated Funds, and a consultant or other individual, whether or not employed by the private entity or paid with Allocated Funds, who is in a position to influence or control the use of Allocated Funds.

Program Income. "Program Income" shall mean gross income received by the Participating State that is directly generated by an Allocation-supported activity or earned as a result of this Allocation during the Allocation Time Period. Program Income includes, but is not limited to, income from: fees for services performed that were funded or supported with Allocated Funds; and interest earned on loans made using Allocated Funds. Program Income does not include interest on Allocated Funds, the receipt of principal on loans made using Allocated Funds, rebates, credits, discounts, or refunds, or interest earned on any of them.

Schedule. "Schedule" shall have the meaning ascribed to such term in Section 4.2 and Annex 3 of this Agreement.

Subawardee. "Subawardee" shall mean the legal entity to which a Subgrant is awarded and which is accountable to the Participating State for the use of Allocated Funds provided.

Subgrant. "Subgrant" shall mean an award of Allocated Funds by the Participating State to an eligible Subawardee. The term does not include procurement purchases.

This Agreement. "This Agreement" or "this Agreement" shall mean this Allocation Agreement dated as of Need Date [Insert Date], together with the Annexes attached hereto, and the Assurances (Non-Construction) submitted by the Participating State as part of its Application, as the foregoing may be amended or modified from time to time in accordance with their respective terms.

Section 1.2 **Rules of Interpretation.** Unless the context shall otherwise indicate, the terms defined in Section 1.1 of this Agreement shall include the plural as well as the singular and the singular as well as the plural. The words "herein," "hereof," and "hereto," and words of similar import, refer to this Agreement as a whole.

**ARTICLE II
THIS ALLOCATION**

Section 2.1 **The Allocation Commitment.** Subject to all of the terms and conditions hereof and in reliance upon all representations, warranties, assurances, certifications, covenants and agreements contained herein, Treasury will provide to the Participating State, an Allocation in the aggregate amount not to exceed [_____ **INSERT AMOUNT**] [\$33 , 760 , 698].

Section 2.2 **Purpose of this Allocation.** The purpose of this Allocation is to carry out the Approved State Program as described in Annex 1 attached hereto, which is incorporated herein by reference.

Section 2.3 **Allocation Time Period.** The effective date of this Allocation shall be the date of this Agreement. The expiration date of this Allocation is March 31, 2017 [Insert the year following 5 complete January 1 through December 31 periods. For example, if the Allocation Agreement is dated as of February 2011, insert 2017]. The period of time between the effective date and the expiration date is the Allocation Time Period. The Participating State may charge to this Allocation allowable costs incurred, in accordance with Section 4.2 hereof, during the Allocation Time Period. Costs incurred prior to the Allocation Time Period are not allowable unless authorized in writing by Treasury. After the Allocation Time Period, the Participating State may charge to unobligated Allocated Funds in its possession allowable costs incurred in accordance with Section 4.2 hereof.

ARTICLE III

DISBURSEMENTS AND CONDITIONS PRECEDENT TO DISBURSEMENTS

Section 3.1 Disbursements of Allocated Funds. Subject to the terms and conditions hereof, Treasury will make Disbursements of Allocated Funds via electronic funds transfer to a Participating State account designated in advance by the Participating State. Treasury will make Disbursements to the Participating State in accordance with Annex 2, attached hereto, which is incorporated herein by reference.

Section 3.2 Opinion of Participating State Counsel. Before Treasury's initial Disbursement of all or a portion of the Allocated Funds, Treasury shall have received, from counsel for the Participating State, a favorable opinion satisfactory in scope, form, and substance to Treasury, with respect to the matters stated in Sections 5.1, 5.2, 5.3, 5.4, 5.5, and 5.6 hereof. Such opinion shall also cover such other matters incident hereto as Treasury may require.

Section 3.3 Conditions Precedent for Disbursements. In addition to the prerequisite set forth in Section 3.2 hereof, the Participating State shall provide before each successive Disbursement following the initial one-third Disbursement a certification signed by the Authorized State Official that the Participating State has performed and complied with all applicable agreements and conditions contained herein, and that the representations and warranties set forth in this Agreement and in the Assurances (Non-Construction) contained as part of the Application shall be true and correct in all material respects. The form of the certification is in Exhibit 2-1 of Annex 2 attached hereto. If any condition or prerequisite specified herein or in any document connected herewith shall not have been fulfilled to the satisfaction of Treasury, Treasury may, in its sole discretion, elect not to make a Disbursement until such time as such condition or prerequisite shall be fulfilled to the satisfaction of Treasury.

ARTICLE IV

COVENANTS AND AGREEMENTS OF THE PARTICIPATING STATE

The Participating State shall duly perform and observe each and all of the following covenants and agreements unless the text clearly requires a different duration:

Section 4.1 Compliance with Government Requirements. In carrying out its responsibilities pursuant to this Agreement, the Participating State shall comply with the Act, Treasury regulations or other requirements prescribed by Treasury pursuant to the Act, and applicable provisions of the grants management common rule referenced in the attachment to OMB Circular A-102 ("Grants and Cooperative Agreements with State and Local Governments"), which are incorporated herein by reference. The Participating State also shall comply with all applicable Federal, State, and local laws, regulations, ordinances, and OMB Circulars, including, but not limited to, the regulations at 31 C.F.R. Part 21, related to lobbying.

Section 4.2 Authorized Uses of Allocated Funds/Allowable Costs. The Participating State shall only use the Allocated Funds for the purposes and activities specified in this Agreement including, but not limited to, the Schedule contained in Annex 3 attached hereto, which is incorporated herein by reference, and for paying allowable costs of those purposes and activities in accordance with the cost principles set forth in OMB Circular A-87 (Cost Principles for State, Local, and Indian Tribal Governments) and codified in 2 C.F.R. Part 225.

Section 4.3 Authorized Uses of Program Income. The Participating State shall add Program Income to the Allocated Funds, and shall use such Program Income for the same purposes and under the same conditions as the Allocated Funds.

Section 4.4 Restrictions on the Use of Allocated Funds Funds and Program Income.

- (a) The Participating State shall not use any Allocated Funds in a manner other than as authorized hereunder, without the prior written approval of Treasury.
- (b) The Participating State shall not use any Allocated Funds to pay any person to influence or attempt to influence any agency, elected official, officer or

(STATE SMALL BUSINESS CREDIT INITIATIVE ACT OF 2010)

employee of a State or Local Government in connection with the making, award, extension, continuation, renewal, amendment, or modification of any State or Local Government contract, grant, loan or cooperative agreement as such terms are defined in 31 U.S.C. § 1352.

(c) No member of or delegate to the United States Congress or resident U.S. Commissioner shall be admitted to any share or part of this Agreement or to any benefit that may arise herefrom.

(d) The Participating State shall not use any Allocated Funds to pay any costs incurred in connection with (i) any defense against any claim or appeal of the United States Government, any agency or instrumentality thereof (including Treasury), against the Participating State, or (ii) any prosecution of any claim or appeal against the United States Government, any agency or instrumentality thereof (including Treasury), which the Participating State instituted or in which the Participating State has joined as a claimant.

(e) The Participating State shall not use any Allocated Funds for loans used to finance, in whole or in part, business activities prohibited by Treasury regulations, including Treasury regulations promulgated after the date of this Allocation Agreement.

Section 4.5 Commencement of Performance. The Participating State shall be fully positioned within 90-days of the date of this Agreement to act on providing the type of credit support that the Approved State Program was established to provide using the Allocated Funds.

Section 4.6 National Standards and Internal Control and Financial Management System Requirements.

(a) The Participating State shall comply with the national standards established by Treasury and published by Treasury on its website at <http://www.treas.gov/resource-center/sb->

programs/Pages/ssbci.aspx, including standards established by Treasury after the date of this Allocation Agreement.

- (b) The Participating State shall comply with the standards for financial management systems, including internal control requirements, specified in the grants management common rule at § __.20. Notwithstanding the foregoing, the cash management requirements in § __.20(b)(7) of the grants management common rule shall not apply to the Participating State.

Section 4.7 Quarterly Reports. Within 30 days after the end of each quarterly reporting period (excluding the quarterly reporting period ending on the expiration date of this Allocation), the Participating State shall deliver to Treasury a quarterly report, which shall be signed by the Authorized State Official. The reporting period covered by, and the due date for, each quarterly report are listed in Annex 5 attached hereto. Each report shall be in such form as Treasury may, from time to time prescribe, and shall consist of the following information:

- (a) a report on the use of Allocated Funds for each Approved State Program on both a quarterly and cumulative basis, including the total amount of Allocated Funds used for direct and indirect administrative costs and the total amount of Allocated Funds used; and
- (b) a certification in the form prescribed in Annex 4 attached hereto.

In addition, the Authorized State Official shall attach to each quarterly report, a completed and executed Federal Financial Report, SF-425. The Federal Financial Report shall be on an accrual basis.

Section 4.8 Annual Report. By March 31 of each year, beginning March 31, 2012 **[Insert the calendar year following the year of the Allocation Agreement. For example, if the Allocation Agreement is dated as of December 2010, insert 2011]**, the Participating State shall submit to Treasury an annual report, which shall be signed by the Authorized State Official,

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in such form as Treasury may from time to time prescribe that contains the following:

- (a) the number of borrowers that received new loans originated under the Approved State Program during the Allocation Time Period;
- (b) the total amount of such new loans;
- (c) breakdowns by industry type, loan amount, annual sales, and date of disbursement;
- (d) the zip code of each borrower that received such a new loan;
- (e) cumulative loan volumes and growth rate of cumulative loan volumes;
- (f) loan volume by zip code;
- (g) loan product type by credit risk level (by lender and zip code);
- (h) delinquency patterns by credit risk level (by lender and zip code);
- (i) loan volume and loan amounts by lender (by zip code);
- (j) loan volume and type by credit risk level;
- (k) number and percentage of loans (credit products) approved for new businesses (i.e., businesses up to 2 years old) as compared to existing businesses;
- (l) loan volume and amount to specific groups (i.e., women-owned businesses, minority-owned businesses, and veteran-owned businesses);
- (m) number of employees of each borrower (worldwide and not for any specific locality including state or municipality);

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- (n) a schedule describing how the Participating State intends to apportion the Allocated Funds among its Approved State Programs; and
- (o) for the final annual report due on March 31, 2017 [Insert the year entered in Section 2.3 of the Allocation Agreement], a summary of the performance results of this Allocation, including a narrative of how or the extent to which the purpose of this Allocation, as described in Annex 1 attached hereto, was accomplished using Allocated Funds.

In addition, the Authorized State Official shall attach to the Participating State's final annual report a completed and executed Federal Financial Report, SF-425. The due dates for the submission of the annual reports are listed in Annex 5 attached hereto.

Section 4.9 Access to Records of and Certifications from Financial Institutions. Before providing any loan, loan guarantee, or other financial assistance using Allocated Funds to a financial institution or any other private entity, the Participating State shall obtain the following:

- (a) the binding written agreement of the financial institution or other private entity to make available to the Treasury Inspector General all books and records related to the use of the Allocated Funds, subject to the Right to Financial Privacy Act (12 U.S.C. § 3401 et seq.) as applicable;
- (b) a certification from the financial institution that the financial institution is in compliance with the requirements of 31 C.F.R. § 103.121; and
- (c) a certification from the private entity, including any financial institution, that the Principals of such entity have not been convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)).

Section 4.10 Notices of Certain Material Events. The Participating State shall promptly notify Treasury in writing in reasonable detail of any of the following events:

- (a) any proceeding instituted against the Participating State in, by or before any court, governmental or administrative body or agency, which proceeding or its outcome could have a material adverse effect upon the operations, assets or properties of the Participating State;
- (b) any material adverse change in the condition, financial or otherwise, or operations of the Participating State;
- (c) the occurrence of any event described in Sections 6.1 and 6.2 herein (General Events of Default and Specific Events of Default);
- (e) problems, delays, or adverse conditions, real or anticipated, that will materially impair the Participating State's ability to accomplish the purpose of this Allocation set forth in Annex 1 attached hereto, with a description of actions taken or contemplated to be taken, and any assistance needed to resolve the situation;
- (f) deviations from the annual schedule submitted by the Participating State under Section 4.8(n) apportioning Allocated Funds among its Approved State Programs if the deviations will result in the need for additional funding from any third party to accomplish the purpose of this Allocation set forth in Annex 1 attached hereto; and
- (g) favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.

Section 4.11 High Risk. Notwithstanding the foregoing, Treasury may unilaterally increase the frequency and the scope of Participating State reporting requirements if Treasury finds

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the Participating State to be high risk in accordance with the grants management common rule at § __.12.

Section 4.12 Subgrants. The Participating State shall not make any Subgrants using Allocated Funds without the prior written approval of Treasury.

Section 4.13 Retention of Records. The Participating State shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Allocation for a period of three years from the date of submission of the final quarterly report under Section 4.7 herein, except as otherwise provided in the grants management common rule at § __.42.

Section 4.14 Right to Inspect, Audit and Investigate. Treasury, the Treasury Inspector General, the Comptroller General of the United States, or any of their duly authorized representatives, have the right of timely and unrestricted access to any books, documents, papers, or other records of the Participating State that are pertinent to the Allocation, in order to make audits, investigations, examinations, excerpts, transcripts and copies of such documents. This right also includes timely and reasonable access to the Participating State's personnel for the purpose of interview and discussion related to such documents. This right of access shall last as long as records are retained, except that Treasury's right of access expires on September 27, 2017.

**ARTICLE V
REPRESENTATIONS AND WARRANTIES**

The Participating State hereby makes each and all of the following representations and warranties:

Section 5.1 Designation of Eligible Organization. The Participating State has designated New Jersey Economic I [Insert name of department, agency, or political subdivision] to implement the Participating State's Approved State Program.

New Jersey Economic Development Authority [Insert name of department, agency, or political subdivision] is a body corporate and politic constituting an instr [Insert department, agency, or political subdivision] of the Participating State.

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Section 5.2 **Authority.** The Participating State has all requisite power and authority under the constitution and the laws of the State of New Jersey [Insert name of State] to execute and deliver this Agreement, to consummate the transactions contemplated hereby, and to perform its obligations hereunder.

Section 5.3 **Due Authorization.** The execution and delivery by the Participating State of this Agreement, the consummation by the Participating State of the transactions contemplated hereby, and the performance by the Participating State of its obligations hereunder have been duly authorized by all necessary action on the part of the Participating State.

Section 5.4 **Due Execution and Delivery; Binding Agreement.** This Agreement has been duly executed and delivered by the Participating State, and constitutes the legal, valid and binding obligation of the Participating State enforceable in accordance with its terms.

Section 5.5 **No Conflicts.** The execution and delivery by the Participating State of this Agreement, the consummation by the Participating State of the transactions contemplated hereby, and the performance by the Participating State of its obligations hereunder do not and will not:

- (a) conflict with or violate any existing law or administrative regulation, or any existing administrative or judicial decree or order; and
- (b) conflict with, result in a breach of, or constitute a default under any existing agreement or other instrument to which the Participating State is subject or by which it is bound.

Section 5.6 **Litigation.** There is no lawsuit or judicial or administrative action, proceeding, or investigation pending or threatened against the Participating State which is likely to have a material adverse effect on the ability of the Participating State to perform its obligations under this Agreement.

Section 5.7 **Disclosure.** Neither this Agreement nor any Annex attached hereto, nor any certification or assurance referenced herein, nor any other document or instrument delivered to Treasury by the Participating State pursuant to this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading. The Participating State has disclosed, in writing, to Treasury all facts that might reasonably be expected to result in a material adverse effect upon the Participating State's ability either to conduct its business or to carry out the purpose of this Allocation. The Participating State has not knowingly and willfully made or used a document or writing containing any false, fictitious or fraudulent statement or entry as part of its correspondence or communication with Treasury.

ARTICLE VI
TERMINATION FOR CAUSE AND OTHER REMEDIES

Section 6.1 **General Events of Default.** In the event that either:

- (a) any representation, warranty, certification, assurance or any other statement of fact contained in this Agreement or the Application of the Participating State including, but not limited to, the Assurances (Non-Construction) contained as part of the Application, or any representation or warranty set forth in any document, report, certificate, financial statement or instrument now or hereafter delivered to Treasury in connection with this Agreement, is found to be inaccurate, false, incomplete or misleading when made, in any material respect; or
- (b) the Participating State materially fails to observe, comply with, meet or perform any term, covenant, agreement or other provision contained in this Agreement including, but not limited to, the Participating State's failure to submit complete and timely quarterly reports or annual reports, or the Participating State ceases to use the Allocated Funds

to undertake the activities authorized in Annex 1 attached hereto;

Treasury, in its sole discretion, may find the Participating State to be in default.

Section 6.2 Discretionary Remedies. If Treasury finds the Participating State to be in default under Section 6.1 of this Agreement, Treasury may, in its sole discretion, take any one or more of the following actions, subject to Section 6.6 of this Agreement:

- (a) withhold Disbursements pending the Participating State's correction of the default; or
- (b) wholly or partly reduce, suspend, or terminate the commitment of Treasury to make Disbursements to the Participating State under this Agreement, whereupon the commitment of Treasury to make Disbursements to the Participating State under this Agreement will be reduced, suspended, or terminated, as the case may be.

Section 6.3 Specific Events of Default. In the event of a Treasury Inspector General audit finding of either:

- (a) intentional or reckless misuse of Allocated Funds by the Participating State; or
- (b) the Participating State having intentionally made misstatements in any report issued to Treasury under the Act;

Treasury shall find the Participating State to be in default.

Section 6.4 Mandatory Remedies. If Treasury finds the Participating State to be in default under Section 6.3 of this Agreement, Treasury shall take the following actions:

- (a) in the case of an event of default under Section 6.3(a), recoup any misused Allocated Funds that have been disbursed to the Participating State; or
- (b) in the case of an event of default under

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Section 6.3(b), terminate the commitment of Treasury to make Disbursements to the Participating State under this Agreement, and find the State ineligible to receive any additional funds under the Act, whereupon the commitment of Treasury to make Disbursements to the Participating State under this Agreement will be terminated and the State will be ineligible to receive any additional funds under the Act.

Section 6.5 No Waiver. No delay or failure by Treasury in the exercise of any right, power, or remedy accruing upon the occurrence of any event described in Section 6.1 or Section 6.3 herein shall impair any such right, power, or remedy, or be construed to be a waiver of or acquiescence in such event, nor shall any abandonment or discontinuance of steps taken to exercise any right, power or remedy preclude any further exercise thereof.

Section 6.6 Prior Notice to Participating State of Exercise of Remedies. Prior to exercising or imposing any remedy contained in Section 6.2 other than a withholding of a Disbursement(s) under Section 6.2(a), Treasury will, to the maximum extent practicable, provide the Participating State with written notice of the event(s) described in Section 6.1 hereof and the proposed remedy. Treasury's written notice will give the Participating State 10 calendar days from the date of the notice to respond. Treasury may, in its sole discretion, also afford the Participating State 20 calendar days from the date of the notice to correct the event. If the Participating State fails to correct the event within either the 10 calendar day response time or, if applicable, the 20 calendar day correction or cure period, Treasury may, in its sole discretion, impose or exercise the remedy or remedies set forth in its written notice. Moreover, if the Participating State fails to respond timely to Treasury's written notice, Treasury may impose or exercise the remedy or remedies set forth in its written notice, effective as of the date specified in such notice. Nothing in this Agreement, however, will provide the Participating State with any right to any formal or informal hearing or comparable proceeding not otherwise required by law.

**ARTICLE VII
TERMINATION OF AVAILABILITY**

Section 7.1 Termination of Availability. Treasury may, upon submitting to the Participating State written notification, terminate the Participating State's Allocation of any portion of the Allocated Funds that Treasury has not disbursed to the Participating State by insert date **[Insert date that is 2-years from the date of this Allocation Agreement].**

**ARTICLE VIII
MISCELLANEOUS**

Section 8.1 Notices. All notices, requests, demands, consents, waivers and other communications given under any provision of this Agreement shall be in writing and shall be delivered by hand, mailed by postage-prepaid first-class mail, delivered by overnight courier service, or transmitted electronically via facsimile (fax) or email transmission to the addresses indicated below:

if to Treasury:

Department of the Treasury
ATTN: State Small Business Credit Initiative
Main Treasury Building
Room 1310
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

Telephone No. (202) 622-[0713]
Facsimile No. (202) 622-[NA]
Email address: [smallbizquestions@do.treas.gov]

if to the Participating State:

New Jersey Economic Development Authority [Insert Name]
PO Box 990, 36 West State Street, Trenton, NJ 0862 [Insert Address]
[Attention: Lori Matheus]

Telephone No. [609-858-6747]

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Facsimile No. [609-278-4738]

Email address: [lmatheus@njeda.com]

The address, telephone number, email address or facsimile number for either party hereto may be changed at any time and from time to time upon written notice given to the other party.

Section 8.2 Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements or understandings, written or oral, in respect thereof.

Section 8.3 Amendments. Unless otherwise expressly provided in this Agreement, no provision of this Agreement may be amended, modified, waived, supplemented, discharged or terminated orally but only by an instrument in writing duly executed by Treasury and the Participating State.

Section 8.4 Assignment. The Participating State may not assign or transfer its rights under this Agreement without the prior written consent of Treasury.

Section 8.5 Successors. This Agreement shall be binding upon and inure to the benefit of Treasury and the Participating State and their respective successors and permitted assigns.

Section 8.6 Cumulative Rights. Each and every right, power, and remedy conferred in this Agreement shall be cumulative and shall be in addition to every other right, power and remedy herein conferred or now or hereafter existing at law or in equity, by statute or otherwise.

Section 8.7 No Election. Each and every right, power, and remedy, whether conferred in this Agreement or otherwise existing, may be exercised from time to time and as often and in such order as may be determined by Treasury, and the exercise or the beginning of the exercise of any right, power or remedy shall not be construed to be an election or a waiver of the right to exercise at the same time or thereafter any other right, power or remedy.

Section 8.8 Rights Confined to Parties. Nothing expressed or implied herein is intended or shall be construed to confer upon, or to give, any person other than the Participating

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State or Treasury, and their respective successors and permitted assigns, any right, remedy or claim under or by reason of this Agreement or of any term, condition, representation, warranty, covenant, or agreement contained herein, and all of the terms, conditions, representations, warranties, covenants, and agreements contained herein shall be for the sole and exclusive benefit of the Participating State, and Treasury, and their respective successors and permitted assigns.

Section 8.9 No Partnership. Neither this Agreement nor any part or provision hereof, nor the exercise by Treasury of any of its respective rights or remedies hereunder, shall evidence or establish, be construed as evidencing or establishing, any partnership, joint venture, or similar relationship of Treasury with the Participating State.

Section 8.10 Survival of Representations and Warranties. All representations, warranties, covenants, and agreements made by the Participating State in this Agreement (including, without limitation, the Application and the Assurances (Non-Construction) submitted by the Participating State as part of the Application) or in any document, report, certificate, financial statement, note, or instrument now or hereafter furnished in connection with this Agreement shall survive the execution and delivery of this Agreement and the Disbursement of Allocated Funds pursuant hereto.

Section 8.11 Applicable Law. This Agreement, and the rights and obligations of the parties hereunder, shall be governed by, and construed and interpreted in accordance with United States Federal law and not the law of any State or locality of the United States. To the extent that a court looks to the laws of any State to determine or define the Federal law, it is the intention of the parties hereto that such court shall look only to the laws of the State of New Jersey
[Insert applicable State].

Section 8.12 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not of

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itself invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.13 Headings. The descriptive headings of the various articles and sections contained in this Agreement were formulated and are for convenience only and shall not be deemed to affect the meaning or construction of the provisions hereof.

Section 8.14 Counterparts. This Agreement may be executed in separate counterparts, each of which shall constitute an original but all of which together shall constitute one and the same instrument.

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

TREASURY: **United States Department of the Treasury**

By: _____
Name:
Title:

PARTICIPATING STATE: New Jersey [Insert Name]

By: _____
Name: Caren Franzini, CEO
Title: New Jersey Economic Development Authority

Need Date [Insert Date of Agreement]

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ANNEX 1

PURPOSE OF THE ALLOCATION

This Annex 1 constitutes an integral part of the Allocation Agreement (the "Allocation Agreement") dated as of Need date [Insert Date], between the **United States Department of the Treasury** (the "Treasury") and State of New Jersey [Insert Name of Participating State] (the "Participating State"). Capitalized terms used herein and not defined herein shall have the respective meanings ascribed to them in the Allocation Agreement.

The purpose of the Allocation is to assist the Participating State to increase the amount of capital made available by private lenders to small businesses through its Approved State Program.

To accomplish this, the Participating State will undertake the following activities with the Allocated Funds under its Approved State Program:

[INSERT DESCRIPTION OF APPROVED STATE PROGRAM]

To be completed upon signing

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Agreement, Treasury may, in its discretion, withhold or suspend making Disbursements to the Participating State for failure to comply with any term, agreement, covenant or condition of the Allocation Agreement. Treasury will generally resume making Disbursements to the Participating State upon the Participating State's subsequent compliance.

5. Cash Depositories

- (a) Disbursements shall be deposited and maintained in a United States Government-insured interest-bearing account whenever possible.
- (b) Consistent with the United States Government national goal of expanding opportunities for women-owned and minority-owned business enterprises, Treasury encourages the Participating State to use women-owned or minority-owned depository financial institutions (a depository financial institution which is owned at least 50 percent by women or minority group members).
- (c) The Participating State is not required to maintain a separate depository account for receiving Disbursements of Allocated Funds. If the Participating State maintains a single depository account where Allocated Funds are commingled with funds from other sources, the Participating State shall maintain on its books a separate subaccount for the Allocated Funds.

EXHIBIT 2-1

**CERTIFICATION OF PERFORMANCE AND
REPRESENTATIONS AND WARRANTIES**

United States Department of the Treasury
Main Treasury Building, Room 1310 [insert number]
1500 Pennsylvania Avenue
Washington, D.C. 20220

Reference is made to the Allocation Agreement dated as of date [INSERT DATE] (the "Allocation Agreement"), between the United States Department of the Treasury ("Treasury") and the State of New Jersey (the "Participating State"). Capitalized terms used herein and not defined herein shall have the respective meanings ascribed to them in the Allocation Agreement.

This certification is delivered to Treasury pursuant to paragraph 2 ("Subsequent Disbursement Requests of Allocated Funds") of Annex 2 ("Disbursement Policies and Procedures") attached to the Allocation Agreement.

The undersigned, on behalf of the Participating State, hereby makes the following certifications as of the date of this certification:

1. the Participating State has performed and complied with all applicable terms, covenants, agreements and conditions required by the Allocation Agreement to be performed or complied with by it as of this date;
2. the representations and warranties set forth in the Allocation Agreement and in the Assurances (Non-Construction) contained as part of the Application are true and correct in all material respects;
3. the Participating State has expended, transferred, or obligated 80 percent or more of the last disbursed one-third of Allocated Funds for federal contributions to, or for the account of, the Participating State's Approved State Programs; and
4. the authority of the undersigned to execute and deliver this certification on behalf of the Participating State is valid and in full force and effect.

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By: _____

Name:

Title:

Date: date

ANNEX 3

SCHEDULE

This Annex 3 constitutes an integral part of the Allocation Agreement (the "Allocation Agreement") dated as of date _____ [Insert] between the **United States Department of the Treasury** (the "Treasury") and State of New Jersey _____ **[Insert Name of Participating State]** (the "Participating State"). Capitalized terms used herein and not defined herein shall have the respective meanings ascribed to them in the Allocation Agreement.

Limitation on Use of Allocated Funds for Administrative Expenses

The Participating State may use its Allocation to pay both direct and indirect administrative costs incurred in carrying out the Approved State Program subject to the limitations described in the table below.

Allocation	Maximum Amount Available to Pay for Direct and Indirect Administrative Costs
First One-Third (33%) or <u>\$11,253,566.00</u> [Insert \$]	Five Percent (5%) or <u>\$562,678.30</u> [Insert \$]
Second One-Third (33%) or <u>\$11,253,566.00</u> [Insert \$]	Three Percent (3%) or <u>\$337,606.98</u> [Insert \$]
Third One-Third (34%) or <u>\$11,253,566.00</u> [Insert \$]	Three Percent (3%) or <u>\$337,606.98</u> [Insert \$]

ANNEX 4

QUARTERLY USE-OF-FUNDS-REPORT

This Annex 4 constitutes an integral part of the Allocation Agreement the "Allocation Agreement") dated as of insert date [INSERT DATE], between the **United States Department of the Treasury** (the "Treasury") and State of New Jersey [INSERT NAME OF PARTICIPATING STATE] (the "Participating State"). Capitalized terms used herein and not defined herein shall have the respective meanings ascribed to them in the Allocation Agreement.

As part of its quarterly reporting requirement, the Participating State shall submit a certification in the form attached hereto as Exhibit 4-1.

EXHIBIT 4-1

CERTIFICATION ON USE-OF-ALLOCATED FUNDS

United States Department of the Treasury
Main Treasury Building, Room 1310 [insert number]
1500 Pennsylvania Avenue
Washington, D.C. 20220

Reference is made to:

the Allocation Agreement dated as of date [INSERT DATE] (the "Allocation Agreement"), between the United States Department of the Treasury ("Treasury") and the State of New Jersey (the "Participating State"). Capitalized terms used herein and not defined herein shall have the respective meanings ascribed to them in the Allocation Agreement.

This certification is delivered to Treasury pursuant to Section 4.7 ("Quarterly Reports") of the Allocation Agreement.

The undersigned, on behalf of the Participating State, hereby makes the following certifications as of the date of this certification:

1. the information provided by the Participating State under Section 4.7 ("Quarterly Reports") of the Allocation Agreement on the use of Allocated Funds is accurate;
2. funds continue to be available and legally committed to contributions by the Participating State to, or for the account of, Approved State Programs, less any amount that has been contributed by the Participating State to, or for the account of, Approved State Programs subsequent to the Participating State being approved for participation in the State Small Business Credit Initiative;
3. the Participating State is implementing its Approved State Program or Programs in accordance with the Act and the regulations or other guidance issued by Treasury under the Act; and
4. the authority of the undersigned to execute and deliver this certification on behalf of the Participating State

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is valid and in full force and effect.

By: _____

Name:

Title:

Date: _____

