



MEMORANDUM

TO: Members of the Authority
FROM: Timothy Sullivan
Chief Executive Officer
DATE: February 19, 2019
SUBJECT: Agenda for Board Meeting of the Authority February 19, 2019

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

CEO's Report to the Board

Authority Matters

Incentive Programs

Bond Projects

Office of Economic Transformation

Office of Recovery

Real Estate

Board Memorandums

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

December 11, 2018

MINUTES OF THE MEETING

Members of the Authority present: Larry Downes, Chairman; Commissioner Marlene Caride of the Department of Banking and Insurance; Catherine Brennan representing State Treasurer Elizabeth Muoio; Roberto Soberanis representing Commissioner Robert Asaro - Angelo of Department of Labor and Workforce Development; Dan Ryan representing Commissioner Catherine McCabe of the Department of Environmental Protection; Public Members Charles Sarlo, Vice Chairman; Philip Alagia, Fred Dumont, Louis Goetting, William Layton and John Lutz, Third Alternate Public Member.

Absent: Public Members Massiel Medina Ferrara, Thomas Scrivo, and Rodney Sadler, Non-Voting Member.

Also present: Timothy Sullivan, Chief Executive Officer of the Authority; Deputy Attorney General Gabriel Chacon; Adam Sternbach, Governor's Authorities' Unit; and staff.

Mr. Downes called the meeting to order at 10:00 am.

Pursuant to the Internal Revenue Code of 1986, Mr. Sullivan 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, Mr. Sullivan 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.

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the November 9, 2018 meeting minutes. A motion was made to approve the minutes by Commissioner Caride, and seconded by Mr. Layton, and was approved by the 9 voting members present.

The next item of business was the approval of the November 9, 2018 executive session meeting minutes. A motion was made to approve the minutes by Commissioner Caride, and seconded by Mr. Layton, and was approved by the 9 voting members present.

Chairman Downes read a resolution honoring Lisa Butterfield, Vice President - Post Closing Financial Services on her upcoming retirement after 32 years at the EDA

Mr. Alagia entered the meeting at this time.

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

Mr. Sarlo entered the meeting at this time.

BOARD PRESENTATION

Roy LaManna, Co-founder and CEO, Vydia, Inc, gave a business update on the company.

AUTHORITY MATTERS

ITEM: 2019 Fiscal Year Plan

REQUEST: To review and approve the 2019 Fiscal Year Plan that has been reviewed by the Audit Committee.

MOTION TO APPROVE: Mr. Lutz **SECOND:** Commissioner Caride **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: Authorized Signers for Staff Delegations

REQUEST: Consent to the staff delegation signing authority changes.

MOTION TO APPROVE: Mr. Dumont **SECOND:** Commissioner Caride **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

ITEM: Newark Office Space

REQUEST: To approve: execution of a lease with One Gateway Center Office LLC (Landlord); execution of parking agreement(s) for the number of staff reporting to Newark; tenant improvements, fixture, furniture and equipment, and moving expenses; and execution of a Use and Occupancy Agreement with the Division of Property Management and Construction within Treasury.

MOTION TO APPROVE: Commissioner Caride **SECOND:** Ms. Brennan **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

INCENTIVE PROGRAMS

Economic Redevelopment and Growth Grant Program

ITEM: Parking Authority of the City of Paterson

APPL.#45227

REQUEST: To approve the application of Parking Authority of the City of Paterson for a Project located in Paterson, Passaic County for reimbursement of certain taxes. The recommendation is to award 100% of actual eligible costs and 40% of the total eligible project costs, not to exceed \$30,534,450 based on the budget submitted.

MOTION TO APPROVE: Mr. Goetting **SECOND:** Ms. Brennan **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ITEM: Ria Hospitality Urban Renewal, LLC APPL.#45232
REQUEST: To approve the application of Ria Hospitality Urban Renewal, LLC for a Project located in Carteret, Middlesex County for reimbursement of certain taxes. The recommendation is to award 20% of actual eligible costs, not to exceed \$4,110,915 based on the budget submitted.
MOTION TO APPROVE: Commissioner Caride **SECOND:** Mr. Goetting **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

Grow New Jersey Assistance Program

ITEM: Creative Management Services, LLC d/b/a MC² APPL.#45316
REQUEST: To approve the application of Creative Management Services, LLC d/b/a MC² for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Paramus Borough, NJ. Project location of Paramus Borough, Bergen County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The estimated annual award is \$225,000 for a 10-year term.
MOTION TO APPROVE: Commissioner Caride **SECOND:** Mr. Lutz **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: Cross River Bank APPL.#45311
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Lutz **SECOND:** Mr. Layton **AYES: 10**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

Commissioner Caride recused herself because the Department of Banking and Insurance regulates the applicant.

ITEM: Cross River Bank APPL.#45311
REQUEST: To approve the application of Cross River Bank for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Fort Lee Borough, NJ. Project location of Fort Lee Borough, Bergen County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Large Number of New/Retained F/T Jobs, Targeted Industry of Manufacturing. The estimated annual award is \$1,092,850 for a 10-year term.
MOTION TO APPROVE: Ms. Brennan **SECOND:** Mr. Layton **AYES: 10**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

Commissioner Caride recused herself because the Department of Banking and Insurance regulates the applicant.

ITEM: Gucci America, Inc. APPL.#45408

REQUEST: To approve the application of Gucci America, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Jersey City, NJ. Project location of Jersey City, Hudson County qualifies as a Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development. The estimated annual award is \$1,470,000 for a 10-year term.

MOTION TO APPROVE: Commissioner Caride **SECOND:** Mr. Lutz **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

ITEM: Madame RX LLC. APPL.#45312

REQUEST: To approve the application of Madame RX LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Camden City, NJ. Project location of Camden City, Camden County qualifies as an Garden State Growth Zone, under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Transit Oriented Development, Jobs with Salary in Excess of County/GSGZ Average, Targeted Industry of Manufacturing, Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min, 2007 Revit. Index>465 in Camden. The estimated annual award is \$840,000 for a 10-year term.

MOTION TO APPROVE: Mr. Soberanis **SECOND:** Mr. Goetting **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

ITEM: Novelpay LLC APPL.#45259

REQUEST: To approve the finding of jobs at risk.

MOTION TO APPROVE: Mr. Dumont **SECOND:** Commissioner Caride **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: Novelpay LLC APPL.#45259

REQUEST: To approve the application of Novelpay LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Hackensack City, NJ. Project location of Hackensack City, Bergen County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Transit Oriented Development, Targeted Industry of Technology. The estimated annual award is \$501,487 for a 10-year term.

MOTION TO APPROVE: Commissioner Caride **SECOND:** Mr. Alagia **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

ITEM: Paolo Foods LLC

APPL.#45334

REQUEST: To approve the application of Paolo Foods LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Bridgeton City, NJ. Project location of Bridgeton City, Cumberland County qualifies as a Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Capital Investment in Excess of Minimum (non-Mega), Targeted Industry of Manufacturing, 2007 Revit. Index>465 in Cumberland County. The estimated annual award is \$598,260 for a 10-year term.

MOTION TO APPROVE: Mr. Lutz **SECOND:** Commissioner Caride **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

Grow New Jersey Assistance Program- Modification

ITEM: Cummins Power Systems, LLC

APPL.#40463

REQUEST: Consent to changing the applicant on the approved GrowNJ award from CPS to Cummins, Inc.

MOTION TO APPROVE: Mr. Ryan **SECOND:** Mr. Layton **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

ITEM: Geri-Care Pharmaceuticals Corp.

APPL.#44313

REQUEST: Consent to increase the square footage of the Qualified Business Facility ("QBF") which will require a proportional increase in the minimum capital investment.

MOTION TO APPROVE: Mr. Dumont **SECOND:** Commissioner Caride **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

BOND PROJECTS

Bond Resolutions

ITEM: 2018 Carryforward Request

REQUEST: Approve the adoption of the Carryforward resolution for the State's 2018 Private Activity Bond allocation.

MOTION TO APPROVE: Commissioner Caride **SECOND:** Mr. Lutz **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

Amended Bond Resolutions

PROJECT: Newark Downtown District Management Corp. APPL.#45354
LOCATION: Newark City, Essex County
PROCEEDS FOR: Refinancing
FINANCING: \$9,600,000 Tax-Exempt Bond
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Newark Downtown District Management Corp. APPL.#45378
LOCATION: Newark City, Essex County
PROCEEDS FOR: Streetscapes & Decorative lighting
FINANCING: \$400,000 Tax-Exempt Bond
MOTION TO APPROVE: Mr. Soberanis **SECOND:** Mr. Lutz **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Combination Preliminary and Bond Resolutions

PROJECT: North American Camp Trust APPL.#45210
LOCATION: Wall Township, Monmouth County
PROCEEDS FOR: Land, Acquisition, Renovation, Improvements, Furniture/Fixtures
FINANCING: \$7,495,000 Tax-Exempt Bond; \$390,000 Taxable Bond
MOTION TO APPROVE: Commissioner Caride **SECOND:** Ms. Brennan **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Preliminary Resolutions

PROJECT: Black Horse EHT, LLC APPL.#45415
LOCATION: Egg Harbor City, Atlantic County
PROCEEDS FOR: Construction, Renovation, Working Capital
FINANCING: \$37,016,557 total costs
MOTION TO APPROVE: Mr. Ryan **SECOND:** Commissioner Caride **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

PROJECT: White Horse HMT, LLC APPL.#45429
LOCATION: Hammonton Township, Atlantic County
PROCEEDS FOR: Construction, Renovation, Acquisition, Working Capital
FINANCING: \$39,204,779 total costs
MOTION TO APPROVE: Commissioner Caride **SECOND:** Mr. Dumont **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

PROJECT: Nu-World Corporation APPL.#45462
LOCATION: Carteret Borough, Middlesex County
PROCEEDS FOR: Land, Acquisition, Renovation, Improvements, Furniture/Fixtures
FINANCING: \$7,801,466 total costs
MOTION TO APPROVE: Mr. Ryan **SECOND:** Mr. Layton **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

LOANS/GRANTS/GUARANTEES

Hazardous Discharge Site Remediation Fund

ITEM: Summary of NJDEP Hazardous Discharge Site Remediation Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Mr. Ryan **SECOND:** Mr. Layton **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

PROJECT: Borough of National Park (Robert Hawthorne Landfill) APPL.#45450
LOCATION: Gloucester Township, Camden County
PROCEEDS FOR: Remedial Action
FINANCING: \$264,516

PROJECT: City of Trenton (Clinton Commerce Center) APPL.#45054
LOCATION: Trenton City, Mercer County
PROCEEDS FOR: Remedial Investigation & Action
FINANCING: \$1,088,480

Petroleum Underground Storage Tank (PUST)

ITEM: Summary of NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Mr. Ryan **SECOND:** Commissioner Caride **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

PROJECT: Santos Ayerdis APPL.#44962
LOCATION: Jersey City, Hudson County
PROCEEDS FOR: Remediation
FINANCING: \$231,910

PROJECT: Butler Foreign Car, Inc. APPL.#45240
LOCATION: Bloomingdale Borough, Passaic County
PROCEEDS FOR: Remediation
FINANCING: \$19,204

OFFICE OF RECOVERY

Energy Resilience Bank- Modifications

ITEM: Ocean County Utilities Authority
REQUEST: Approval to modify Board action for the Ocean County Utilities Authority
— Southern Water Pollution Control Facility Cogeneration Improvements Project under the Energy Resilience Bank (ERB) program by changing the reservation of ERB funding for the project due to bid responses which exceeded the original project budget.
MOTION TO APPROVE: Mr. Goetting **SECOND:** Mr. Dumont **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Projects approved under Delegated Authority

Premier Lender Program:

PROJECT: 99 MOUNTBETHEL LLC APPL.#45350
LOCATION: Warren Township, Somerset County
PROCEEDS FOR: Purchase of Property
FINANCING: \$1,540,000 Provident Bank loan with \$300,000 EDA participation

PROJECT: 251 S. 31st Street LLC APPL.#45310
LOCATION: Kenilworth, Union County
PROCEEDS FOR: Purchase of Property
FINANCING: \$9,850,000 M&T Bank loan with \$1,000,000 EDA participation

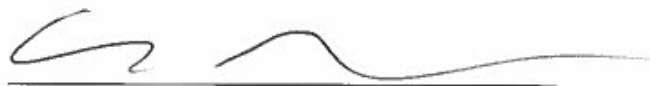
PROJECT: Northeast Precast LLC & Superior ventures Limited Liability Company APPL.#45234/45233
LOCATION: Kenilworth, Union County
PROCEEDS FOR: Purchase of Property
FINANCING: \$9,850,000 M&T Bank loan with \$1,000,000 EDA participation

PUBLIC COMMENT

There was no public comment.

There being no further business, on a motion by Mr. Dumont, and seconded by Commissioner Caride, the meeting was adjourned at 11:30am.

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.



Erin Gold, Chief of Staff
Assistant Secretary



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan
DATE: February 19, 2019
RE: Monthly Report to the Board

NJEDA PROGRAMS ADVANCE GOVERNOR MURPHY'S VISION FOR STATE OF INNOVATION

The NJEDA is now accepting applications for several new programs that were approved by the Members last year.

Technology and life sciences startups considering a move into incubators, accelerators or coworking spaces can now apply for rent support grants of up to nine months at ten collaborative workspaces through NJ Ignite. NJEDA and each participating collaborative workspace share responsibility for grants, with NJEDA supporting up to six months' rent and the collaborative workspace supporting rent for an additional half the length of NJEDA's commitment. In return, startup businesses must commit to paying rent for a term equal to the NJEDA and collaborative workspace's combined months of support. This benefits the startups by providing opportunities to partner with other businesses and serves as a powerful tenant attraction tool for the collaborative workspaces in the program.

Companies making a capital investment in offshore wind-related facilities in the seven southern counties of New Jersey can now apply for tax credits through New Jersey's Offshore Wind Tax Credit Program. Administered by the NJEDA, the Offshore Wind Tax Credit is a powerful financial tool designed to spur private capital investment and employment growth in major, land-based offshore wind industry projects by providing reimbursement for eligible capital investments in industry-specific facilities. Offshore wind is one of the high-growth, high-wage sectors the State identified in Governor Murphy's Economic Development Plan, and this program is carefully targeted to attract major projects that will spur job creation in the short term while paving the way for long-term economic growth by anchoring a broad offshore wind manufacturing supply chain in New Jersey.

Film and television production companies can now apply for tax credits through the New Jersey Film Tax Credit Program. Part of the Garden State Film and Digital Jobs Act signed by Governor Phil Murphy earlier this year, the program encourages production companies to undertake projects in New Jersey.

NEW PROGRAMS STREAMLINE INTERACTION BETWEEN SMALL BUSINESSES AND GOVERNMENT

Through a partnership approved by the Members last year, the African American Chamber of Commerce of New Jersey (AACCNJ) and the NJEDA have created a training program to better position small, minority- and women-owned businesses to compete for state or federal government contracts. The Small Business Bonding Readiness Assistance Program kicked off in early January when thirty small business owners gathered in Bordentown for the first of 18 sessions. In addition to classroom instruction, participants are taking part in a comprehensive series of workshops and strategic counseling

sessions covering a range of topics that are important for small businesses to know in order to get bonded, which is a prerequisite for bidding on state and federal contracts.

We are excited to move forward with another initiative designed to help entrepreneurs and small business owners navigate growing their businesses in New Jersey. The NJEDA has worked closely with the Business Action Center and the Office of Innovation to develop the Business First Stop to address Governor Murphy's goal of making government work more effectively to foster an inclusive business climate. The Business First Stop will use data, technology and innovation to simplify and streamline access to the information, resources, and services that aspiring entrepreneurs and business owners need to start, operate, and grow their business in the Garden State. Doing so will make the Garden State a better, more competitive place to own and operate a business. We have identified the skills required to achieve this vision, and have begun the process of securing appropriate short-term staff to bring this comprehensive resource to fruition.

Another initiative is helping to identify ideas and best practices for more effective delivery models for technical assistance to support growing companies in the state. The NJEDA issued a Request for Ideas (RFI) through which Community Development Financial Institutions, other local lenders, and community and business organizations could submit information on innovative entrepreneurial assessment tools and training, topical workshops, business mentoring, resources, referrals, or marketing and outreach. The purpose of this RFI was to collect facts, information, and ideas that will help the NJEDA better understand the current marketplace for these services, including innovative and best practices. We are currently reviewing the seven submissions that were received by the January 31 deadline.

NJEDA SHARES "STRONGER AND FAIRER" MESSAGE AT EVENTS AND SPEAKING ENGAGEMENTS

A team of NJEDA speakers representing the Office of International Trade and Investment (OITI), the Office of Economic Transformation, and Business and Community Development showcased the Governor's economic development strategic plan at the NJ Bankers Association Conference. The plan also took center stage at the Together North Jersey Forum in Newark and NJEDA staff participated in events supporting the State's innovation economy, including the Princeton Plasma Physics Lab Technology Showcase, Newark Venture Partners Demo Day, Startup Grind Princeton, and a Ribbon Cutting at 1776 at Cherry Hill Mall – one of the first collaborative workspaces approved under NJ Ignite.

The OITI team participated in events focused on the State's appeal to international businesses, including an India Press Club meeting, a Fairleigh Dickinson University-hosted event featuring Costa Rican business opportunities, and Morris Tech Meetup's "Israeli Tech - Ten Years of Startup Nation."

Staff from our new Small Business Unit showed their support of the state's minority and women entrepreneurs at the Hispanic Entrepreneurship Training Program at Hudson County Community College, the Latino Action Network Conference, and the Morris County Chamber annual meeting.

AUDIT UPDATE


As you are aware, Governor Murphy signed Executive Order #3 in January 2018, requiring the Office of the State Comptroller (OSC) to "conduct a complete performance audit of the Grow New Jersey Assistance Program and the Economic Redevelopment and Growth Grant Program, and predecessor programs, from 2010 onward." The audit report was released on January 9. As an organization, the NJEDA is proud to play a role in building a stronger, fairer economy for New Jersey. Administering the State's incentive programs is one part of that charge, and we take seriously our responsibility to protect the public interest while also fostering inclusive economic growth that benefits all New Jersey residents and communities. Consistent with this commitment, we welcomed the audit completed by the OSC as

an opportunity to assess areas for improvement and further strengthen policies to ensure the highest level of transparency and accountability related to incentives. Governor Murphy is right that state taxpayers are entitled to a full understanding of what they got and will get for their investment via tax incentives.

CLOSED PROJECTS

In January 2019, NJEDA closed on more than \$16 million in lending and other assistance for small to mid-sized businesses. This supported 12 projects, leveraging more than \$32 million in capital investment and the creation of 78 new permanent jobs.

NJEDA also executed agreements pending certification with one incentive project for \$9.36 million, leveraging more than \$6.9 million in capital investment, the creation of 16 new jobs, 5 construction jobs, and the retention of 62 jobs at risk of leaving New Jersey.



AUTHORITY MATTERS



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 19, 2019

RE: Garden State Growth Zone (GSGZ) Business Lease Incentive and Business Improvement Incentive Programs – Program Expansion and Changes

Summary

The Members are requested to approve the following changes to the GSGZ Business Lease Incentive and Business Improvement Incentive pilot programs:

1. Expand the Business Lease Incentive (to be known hereon as the Small Business Lease Assistance Program) to include additional eligible areas within the following municipalities: Bridgeton, Jersey City, Millville, Mt. Holly, Phillipsburg, Plainfield, Salem, and Vineland, effective April 1, 2019.
2. Discontinue the GSGZ Business Improvement Incentive Program, effective June 28, 2019.
3. Supplement the approximately \$2.43 million in unused program funding with an additional \$1.47 million, utilizing the Economic Recovery Fund account.
4. Delegation to Authority staff (Managing Director or Director in Finance & Development) to approve individual applications to the Small Business Lease Assistance Program, to be reviewed in accordance with the terms set forth in the attached program specifications.

Background

On February 17, 2017, the Members approved the creation of two pilot programs - the GSGZ Business Lease Incentive and the Business Improvement Incentive Programs. These programs are designed to enhance the vibrancy of commercial corridors through business attraction, retention, and building improvements in the five GSGZs – Atlantic City, Camden, Trenton, Passaic and Paterson.

The Business Lease Incentive offers reimbursement of a percentage of annual lease payments to for

profit businesses and non-profit organizations in eligible areas that plan to lease between 500 – 5,000 s.f. of new or additional market-rate, first-floor office, industrial or retail space for a minimum 5-year term.

The Business Improvement Incentive offers grants of up to 50% of total project cost, grant amount not to exceed \$20,000, to businesses operating within the first-floor of a commercial corridor in the GSGZ that are planning to make building improvements, with a minimum project cost of \$5,000.

Both programs were capitalized in total with \$3 million of eligible Authority funds, administered as \$1 million annually over the 3-year life of the program, evenly divided and reserved for projects in the 5 GSGZs; Trenton, Camden, Paterson, Passaic and Atlantic City (\$200,000/GSGZ). Since the launch of the program in June 2017, approximately \$568,000 in actual or anticipated funding has been provided to businesses leasing space or making improvements in the eligible cities.

Business Lease & Business Improvement Incentive Changes:

Since its launch, the Business Lease Incentive has generated significant interest resulting in many businesses choosing to lease new or additional space within the five eligible cities. For example, WindowRama of New Jersey was recently approved for a Business Lease Incentive that enabled the company to relocate to a new 1,000-square-foot showroom in downtown Passaic that was previously vacant space. In Trenton's Mill Hill neighborhood, two registered pharmacists are using the Business Lease Incentive to establish a 1,400-square-foot independently-owned Mill Hill Pharmacy, with the vision of providing an extensive variety of services to local residents.

Understanding that this incentive could be even more impactful if scaled to similarly distressed municipalities across New Jersey, the Authority is recommending an expansion of the eligible cities to include Urban Enterprise Zones (UEZs) that also have designated Main Streets as determined by the NJ Department of Community Affairs (DCA). Because the Main Street New Jersey Program is supported by the Murphy Administration and in the process of being restarted and enhanced through DCA, adding UEZs with designated Main Streets as eligible areas to the Business Lease Incentive Program will serve as an effective complement to a refreshed Main Street New Jersey Program. Expanding the Business Lease Incentive is also highlighted clearly in Governor Phil Murphy's comprehensive economic plan for a stronger and fairer economy as a way to better support small businesses in New Jersey.

This would result in the following eight eligible areas being added to the program: Bridgeton, Jersey City, Millville, Mt. Holly, Phillipsburg, Plainfield, Salem, and Vineland. These newly eligible areas will be in addition to the current five eligible cities (Atlantic City, Camden, Trenton, Passaic, Paterson) that will continue to be eligible under the expanded program.

To reflect the newly expanded areas, the Business Lease Incentive will be known hereon as the Small Business Lease Assistance Program and structured as a three-year pilot program, beginning April 1, 2019. The program will be limited to these 13 eligible locations while EDA assesses the benefits of the program during this pilot phase. Under the existing program, each GSGZ was allocated \$200,000 per program year. Under the expanded Small Business Lease Incentive Program, each of the now thirteen eligible locations will be allocated \$100,000 per year, which will require a

total funding commitment by the Authority of \$3.9 million. Because of this, staff is requesting that the approximately \$2.43 million in unused program funding be supplemented with \$1.47 million utilizing the Economic Recovery Fund account.

Of the \$100,000 allocated to each municipality per year, any uncommitted funds will not roll over to the following program year. Under the current Business Lease Incentive Program, Authority staff reviews and approve projects under delegated authority. Upon the Board's approval of the Small Business Lease Assistance Program, Authority staff will use the same process for the newly eligible locations and continue to approve projects under delegated authority.

Similar to how Authority staff has worked with the GSGZs on the Business Lease Incentive, upon the Members' approval, Authority staff will also reach out to the municipalities for information to formalize the partnership between EDA and the eight new locations. This information will include a letter of support from the municipality, recommended areas of eligibility within the city with information supporting those recommendations (i.e. maps/redevelopment plans/zoning ordinances), a plan for marketing the incentives to potential applicants within the cities, and a contact at each municipality to pre-screen applicants to ensure required documentation is in order. To allow time for this outreach and setup, the Small Business Lease Assistance Program will be effective April 1, 2019, with the first projects expected to be approved later in 2019 as the program is marketed and business owners are made aware of the program within the new eligible areas.

In administering the Business Improvement Incentive, the Authority has observed that while there is market interest in grant funding to support building improvements, the Lease Incentive requires a 5-year lease commitment on behalf of the business and is therefore a more direct driver of economic benefits such as job creation and capital investment. Because of this, Authority staff is recommending allocating program funding strictly for the Business Lease Incentive and discontinuing the Business Improvement Incentive by no longer accepting new applications, effective June 28, 2019.

Recommendation

The Members are requested to approve the following changes to the Business Lease Incentive and Business Improvement Incentive pilot programs: (1) expand the Business Lease Incentive (to be known hereon as the Small Business Lease Assistance Program) to include additional eligible areas within the following municipalities: Bridgeton, Jersey City, Millville, Mt. Holly, Phillipsburg, Plainfield, Salem, and Vineland, effective April 1, 2019; (2) discontinue the Business Improvement Incentive, effective June 28, 2019; (3) supplement the appx \$2.43 million in unused program funding with an additional \$1.47 million utilizing the Economic Recovery Fund account, and; (4) Delegation to Authority staff (Managing Director or Director in Finance & Development) to approve individual applications to the Small Business Lease Assistance Program, to be reviewed in accordance with the terms set forth in the attached program specifications.



Tim Sullivan
Chief Executive Officer

Prepared by: Christina Fuentes & Pat Rose

Attachments

- Exhibit A – Small Business Lease Assistance Program Specifications

**Exhibit A - Small Business Lease Assistance Program
Proposed Program Specifications
February 2019**

Funding Source	<p>Total funding for Small Business Lease Assistance Program will be \$1.3 million per year, divided and reserved for projects evenly among the following municipalities:</p> <ul style="list-style-type: none"> • Atlantic City • Bridgeton • Camden • Jersey City • Millville • Mt. Holly • Paterson • Passaic • Phillipsburg • Plainfield • Salem • Trenton • Vineland <p>The total amount of 2-year Lease Assistance award will be aggregated towards each municipality’s annual allocation, based upon the year the lease assistance is approved.</p>
Program Expiration	<p>Programs to operate on a pilot basis from April 1, 2019 – April 1, 2022. All funds must be committed during this pilot phase. Uncommitted annual funds will not be allowed to roll over to the following year.</p>
Administrating Agency	<p>EDA</p>
Program Structure Purpose	<p>The purpose of the Small Business Lease Assistance Program is to enhance the vibrancy of commercial corridors through business attraction and retention.</p> <p>Each municipality will provide information to EDA to help establish program and ensure its viability, including: a letter of support, recommended eligible areas with supporting information (i.e. maps, redevelopment plans), a communication plan to make potential applicants aware, and a contact to assist with pre-screening applicants.</p>
Eligible Applicants	<p>A limit of one Lease Assistance award will be approved per applicant (or related entity) over the life of the program.</p> <ul style="list-style-type: none"> • Tax Clearance Certificate required • For profit businesses and non-profit organizations (see exclusions)

**Exhibit A - Small Business Lease Assistance Program
Proposed Program Specifications
February 2019**

	<p>that plan to lease between 500 s.f. – 5,000 s.f. of first-floor, market-rate office, industrial and retail space in the eligible area for a minimum 5-year term; or</p> <ul style="list-style-type: none"> • Entities within the eligible area seeking to lease between 500 – 5,000 s.f. of additional space for a minimum 5-year term. • An entity leasing more than 5,000 s.f. is eligible for lease assistance, but the lease assistance will only reimburse the first 5,000 s.f. of space • Applicant or related entity operating within a facility that has received incentives through the State of New Jersey (i.e. Grow NJ or ERG) are not eligible. • Applicants/related entities may not receive both a Business Lease Incentive and a Business Improvement Incentive. • Applicant must certify that they are not in default of any other EDA or State assistance. • Applicant must occupy and operate in the leased space for the full year under which reimbursement is being requested. • Prohibited uses as detailed in the online application are not eligible for lease assistance.
<p>Targeted Areas/Eligible Locations</p>	<p>Applicants must lease first-floor space in facilities within eligible locations and occupy and operate within the facility for the full year under which they are seeking reimbursement. Eligible locations within the municipalities will be determined by the municipality in consultation with EDA, based on consistency with existing redevelopment plans and/or zoning ordinances (if applicable). Applicant must obtain all applicable zoning and building permits.</p>
<p>Incentive Type and Amount</p>	<p>Reimbursement of a percentage of annual lease payment (for 2 years of a 5 or 10-year lease) administered as follows:</p> <ul style="list-style-type: none"> • Year 1: 15% of annual lease payment • Year 2: 15% of annual lease payment <p>Incentive payment, when combined with any other governmental grants, not to exceed 80% of annual lease payment.</p>
<p>Funding Disbursement</p>	<p>Paid annually upon receipt of landlord confirmation of no monetary or other material lease agreement default, certification by the applicant of any governmental grants received by applicant not to exceed 80% of the annual lease payment and receipt of NJ State Tax Clearance Certificate.</p>

**Exhibit A - Small Business Lease Assistance Program
Proposed Program Specifications
February 2019**

<p>Exclusions and Additional Requirements</p>	<ul style="list-style-type: none"> • Available to first floor businesses only to increase pedestrian traffic, encourage streetscape vibrancy. • High Tech and Business Incubator members in Not for Profit facilities would not be eligible for independent lease incentives (operators are eligible.) • All leases will be analyzed for market-rate pricing by EDA based on comparable market rates provided by third party (i.e. CoStar). • Landlord and tenant cannot be related parties
<p>Application Process and Board Approval/ Delegated Authority</p>	<ul style="list-style-type: none"> • Applications will be reviewed on a rolling basis until all funds are committed or program expires. • EDA staff will be responsible for reviewing applications and approving projects for assistance under Delegated Authority. • Eligible municipalities will pre-screen applicants to ensure that proper documentation has been provided by the applicant.
<p>Fees:</p>	<ul style="list-style-type: none"> • \$500 Application Fee for For-Profit Entities • \$250 Application Fee for Not-for-Profit Entities • Annual Administrative Fee equal to 1% of the Annual Lease Incentive



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, CEO
DATE: February 19, 2019
RE: Premier Lender Program (“PLP”), Small Business Fund (“SBF”), and Direct Loan (“Direct”) Program Changes

On November 9, 2018, the Members of the EDA Board approved certain changes to the Authority’s primary loan programs. These revisions were made to better position the EDA to work with small business customers and bank partners by bringing consistency between the EDA and bank loan structure and providing more predictable terms and rates to small and mid-sized NJ businesses. The original statement to be changed is shown below.

“In addition, to be more competitive, staff is recommending the ability to fix interest rates up to 30 years based on the equivalent term US Treasury rate plus 50 basis points for each 10-year term of the loan provided”.

EDA staff requests that the Board approve a change to this statement which reads: “In addition, to be more competitive, staff is recommending the ability to fix interest rates up to 30 years based on the equivalent term US Treasury rate plus 25 basis points for each 5-year term of the loan provided beyond the first 10 years.”

This revised language will improve the overall value proposition the Authority’s lending programs provide to the small business community and our lending partners while at the same time ensuring our loans are adequately compensated for credit risk inherent in loan maturities greater than 10 years.

All other aspects of the original Board approval remain the same.

Recommendation

Approval to change the basis point spread added to each five-year period beyond the first 10 years of term provided is recommended.

A handwritten signature in blue ink, appearing to read "T. Sullivan", is written above a horizontal line.

Prepared By: David A. Lawyer



MEMORANDUM

To: Members of the Authority

From: Tim Sullivan
Chief Executive Officer

Date: February 19, 2019

Subject: Memorandum of Understanding for a Data Sharing Agreement

Request:

The Members are asked to approve: (i) execution of a Memorandum of Understanding (MOU) for a Data Sharing Agreement between the New Jersey Department of Labor and Workforce Development (NJLWD) and the New Jersey Economic Development Authority (NJEDA); (ii) delegation of authority to staff to amend the MOU to include additional data and information from NJLWD as needed; and (iii) reimbursement to NJLWD of costs related to this MOU not to exceed \$5,000 a year.

Purpose:

The Authority recognizes the value of establishing a data sharing agreement with the NJLWD to promote additional compliance with the rules and regulations of the job-based incentive programs within the Authority. The MOU sets forth the understanding under which the NJLWD agrees to provide the Authority the Quarterly Wage and Employer Data (WR-30) information in a searchable format. This information will strengthen the Authority's ability to cross-reference the employment information provided by our applicants with the data submitted to NJLWD.

The NJEDA shall pay all expenses related to this MOU with estimated costs of no more than \$5,000 a year.

Recommendation:

The Members are requested to: (i) execute a Memorandum of Understanding for a Data Sharing Agreement between the NJLWD and the NJEDA; (ii) delegate authority to staff to amend the MOU to include additional data and information from NJLWD as needed; and (iii) reimbursement to NJLWD of costs related to this MOU not to exceed \$5,000 a year.

A handwritten signature in blue ink, appearing to read "T. Sullivan", is positioned above a solid horizontal line.

Prepared by: Bruce Ciallella

INCENTIVE PROGRAMS

GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)

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

As created by statute, the Grow New Jersey Assistance (Grow NJ) Program is available to businesses creating or retaining jobs in New Jersey and making a qualified capital investment at a qualified business facility in a qualified incentive area. Applications to the Grow NJ Program are evaluated to determine eligibility in accordance with P.L. 2013, c. 161 and as amended through the “Economic Opportunity Act of 2014, Part 3,” P.L. 2014, c. 63, based on representations made by applicants to the Authority. Per N.J.S.A. 34:1B-242 et seq./N.J.A.C. 19:31-1 and the program’s rules, applicants must employ a certain number of personnel in retained and/or new full-time jobs at a qualified business facility and make, acquire or lease a capital investment equal to or greater than defined thresholds in order to be eligible for tax credits. In addition to satisfying these statutorily-established job and capital investment requirements, applications undergo a material factor review to verify that the tax credits are material to the project advancing in New Jersey. Applications are also subject to a net benefit analysis to verify that the anticipated revenue resulting from the proposed project will be greater than the incentive amount. Credits are only certified for use annually and proportionally based on actual job performance during that year and an applicant is subject to forfeiture and recapture in event of default.

APPLICANT:	Elwyn	P45187
PROJECT LOCATION:	2 Penn Street	Camden City Camden County

APPLICANT BACKGROUND:

Elwyn is a human services provider. Elwyn provides services for children and adults with intellectual and developmental disabilities, as well as physical, medical, emotional, and behavioral health challenges. It is a nonprofit organization founded in Pennsylvania in 1853. The applicant has demonstrated the financial ability to undertake the project and its headquarters are currently located in Middletown Township, PA.

MATERIAL FACTOR/NET BENEFIT:

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

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

Staff reviewed the project and finds support for management’s assertion that the award of tax credits is a material factor in the company’s decision to locate in Camden. If Elwyn chooses the Camden option, the company would establish 2 Penn Street in Camden. Elwyn plans to build a new 53,425 square foot office at Two Penn Street in Camden, NJ. The alternate location is an existing 56,654 square foot facility in Wilmington, DE that would be leased.

This project represents a significant positive step forward for Camden’s redevelopment efforts, bringing 2 Penn Street to the city. It is estimated that the project would have a net benefit to the State of \$88,310 over the 35-year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 33 New Jersey jobs listed in the application are at risk of being located outside the State. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the award of the Grow New Jersey tax credits is a material factor in the applicant's decision to make a capital investment and locate in Camden.

ELIGIBILITY AND GRANT CALCULATION:

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

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

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects	\$ 20
Industrial/Warehouse/Logistics/R&D - New Construction Projects	\$ 60
Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects	\$ 40
Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects	\$120

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$4,274,000	\$39,582,245
New Jobs	27	167
Retained Jobs	38	0 ⁽¹⁾

(1) Note: Elwyn has proposed 167 new jobs and 33 additional jobs new to Camden to come from its location in Vineland, NJ. The chart shows 0 retained jobs proposed by the applicant because the number proposed is less than the minimum required for the standard Grow New Jersey calculation.

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation for projects located in Camden, which are entitled to receive an award based on an alternative calculation. The alternative calculation is based on the number of new jobs to Camden. Elwyn has proposed 167 new jobs and 33 additional jobs new to Camden for this project. The 33 additional jobs new to Camden are expected to come from its location in Vineland, NJ, while the 167 new jobs will all be new to NJ. Thus, the total number of jobs that are new to Camden is 200 for this project. Under the alternative calculation, projects are eligible to receive per employee as a tax credit the total amount of capital investment for the project divided by the number of employees, subject to the following limits, provided that the project represents a net positive benefit to the State:

Jobs New to Camden	Capital Investment	Maximum Annual Tax Credit	Limit on Total Tax Credit
≥35	\$5,000,000	\$2,000,000	\$20,000,000
≥70	\$10,000,000	\$3,000,000	\$30,000,000
≥100	\$15,000,000	\$4,000,000	\$40,000,000
≥150	\$20,000,000	\$5,000,000	\$50,000,000
≥250	\$30,000,000	\$35,000,000	\$350,000,000

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

GRANT CALCULATION

CAPITAL INVESTMENT:		\$ 39,582,245
JOBS BASED TAX CREDIT LIMIT:		\$ 50,000,000
GROSS BENEFIT TO THE STATE OVER 35 YEARS:		\$ 39,670,310
THE APPLICANT IS ELIGIBLE FOR A TAX CREDIT EQUAL TO THE LOWEST OF THE THREE NUMBERS ABOVE (CONVERTED TO AN EVEN DOLLAR AMOUNT PER EMPLOYEE PER YEAR):		\$ 39,582,000

TOTAL ANNUAL AWARD BASED ON THE BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO THE AWARD) BEING 100% OF THE AWARD WITH A COMMITMENT TO REMAIN IN THE QUALIFIED BUSINESS FACILITY FOR 34 YEARS:

Jobs New to Camden: 200 Jobs X \$19,791 X 100% = \$ 3,958,200

TOTAL ANNUAL AWARD * \$ 3,958,200

*** PLEASE SEE RECOUPMENT SCHEDULE BELOW**

RECOUPMENT SCHEDULE

	<u>YEAR</u>	<u>RECOUPMENT AMOUNT</u>
IF THE APPLICANT LEAVES IN YEAR:	16	\$12,849,484.00
IF THE APPLICANT LEAVES IN YEAR:	17	\$11,925,911.24
IF THE APPLICANT LEAVES IN YEAR:	18	\$11,035,012.05
IF THE APPLICANT LEAVES IN YEAR:	19	\$10,175,630.52
IF THE APPLICANT LEAVES IN YEAR:	20	\$ 9,346,651.64
IF THE APPLICANT LEAVES IN YEAR:	21	\$ 8,546,999.84
IF THE APPLICANT LEAVES IN YEAR:	22	\$ 7,775,637.61
IF THE APPLICANT LEAVES IN YEAR:	23	\$ 7,031,564.14
IF THE APPLICANT LEAVES IN YEAR:	24	\$ 6,313,814.02
IF THE APPLICANT LEAVES IN YEAR:	25	\$ 5,621,456.00
IF THE APPLICANT LEAVES IN YEAR:	26	\$ 4,953,591.79
IF THE APPLICANT LEAVES IN YEAR:	27	\$ 4,309,354.84
IF THE APPLICANT LEAVES IN YEAR:	28	\$ 3,687,909.29
IF THE APPLICANT LEAVES IN YEAR:	29	\$ 3,088,448.85
IF THE APPLICANT LEAVES IN YEAR:	30	\$ 2,510,195.74
IF THE APPLICANT LEAVES IN YEAR:	31	\$ 1,952,399.69
IF THE APPLICANT LEAVES IN YEAR:	32	\$ 1,414,336.99
IF THE APPLICANT LEAVES IN YEAR:	33	\$ 895,309.53
IF THE APPLICANT LEAVES IN YEAR:	34	\$ 394,643.89

The Grow New Jersey Statute and the program’s rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

PROJECT IS: Expansion Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 39,582,245
ANTICIPATED COMPLETION DATE FOR CAPITAL INVESTMENT: February 1, 2021
ANTICIPATED DATE THAT JOBS WILL BE AT QUALIFIED BUSINESS FACILITY: May 1, 2021
SIZE OF PROJECT LOCATION: 53,425 sq. ft.
NEW BUILDING OR EXISTING LOCATION? New
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
CONSTRUCTION: Yes No

NEW FULL-TIME JOBS: 167
RETAINED FULL-TIME JOBS: 0
JOBS NEW TO CAMDEN: 200
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2017): 767
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: Vineland
MEDIAN WAGES: \$ 52,273

NET BENEFIT MODEL: 2017
GROSS BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD): \$ 39,670,310
TOTAL AMOUNT OF AWARD: \$ 39,582,000
NET BENEFIT TO THE STATE (OVER 35 YEARS, NET OF AWARD): \$ 88,310
ESTIMATED AWARD PER NEW/RETAINED JOB: \$ 19,791

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

1. Applicant has not committed to locate the project in New Jersey, such as by executing a lease or a purchase contract, unless the decision to locate in New Jersey is completely contingent on the award of Grow New Jersey tax credits.
2. Applicant will create and/or retain jobs and will make eligible capital investment, at the qualified business facility, of no less than the minimum eligibility requirements after Board approval, but no later than three years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twenty-four months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. Applicant will maintain the 33 existing positions at the Qualified Business Facility. Full-time employees in new positions created at the Qualified Business Facility may be considered as filling new Grow New Jersey jobs only if Applicant has first filled the 33 existing positions at the Qualified Business Facility.
7. The Net Benefit to the State will be recalculated if the PILOT agreement with the City of Camden or the CPA certification shows a 10% or more reduction of the PILOT payment, number of eligible jobs, capital investment, or payroll from the amounts approved by the Board. If the Net Benefit analysis does not support awarding a tax credit for the entire amount of the capital investment, then the amount of the award will be reduced accordingly.

8. The applicant will be required to produce a site control document prior to closing that demonstrates control of the site for the entire 34-year period it has committed to remain in the Qualified Business Facility or its award will revert back to the standard award (\$26,732,516 for a 15-year commitment) based on the actual length of the site control document.
9. The applicant must provide a signed PILOT agreement with the City of Camden, at or before Grow NJ Project certification.

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: Christina Fuentes

APPROVAL OFFICER: Mark Chierici

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

As created by statute, the Grow New Jersey Assistance (Grow NJ) Program is available to businesses creating or retaining jobs in New Jersey and making a qualified capital investment at a qualified business facility in a qualified incentive area. Applications to the Grow NJ Program are evaluated to determine eligibility in accordance with P.L. 2013, c. 161 and as amended through the “Economic Opportunity Act of 2014, Part 3,” P.L. 2014, c. 63, based on representations made by applicants to the Authority. Per N.J.S.A. 34:1B-242 et seq./N.J.A.C. 19:31-1 and the program’s rules, applicants must employ a certain number of personnel in retained and/or new full-time jobs at a qualified business facility and make, acquire or lease a capital investment equal to or greater than defined thresholds in order to be eligible for tax credits. In addition to satisfying these statutorily-established job and capital investment requirements, applications undergo a material factor review to verify that the tax credits are material to the project advancing in New Jersey. Applications are also subject to a net benefit analysis to verify that the anticipated revenue resulting from the proposed project will be greater than the incentive amount. Credits are only certified for use annually and proportionally based on actual job performance during that year and an applicant is subject to forfeiture and recapture in event of default.

APPLICANT:	Hayward Industries, Inc.	P45467
PROJECT LOCATION:	400 Connell Drive	Berkeley Heights Union County

APPLICANT BACKGROUND:

Hayward Industries, Inc. (“Hayward”) is a manufacturer and seller of pool products, such as heaters, filters, cleaners, pumps, lighting, chlorinators and flow control products. Its objective is to make the pool owner’s experience worry and hassle-free. Hayward has been in operation for over 80-years, helping pool owners enjoy the pleasures of pool ownership by manufacturing cutting edge, technologically advanced pool equipment worldwide. Its products include a complete line of technologically advanced pumps, filters, heaters, heat pumps, automatic pool cleaners, lighting, controls and salt chlorine generators—high-quality components engineered to work together to keep pools at their peak performance. The Company operates in three industry divisions including residential and commercial pool products, and flow control.

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

The applicant is currently located in Elizabeth, NJ.

MATERIAL FACTOR/NET BENEFIT:

The Company occupies approximately 30,000 square feet in its current location which is leased. Hayward is seeking a new real estate opportunity that will better fit the Company’s current and future needs, as it continues to grow and expand. Hayward would like to maintain a presence in New Jersey. The preferred site in New Jersey is in Berkeley Heights at 400 Connell Drive. The Company would lease the proposed new headquarters site and would occupy 25,631 square feet. The new location offers a more flexible working space and space efficiencies that the current site does not offer, hence the slight reduction in square footage. The Company would make investments in both building improvements, as well as furniture, fixtures and equipment and technology at this site. The alternate site for this project is a 25,600 square foot facility in Clemmons, NC, where the company has significant operations including manufacturing.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Hayward Industries, Inc. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Clark R. Hale, the CEO of Hayward Industries, Inc., that states that the application has been reviewed and the information submitted, and representations contained therein are accurate and that, but for the Grow New Jersey award, the

creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$37.9 million over the 20-year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 86 New Jersey jobs listed in the application are at risk of being located outside the State on or before September 30, 2019. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

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

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

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects	\$ 20
Industrial/Warehouse/Logistics/R&D - New Construction Projects	\$ 60
Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects	\$ 40
Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects	\$120
<i>Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem</i>	

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

<u>Minimum Full-Time Employment Requirements</u>	<u>(New / Retained Full-time Jobs)</u>
Tech start ups and manufacturing businesses	10 / 25
Other targeted industries	25 / 35
All other businesses/industries	35 / 50
<i>Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem</i>	

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$1,025,240	\$3,257,162
New Jobs	10	14
Retained Jobs	25	86

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

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of \$3,000 per year for projects located in a designated Priority Area	Berkeley Heights is a designated Priority Area
Increase(s) Criteria		
Jobs with Salary in Excess of County/GSGZ Average	An increase of \$250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of \$1,500	The proposed median salary of \$97,508 exceeds the Union County median salary by 86.9% resulting in an increase of \$500 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.

The Grow New Jersey Statute and the program's rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - $\frac{1}{2}$ of the Grant Calculation for New Full-Time Jobs ($1/2 * \\$4,000 = \\$2,000$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$3,257,162 / 10 / (14 + 86) = \\$3,257$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment</p>

	than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.
--	--

Grant Calculation

BASE GRANT PER EMPLOYEE:

Priority Area	\$ 3,000
---------------	----------

INCREASES PER EMPLOYEE:

Jobs with Salary in Excess of County Average:	\$ 500
Targeted (Manufacturing):	\$ 500

INCREASE PER EMPLOYEE:

\$ 1,000

PER EMPLOYEE LIMIT:

Priority Area	\$10,500
---------------	----------

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:

\$ 4,000

AWARD:

New Jobs:	14 Jobs X \$4,000 X 100% =	\$ 56,000
Retained Jobs:	86 Jobs X \$4,000 X 50% =	<u>\$172,000</u>

Total: \$228,000

ANNUAL LIMITS:

Priority Area (Est. 90% Withholding Limit)	\$ 4,000,000 / (\$611,634)
--	----------------------------

TOTAL ANNUAL AWARD

\$228,000

Hayward Industries, Inc.	Grow New Jersey	Page 5
PROJECT IS: (X) Expansion	(X) Relocation	
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:		\$ 3,257,162
ANTICIPATED COMPLETION DATE FOR CAPITAL INVESTMENT:		July 1, 2019
ANTICIPATED DATE THAT JOBS WILL BE AT QUALIFIED BUSINESS FACILITY:		July 1, 2019
SIZE OF PROJECT LOCATION:		25,631 sq. ft.
NEW BUILDING OR EXISTING LOCATION?		Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?		Non-Industrial
CONSTRUCTION: (X) Yes () No		
NEW FULL-TIME JOBS:		14
RETAINED FULL-TIME JOBS:		86
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2017):		86
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:		Elizabeth
MEDIAN WAGES:		\$ 97,508
NET BENEFIT MODEL:		2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):		\$ 40,200,498
TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS)		\$ 2,280,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):		\$ 37,920,498
ELIGIBILITY PERIOD:		10 years

CONDITIONS OF APPROVAL:

1. Applicant has not committed to locate the project in New Jersey, such as by executing a lease or a purchase contract, unless the decision to locate in New Jersey is completely contingent on the award of Grow New Jersey tax credits.
2. Applicant will create and/or retain jobs and will make eligible capital investment, at the qualified business facility, of no less than the minimum eligibility requirements after Board approval, but no later than three years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within 12 months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before September 30, 2019; 2) approve the proposed Grow New Jersey grant to encourage Hayward Industries, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: Matthew Sestrich

APPROVAL OFFICER: Mark Chierici

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

As created by statute, the Grow New Jersey Assistance (Grow NJ) Program is available to businesses creating or retaining jobs in New Jersey and making a qualified capital investment at a qualified business facility in a qualified incentive area. Applications to the Grow NJ Program are evaluated to determine eligibility in accordance with P.L. 2013, c. 161 and as amended through the “Economic Opportunity Act of 2014, Part 3,” P.L. 2014, c. 63, based on representations made by applicants to the Authority. Per N.J.S.A. 34:1B-242 et seq./N.J.A.C. 19:31-1 and the program’s rules, applicants must employ a certain number of personnel in retained and/or new full-time jobs at a qualified business facility and make, acquire or lease a capital investment equal to or greater than defined thresholds in order to be eligible for tax credits. In addition to satisfying these statutorily-established job and capital investment requirements, applications undergo a material factor review to verify that the tax credits are material to the project advancing in New Jersey. Applications are also subject to a net benefit analysis to verify that the anticipated revenue resulting from the proposed project will be greater than the incentive amount. Credits are only certified for use annually and proportionally based on actual job performance during that year and an applicant is subject to forfeiture and recapture in event of default.

APPLICANT: PuppySpot Group, LLC P45407

PROJECT LOCATION: 333 Washington Street Jersey City Hudson County

APPLICANT BACKGROUND:

PuppySpot Group, LLC (formerly known as Purebred Breeders, LLC) was founded in 2005 and operates an online marketplace for purpose-bred puppies, connecting prospective puppy parents with the most responsible breeders throughout the nation. Its proprietary breeder screening and health protocol technology places healthy puppies in their forever homes and serves as a hub of valuable advice, products and services to ensure every puppy thrives in the new home. With over a decade of experience placing and transporting more than 150,000 puppies, Puppy Spot operates on a national level and works with thousands of responsible breeders throughout the country. Currently the company has over 200 employees and offices in Florida, California and Utah. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

PuppySpot Group is currently evaluating real estate options related to establishing a new corporate call center to service its growing customer base. The site will involve leasing approximately 11,000 sq. ft. of commercial office space and result in hiring 60 new full-time employees. The company has narrowed its option to the lease of 11,383 sq. ft. of space in Jersey City, NJ or lease 11,112 sq. ft. of office space in Hollywood, FL in a building in which they currently lease 13,860 sq. ft.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of PuppySpot Group, LLC has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Jonathan Cherins, the CEO of PuppySpot Group, LLC, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$400,961 over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects	\$ 20
Industrial/Warehouse/Logistics/R&D - New Construction Projects	\$ 60
Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects	\$ 40
Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects	\$120

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$455,320	\$1,994,307
New Jobs	35	60
Retained Jobs	50	0

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

Base Grant	Requirement	Proposed by Applicant
Urban Transit Hub Municipality	Base award of \$5,000 per year for projects located in a designated Urban Transit Hub Municipality	Jersey City is a designated Urban Transit Hub Municipality
Increase(s) Criteria		
Transit Oriented Development	An increase of \$2,000 per job for a project locating in a Transit Oriented Development	333 Washington Street is located in a Transit Oriented Development by virtue of being within 1 mile (GSGZ project) of the midpoint of a New Jersey Transit Corporation rail station.

The Grow New Jersey Statute and the program's rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs ($1/2 * \\$7,000 = \\$3,500$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$1,994,307 / 10 / (60 + 0) = \\$3,323$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Urban Transit HUB Municipality		\$5,000
INCREASES PER EMPLOYEE:		
Transit Oriented Development:	\$ 2,000	
INCREASE PER EMPLOYEE:		
		<u>\$2,000</u>
PER EMPLOYEE LIMIT:		
Urban Transit HUB Municipality	\$12,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		
		\$7,000
AWARD:		
New Jobs:	60 Jobs X \$7,000 X 100% =	\$420,000
Retained Jobs:	0 Jobs X \$3,323 X 100% =	<u>\$0,000</u>
	Total:	\$420,000
ANNUAL LIMITS:		
Urban Transit HUB Municipality		\$10,000,000
TOTAL ANNUAL AWARD		
		<u>\$420,000</u>
TOTAL ANNUAL AWARD BASED ON THE BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO THE AWARD) BEING 110% OF THE AWARD WITH A COMMITMENT TO REMAIN IN THE QUALIFIED BUSINESS FACILITY FOR 15 YEARS:		
New Jobs:	60 Jobs X \$6,674 X 100% =	\$400,440
Retained Jobs:	0 Jobs X \$3,323 X 100% =	\$0,000
TOTAL ANNUAL AWARD		
		\$400,440

PROJECT IS: Expansion Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 1,994,307
ANTICIPATED COMPLETION DATE
FOR CAPITAL INVESTMENT: July 1, 2109
ANTICIPATED DATE THAT JOBS WILL BE AT QUALIFIED
BUSINESS FACILITY: September 1, 2019
SIZE OF PROJECT LOCATION: 11,383 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
CONSTRUCTION: Yes No

NEW FULL-TIME JOBS: 60
RETAINED FULL-TIME JOBS: 0
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 30, 2017): 0
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
MEDIAN WAGES: \$ 54,870
NET BENEFIT MODEL: 2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): \$ 4,405,361
TOTAL AMOUNT OF AWARD: \$ 4,004,400
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$ 400,961

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

1. Applicant has not committed to locate the project in New Jersey, such as by executing a lease or a purchase contract, unless the decision to locate in New Jersey is completely contingent on the award of Grow New Jersey tax credits.
2. Applicant will create and/or retain jobs and will make eligible capital investment, at the qualified business facility, of no less than the minimum eligibility requirements after Board approval, but no later than three years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within 12 months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. If the number of employees, salaries or capital investment to be counted in the Net Benefit Test (NBT) falls by more than 10% from the amounts contained herein, the net benefit to the state will need to be recalculated under the then current NBT model, which may reduce the amount of the Grow NJ Award.

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: M. Peters

APPROVAL OFFICER: T. Wells

**GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)
MODIFICATIONS**



MEMORANDUM

To: Members of the Authority

From: Tim Sullivan
Chief Executive Officer

Date: February 19, 2019

SUBJECT: Capintec, Inc.–GROW NJ Modification–P41249

Request:

Consent to a modified project with an overall reduction in the incented new full-time jobs from 45 to 21.

As a result of this requested change, the approved award will decrease more than 53% from \$2,430,000 to \$1,134,000. All other terms and conditions of the Grow NJ award will be consistent with the current approval.

The members are asked to approve this action because it exceeds the criteria for staff delegations to approve these matters.

Background:

Capintec, Inc. (“Capintec”) is a manufacturer of energy measurement products and devices, including CRC dose calibrators, CAPTUS thyroid uptake systems and CAPRAC wipe test counters.

On August 11, 2015, Capintec was approved for a ten (10) year, \$2,430,000 Grow NJ award to incent the creation of 54 new full-time jobs as part of a relocation into an existing facility located at 121 Corporate Blvd in South Plainfield, a Priority Area subject to the 90% withholding limit. In addition, there were 16 full-time jobs not at risk of leaving the State that would be maintained, but these jobs were not recognized in the original grant award calculation because they fell below the minimum number required for retained jobs. Capital investment to complete the project was estimated to be \$898,000.

After approval, Capintec was unable to secure the approved Qualified Business Facility (“QBF”) site in South Plainfield. On February 9, 2016, the Members approved Capintec’s change in QBF location from the site in South Plainfield to 7-9 Vreeland Road in Florham Park. The anticipated capital investment was increased to \$1,314,086, and the number of estimated new jobs was reduced to 45. Although the Grow Calculation Tool produced an increased award (\$2,925,000) as a result of the increase in the amount of capital investment, the total award was capped at the original \$2,430,000, which resulted in the annual per employee amount to be limited to \$5,400.

The documents Capintec submitted for its certification of project completion evidenced that it had spent \$1,373,706 in capital investment, which exceeded the approved capital investment requirement for the Grow NJ award. The company reported it maintained 16 full-time un-incented jobs, but only created 21 new full-time incented jobs, for a total of 37 jobs at the QBF.

Staff confirmed during a teleconference call with the company's CFO that the reduction in the headcount was the result of the change in the QBF, as it is a better manufacturing space and efficiencies improved from the purchase of new equipment.

Because the reduction in jobs exceeded 25%, staff has rerun the net benefit test with the current model. Over the 20 years, the net benefit to the State is \$7,676,056, and therefore meets program requirements.

Staff also reran the grant calculator, which decreased the approved award from \$2,430,000 to \$1,134,000 based on the \$1,373,706 of capital investment, 16 maintained jobs, and 21 new jobs.

Although there are 39% less full-time jobs than what had been anticipated under the current approval of this Grow NJ award, the QBF was completed as anticipated. In summary, Capintec employs 37 full-time jobs, of which 21 are incented jobs, and expended \$1,373,706 in capital investment to complete the project.

Summary of Project Changes

	<u>At Approval</u>	<u>At Modification</u>	<u>As Proposed</u>
Proposed Jobs:	54 (New) (16 Maintained)	45 (New) (16 Maintained)	21 (New) (16 Maintained)
Program Min. Jobs	10	10	10
Minimum Cap-Ex	\$717,640	\$820,000	\$820,000
Proposed Cap-Ex	\$898,000	\$1,314,086	\$1,373,607
Base Amount:	\$3,000	\$3,000	\$3,000
Bonus Awards:			
Capital Investment in Excess of Minimum	\$1,000	\$3,000	\$3,000
Target Industry (Manufacturing)	\$500	\$500	\$500
Total Amount per Incented Employee	\$4,500	\$5,400*	\$5,400
Annual Award:			
New:	54 x \$4,500 = \$243,000	45 x \$5,400 = \$243,000	21 x \$5,400 = \$113,400
Award Amount:	\$ 2,430,000	\$2,430,000	\$1,134,000

Estimated 90% Withholdings	\$86,467	\$75,350	\$91,187
Gross Benefit to the State (Over 20 Years, Prior to Award):	\$ 16,200,945	\$15,425,484	\$ 9,041,056
Net Benefit to the State (Over 20 Years, Net of Award):	\$13,770,945	\$12,995,484	\$ 7,676,056
Statewide Jobs	16	16	16

*Annual per-employee amount was limited to \$5,400 to maintain total annual award limit of \$243,000 as originally approved.

Recommendation:

Consent to a modified project with an overall reduction in the incented new full-time jobs from 45 to 21.

As a result of this requested change, the approved award will decrease more than 53% from \$2,430,000 to \$1,134,000. All other terms and conditions of the Grow NJ award will be consistent with the current approval.



Prepared by: Thomas Armento

BOND RESOLUTIONS

AMENDED BOND RESOLUTIONS



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 19, 2019

SUBJECT: Cedar Crest Village, Inc. ("Cedar Crest")
\$73,779,000 Tax-Exempt Bonds (P36863) - Modification

Request:

The Members' consent is requested to amend the Bonds, as agreed to by the Bondholder and Cedar Crest, to modify and reduce the interest rate on the Bonds and allow additional time to repay the Bonds, as set forth below.

Background:

Cedar Crest Village, Inc. ("Cedar Crest" or the "Borrower") is a 501c (3) not-for-profit organization established to operate a continuing care retirement community located on 125 acres in Pompton Plains, New Jersey. The Cedar Crest community provides independent living, assisted living, memory care and skilled nursing units. Within the 1.8 million square foot building, the Company offers 1,500 independent living units, 980 assisted living units, and 113 skilled nursing beds. The project is managed by Erickson Retirement Communities.

Since 2001 the Authority has issued Bonds on behalf of Cedar Crest including, \$78.9 million in 2001 Series tax exempt Bonds to provide permanent financing for Cedar Crest, and \$80.7 million 2006 Series tax exempt Refunding Bonds which were later defeased by a taxable loan.

In 2011, the Members approved \$73.779 million in Series A, B and C tax-exempt bonds enabling Cedar Crest to refinance the taxable loan used to defease EDA's 2006 Refunding Bonds, and to pay a portion of the costs of issuance. The Bond was directly purchased by Bank of America, PNC Bank, and BB&T and has a 25-year term with a variable LIBOR-based interest rate, which was fixed with an interest rate swap agreement at a rate of 2.20% for three years. In 2014, BB&T purchased the Series A Bond from Bank of America and the Series B Bond from PNC, resulting in BB&T becoming sole bondholder.

The Jobs and Tax Act of 2017 reduced the top federal corporate income tax rates from 35% to 21%. Based on the Bonds' existing formula, the interest rate on the Bonds would increase from a variable rate equal to 78% of the 1-Month LIBOR plus 132bps (3.28% as of 1/31/19) to an adjusted rate equal to 0.95* 1-Month LIBOR plus 160bps (or 3.99% as of 1/31/19). Currently, Cedar Crest and BB&T have agreed to reduce the interest rate. The new proposed rate will be

equal to $0.79 * 1\text{-Month LIBOR plus } 123\text{bps}$ (3.21% as of 1/31/19).

BB&T and Cedar Crest are concurrently seeking to modify the margin rate factor to allow for the adjustment of the Bond's interest rate based on either decrease or increases in maximum corporate tax rates. The new language will add an increase in the maximum marginal rate of Federal income tax as a trigger to adjust the Bond's interest rate as opposed to the original in which just decreases were considered.

The Bondholder and Cedar Crest are also requesting consent to extend the maturity of the Bonds from October 1, 2036 to March 1, 2044 for all three series, and concurrently extending the Mandatory Tender Date from October 1, 2024 to March 1, 2031, to permit the Borrower additional the time to repay the Bonds. Cedar Crest will also extend their interest rate swap through March 1, 2031 which effectively fixes the rate paid by Cedar Crest. The Borrower's requested an early extension on the Mandatory Tender Date to reduce repricing and interest rate risk associated with waiting until a later time to complete the extension. The Bonds' amortization schedule will be amended to reflect the new maturity date.

McCarter & English LLP, Bond Counsel to the Authority has advised that the changes will not affect the tax-exempt status of the Bond. The modification of the interest rate will cause a reissuance and the Authority will file an IRS form 8038. The nature of these changes requires a public hearing and notices were published in the Star Ledger and Trenton Times. The EDA Board Meeting of February 12, 2019 will serve as the public hearing.

Recommendation:

Consent to adjust the variable rate interest formula and modify the definition of margin rate factor to allow for the adjustment of the interest rate based on either decreases or increases in the maximum corporate tax rates. Consent is also recommended for the extension of the Bonds' Mandatory Tender Date, Maturity, and Amortization schedule.



Prepared By: Angus Comly

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

APPLICANT: The Pennington School

P45527

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 112 West Delaware Avenue Pennington Borough (N) Mercer

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

APPLICANT BACKGROUND:

The Pennington School, established in 1838 as the Methodist Episcopal Male Seminary, is now a co-educational day and boarding school serving over 500 students in grades 6 through 12. The Pennington School offers a college preparatory curriculum with honors and advanced placement courses, as well as an English as a Second Language program for international students and a learning center for students with language-based learning disabilities. The project has been reviewed and approved by the Attorney General's Office relating to the First Amendment's Establishment Clause. William Hawkey is the Headmaster.

In 2009, the Authority closed on a \$7.5 million tax-exempt bond which enabled the applicant to refund a 2005 Bond which refinance 2 lines of credit related to the campus and faculty housing. The 2009 Bond was purchased by Citizens Bank of PA for 26 years at variable interest rate adjusted monthly based on LIBOR rates.

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.

REFUNDING REQUEST:

Authority assistance will enable the Applicant to refund the principal amount of the 2009 Bond to a fixed interest rate, adjusted every 5 years, which will improve the School's ability to budget for interest and principal payments and remove the uncertainty of variable rates of interest. Costs of issuance will be paid from the School's funds.

FINANCING SUMMARY:

BOND PURCHASER: Peoples Security Bank & Trust (Direct Purchase)

AMOUNT OF BOND: \$5,775,000 Tax-exempt bond

TERMS OF BOND: 16 years; Fixed interest rate for years 1 to 5 at 3.80%; years 6 to 10 at 4.05% and years 11 to maturity at 4.35%.

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond(s) to be refund	\$5,775,000
Legal fees	\$45,000
Finance fees	\$30,000
TOTAL COSTS	\$5,850,000

PUBLIC HEARING: N/A

DEVELOPMENT OFFICER: K. Durand

BOND COUNSEL: Chiesa, Shahinian & Giantomasi,

APPROVAL OFFICER: T. Wells

PRELIMINARY BOND RESOLUTIONS

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

APPLICANT: Middlesex Water Company

P45257

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: Various Addresses

Statewide ()

Multi Count

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

APPLICANT BACKGROUND:

Middlesex Water Company is an investor-owned public utility company that provides a full range of regulated and non-regulated water, wastewater utility and related services to a population of over 60,000 people, primarily located in eastern Middlesex County. The Company engages in collecting, treating, distributing and selling water for domestic, commercial, municipal industrial and fire protection purposes. The Company also provides water on a wholesale contract basis in New Jersey to the Township of Edison, the Borough of Highland Park, the City of South Amboy, the Old Bridge Municipal Utilities Authority, the City of Rahway and Marlboro Township. Under special contract, the Company provides water treatment and pumping services to the Township of East Brunswick. The Company was founded in 1897.

The Authority has previously approved various tax-exempt bonds for the Applicant. P37667 \$55,415,000 closed November 2012 is outstanding and performing as agreed.

This project qualifies as an Exempt Public Facility- (facilities for the furnishing of water) under Section 142(a)(4) of the IRS Code and therefore is exempt from the \$20 million capital expenditure limitation under Section 144 of the Code.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to finance the construction and installation of water facilities and functionally related equipment, upgrade of the Company's primary water treatment plant and the rehabilitation and/or replacement of previously unlined mains in the water distribution system. Proceeds of the bond will also pay the cost of issuance.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing equipment & machinery	\$40,000,000
Purchase of equipment & machinery	\$30,000,000
Renovation of existing building	\$20,000,000
Technology & Networking	\$6,000,000
Construction of roads, utilities, etc.	\$2,000,000
Engineering & architectural fees	\$1,000,000
furniture & fixtures	\$1,000,000
TOTAL COSTS	\$100,000,000

JOBS: At Application 250 Within 2 years 10 Maintained 0 Construction 175

PUBLIC HEARING:

BOND COUNSEL: Chiesa, Shahinian & Giantomasi,

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: S. Novak

OFFICE OF ECONOMIC TRANSFORMATION

NJ CoVEST FUND PROGRAM

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - NJ COVEST FUND PROGRAM**

APPLICANT: InquisitHealth, Inc.

P45353

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 41 Grand Avenue

River Edge Borough (N)

Bergen

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

APPLICANT BACKGROUND:

InquisitHealth is a health tech company that provides peer-to-peer mentoring services to improve patient health outcomes. The Company has developed HIPAA-compliant technology platform that offers fully scalable and managed peer mentoring solution.

APPROVAL REQUEST:

Approval is recommended for a \$250,000 loan from the NJ CoVest Fund as proposed.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: \$250,000

TERMS OF LOAN: 10-Year Term. The proposed loan will have a fixed interest rate of 3% with no payments for the first 84 months. Interest during this period will accrue and will be capitalized. Beginning month 85 principal plus interest payments will begin for the remaining three-year term to fully amortize the loan.

PROJECT COSTS:

Working capital	\$250,000
-----------------	-----------

TOTAL COSTS	\$250,000
-------------	-----------

JOBS: At Application 6 Within 2 years 32 Maintained 6 Construction 0

DEVELOPMENT OFFICER: R. McCauley

APPROVAL OFFICER: M. Bhatia

OFFICE OF RECOVERY

STRONGER NJ BUSINESS LOAN MODIFICATION



TO: Members of the Authority

FROM: Timothy Sullivan
Chief Executive Officer

DATE: February 19, 2019

SUBJECT: S Kelly Corporation dba Mad Hatter Sports Bar & Restaurant and
Kelly Management Group, LLC
Sea Bright Borough, Monmouth County
P40547 and P40541

Modification Request:

Consent to a payment moratorium of 60 months after Certificate of Occupancy to S Kelly Corporation dba Mad Hatter Sports Bar & Restaurant and Kelly Management Group, LLC (“Mad Hatter” or “Company”) for both the working capital and construction Stronger NJ Business loans.

Background:

Mad Hatter is a casual Jersey Shore restaurant located in Sea Bright, NJ. The restaurant was best known for its pizza, private parties and family dining for lunch and dinner. The Company also operated an Irish pub, sports bar, and nightclub in the same building. The Company was founded on November 3, 2005. However, Mad Hatter’s building sustained substantial wind, flood, and ocean surge damage from Superstorm Sandy on October 29, 2012. The building was demolished and is currently being rebuilt to adhere to FEMA V-Zone requirements, ABFE elevations, and current hurricane codes.

On March 12, 2015, the Company was approved for a \$1.5 million working capital loan and a \$3.5 million construction loan under the Stronger NJ Business Loan Program. On August 10, 2018, the Members of the EDA Board approved a modification request consenting to a new \$3 million loan from Savoy Bank in a superior position to EDA’s construction loan and on November 9, 2018, the Board modified that approval to clarify that EDA will also subordinate to a \$200,000 working capital loan from Savoy.

Current Program Guidelines allow for a 24-month moratorium after Certificate of Occupancy for construction loans and associated working capital loans. Savoy Bank and the Company have requested this additional moratorium to allow Mad Hatter sufficient time to rebuild their business prior to being required to repay. The requested moratorium will only go into effect after the Savoy loan closes.

Recommendation:

Consent to payment moratorium on the Stronger NJ Business Loans, contingent to the Savoy Bank loan closing, to provide cash flow relief and to allow the Company to recover business operations.



Tim Sullivan

Prepared by: Kim Ehrlich, Director, HUD Programs

REAL ESTATE



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

RE: Higher Education Public Private Partnership Program
New Jersey City University - West Campus Blocks 2 and 3
(Claremont Construction Group, Inc.)
Second Amendment to the Application

DATE: February 19, 2019

Summary

The Members are asked to approve New Jersey City University's ("Applicant") second amendment to the application to allow the increase in the number of units in phase 2 (167 units to 199 units) and revise the unit mix (eliminate 3 bedroom and increase 1 bedroom and studios), and decrease the commercial ground floor retail by 1,515 square feet (from 11,472 SF to 9,957 SF) in phase 2 of the mixed use development. The modified Project reflects the Applicant and Private Partner's decision to revise the Project to accommodate existing market conditions. The revised development will include 362 apartments, 19,735 square feet of retail and 243 structured parking spaces ("Project" or "Development"), on approximately ± 2.6 acres on the Applicant's campus under the Higher Education Private Public Partnership Program (the "Program") established by P.L. 2009, c. 90, as amended (the "Act"). The first phase, on Block 3, totaling \$47.752 million was completed in July 2018. The Project's total development cost will be increased from approximately \$96.83 million to approximately $\pm \$108.13$ million. The Applicant currently owns the ± 2.6 acres. Approval of an application amendment is necessary because the Act provides that the Authority retains "the right to revoke approval if it determines that the project has deviated from the plan submitted." *Id.* Staff performed a substantive review of the second amendment to the application and supporting documentation in accordance with the Act and pursuant to the Authority's Higher Education Institution Public-Private Partnership Program Guidelines (the "Guidelines") and recommends approving the proposed revisions to phase 2 of the Project. The Authority's approval will be subject to the Applicant submitting additional items that are outlined below.

Background

A. Initial Approval and First Amendment.

1. Initial Application

In September 2015, the Members approved the Applicant's a public-private partnership between the Applicant Claremont Construction Group, Inc. ("Private Partner" or "Project Owner"), for a mixed use development, which will be developed in two phases, that will include 330 market rate apartments, 21,250 square foot commercial space, and 243 structured parking spaces ("Project" or "Development"), with an estimated development cost of ±\$96.83 million. For further reference, a copy of the September 2015 board memo is attached as **Exhibit A**. This memo will outline the Development's changes that require further approval.

2. First Amendment

In July 2016, the Members approved the first amendment to the Application, which permitted the substitution of 1 infrastructure redevelopment area bond in lieu of a series of redevelopment with two Private Partner on the West Campus (Claremont Construction Group, Inc., and KKF University). Instead, the City of Jersey City ("City") the City of Jersey City proposed providing the Applicant with funds from an infrastructure bond financing to pay the Applicant for past and future public infrastructure improvements to the West Campus. The City would finance ±\$16 million of public infrastructure improvements on the West Campus, which is approximately equal to the previously approved RAB financing included in this Project and KKF University Enterprises, LLC's development. The Private Partners' ground lease rent schedule with the Applicant was revised to account for the substituted bond financing.

B. Application Timeliness

The original application was filed within the existing deadline (August 1, 2015). An application amendment may be filed after the deadline. However, the project must be completed within five years of the Authority's initial approval, September 20, 2015. Real Estate Division Staff has reviewed the second amended application and found it to be complete and the project will still be able to be fully completed within the five year period as set forth in subparagraph D below.

C. Private Financing and Ownership of the Land

Staff has reviewed the amended application to confirm that the private partner continues to assume full financial responsibility for the construction of the Project and that the Applicant has no financial responsibility for the Project's construction. The Applicant currently owns the ±2.6 acres that will be leased to the Private Partner controlled entity(ies) for the Project. As required by the Act, the Applicant will continue to own the land during the entire lease term.

D. Project Description, Encouraging Green Building and Project Schedule

The Project scope has not changed from the initial application and will incorporate Green Building and/or LEED Standards. The Private Partner has completed phase 1 of the development on Block 3. Phase 2 on Block 2 will commence construction in March 2019 be completed on or before September 10, 2020.

In accordance with the Guidelines, staff has reviewed the Applicant's description of the Project, its design, and project schedule. Staff concludes that the Applicant continues to propose a feasible project plan and design, and that the Applicant's schedule will meet the Act's five-year completion deadline.

E. Proposed Additional Units and Unit Mix

Based on its experience renting phase 1, which is currently 61% occupied, the Private Partner proposes revising the number of units and unit mix due to current market demand as summarized in the following chart:

Units	Approved	Proposed	Difference	% Change
Studio	44	84	40	91%
1 BR	86	102	16	19%
2 BR	31	13	(18)	-58%
3 BR	6	0	(6)	-100%
TOTALS	167	199	32	19%

In addition, the Applicant proposed reducing the ground floor retail by 1,515 square feet (from 11,472 SF to 9,957 SF). The proposed revisions will not change the building footprint. Staff finds that these revisions are acceptable modifications to the Project.

F. Partner's Experience and Qualifications

The Private Partner has not proposed any changes to the development team. Staff concludes that the Project's development team, as previously proposed, has sufficient experience to own, develop, construct, operate and maintain the Development.

G. Project Financing and Feasibility

1. Uses and Sources of Funds

Since the first amendment to the Application, The Project's source and uses are revised as follows:

Uses	Approved	Proposed	Difference	% Change
Acquisition	\$52,500	\$700,000	\$647,500	1233.33%
Improvements	\$43,529,751	\$48,218,299	\$4,688,548	10.77%
Professional Services	\$1,244,500	\$810,250	(\$434,250)	-34.89%
Financing and Other Costs	\$3,219,541	\$6,039,933	\$2,820,392	87.60%
Contingency	\$280,496	\$1,591,773	\$1,311,278	467.49%
Development Fee	\$2,099,282	\$3,018,961	\$919,679	43.81%
	\$50,426,069	\$60,379,216	\$9,953,147	19.74%

Uses	Approved	Proposed	Difference	% Change
Perm Loan	\$39,243,154	\$39,246,491	\$3,336	0.01%

Equity	\$8,122,430	\$21,132,726	\$13,010,295	160.18%
RAB	\$4,484,087	\$0	(\$4,484,087)	-100.00%
Ref. Proc. for CapEx Fund	(\$1,423,602)	\$0	\$1,423,602	-100.00%
	\$50,426,069	\$60,379,216	\$9,953,147	19.74%

The amended application did not include any financial commitments. Currently, the application assumes that the initial permanent loan will have a 10-year term, with a 30-year amortization and 5.5% interest rate. As a condition to approve the commencement of construction, the Private Partner will need to provide executed financial commitments.

2. Operating Proforma

The revised operating proforma includes the additional income and expense for the new unit mix, and accounts for the reduced income for the reduction in commercial retail square feet.

3. Market Study

The market study conclusions regarding the Project's need remain the same for the Project. The Private Partner provided information from the management agent justifying the revised unit mix in the current market. Staff has reviewed the study and additional market information and concludes that original study's conclusions and recommendations are still valid at this time.

4. Long-Range Maintenance Plan

The long-range maintenance plan remains the same for the Project. The revised plan submitted complies with industry standards for replacement reserve accounts and capital maintenance plans and the long-range maintenance guidelines prepared by the Authority's consultant and adopted by the Authority. Accordingly, staff concludes that Applicant has submitted an adequate long-range maintenance plan for the Project.

After reviewing the project's budget, operating proforma, market study, and supporting information, the Real Estate Division's staff has assessed the soundness of the financial plan and concludes that the Project continues to be financially feasible and has a supported need. Staff additionally concludes that the Project's development cost, accounting for prevailing wage, and projected operating expenses continue to be reasonable and are within current market conditions.

H. DPMC Classification

Claremont Construction continues to have a Division of Property Management and Construction classification under general construction with a contract capacity of \$153 million and a bonding capacity of \$200 million.

I. Other Requirements of the Act

In accordance with the requirements of the Act, the Applicant has produced evidence and has certified to comply with the following requirements of the Act:

- *Prevailing Wage.* The Private Partner will pay prevailing wage as required by the Act (“Each worker employed in the construction, rehabilitation, or building maintenance services of facilities by a private entity that has entered into a public-private partnership agreement with a State or county college . . . shall be paid not less than the prevailing wage rate”)
- *Project Labor Agreement.* The Private Partner will enter into the required project labor agreements during the construction, operation, and long-range maintenance of the Project (the Applicant included a draft agreement in its submission)
- *Bond.* The Private Partner will post the required payment bond or have the bond posted on its behalf.

J. Recommendation

Staff recommends that the Board give final approval of the amended application subject to the following conditions being met to the satisfaction of appropriate staff for **phase 2** of the Project (e.g., Chief Executive Officer, Senior Vice President of Development and Finance, or the Vice President of the Estate Division):

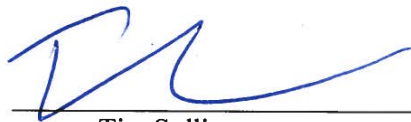
1. Providing a copy of the executed Lease and Development Agreements with attachments (excluding the plans and specifications, if applicable)
2. Submitting, in final form, the development and operating budgets in the Authority’s Excel template (substantially the same as the documents reviewed by the Authority)
3. Submitting, in final form, project labor agreements for the construction (prior to construction start) and contracts to implement the long-range maintenance plan (at the end of construction), which require not paying less than prevailing wage and to the greatest extent possible, enhances employment opportunities for individuals residing in the county of the project’s location
4. Submitting, in final and satisfactory form, posted bonds guaranteeing prompt payment of moneys due to the contractor (and/or subcontractors)
5. Submitting a final copy of the Project’s financing commitments:

- a. The City of Jersey City Council resolution authorizing the bond financing in an amount not to exceed \$16 million and authorizing the City to pay the Applicant for past and future infrastructure improvements on the West Campus
 - b. PILOT approval resolution and the executed PILOT agreement
 - c. Executed private financing commitment (construction and permanent loan)
 - d. If applicable, executed private equity financing commitment
 - e. current financial statement, no more than 3 months from the date of submission, of the Private Partner evidencing the equity financing for the Project
 - f. Final executed agreement between the Applicant and the City regarding infrastructure improvements to be constructed by the Applicant satisfactory to the Act
6. Submitting other items (i.e., any other document which may contain a material business term to the “partnership agreement” between the parties) that the Applicant must provide in order to obtain the Authority’s final approval
 7. Providing quarterly reports commencing upon the Authority providing a letter stating the conditions of this memo have been met for the Project phase and ending upon the receipt of an initial certificate(s) of occupancy (or equivalent) for the Project phase

The Applicant **shall not** permit the Private Partner to commence construction **on phase 2** of the Project until the Authority’s staff receives and reviews the requested items listed above and the Authority’s staff issues correspondence stating that conditions in this memo are met.

Recommendation

In summary, I request the Members approve the amended application for the modified Project subject to the conditions stated above and authorize designated Authority staff to approve the conditions upon satisfactory completion by the Applicant



Tim Sullivan
Chief Executive Officer

att.: Exhibit A
Prepared by: Juan Burgos



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

RE: Higher Education Public Private Partnership Program
New Jersey City University
West Campus Blocks 2 and 3 (Claremont Construction Group, Inc.)

DATE: September 10, 2015

Summary

The Members are asked to approve New Jersey City University's ("Applicant") application to develop a mixed use development, in two phases, that will include 330 market rate apartments, 21,250 square foot commercial space, and 243 structured parking spaces ("Project" or "Development"), on approximately ±2.6 acres on the Applicant's campus under the Higher Education Private Public Partnership Program (the "Program") established by P.L. 2009, c. 90, as amended (the "Act"). The Project's total development cost will be approximately ±\$96.83 million. The Applicant currently owns the ±2.6 acres. Under the Act, the "Authority shall review all completed applications" and "[n]o project shall be undertaken until final approval has been granted by the [A]uthority." N.J.S.A. 18A:64-85.f(3). Staff performed a substantive review of the application and supporting documentation in accordance with the Act and pursuant to the Authority's Higher Education Institution Public-Private Partnership Program Guidelines (the "Guidelines") and recommends approval of the Applicant's Project. The Authority's approval will be subject to the Applicant submitting additional items that are outlined below.

Background

The Authority's Scope of Review

Under the Program, the Authority must review and approve an application, which, in order to be complete, must contain the following items:

1. a full narrative description of the project
2. a public-private partnership agreement between the state or county college and the private developer
3. a land lease or land agreement
4. financial information including the estimated costs and financial documentation for the project
5. a detailed project schedule (i.e. timetable) for completion of the project extending no more than five years after consideration and approval
6. DPMC classification information for the required contractors and/or subcontractors
7. evidence of arrangements for entering into project labor agreements and paying prevailing wages as required by the Act
8. evidence of arrangements for issuance of the required bonds

The financial documentation shall include a long-range maintenance plan that will "specify the expenditures that qualify as an appropriate investment in maintenance." In addition, the Authority may impose "other requirements that the [A]uthority deems appropriate or necessary."

Within the Act's deadline, the Applicant submitted a complete application for the Project with adequate exhibits and supporting documentation which included an adequate form of the Ground Leases and Project Development Agreements which serve as the partnership agreement for this Project. Real Estate Division Staff deemed the application complete.

The Act requires that any project undertaken through the Program must be financed in whole by the private entity. Staff has reviewed the project documents to confirm that the private partner assumes full financial and administrative responsibility for the construction of the Project and that the Applicant has no financial responsibility for the construction of the Project. The Act also requires that the State or institution of higher education must retain full ownership of the land upon which any project undertaken through the Program. Staff has reviewed the Project documents to confirm that the Applicant will retain full ownership of the land where the Project will be developed.

Project Description and Schedule

A. West Campus Development Plan

1. Overview

The Applicant's Facilities Master Plan outlines the university's planned expansion on the West Campus. In 1970's, the Applicant started the process to acquire ±21.3 acres, former industrial land, which is bounded by Route 440 to the North, Carbon Plan to the East, South Road to the West, and West Side Avenue to the South. In 2005, Jersey City adopted the West Campus Redevelopment plan, which incorporates the Applicant's vision:

The University intends for the West Campus to be more than a typical college campus. It will also be a place for city residents to work, shop and live. When fully developed, the project will include a significant amount of retail space, structured parking, student as well as market-rate housing, academic teaching spaces, academic offices, a performing arts center, and primary and secondary schools.

2. West Campus Environmental History

Honeywell remediated the chromium related contamination on the property, which is the subject of a consent decree and deed restrictions. Additionally, the Applicant recently remediated non-chromium contamination that was discharged on portions of the property, which is also subject to a deed restriction.

3. West Campus Site Plan

The Applicant's current West Campus Master Plan, which is attached as Exhibit A, includes:

- A performing arts center
- student dorms (currently being developed as a public private partnership between the Applicant and RISE, formerly known as Ambling University Development Group)
- 581 market rate apartments, ±50,000 SF ground floor retail, and 620 parking spaces (which includes this Project), and
- A supermarket, fitness center, ±650 structured parking spaces, a rooftop restaurant and tennis courts.

B. Blocks 2 and 3

In December 2014, The Applicant issued a Request for Qualifications to design, develop, construct, manage a mixed-use building, including apartments and commercial space, on Block 2 and 3 of the West Campus. Eight development teams responded to the RFQ.

In April 2015, the Applicant issued, to the shortlisted RFQ respondents, a Request for Proposals to design, develop, construct, manage, a mixed use residential and commercial project on Blocks

2 and 3. Two parties responded to the RFP, and a result of the process, the Applicant selected Claremont Construction Group, Inc. to finance, plan, design, construct, operate and maintain a mixed-use development on Blocks 2 and 3. In June 2015, the Applicant's Board of Trustees approved the Claremont Construction Group, Inc. as the private partner to develop the Project under the Act and authorized the appropriate officials of the Applicant to negotiate and execute documents to consummate the transaction.

Claremont Construction Group, Inc., will create 2 single purpose entities, Claremont West Campus Urban Renewal I, LLC ("Block 2 Owner") and Claremont West Campus Urban Renewal II, LLC ("Block 3 Owner") (collectively "Project Owners"), that will enter into a ground leases and development agreements with the Applicant. The Project Owners will own, finance, develop, construct, and manage the improvements.

In the spring of 2016, the Block 3 Owner will commence construction on Phase 1; in the summer of 2017, the Block 2 Owner will start construction on Phase 2. The proposed Development will include 330 market rate apartments, 21,520 SF of commercial space, and 243 structure parking spaces allocated as follows:

Phase 1: Block 3 Residential Units			
Unit Type	Units	Avg. SF	Monthly Rent
Studio	35	647	\$1,807.25
1 BR	104	817	\$2,109.49
2 BR	24	1,150	\$2,731.25
3 BR	0		\$0.00
Total	163		
Retail Space			
	SSF Rent	SF	Annual Total
Tenant 1	\$28.00	10,048	\$281,344
Total		10,048	

Phase 2: Block 2 Residential Units			
Unit Type	Units	Avg. SF	Monthly Rent
Studio	44	675	\$1,914.23
1 BR	86	925	\$2,376.84
2 BR	31	1,200	\$2,671.50
3 BR	6	1,300	\$3,228.06
Total	167		
Retail Space			
	SSF Rent	SF	Annual Total
Tenant 1	\$25.00	5,780	\$144,500
Tenant 2	\$35.00	3,286	\$115,010
Tenant 3	\$35.00	2,406	\$84,210
Total		11,472	

Total Apartments	330
Total Retail SF	21,520
Total Square Feet	484,320

The Project will include 2 buildings with 6 stories each, allocated as follows:

- First Floor: residential entrance, commercial retail and parking
- Second Floor: structured parking
- Third through Sixth Floors: luxury residential apartments.

C. Estimated Job Creation

The Project Owners estimate that the Project will create 900 construction jobs and 100 permanent jobs (residential and commercial combined).

D. Encouraging Green Building

The Act encourages projects to adhere to the Leadership in Energy and Environmental Design ("LEED") Green Building Rating System and/or the NJ Green Building Manual. The Project Owners have agreed to incorporate the following green building design components into the Project:

- Efficient units layouts reducing heating and cooling loads
- Development close to mass transit with less dependency on vehicular traffic
- Locally sources and/or recycled building materials
- Energy Star appliances
- Low VOC paints and finishes
- Low flow plumbing fixtures.

E. Project Schedule

The Applicant provided a schedule to complete the two phases of the Development by the end of August 2018. This end date complies with the requirement of the Act that projects be completed within 5 years of the Authority's approval date.

In accordance with the Guidelines, staff reviewed the Applicant's description of the Project, its design, and project schedule. Staff concludes that the Applicant has proposed a feasible project plan and design, and that the Applicant has proposed a schedule that will meet the Act's five year completion deadline.

Summary of the Partnership Documents

The Applicant and each Project Owner will enter into a lease and development agreement for each phase of the Project. The documents are the substantially similar, except for items specific to each development phase.

The parties' roles, responsibilities and benefits in the Project are summarized below:

A. Applicant

1. *Lease Term.* The Applicant will lease the property for a 50 year term, commencing on Term Commencement Date, which the parties will select by executing a written agreement. The Applicant has provided the Project with one 25 year option term under the Lease.
2. *Initial Payment and Rent.* The Applicant will receive rent payments as follows:

Milestone	Payment
Block 3 Initial Payment at lease execution	1% of total development cost, or \$464,023.07
Block 2 Initial Payment at lease execution	1% of total development cost, or \$504,260.69
Starting on the Rent Commencement Date	\$2,500 per apartment unit (with a minimum amount of \$2,100 per apartment unit) plus \$1.75 per SF of occupied and rented commercial retail space
Upon the 5th Anniversary of receipt of the Certificate of Occupancy and Every 5th Anniversary Thereafter	Increase the prior 12 months rent by the lesser of: (a) percentage increase of the "Consumer Price Index for New York/New Jersey All Urban 1982-84=100" for the preceding 5 years; or (b) 7.5%

The average lease payment during the term is to be \$1.397 million. The present value of the lease payments, using a 4% discount rate, is currently estimated to be \$24.673 million.

If the Members pass a resolution approving the Project prior to October 1st, the Initial Payment will be refundable if the Project Owner provides notice that the Project "is unacceptable" after performing investigatory activities. If the Members pass a resolution approving the Project after October 1, 2015, the Initial Payment will be non-refundable.

3. *Utilities and Approvals.* Applicant will cooperate with the Project Owner to file utility applications and "documents necessary to obtain" utility services.
4. *Sell or Assign the Property.* Subject to the terms of the Lease and the Act's requirements, the Applicant may sell or assign the Property.

5. *Quiet Enjoyment.* The Applicant agrees that during the lease term, the Project Owner “shall lawfully and quietly hold, occupy and enjoy the Premises . . . without hinderance or molestation by or from anyone claiming by, through or under the [Applicant],” except for Permitted Exceptions.
6. *Right to Perform Project's Owner's Lease Covenants.* The Applicant may, after providing the required notice and the Project Owner has failed to perform, “pay any Imposition . . . take out, pay for, maintain or deliver any [required] insurance, . . . cause any lien . . . to be discharged. . . , or perform any other act” required by the Lease.
7. *Environmental Issues.* The Applicant “shall comply with all requirements related to the ongoing and larger site wide remediation of the [West Campus] and shall enforce all such obligations of responsible parties” as noted in the Development Agreement.
8. *Change Orders.* The Applicant will review and approve the Project change orders.
9. *Other Work.* The Applicant may perform “other work” on the West Campus, so long as it does not “materially interrupt, interfere with, hinder or delay” the Project.
10. *Ownership of Improvements at End of the Term.* At the end of the Lease term, Applicant is entitled to all the improvements (excluding trade fixtures and business improvements not part of the Project) free and clear of all liens.

B. Project Owner

1. *Rent and Impositions.* The Project Owner will pay the initial payment, the fixed rent, and any required impositions.
2. *Obtain Required Approvals and Utility Services.* The Project Owner must obtain all required approvals and required utility services for the Project.
3. *Design and Construction.* The Project Owner will be responsible for the design, development, construction, equipping and furnishing the Project as required by the Development Agreement and the Lease.
4. *Development Team.* The Project Owner will be responsible for the hiring, supervising and compensating the design, construction and other professionals necessary to develop the Project.

5. *Project Financing.* At its sole cost and expense, the Project Owner will be responsible for the Project budget and financing the Project's development and construction.
6. *Project Schedule.* The Project Owner will be responsible for delivering the Project within the time frame of the approved project schedule.
7. *Environmental Issues.*
 - a. *No Discharge.* During the term of the Lease, the Project Owner "shall not permit . . . any Person to, use, handle, store, generate, manufacture, transport, discharge or release any Hazardous Materials" on the property.
 - b. *Compliance with Environmental Laws.* The Project Owner agrees to comply with all applicable environmental laws.
8. *Utility Service.* The Project Owner will be responsible for all utility charges at the site.
9. *Indemnification.* The Project Owner agrees to indemnify, defend and hold harmless the Applicant "arising . . . in connection" with the Project Owner's "possession, use, occupancy or management" of the Project.
10. *Bond and Insurance.* The Project Owner will obtain insurance require by the Lease and bonds required by the Development Agreement.

Partner's Experience and Qualifications

The Guidelines call for an assessment of the experience and qualifications of the development partner and its team.

A. Project Owners

Established in 1954, Claremont Properties, Inc., and Claremont Construction Group, Inc., have developed over 2,000 residential units and 1 million SF of commercials space totaling over \$.5 billion. Claremont Properties will serve as each Project Owner's developer and Claremont Construction will serve as each the Project Owner's general contractor.

The following chart provides a sample of Claremont’s work:

Project	Description	Dev. Cost
Residential Apartments & Parking Structure, South Orange NJ	215 residential units	\$50,000,000
NJIT Parking Deck	982 parking spaces	\$20,000,000
Baxter Terrace, Newark, NJ	90 residential units community center	\$20,000,000
Spruce Senior, Newark, NJ	57 residential units	\$12,250,000
TOTAL		\$102,250,000

B. Marchetto Higgins Stieve

Established in 1982, Marchetto Higgins Stieve has significant experience in urban projects, and the firm has worked on 200 mixed use developments (residential and commercial) totaling \$4 billion in development cost.¹

C. Alliance Residential Property Management

This property management firm, established in 2000, currently has a nationwide property portfolio (residential and commercial properties) of over \$9 billion, which includes 71,000 residential units.

Staff concludes that the Project’s development team has sufficient experience to own, develop, construct, operate and maintain the Development.

Project Financing and Feasibility

A. Sources and Uses of Funds

The following chart summarizes the project’s uses and sources:

	Phase 1 Block 3	Phase 2 Block 2	Total
Acquisition	\$198,283	\$52,500	\$250,783
Improvements	\$39,975,916	\$43,529,751	\$83,505,667
Professional Services	\$1,695,897	\$1,244,500	\$2,940,397
Financing and Other Costs	\$3,536,240	\$4,643,144	\$8,179,384
Contingency	\$144,130	\$280,496	\$424,625
Development Fee	\$2,201,841	\$2,099,282	\$4,301,123
	\$47,752,307	\$51,849,672	\$99,601,979

¹ Id. Tab 4 at p9.

	Phase 1 Block 3	Phase 2 Block 2	Total
Perm Loan	\$36,151,730	\$39,243,154	\$75,394,885
Equity	\$7,583,537	\$8,122,430	\$15,705,968
Redevelop. Area Bond	\$4,017,039	\$4,484,087	\$8,501,126
	\$47,752,307	\$51,849,672	\$99,601,979

The Application included a letter of interest, with no stated terms, from HFF; the firm will assist the Project Owners in placing debt for the Project. Currently, the Project Owners have assumed that the initial permanent loan currently will have a 10 year term, with a 30 year amortization and 5.5% interest rate.

The Redevelopment Area Bond (RAB) will be repaid by a payment in lieu of taxes (PILOT) included in the buildings operating budgets, which starts at approximately \$497,710 for Block 3 and \$550,000 for Block 2, increasing annually at $\pm 10\%$ percent. The development budget will capitalize the initial deposit into long-range maintenance reserve, estimated by Cohn Reznick for the Project Owners, as follows: Block 3 at $\pm \$1.424$ million and Block 2 at $\pm \$1.350$ million.

B. Operating Proforma

The operating proformas use low annual increases for income (2% residential, 1% all others) and expenses (1%, except for the reserve at 2% and PILOT at 10%). However, when the annual expense inflation rate is increased to 3%, the Project continues to have sufficient net cash flow to maintain a debt service coverage ratio of 1.25 even when the annual income increase assumptions are held constant.

C. Market Study

The Outeau Group prepared the Project's market study, which included the following findings:

1. *Hudson County's Percentage of Households that rent is Greater than the State Average.* The share of Hudson County households that rent is 68%, compared to 35% in the rest of New Jersey.
2. *Favorable Market Demographics.* The Project's market area has a high percentage of 1 and 2 person households (64%), households with no persons under 18 years of age (73%), households that have never married, widowed, and single head of households (66%). In addition, persons between the ages of 25 and 34 account for 23% of the market areas population. These types of households are attracted to the proposed Development.

3. *The Target Market Demographic Can Afford the Proposed Rents.* Forty-seven percent of the household within 5 miles of the Project site earn more than \$72,000 (the minimum income threshold). In addition, 52% of person between 25 and 34, and 63% of the persons between 35 and 44 have sufficient income to afford the proposed rents.
4. *Rental Units Will Continue To Be in High Demand.* The market will continue to demand rental units, requiring an additional 10,560 units by 2020.
5. *Phasing the Project will Aid in Unit Absorption.* Because the Project site is in a secondary market to accommodate a slower absorption than would be found in a project in a primary market (e.g., downtown Jersey City).
6. *Project Fosters Urban Living with Proximity and Access to Public Transportation.* The Project site is less than ½ mile from the light rail line, and Jersey City provides excellent access to various forms of public transportation (light rail, PATH, buses, and ferries) hubs Thirty-three percent of Hudson County's households do not own a vehicle.

The firm concludes that the proposed Development's unit mix and design "is well aligned to economic and demographic trends" of the target market.

D. Long-Range Maintenance Plan

The Act requires that the budget, operating proforma and financial documents submitted with an application must include a long-range maintenance plan that specifies expenditures that qualify as an appropriate investment in capital improvements and maintenance. As part of its financial documentation, the Applicant submitted a long-range maintenance plan which included standards for the calculation of funds for replacement over the useful life of the project, detail for the initial calculation of need for replacement funds (e.g., estimated items, useful life, replacement costs, quantity and total costs), estimated the total amount required, and provided a schedule for use of the reserve funds over the Project's life. The Project Owners will pay for long-range maintenance items from a capitalized reserve funded from the development budget, and operating income that also will fund the long-range maintenance reserve. Staff concludes that the Project Owner will have sufficient capital reserves to meet the Project's long-range maintenance needs during the Lease term.

The plan submitted complies with industry standards for replacement reserve accounts and capital maintenance plans and the long-range maintenance guidelines prepared by the Authority's consultant and adopted by the Authority. Accordingly, staff concludes that Applicant has submitted an adequate long-range maintenance plan for the Project.

After reviewing the project's budget, operating proforma, market study, and supporting information, the Real Estate Division's staff has assessed the soundness of the financial plan and concludes that the Project is financially feasible and that there is a need for the Development. Staff also concludes that the Project's development costs and projected operating expenses are reasonable and within current market conditions.

DPMC Classification

The Division of Property Management and Construction within Treasury has classified Claremont Construction under general construction with a contract capacity of \$153 million and a bonding capacity of \$200 million.

Other Requirements of the Act

In accordance with the requirements of the Act, the Applicant has produced evidence and has certified to comply with the following requirements of the Act:

- *Prevailing Wage.* The private partner will pay prevailing wage as required by the Act ("Each worker employed in the construction, rehabilitation, or building maintenance services of facilities by a private entity that has entered into a public-private partnership agreement with a State or county college . . . shall be paid not less than the prevailing wage rate")
- *Project Labor Agreement.* The private partner will enter into the required project labor agreements during the construction, operation, and long-range maintenance of the Project (the Applicant included a draft agreement in its submission)
- *Bond.* The private partner will post the required payment bond or have the bond posted on its behalf.

Recommendation

Staff recommends that the Board give final approval of the application subject to the following conditions being met to the satisfaction of appropriate staff for **each phase** of the Project (e.g., Chief Executive Officer, President and Chief Operating Officer, Senior Vice President of Finance and Development, or the Director of the Estate Division):

1. Providing a copy of the executed Lease and Development Agreements with attachments (excluding the plans and specifications, if applicable)
2. Submitting, in final form, the development and operating budgets in the Authority's Excel template (substantially the same as the documents reviewed by the Authority)

3. Submitting, in final form, project labor agreements for the construction and contracts to implement the long-range maintenance plan, which require not paying less than prevailing wage and to the greatest extent possible, enhances employment opportunities for individuals residing in the county of the project's location
4. Submitting, in final and satisfactory form, posted bonds guaranteeing prompt payment of moneys due to the contractor (and/or subcontractors)
5. Submitting a final copy of the Project's financing commitments:
 - a. redevelopment area bond approval resolution and final version of the bond indenture
 - b. PILOT approval resolution and the PILOT agreement
 - c. executed private financing commitment (construction and permanent loan)
 - d. if applicable, executed private equity financing commitment
 - e. current financial statement, no more than 3 months from the date of submission, of the Project Owner evidencing the equity financing for the Project
6. Submitting other items (i.e., any other document which may contain a material business term to the "partnership agreement" between the parties) that the Applicant must provide in order to obtain the Authority's final approval
7. Providing quarterly reports through the end of construction

The Applicant **shall not** permit the Project Owners to commence construction **on any phase** of the Project until the Authority's staff receives and reviews the requested items listed above and the Authority's staff issues correspondence stating that conditions in this memo are met.

Recommendation

In summary, I ask for the Members to authorize the Authority's staff to approve the project upon meeting the conditions outlined in this memo.

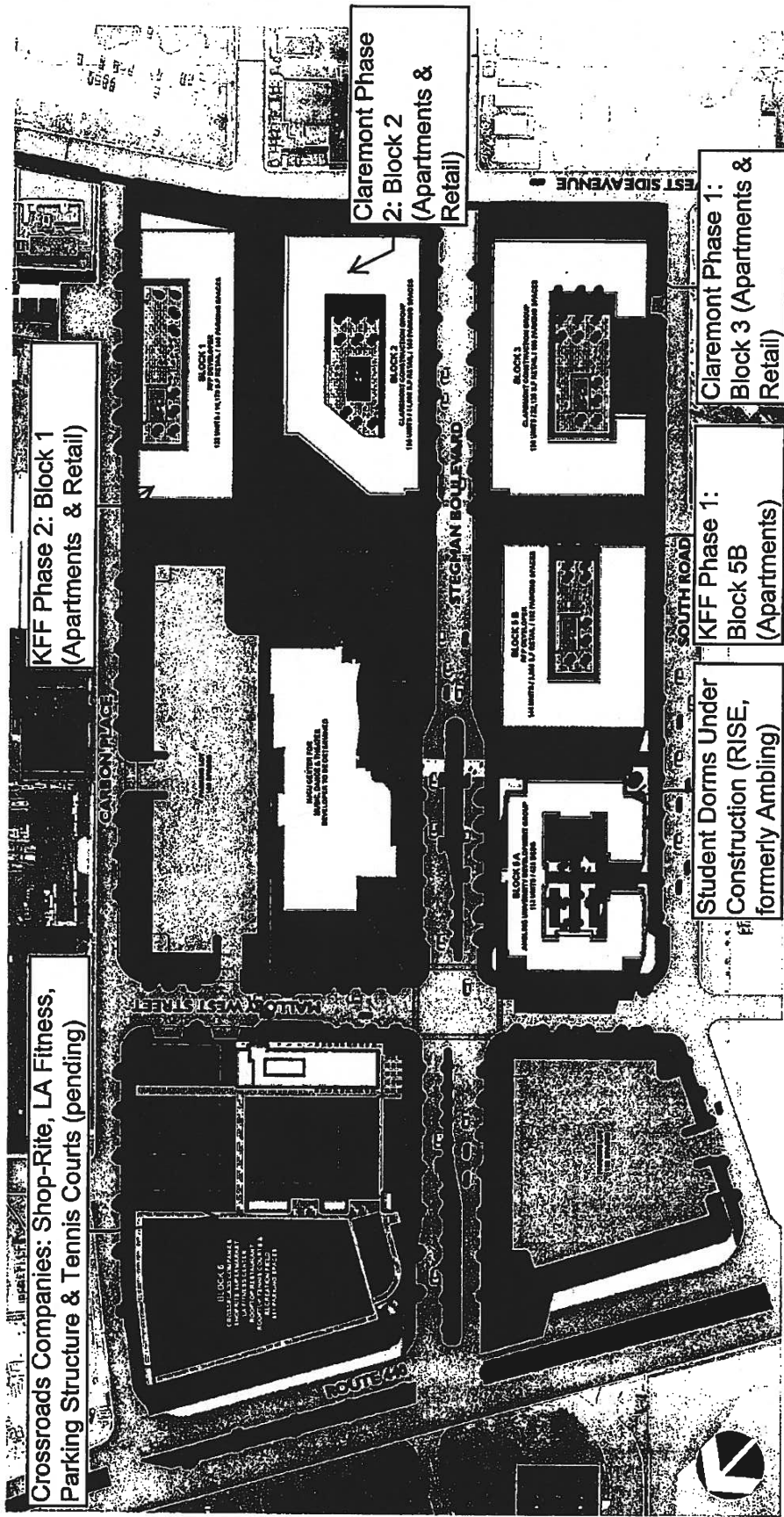


Timothy J. Lizura
President and Chief Operating Officer

Prepared by: Juan Burgos

EXHIBIT A: WEST CAMPUS SITE PLAN

*New Jersey City University
Higher Education Public Private Partnership Program
West Campus Blocks 2 and 3*



NEW JERSEY CITY UNIVERSITY

Location: Jersey City, New Jersey

WEST CAMPUS MASTER PLAN

BOARD MEMORANDUM



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: February 19, 2019
SUBJECT: Projects Approved Under Delegated Authority –
For Informational Purposes Only

The following projects were approved under Delegated Authority in December 2018 and January 2019:

Direct Loan Program:

- 1) C.E.D. Properties, LLC (P44990), located in Eatontown Borough, Monmouth County, is a single asset special purpose entity formed to hold title to and manage the project property. The operating company, The Voyagers' School Inc. ("Voyagers") was founded in 2004 as a not-for-profit home school resource center for children ages 5 to 8 and is considered one of the preeminent progressive schools in the region. Voyagers teaches traditional academics in a non-traditional environment that enables children to excel academically and intellectually. EDA approved a \$560,000 Direct loan and BCB Community Bank approved a \$1,300,000 loan. The combined proceeds will be used to refinance existing debt from another lender originally used to purchase the property and complete renovations. Currently, the Company has 18 employees and plans to create 8 new positions over the next two years.


Premier Lender Program:

- 1) 508 Rt. 35 LLC (P45459), located in Neptune Township, Monmouth County, is a real estate holding company formed to purchase and own the project property. The operating company, JAM-KAR Inc. has been in operation since 2004 as a full-service auto body business. OceanFirst Bank approved a \$2,600,000 loan contingent upon a 23.08% (\$600,000) Authority participation. Proceeds will be used to purchase the project property. Currently, the Company has 12 employees.
- 2) JP Realty Holdings LLC (P45471), located in Carlstadt Borough, Bergen County, is the real estate holding company formed to purchase and own the project property. The operating company, National Craft Inc. was established in 2013 to sell office supplies, equipment, office furniture, computer accessories and software products through an online presence and sales representatives. M & T Bank approved a \$1,200,000 loan contingent upon a 44% (\$530,000) Authority participation. Proceeds will be used to purchase the project property into which the business will relocate its operations from two leased locations in New York. The Company currently has six employees and plans to create six new positions within two years.

- 3) KLT Real Estates Holdings, LLC (P45472), located in Rahway City, Union County, is a real estate holding company formed to purchase and own the project property. The operating company, Union County Health Care Associates LLC is a general medical practice and urgent care center specializing in Internal, Family, Geriatric, Pediatric, Optometry, Surgery and Aesthetic Medicine. Their physicians provide care in skilled nursing facilities such as nursing homes, urgent care centers and major hospitals. M & T Bank approved a \$1,550,000 loan contingent upon a 38.71% (\$600,000) Authority participation. Proceeds will be used to refinance an existing mortgage. Currently, the Company has 35 employees and plans to create another 12 new jobs over the next 24 months due to growth.
- 4) Lins Newark Realty, LLC (P45321), located in Newark City, Essex County, is a real estate holding company formed to purchase and own the project property. The operating company, Nines Enterprises, LLC, was established in 2009 as a warehouse distributor of undergarments, footwear, pajamas and shirts that sells products directly to retailers and wholesalers. Investors Bank, NA approved a \$2,475,000 loan with a 30% (\$742,500) Authority participation. Proceeds will be used to purchase a commercial building to relocate the company's entire operations from New York. The Company plans to create six new positions within the next two years.
- 5) Northwood Avenue LLC (P45469), located in Linden City, Union County is a real estate holding company formed to purchase and own the project property. The operating company, Ammon Analytical Laboratories, L.L.C. ("Ammon") was formed in 1998 as a toxicology-screening lab in Hillside, NJ, and is licensed to perform diagnostic blood work in several states. Ammon's clients include hospitals, laboratories, substance abuse clinics, behavioral health programs, law enforcement, correctional institutions and schools. Provident Bank approved a \$3,700,000 loan contingent upon an 18.92% (\$700,000) Authority participation. Proceeds will be used to refinance existing debt originally used to purchase the property and complete renovations. The Company currently has 242 employees and plans to create 125 new jobs over the next two years.

Small Business Fund Program:

- 1) KC Car Wash Inc. (P45466) is located in Belleville Township, Essex County. Formed in 2014, KC Car Wash Inc. DBA Shine Auto Spa, is a full-service car wash. Provident Bank approved a \$790,000 loan contingent upon a 50% (\$395,000) Authority participation. The proceeds will be used to refinance existing debt originally used to purchase the business and complete subsequent upgrades and renovations. Currently, the Company has nine employees and plans to create one new position within the next two years.
- 2) Lagoon Marketing, LLC DBA Big Time DIY (P45474), located in Stafford Township, Ocean County, is a real estate holding company formed to purchase and own the project property. The operating company, Lagoon Restoration Services Inc. DBA SERVPRO of Manahawkin, was founded in 2011 as a property restoration company that provides 24 hour commercial and residential services such as water damage restoration, fire damage restoration, mold remediation, storm damage remediation and cleaning services. M & T Bank approved a \$310,500 loan contingent upon a 35.59% (\$110,500) Authority participation. The proceeds will be used to finance the purchase of the project property into which the company will expand its business. The Company currently has 11 employees.





TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: February 19, 2019
SUBJECT: Hazardous Discharge Site Remediation Fund - Delegated Authority
Fourth Quarter 2018 Approvals (For Informational Purposes Only)

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

Attached is a summary of the Delegated Authority approvals ending December 31, 2018 for the fourth quarter. Three grants were approved totaling \$145,125.

A handwritten signature in black ink, appearing to read "T. Sullivan", is written above a horizontal line.

Tim Sullivan

Prepared by: Kathy Junghans

PROJECT	APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
44970	Asbury Park City (Asbury Park Fire Department)	Initial grant for Remedial Investigation	\$67,500	\$67,500
45193	Camden Lutheran Housing, Inc.	Initial grant for Preliminary Assessment, Site Investigation and Remedial Investigation	\$66,325	\$66,325
45274	St. Raphael RC Church	Initial grant for Site Investigation	\$11,300	\$11,300
3 Grants		Total Delegated Authority for HDSRF Applications	\$145,125	\$145,125

*Includes cumulative awards to date (initial & supplemental). Supplemental grant awards do not exceed \$100,000 the delegation permitted



TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 19, 2019

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

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

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

Below is a summary of the Delegated Authority approvals processed by Finance & Development for the period October 01, 2018 to December 31, 2018

Summary:	# of Grants	\$ Amount
Leaking tank grants awarded	25	\$565,236
Non-leaking tank grants awarded	0	\$0

Applicant	Description	Grant Amount	Awarded to Date
Albee, Patricia A. (P45297)	Initial grant for upgrade, closure and remediation	\$6,011	\$6,011
Allen, Jeffery (P45010)	Supplemental grant for site remediation	\$3,905	\$27,373
Anderson, Robert (P45325)	Supplemental grant for site remediation	\$12,585	\$81,215
Beato, Hipolito and Leonor (P45062)	Supplemental grant for site remediation	\$3,556	\$115,420*
Candiano, William and Marilyn (P42453)	Initial grant for upgrade, closure and remediation	\$24,964	\$24,964
Coates, Michael M. (P45293)	Initial grant for upgrade, closure and remediation	\$10,563	\$10,563
Conover, Meegyo (P44800)	Supplemental grant for site remediation	\$52,355	\$92,367
Elrouby, Soumaya (P45041)	Supplemental grant for site remediation	\$2,119	\$46,291
Fiorentino, Armando (P45265)	Supplemental grant for site remediation	\$4,295	\$10,852
Fusco, Lorenzo and Maria	Initial grant for upgrade,	\$9,500	\$9,500

Applicant	Description	Grant Amount	Awarded to Date
(P45279)	closure and remediation		
Gatdula, Melvin and Celedonia (P45241)	Partial supplemental grant for site remediation	\$7,185	\$52,867
Grembowiec, Sigmund (P45254)	Supplemental grant for site remediation	\$26,975	\$36,935
Halpern, Marlon (P45288)	Initial grant for upgrade, closure and remediation	\$13,407	\$13,407
Hammell, Georgia (P45253)	Supplemental grant for site remediation	\$12,385	\$67,970
Hawtin, Harry and Andrea Lynn (P45242)	Supplemental grant for site remediation	\$22,548	\$34,750
Keeser, Jackie (P45066)	Supplemental grant for site remediation	\$2,799	\$30,759
Martin, Jr., Melvin R. (P45065)	Supplemental grant for site remediation	\$7,148	\$46,808
McEntyre, Claire (P45284)	Initial grant for upgrade, closure and remediation	\$66,343	\$66,343
Perrine, Robert (P45013)	Supplemental grant for site remediation	\$19,192	\$25,199
Reilly, John (P45038)	Supplemental grant for site remediation	\$98,577	\$108,187*
Rivera, Sandra (P44963)	Supplemental grant for site remediation	\$46,933	\$71,022
Rubinov, Leonid and Tatyana (P45042)	Supplemental grant for site remediation	\$26,920	\$166,083*
Senno, Hassana (P45246)	Supplemental grant for site remediation	\$5,910	\$41,368
Stankiewicz, John and Judy (P45301)	Initial grant for upgrade, closure and remediation	\$67,775	\$67,775
Stecyk, Danuta (P45067)	Supplemental grant for site remediation	\$11,286	\$53,195

25 Grants

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

\$565,236

*This amount includes grants approved previously by the Board and this award does not exceed the \$100,000 aggregate supplemental limit for staff delegation.



Tim Sullivan

Prepared by: Kathy Junghans , Finance Officer



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: February 19, 2019
SUBJECT: PUST and HDSRF Program Funding Status
(For Informational Purposes Only)

In December 2012, the members approved a change in the administration of the subject programs as a result of new Treasury guidance for fund transfers. Staff has reported to the board quarterly on the status of the funds.

Below is the funding availability as of the third quarter ending on December 31, 2018:

PUST:

As of December 31st, remaining cash and unfunded appropriations net of commitments was \$5.3 million available to support an estimated \$25 million pipeline of projects, of which approximately \$1.9 million are under review at EDA.

HDSRF:

As of December 31st, remaining cash and unfunded appropriations net of commitments was \$21 million available to support an estimated \$24.7 million pipeline of projects, of which approximately \$1 million are under review at EDA.

A handwritten signature in blue ink, appearing to read "T. Sullivan", is written above a horizontal line.

Tim Sullivan

Prepared by: Kathy Junghans



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: February 19, 2019

SUBJECT: Post Closing Credit Delegated Authority Approvals for 4th Quarter 2018
For Informational Purposes Only

The following post-closing actions were approved under delegated authority during the fourth quarter of 2018:

Name	EDA Credit Exposure	Action
AC Beach Development Partners, LLC	\$ 6,288,868	Extend the time to close the loan restructure by three months to January 31, 2019.
TJM Properties, II, LLC	\$ 473,224	Extend the loan maturity ten years to November 1, 2018, with a five-year call option and rate reset to allow time to repay the balloon maturity.
Racoon Creek, LLC	\$ 213,309	Extend EDA's participation in Fulton Bank's term loan for 10 years to October 1, 2028, with a five-year call option and rate reset to allow time to repay the balloon maturity.
City of Burlington	\$ 0	Extend this \$50,000 contingent loan to fund the feasibility study in Burlington.

Camden Economic Recovery Board Grants (EDA has no credit exposure)	
Camden Redevelopment Agency - Tire and Battery Remediation	Three-month extension of the \$1,351 grant for remediation to December 31, 2018.
Camden Redevelopment Agency - Central Waterfront Housing & Temporary Parking	Twelve-month extension of \$83,577 grant for parking lots to December 31, 2018.
Camden Redevelopment Agency - Neighborhood & Redevelopment Planning Grants I & II	Nine-month extension of \$379,076 in development planning grants to June 30, 2019.
Camden Redevelopment Agency - Mixed Site Acquisition & Cooper Plaza Acquisition	Twelve-month extension of this \$382,566 million redevelopment grant to June 30, 2019.

Conduit Bonds (EDA has no credit exposure)	
Bayonne Industries Inc., IMTT – Bayonne LLC, IMTT-CB, LLC	Consent to extend the Bond’s mandatory purchase date and amend the interest rate formula for the \$36.3 million Tax Exempt Refunding Bonds.
Duke Farms Foundation	Consent to replace the guarantee of the \$24.8 million Tax-Exempt Bonds by the Doris Duke Foundation, a charitable trust, with a guarantee of the Doris Duke Charitable Foundation, Inc., a newly formed not-for-profit corporation, in connection with the reorganization of the Foundation.
TDAF I Springfield Avenue Holding Urban Renewal Company, LLC (Tucker Development and Acquisition Fund, LP)	Consent to the separation of the Series A and Series B bonds that comprise the \$6.6 million Redevelopment Area Bonds; change in project ownership; and sale of the Grocer component of the mixed-use project.
Five Middlebury Associates, LLC (Douglas Electrical Components, Inc.)	Consent to amend the fixed interest rate of a \$2.3 million Tax-Exempt Stand-Alone Bond.
Seabrook Village, Inc.	Consent to extend the mandatory tender date and changes to adjust the interest rate formula to the \$61.8 million Tax-Exempt Stand-Alone Bond.

Loans Written off with Recourse
--

As required by generally accepted accounting principles, loans that are nonperforming, offer limited likelihood of future recovery and have been fully reserved are to be written off. Special Loan Management conducts a quarterly portfolio review, and with concurrence from management, recommend loans to be written off with recourse pursuant to delegated authority. EDA retains legal rights against the borrower and/or guarantors and pursue collections of these loans through litigation.

Name	Credit Exposure	Description
John Richard Hamada	\$ 138,098 SLP Loan	Dr. Hamada was a chiropractic physician located in Trenton, who is now deceased. The participation loan is secured by a first mortgage on the project property and first mortgages on three additional properties. No payments on this loan has been received since December 2017. Agent bank filed a claim against the estate and initiated foreclosure proceedings.

Gagon Oil, LLC	\$ 51,299 HAZ Loan	Gagan Oil, LLC was a full-service gas station and convenience store located in Wall Township. Borrower filed chapter 11 bankruptcy in January 2017 which was converted to a chapter 7 bankruptcy in February 2018. The business is closed, and the HDRSF loan is seriously delinquent. Secured by a second mortgage on the project property, there is no equity given the senior lien amount. EDA will pursue judgment against the personal guarantors.
----------------	-----------------------	---



Prepared by: Jennifer Bongiorno and Heather O'Connell



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 19, 2019

SUBJECT: Incentives Modifications – 4th Quarter 2018
(For Informational Purposes Only)

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

Attached is a list of the incentive modifications and Salem/UEZ renewal extensions that were approved in the 4th quarter ending December 31, 2018.

A handwritten signature in blue ink, appearing to read "T. Sullivan", is written above a solid horizontal line.

Prepared by: M. Maurio

**ACTIONS APPROVED UNDER DELEGATED AUTHORITY
FOURTH QUARTER ENDING DECEMBER 31, 2018**

BUSINESS EMPLOYMENT INCENTIVE GRANT PROGRAM

Applicant	Modification Action	Approved Award
BioClinica, Inc., and CoreLab Partners, Inc. fka RadPharm	Consent to merger of CoreLab Partners, Inc. and BioClinica, Inc.; subsequent removal of CoreLab Partners, Inc. from the grant agreement; change of project location within Princeton; shortening of the term to 2010; and termination of the grant agreement to move forward with Grow NJ award.	\$566,060
Broadway Kleer-Guard Corporation, Broadway Packaging Solutions, Inc.	Consent to add Professional Employment Organization to the grant agreement (2012) and its removal (2016).	\$37,500
International Vitamin Corporation	Consent to adjust award percentage from 65% to 60% as a result of review of 2017 annual report.	\$319,200
Lonza America, Inc..	Consent to terminate the grant agreement resulting in the forfeiture by Lonza of accrued and unpaid payments of approximately \$830K for 2012-2017.	\$691,800
Medical Diagnostics Laboratories, LLC	Consent to dissolution of entity and subsequent removal of what entity? from the grant agreement.	\$201,702
Telamon Corporation	Consent to a project location change from Dayton to Piscataway with no change to award percentage.	\$102,079
The Northern Trust Company	Consent to the dissolution of entity and subsequent removal from the grant agreement.	\$1,003,275
Tyco International Management Company, LLC("Tyco")	Consent to removal of Tyco affiliates Tyco Valve & Control, Inc., Tyco International LTD, Simplex Grinnell, LP, and addition of Johnson Control Fire Corporation to the grant agreement as a result of corporate change in parent company and internal reorganization.	\$13,230,000
Unimac Graphics LLC	Consent to adjust award percentage from 55% to 50% as a result of review of 2017 annual report.	\$1,694,756

Vitamin Shoppe Industries, Inc..	Consent to adjust award percentage from 60% to 55% as a result of review of 2017 annual report.	\$1,402,200
----------------------------------	---	-------------

GROW NEW JERSEY ASSISTANCE PROGRAM

Applicant	Modification Action	Approved Amount
American Water Works Company, Inc.	Consent to add affiliates to the Grow NJ Agreement.	\$164,187,735
Carekinesis, Inc.	Consent to first and second six-month extension of the certification deadline from May 15, 2018 to May 15, 2019.	\$9,690,000
Comar Holding Company, LLC and Comar, LLC	Consent to reset the statewide workforce number from 364 to 245.	\$850,000
Cummins Power Systems, LLC	Consent to a first six-month extension of the certification deadline from June 9, 2018 to December 9, 2018.	\$3,195,000
EMR Eastern LLC	Consent to changes in the Qualified Business Facility in including increasing the square footage from 714,560 to 796,153 and a reduction in capital investment which reduced the GROW award to \$133,396,500 from \$148,589,900.	\$133,396,500
First Data Corporation and Affiliates (40 th Floor)	Consent to remove affiliates from the Grow NJ Agreement.	\$5,920,000
FIS Data Systems, Inc.	Consent to a first six-month extension of the certification deadline from October 15, 2018 to April 15, 2019.	\$8,043,500
MAC Trailer Leasing, Inc.	Consent to a first six-month extension of the certification deadline from December 8, 2018 to June 8, 2019.	\$2,895,050
Manhattan Telecommunications Corporation	Consent to add affiliates to the Grow NJ Agreement.	\$4,000,000
Ogilvy CommonHealth Worldwide LLC	Consent to a first six-month extension of the certification deadline from April 12, 2019 to October 12, 2019 and add affiliates to the Grow NJ Agreement.	\$11,340,000
Resintech, Inc.	Consent to changes in the QBF; including a decrease in square footage from 385,000 sf to 338,359 sf, and eliminating certain parcels of land; resulting in the decrease in the estimated capital investment from \$150,217,500 to \$148,593,160; and add affiliates.	\$138,817,600

South Jersey Gas	Consent to second six-month extension of the certification deadline from February 11, 2019 to August 11, 2019.	\$1,265,526
Tryko Holdings, LLC	Consent to a first six-month extension of the certification deadline from December 8, 2018 to June 8, 2019.	\$4,101,250
US Mobile Phones, Inc.	Consent to the location change of the QBF and increase of square footage; resulting in an increase in estimated capital investment from \$1,249,000 to \$1,487,000; add an affiliate to the Grow NJ Agreement; a six-month extension of the conditions' deadline from June 14, 2018 to December 14, 2018; and extension of Project Completion timeline from June 14, 2019 to December 14, 2019.	\$17,000,000

SALEM/UEZ ENERGY SALES TAX EXEMPTION RENEWALS

Applicant	Extend to Date	Location	#/% Employees	Benefit
Mexichem Specialty Resins Inc.	August 7, 2018	Pedricktown, NJ	78/78%	\$398,643
Union Beverage Packers, LLC	TBD	Hillside, NJ	265/96%	\$56,000



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: February 19, 2019

SUBJECT: Technology & Life Sciences - Delegated Authority Approvals for Q4 2018
For Informational Purposes, Only

Angel Investor Tax Credit Program – 2018 Review

On January 31, 2013, the New Jersey Angel Investor Tax Credit Act was signed into law with Regulations approved by the Members of the Board in June 2013. The New Jersey Angel Investor Tax Credit Program (ATC) establishes credits against corporate business tax or New Jersey gross income tax in the amount of 10% of a qualified investment made into New Jersey emerging technology businesses.

In 2018, the EDA approved 244 Angel Tax Credit applications; a slight decrease from the 256 applications approved in the prior year. In 2018, these approvals represented the investment of more than \$197 million of private capital, for a total tax credit amount of \$10,650,386.52, which is below the \$25 million annual program allocation. During 2017, the ATC program underwent a major change in the reduction in timeframe for investors to submit an application from 12 months to 6 months. Starting January 1st, 2018 this change was in full effect and as a result, staff noticed a normalization of applications as well as a more even distribution of applications throughout the year.

The total investment amount of approved 2018 applications rose by 77% year over year, with investments increasing from over \$111 million in 2017 to over \$197 million in 2018. These approved applications were for investments made into 46 unique New Jersey emerging technology and life science companies vs. 39 in the prior year and can be seen in more detail below. The applications exclusive to 2018 were for approximately \$170 million into 35 companies. Included in the 2018 program statistics were approvals for investments in 20 companies which were new to the program in the year, a 33% increase of new companies compared to 2017. Additionally, in 2018 the program approved its first two acquisitions that represented investment totals of \$54,026,919 and \$44,158,480 respectively--the largest investments since program inception. For all 2018 approvals, the average investment amount was approximately \$807,858 and the average tax credit was approximately \$43,649.

Sector	Investment Amount	Applications	# of Companies in Each Sector	% of total investments	% of total applications
Technology	\$88,278,291	62	19	69.66%	25%
Clean Technology	\$16,652,328	18	4	8.45%	7%
Life Sciences	\$43,159,755	164	23	21.90%	67%
Total	\$197,117,293	244	46		

Since program inception in 2013, the authority has approved 1,173 applications for investments totaling more than \$529 million invested in 85 New Jersey based technology businesses.

In addition to angel investors approved under the ATC program, applicants included Private Investors, Venture Capital Funds, Angel Funds, Partnerships, Trusts, Corporations, and Investment LLC's. In 2018, approximately, 66% of ATC applicants were non-New Jersey based investors, compared to 48% in 2017. Included in the 66% of approved non-New Jersey applications were foreign investors who represent investments from countries such as: Japan, Belgium, The Netherlands and China.

Q4 2018/Quarter Results

Attached please find a list of all ATC applications that were approved under delegated authority during the fourth quarter of 2018.

In summary for the fourth quarter of 2018, 123 applications totaling \$4,686,304.70 in tax credits were approved. These approvals represent \$88,449,548.87 in private investments in 27 unique technology & life science companies.

The Q4 2018 approvals included investments in 9 companies that are new to the program.

- **Ethnic Technologies LLC**, was founded in 1997 and is located in South Hackensack, NJ. The Company provides multicultural marketing data, ethnic identification software, and ethnic data appending services. The one ATC application approved this quarter was for an investment in exchange for Membership Interest in the Company. The investor was new to the ATC Program and is located within NJ. The funding is expected to support the hiring of additional employees in the areas of probabilistic and predictive computer programming as well as advanced programming interfaces.
- **InquisitHealth** was founded in 2011 and is located in River Edge, NJ. The Company's primary business is a technology platform that connects current patients with existing patients for increased healthcare education. The ATC applications were for investments in the Company's Series AAA Round of funding representing an investment from four angel investors. All of the investors were new to the ATC Program and are from out of state. The funding round was used to hire additional sales representatives to continue the growth of the Company's client base.
- **Macrotope, Inc.** was founded in 2017 and is located in Princeton, NJ. The Company's primary business is a technology that involves engineering antigens to optimize their performance as immunogens. The ATC applications were for investments in the Company's Series AA Round of funding representing an investment from two angel investors. Both investors are new to the ATC Program and one investor is from NJ, while the other one is from out of state. The funding round was used to further develop their technology.

- **MYOS Rens Technology**, was founded in 2016 and is located in Cedar Knolls, NJ. The Company's primary business is the development and commercialization of therapeutics and nutritional products that improve muscle health. The ATC applications were for investments in the Company's Common Stock Round of funding representing an investment from three angel investors, who are new to the ATC Program. Two of these investors are from NJ, while the other one is from out of state. The funding round was used to further develop their technology.
- **Robust Wealth Inc.**, was founded in 2015 and is located in Lambertville, NJ. The Company's primary business is a financial technology software platform allowing financial advisors to manage all aspects of their client investment relationships. The ATC application was for an investment in the Company's Common Stock Round of funding representing an investment from one angel investor. The investor was to the ATC Program and is from out of state.
- **SHINKEI Therapeutics**, was found in 2017 and is located in Fair Haven, NJ. The Company's primary business is the development of pharmaceutical products for treating the central nervous system. The ATC application was for an investment in the Company's Common Stock Round of funding representing an investment from one angel investor. The investor was new to the ATC Program and is from NJ. The funding round was used to help fund its pilot human clinical trials.
- **Small Factory Innovations**, was found in 2015 and is located in Princeton, NJ. The Company's primary business is the development of a pipeline of therapies relating to oncology (cancer). The ATC applications were for investments in the Company's Common Stock Round of funding representing an investment from two angel investors. Both investors are new to the ATC Program and are from NJ. The funding round was used to further the Company's research and development.
- **Sonnet BioTherapeutics, Inc.**, was founded in 2016 and is located in Cedar Knolls, NJ. The Company's primary business is a technology platform that enables primary care physicians to service senior patients remotely. The ATC applications were for investments in the Company's Series Seed Round of funding representing an investment from three angel investors, who are new to the ATC Program. Two of these investors are from NJ, while the other one is from out of state. The funding round was used to further develop their technology.
- **Vytalize Health, Inc.**, was founded in 2014 and is located in Hoboken, NJ. The Company's primary business is the development and commercialization of therapeutics and nutritional products that improves muscle health. The ATC applications were for investments in the Company's Common Stock Round of funding representing an investment from three angel investors. All these investors are new to the ATC Program and from out of state. The funding round was used to hire additional employees and further develop the Company's technology

A handwritten signature in blue ink, appearing to be 'B. Candito', written over a horizontal line.

Prepared by:

Brennan Candito

Q4 2018

Investor	Company	Investment	Proposed tax credit
Alex I Khowaylo	Acuitive Technologies, Inc.	\$ 750,000	\$ 75,000.00
Alex I Khowaylo	Acuitive Technologies, Inc.	\$ 500,000	\$ 50,000.00
Alex I Khowaylo	Acuitive Technologies, Inc.	\$ 250,000	\$ 25,000.00
David S Washburn	Acuitive Technologies, Inc.	\$ 100,000.00	\$ 10,000.00
David S Washburn	Acuitive Technologies, Inc.	\$ 100,000.00	\$ 10,000.00
Alex Khowaylo	Acuitive Technologies, Inc.	\$ 250,000.00	\$ 25,000.00
Michael McCarthy	Acuitive Technologies, Inc.	\$ 250,000.00	\$ 25,000.00
Total Applications: 7	Acuitive Technologies, Inc.	\$ 2,200,000.00	\$ 220,000.00
	NJ Employees: 14 Total Employees: 14		
Prahlad Patel	AptaResearch LLC	\$ 500,000	\$ 50,000.00
Prahlad Patel	AptaResearch LLC	\$ 500,000	\$ 50,000.00
Sivarama Nutalapati	Aptaresearch LLC	\$ 475,000.00	\$ 47,500.00
Total Applications: 3	Aptaresearch LLC	\$ 1,475,000.00	\$ 147,500.00
	NJ Employees: 11 Total Employees: 11		
Co-win Healthcare Fund II	Aucta Pharmaceuticals	\$ 2,500,000.00	\$ 250,000.00
Total Applications: 1	Aucta Pharmaceuticals	\$ 2,500,000.00	\$ 250,000.00
	NJ Employees: 16 Total Employees: 16		
Luc Olluyn	BioAegis Therapeutics Inc.	\$ 25,000	\$ 2,500
Walter Caers	BioAegis Therapeutics Inc.	\$ 50,000.00	\$ 5,000.00
Peter Gustafsson	BioAegis Therapeutics Inc.	\$ 50,000.00	\$ 5,000.00
Rudi De Roeck	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
John Peters	BioAegis Therapeutics Inc.	\$ 111,500.00	\$ 11,150.00
Stefhan Geenen	BioAegis Therapeutics Inc.	\$ 30,000.00	\$ 3,000.00
Stefaan De Coninck.	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Tobias Van Dormael	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
John Stossel	BioAegis Therapeutics Inc.	\$ 1,000,000.00	\$ 100,000.00
Anton Verlaan	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Stefaan Bouillon	BioAegis Therapeutics Inc.	\$ 50,000.00	\$ 5,000.00
Rahim Taghizadegan	BioAegis Therapeutics Inc.	\$ 50,000.00	\$ 5,000.00
Ivan Bennaerts	BioAegis Therapeutics Inc.	\$ 24,980.00	\$ 2,498.00
Luc Vandaele	BioAegis Therapeutics Inc.	\$ 30,000.00	\$ 3,000.00
Steven Van Den Ham	BioAegis Therapeutics Inc.	\$ 49,970.00	\$ 4,997.00
Wim De Kimpe	BioAegis Therapeutics Inc.	\$ 24,970.00	\$ 2,497.00
Tony Blokhuis and Viola Van Breemen	BioAegis Therapeutics Inc.	\$ 50,000.00	\$ 5,000.00
A.C. van Nes	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Har Peters	BioAegis Therapeutics Inc.	\$ 25,493.00	\$ 2,549.30
Joris Strypens	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Pascal De Vos	BioAegis Therapeutics Inc.	\$ 49,975.00	\$ 4,997.50
Dominicus Verbist	BioAegis Therapeutics Inc.	\$ 50,000.00	\$ 5,000.00
Michael Kritz	BioAegis Therapeutics Inc.	\$ 25,002.00	\$ 2,500.20

Brecht Arnaert	BioAegis Therapeutics Inc.	\$ 50,000.00	\$ 5,000.00
Wesley Scheltiens	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Marius Willem Van Dalen	BioAegis Therapeutics Inc.	\$ 24,998.00	\$ 2,499.80
Yvan Deckers	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Herman Verheyen	BioAegis Therapeutics Inc.	\$ 50,000.00	\$ 5,000.00
Arne Wante	BioAegis Therapeutics Inc.	\$ 50,000.00	\$ 5,000.00
Ivo Heijster	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Paul Vandenbroucke	BioAegis Therapeutics Inc.	\$ 50,000.00	\$ 5,000.00
Rein Corselis	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Voshel Family Trust	BioAegis Therapeutics Inc.	\$ 70,002.00	\$ 7,000.20
Erwin Vandaele	BioAegis Therapeutics Inc.	\$ 49,980.00	\$ 4,998.00
Nadine Van Opstaele	BioAegis Therapeutics Inc.	\$ 49,996.00	\$ 4,999.60
Donna Lista	BioAegis Therapeutics Inc.	\$ 20,002.00	\$ 2,000.20
Pamela Ramijssen	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Ellis DeMeester	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Jacques Van Hentenrijk	BioAegis Therapeutics Inc.	\$ 50,000.00	\$ 5,000.00
Bert Jansen	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Frank Schoolmeesters	BioAegis Therapeutics Inc.	\$ 24,980.00	\$ 2,498.00
Craig Labus	BioAegis Therapeutics Inc.	\$ 25,002.00	\$ 2,500.20
C.G. Van Ham	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Vincent De Smedt	BioAegis Therapeutics Inc.	\$ 25,994.00	\$ 2,599.00
Peter Tros	BioAegis Therapeutics Inc.	\$ 24,998.00	\$ 2,499.00
Bart Poupaert	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Rick Kurstjens	BioAegis Therapeutics Inc.	\$ 24,996.00	\$ 2,499.60
Pascale Liesenborghs	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Leon Van Dam	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
I.I. & M. BV	BioAegis Therapeutics Inc.	\$ 24,996.00	\$ 2,499.60
Kristof Van Hoye	BioAegis Therapeutics Inc.	\$ 30,000.00	\$ 3,000.00
Hans Van Dijk	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Mark A Smith	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Kelly A. Fitzpatrick	BioAegis Therapeutics Inc.	\$ 20,000.00	\$ 2,000.00
Mary B. Haskell	BioAegis Therapeutics Inc.	\$ 135,019.00	\$ 13,501.90
Thomas Collentine	BioAegis Therapeutics Inc.	\$ 49,991.00	\$ 4,999.00
William McAlvany	BioAegis Therapeutics Inc.	\$ 25,002.00	\$ 2,500.20
Sjaak Van Dijk	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Michael Steinhardt	BioAegis Therapeutics Inc.	\$ 500,000.00	\$ 50,000.00
Petrus Maria Sanders	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Gosta De Smet	BioAegis Therapeutics Inc.	\$ 50,000.00	\$ 5,000.00
Hubert Holmens	BioAegis Therapeutics Inc.	\$ 25,000.00	\$ 2,500.00
Robyn Bunting	BioAegis Therapeutics Inc.	\$ 50,000.00	\$ 5,000.00
Lieven De Knock	BioAegis Therapeutics Inc.	\$ 100,000.00	\$ 10,000.00
Total Applications: 64	BioAegis Therapeutics Inc.	\$ 3,822,846.00	\$ 382,283.30
	NJ Employees: 6 Total Employees: 7		
Michael Castellano	CircleBlack, Inc	\$ 150,000.00	\$ 15,000.00
David W. Marx	CircleBlack, Inc	\$ 102,000.00	\$ 10,200.00
Total Applications: 2	CircleBlack, Inc	\$ 252,000.00	\$ 25,200.00

	NJ Employees: 16 Total Employees: 19		
ME Tech Investors LLC	D3UC	\$ 12,500	\$ 1,250.00
Total Applications: 1	D3UC	\$ 12,500	\$ 1,250.00
	NJ Employees: 4 Total Employees: 4		
QIP Glidepath Series A LLC	Eos Energy Storage LLC	\$ 2,500,000	\$ 250,000.00
William P. Miller Trust	Eos Energy Storage LLC	\$ 200,000	\$ 20,000.00
Holtec International	Eos Energy Storage LLC	\$ 6,000,000.00	\$ 500,000.00
Singh Real Estate Enterprises, Inc.	Eos Energy Storage LLC	\$ 6,000,000.00	\$ 500,000.00
Total Applications: 4	Eos Energy Storage LLC	\$ 14,700,000.00	\$ 1,270,000.00
	NJ Employees: 82 Total Employees: 86		
Gestalt Analytic Solutions, LLC	Ethnic Technologies LLC	\$ 5,000,000	\$ 500,000.00
Total Applications: 1	Ethnic Technologies LLC	\$ 5,000,000	\$ 500,000.00
	NJ Employees: 24 Total Employees: 24		
Lauren Rosenberg-Moffitt	Hope Portal Services, Inc	\$ 50,000	\$ 5,000
Total Applications: 1	Hope Portal Services, Inc	\$ 50,000	\$ 5,000
	NJ Employees: 4 Total Employees: 4		
THE PATRICK SCIRE 2001 GST TRUST	Innovaci Inc.	\$ 100,000	\$ 10,000.00
RIVER CAPITAL ASSOCIATES, LLC	Innovaci Inc.	\$ 30,000	\$ 3,000.00
Total Applications: 2	Innovaci Inc.	\$ 130,000	\$ 13,000
	NJ Employees: 2 Total Employees: 2		
Kevin C McCooley	InquisitHealth	\$ 25,000.00	\$ 2,500.00
Anthony Zeppetella	InquisitHealth	\$ 100,000.00	\$ 10,000.00
James Foy	InquisitHealth	\$ 125,000.00	\$ 12,500.00
Brad Farber	InquisitHealth	\$ 216,448.00	\$ 21,644.00
Total Applications: 4	InquisitHealth	\$ 466,448.00	\$ 46,644.00
	NJ Employees: 7 Total Employees: 8		
Charles P. Mays III	Inspirit Group, LLC	\$ 45,045	\$ 4,504.50
Neil Hooper	Inspirit Group, LLC	\$ 25,000	\$ 2,500.00
Drivelocker	Inspirit Group, LLC	\$ 20,000.00	\$ 2,000.00
C. Parkhill Mays III	Inspirit Group, LLC	\$ 47,330.00	\$ 4,733.00
Total Applications: 4	Inspirit Group, LLC	\$ 137,375.00	\$ 13,737.50
	NJ Employees: 12 Total Employees: 13		
JARM Capital, LLC	Leap Insurance LLC	\$ 100,000	\$ 10,000.00
Dennis H. Ferro	Leap Insurance LLC	\$ 200,000	\$ 20,000
Total Applications: 2	Leap Insurance LLC	\$ 300,000	\$ 30,000
	NJ Employees: 9 Total Employees: 11		
JM - LT - Investors LLC	LugTrack LLC	\$ 115,000.00	\$ 11,500.00

Total Applications: 1	LugTrack LLC	\$ 115,000.00	\$ 11,500.00
	NJ Employees: 2 Total Employees: 2		
Clara K. Anderson	Macrotope, Inc.	\$ 100,000	\$ 10,000.00
Yellow Mintu, LLC	Macrotope, Inc.	\$ 100,000.00	\$ 10,000.00
Total Applications: 2	Macrotope, Inc.	\$ 200,000.00	\$ 20,000.00
	NJ Employees: 1 Total Employees: 1		
Joseph Mannello	MYOS RENS Technology Inc.	\$ 275,000.00	\$ 27,500.00
James Michael Johnston	MYOS RENS Technology Inc.	\$ 150,000.00	\$ 15,000.00
David Matlin	MYOS RENS Technology Inc.	\$ 325,000.00	\$ 32,500.00
Total Applications: 3	MYOS RENS Technology Inc.	\$ 750,000.00	\$ 75,000.00
	NJ Employees: 11 Total Employees: 12		
Hemraj Roopchand	Novitium Pharma, LLC	\$ 400,000.00	\$ 40,000.00
Vani Kumar	Novitium Pharma, LLC	\$ 300,000.00	\$ 30,000.00
Vani Kumar	Novitium Pharma, LLC	\$ 200,000.00	\$ 20,000.00
Kelsauryn Pharma Ventures, LLC	Novitium Pharma, LLC	\$ 2,435,500.00	\$ 243,550.00
Total Applications: 4	Novitium Pharma, LLC	\$ 3,335,500.00	\$ 333,550.00
	NJ Employees: 63 Total Employees: 63		
Paramus Property LLC	Oncogenics, LLC	\$ 4,800,000.00	\$ 480,000.00
Total Applications: 1	Oncogenics, LLC	\$ 4,800,000.00	\$ 480,000.00
	NJ Employees: 2 Total Employees: 2		
Yusheng Xiong	Quixgen Inc.	\$ 11,500.00	\$ 1,150.00
Feng Qiu	Quixgen Inc.	\$ 14,000.00	\$ 1,400.00
Total Applications: 2	Quixgen Inc.	\$ 25,500.00	\$ 2,550.00
	NJ Employees: 3 Total Employees: 3		
Principal Financial Services, Incorporated	RobustWealth, Inc.	\$ 44,586,480.87	\$ 500,000.00
Total Applications: 1	RobustWealth, Inc.	\$ 44,586,480.87	\$ 500,000.00
	NJ Employees: 52 Total Employees: 60		
Gurpartap Singh Sachdeva	SHINKEI Therapeutics	\$ 150,000.00	\$ 15,000.00
Total Applications: 1	SHINKEI Therapeutics	\$ 150,000.00	\$ 15,000.00
	NJ Employees: 2 Total Employees: 2		
Christopher Dudick	Small Factory Innovations, Inc	\$ 140,000	\$ 14,000.00
Total Applications: 1	Small Factory Innovations, Inc	\$ 140,000	\$ 14,000.00
	NJ Employees: 1 Total Employees: 1		
Sanjay Sehgal	Sonnet BioTherapeutics, Inc	\$ 250,000.00	\$ 25,000.00
Samir Patel	Sonnet BioTherapeutics, Inc	\$ 200,000.00	\$ 20,000.00

Total Applications: 2	Sonnet BioTherapeutics, Inc	\$ 450,000.00	\$ 45,000.00
	NJ Employees: 2 Total Employees: 2		
Robert W. Croce	Svelte Medical Systems, Inc.	\$ 280,899	\$ 28,090
Total Applications: 1	Svelte Medical Systems, Inc.	\$ 280,899	\$ 28,090
	NJ Employees: 16 Total Employees: 17		
Anthony Dimun	Trinity Medical Devices	\$ 370,000	\$ 37,000.00
Sean McCarthy	Trinity Medical Devices	\$ 100,000	\$ 10,000.00
Wind River, LLC	Trinity Medical Devices	\$ 500,000	\$ 50,000.00
Wind River, LLC	Trinity Medical Devices	\$ 750,000	\$ 75,000.00
Robert Coradini	Trinity Medical Devices	\$ 25,000	\$ 2,500.00
Total Applications: 5	Trinity Medical Devices	\$ 1,745,000	\$ 174,500
	NJ Employees: 8 Total Employees: 9		
Dorothy S. Lowry Trust	Urigen Pharmaceuticals	\$ 135,000	\$ 13,500.00
Total Applications: 1	Urigen Pharmaceuticals	\$ 135,000	\$ 13,500.00
	NJ Employees: 2 Total Employees: 2		
Robert Montgomery Howe	Vytalize Health Inc.	\$ 150,000.00	\$ 15,000.00
Ghawi Capital LLC	Vytalize Health Inc.	\$ 540,000.00	\$ 54,000.00
Total Applications: 2	Vytalize Health Inc.	\$ 690,000.00	\$ 69,000.00
	NJ Employees: 5 Total Employees: 5		

Total Applications: 123	27	\$ 88,449,548.87	\$ 4,686,304.70
	NJ Employees: 377 Total Employees: 400		

*Employment data is from the date of application.



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 19, 2019

SUBJECT: Real Estate Division Delegated Authority for Leases and Right of Entry (ROE)/
Licenses for Fourth Quarter 2018- *For Informational Purposes Only*

The following approvals were made pursuant to Delegated Authority for Leases and ROE/
Licenses in October, November and December 2018:

LEASES / CCIT GRANTS


<u>TENANT</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>TERM</u>	<u>S.F.</u>	<u>CCIT GRANT</u>
PDS Biotechnology	CCIT	Lease Holdover	Month to Month	1,975sf	N/A
Kamat Pharmatech	CCIT	Lease Holdover	Month to Month	2,000sf	N/A
Bellerophon Therapeutics	CCIT	Lease Holdover	Month to Month	1600sf	N/A
Aucta Pharmaceuticals	CCIT	Lease Holdover	Month to Month	3,250 sf	N/A
Angex Pharmaceuticals	CCIT	Lease Extension	One Year	1,125 sf	N/A
BioAegis Therapeutics	CCIT	Lease Holdover	Month to Month	800 sf	N/A
Grace Therapeutics	CCIT	Lease Holdover	Month to Month	1,600 sf	N/A
SPES Pharmaceuticals	CCIT	Lease Extension	One Year	800 sf	N/A
Urigen Pharmaceuticals	CCIT	Lease Holdover	Month to Month	655sf	N/A
Genomic Prediction	CCIT	Lease Amendment	11/01/18 – 5/31/19	1600sf (reduced office suite)	N/A
Genomic Prediction	BDC	Lease Agreement	3 years 11/01/18-10/31/21	860 sf	N/A

RIGHT OF ENTRY/LICENSES/EXTENSIONS

<u>ENTITY</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>CONSIDERATION</u>

MISCELLANEOUS

<u>ENTITY</u>	<u>LOCATION</u>	<u>TYPE</u>	<u>CONSIDERATION</u>



Tim Sullivan
Chief Executive Officer

Prepared by: Donna T. Sullivan