MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan
Chief Executive Officer

DATE: April 9, 2019

SUBJECT: Agenda for Board Meeting of the Authority April 9, 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

Loans/Grants/Guarantees

Board Memorandums

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

March 12, 2019

MINUTES OF THE MEETING

Members of the Authority present: Commissioner Catherine McCabe of the Department of Environmental Protection; Richard Mumford representing Commissioner Marlene Caride of the Department of Banking and Insurance; Roberto Soberanis representing Commissioner Robert Asaro - Angelo of Department of Labor and Workforce Development; Jennifer Keys Maloney representing State Treasurer Elizabeth Muoio; Public Members Charles Sarlo, Vice Chairman; Fred Dumont, and, Louis Goetting.

Members present via conference call: Public Members Philip Alagia, William Layton, and Thomas Scrivo.

Absent: Public Members Larry Downes, Chairman; Massiel Medina Ferrara, John Lutz, Third Alternate Public Member; 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. Sarlo 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 February 19, 2019 meeting minutes. A motion was made to approve the minutes by Mr. Dumont, and seconded by Mr. Soberanis, and was approved by the 7 voting members present.

Mr. Goetting abstained because he was not present for the meeting.
Ms. Maloney abstained because she was not present for the meeting.

The next item of business was the approval of the February 19, 2019 executive session meeting minutes. A motion was made to approve the minutes by Mr. Dumont, and seconded by Mr. Soberanis, and was approved by the 7 voting members present.

Mr. Goetting abstained because he was not present for the meeting.
Ms. Maloney abstained because she was not present for the meeting.

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

BOARD PRESENTATION

Commissioner Catherine R. McCabe, New Jersey Department of Environmental Protection gave a presentation on the Community Collaborative Initiative Expansion.

AUTHORITY MATTERS

ITEM: Memorandum of Understanding – NJ DEP

REQUEST: Approve a MOU between NJ EDA and NJ DEP for the expansion of NJ DEP's Community Collaborative Initiative
MOTION TO APPROVE: Mr. Dumont **SECOND:** Ms. Keys-Maloney **AYES: 9**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

Commissioner McCabe left the meeting at this time.

Dan Ryan representing Commissioner McCabe joined the meeting at this time.

ITEM: Memorandum of Understanding – NJ LWD

REQUEST: Approve a MOU between NJ EDA and NJ LWD to help strengthen New Jersey's workforce and build awareness of the opportunities and resources available through the NJ LWD.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Ryan **AYES: 9**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

ITEM: Mercadien P.C. Contract

REQUEST: Approve a modification to the Mercadien P.C. contract for Auditing and Job Certification Review Consulting Services
MOTION TO APPROVE: Ms. Keys-Maloney **SECOND:** Mr. Soberanis **AYES: 9**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

ITEM: Innovation Challenge Program
REQUEST: Approve Innovation Challenge Program grants
MOTION TO APPROVE: Mr. Ryan **SECOND:** Mr. Dumont **AYES: 9**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

Mr. Alagia joined the meeting via conference call at this time.

INCENTIVE PROGRAMS

Grow New Jersey Assistance Program

ITEM: Key Food Stores Co-Operative, Inc. APPL.#45550

REQUEST: To approve the application of Key Food Stores Co-Operative, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Old Bridge, NJ. Project location of Old Bridge, Middlesex 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 Jobs with Salary in excess of County Average. The estimated annual award is $488,750 for a 10-year term.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Ryan **AYES: 10**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

ITEM: Legend Biotech USA Inc. APPL.#45544

REQUEST: To approve the application of Legend Biotech USA Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Franklin Twp., NJ. Project location of Franklin Twp., Somerset 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 Jobs with Salary in excess of County Average, Large Number of New/Retained F/T jobs and Targeted Industry (Life Sciences). The estimated annual award is $1,296,250 a 10-year term.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Ryan **AYES: 10**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

Mr. Ryan left the meeting at this time.

ITEM: Singer NY, LLC APPL.#45513

REQUEST: To approve the finding of jobs at risk..
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Soberanis **AYES: 9**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

ITEM: Singer NY, LLC APPL.#45513

REQUEST: To approve the application of Singer NY, LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Paterson, NJ. Project location of Paterson, Passaic County qualifies as a 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 GSGZ average. The estimated annual award is $647,500 a 10-year term.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Soberanis **AYES: 9**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

Mr. Ryan returned to the meeting at this time.

Grow New Jersey Assistance Program - Appeals

ITEM: Clover Health

REQUEST: Consent to the Hearing Officer's recommendation to uphold staff's determination
MOTION TO APPROVE: Mr. Dumont **SECOND:** Ms. Keys-Maloney

Cynthia Borelli, of Bressler, Avery, and Ross, representing Clover Health, spoke to the Board. Ms. Borelli provided a brief background of Clover Health. She said that the matter for the Board's decision was about a delay of information and the reason for the delay was not within Clover Health's control. Due to the prior actions by EDA when Clover Health had a prior delay in submitting its project completion certification, Clover Health had a tacit understanding with EDA about the EDA deficiencies. On the day the annual report was due, Clover Health's employee decided that her efforts were best spent uploading the annual report rather than contacting EDA. The employee attempted uploading the annual report March 30 and April 1 but was successful only on April 2. Ms. Borelli asserted that the definition of "extenuating circumstances" in the Business Employment Incentive Program (BEIP) regulations and the regulations of other State agencies were inapplicable and that the lack of a definition in the Grow statute and regulations gave the Board discretion and more latitude. She explained that Clover Health's position is that under the circumstances, the extenuating circumstances exception should apply because it was really outside of Clover Health's control. She claimed that the annual report process was time consuming, the report was ready by the date of the deadline, and the company felt that one business day was sufficient. She said that allowing the exception for her client was consistent with the Grow program, which should not base a default on technical deficiencies.

Mr. Sullivan asked Ms. Borelli if Clover Health's email system and phones were working on March 30. She replied that they were.

Mr .Dumont stated that in an email to EDA staff, the company admits fault. Mr. Sarlo explained that while he sympathized and understood the personal appeal about IT difficulties, nothing was demonstrated to mitigate the issues the company ran into in the past. The company waited until the last day. In response to a question from Mr. Sarlo, Mr. Saldutti, the Hearing Officer, stated that there was no indication that the problem was due to an IT issue on EDA's side. Mr. Sarlo also stated that although there was no definition of "extenuating circumstances" in the Grow statute or regulations, it was proper to look at sister agencies for a standard and interpretation to apply here.

The Board then voted on the proposal to adopt the Hearing Officer's report and recommendation. AYES: 9
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

Mr. Goetting abstained because he has provided consulting services for Clover Health in other matters.

Economic Redevelopment and Growth Grant Program

ITEM: CRT Holdings, LLC APPL.#45119

REQUEST: To approve the application of CRT Holdings, LLC for a Project located in Jersey City, Hudson County for reimbursement of certain taxes. The recommendation is to award 29.11% of actual eligible costs, not to exceed $8,746,104 based on the budget submitted.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Ryan
Ms. Maloney proposed making this approval contingent on the Board's decision on the related New Jersey City University P3 Partnership item. Mr. Dumont and Mr. Ryan consented to amend the motion accordingly. AYES: 8
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

Mr. Goetting abstained because he represents New Jersey City University.

Mr. Scrivo abstained because he represents Hampshire Real Estate Companies in other matters.

REAL ESTATE

ITEM: New Jersey City University P3 Partnership

REQUEST: Approve the amended application for the modified project for NJCU
MOTION TO APPROVE: Mr. Soberanis **SECOND:** Mr. Ryan **AYES: 8**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

Mr. Goetting abstained because he represents New Jersey City University.

Mr. Scrivo abstained because he represents Hampshire Real Estate Companies in other matters.

Economic Redevelopment and Growth Grant Program - Modification

ITEM: TDAF I Pru Hotel Urban Renewal Company, LLC
REQUEST: Consent to the assignment of TDAF's commercial ERG agreement
MOTION TO APPROVE: Mr. Goetting **SECOND:** Mr. Mumford **AYES: 10**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

Urban Enterprise Zone Energy Sales Tax Program

ITEM: Ardagh Glass Inc.

REQUEST: Approval of Ardagh Glass Inc.'s application to participate in the U-STX program for one year.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Ryan **AYES: 10**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

BOND PROJECTS

Bond Resolutions

PROJECT: 36-54 Rector Urban Renewal LLC APPL.#38101
LOCATION: Newark, Essex County
PROCEEDS FOR: Construction and Renovation
FINANCING: $5,330,000 Taxable Redevelopment Area Bond
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Ryan **AYES: 10**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

Public Hearing Only

ITEM: Cedar Crest Village, Inc. APPL.# 36863
DESCRIPTION: Modified and reduced interest rate and additional time for repayment

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. Dumont **SECOND:** Mr. Ryan **AYES: 10**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: Woodbridge Township DPW APPL.#45523
LOCATION: Woodbridge, Middlesex County
PROCEEDS FOR: Remedial Action
FINANCING: $74,059

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. Dumont **SECOND:** Mr. Soberanis **AYES: 10**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

PROJECT: Joseph Tittermary APPL.#45251
LOCATION: Delran, Burlington County
PROCEEDS FOR: Remediation
FINANCING: $58,995

PROJECT: Ira Kaltinick APPL.# 45371
LOCATION: Lavallette, Ocean County
PROCEEDS FOR: Remediation
FINANCING: $115,559

Mr. Layton left the call at this time.

OFFICE OF RECOVERY

Stronger NJ Business Loan - Appeal

ITEM: DC Plastic Products Corporation APPL.#SL618984/66381
REQUEST: Approve the recommendation to uphold the declination of the loan
MOTION TO APPROVE: Mr. Mumford **SECOND:** Mr. Soberanis **AYES: 9**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

REAL ESTATE

ITEM: Assignment and Assumption Agreement
REQUEST: Approve the execution of the First Amendment to the Agreement to Assign among the NJ EDA, FMERA and RWJ Barnabas Health, Inc. for Parcel F-1 located on FMERA property
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Soberanis **AYES: 9**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

ITEM: Purchase and Sale Agreement and Redevelopment Agreement
REQUEST: Consent to FMERA entering into the redevelopment agreement with Asbury Park Development Partners, LLC for the Marina Parcel in Oceanport
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Ryan **AYES: 9**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

BOARD MEMORANDUMS

Premier Lender Program:

PROJECT: Joshneali LLC APPL.#45517
LOCATION: Englishtown Borough, Monmouth County
PROCEEDS FOR: Refinancing and Working Capital
FINANCING: $997,500 M&T Brank loan with $437,500 EDA participation

PROJECT: Mira Property Management, LLC APPL.#45535
LOCATION: East Brunswick, Middlesex County
PROCEEDS FOR: Refinancing
FINANCING: $1,800,000 Provident Bank loan with $500,000 EDA participation

Small Business Fund Program:

PROJECT: First class Uniform Inc. APPL.# 45528
LOCATION: Vineland, Cumberland County
PROCEEDS FOR: Purchase of property
FINANCING: $280,000 direct loan

PUBLIC COMMENT

There was no public comment.

EXECUTIVE SESSION

The next item was to adjourn the public session of the meeting and enter into Executive Session to discuss lease negotiations, where disclosure could adversely affect the public interest. The minutes will be made public when the need for confidentiality no longer exists.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Ryan **AYES: 9**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

The Board returned to Public Session.

REAL ESTATE

ITEM: Chromocell Corporation

REQUEST: Approve authorization entering into the Eighth Lease Amendment with Chromocell Corporation.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

There being no further business, on a motion by Mr. Dumont, and seconded by Mr. Ryan, the meeting was adjourned at 11:47am.

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: April 9, 2019

RE: Monthly Report to the Board

SHOWCASING AND GROWING NEW JERSEY'S TALENT POOL

State and local officials and an array of film and television industry leaders convened in Newark in March for the Diversity in Film and Television Production Forum, which included information on how New Jersey's new film tax credit program will help to encourage the growth of a creative industry that supports a wide range of good-paying jobs. The event featured a range of speakers and panelists including elected officials, agency leaders, and film industry executives who discussed the current state of the industry in New Jersey as well as strategies for attracting more productions to the State and encouraging diversity and inclusion on set. The New Jersey Film and Digital Media Tax Credit program, which was signed into law by Governor Phil Murphy last summer, is already helping to drive interest in New Jersey as the backdrop for major film and television productions.

In another step toward creating more inclusive opportunity, Governor Phil Murphy and Secretary of Higher Education Zakiya Smith Ellis announced an expansive plan to ensure higher education meets student needs and prepares a workforce that will galvanize New Jersey's innovation economy. "Where Opportunity Meets Innovation: A Student-Centered Vision for New Jersey Higher Education," was unveiled at Rutgers University-Newark, to an audience of students, state officials, and other higher education stakeholders.

Governor Murphy and Secretary Smith Ellis outlined the objectives of the plan, affirming the central goal of achieving 65 percent postsecondary attainment by 2025 and committing the state to the vision that every New Jerseyan, regardless of life circumstances, should have the opportunity to obtain a high-quality credential that prepares them for life after college. Detailing the Governor and Secretary's vision is a Student Bill of Rights that outlines resources that should be available to all New Jersey students. The event was capped off with Governor Murphy's signing of Executive Order No. 61, which creates a Task Force on New Jersey's Plan for Higher Education.

REVIVING OUR COMMUNITIES

Governor Murphy has proposed a renewed Brownfields tax credit as part of his vision for incentives reform. As proposed, the Brownfields tax credit would be designed to close project financing gaps, helping to revitalize underutilized properties while incentivizing the preservation of New Jersey's green spaces. The tax credit, along with the proposed Brownfields loan program being considered by the Members today, are expected to provide the enhanced investment resources that will make more Brownfield redevelopment possible across the state.

Revitalizing outdated properties was also a focus as NJEDA participated in NJ Future's Redevelopment Forum, where speakers took part in panels focused on collaborative workspaces, repurposing suburban "white elephants," and "placemaking." Governor Murphy was a keynote speaker at this high-profile event.

Furthering investment in the State's downtowns, applications are now open for the Small Business Lease Assistance Program which was approved by the Members at last month's meeting. The program provides reimbursement of a percentage of annual lease payments for newly- or additional leased space in Atlantic City, Camden, Trenton, Passaic, and Paterson, as well as Bridgeton, Jersey City, Millville, Mt. Holly, Phillipsburg, Plainfield, Salem, and Vineland.

RECLAIMING NEW JERSEY'S LEADERSHIP IN INNOVATION

Surrounded by innovators hard at work building the businesses of tomorrow at the NJEDA's Commercialization Center for Innovative Technologies (CCIT) Life Sciences Incubator in North Brunswick, Governor Phil Murphy showcased details of his proposed New Jersey Innovation Evergreen Fund (NJIEF) last month. The NJIEF is a groundbreaking new program to increase the availability of venture capital in New Jersey. As proposed, the Fund will be capitalized by auctioning state tax credits (over five years) to New Jersey corporations. The funds raised through the auction will be co-invested with private venture capital firms into New Jersey-based startups in high wage, high growth sectors.

We announced in March that CCIT recently welcomed TheWell Bioscience as its newest tenant. The biotechnology company will further develop and scale its advanced 3D cell culture hydrogel system for drug screening, tissue engineering, and pre-clinical applications from its new location. CCIT is currently home to 20 innovative life sciences startup companies.

Finally, the newly re-established Commission on Science, Innovation, and Technology held its inaugural meeting on March 28. The Commission, which is comprised of representatives from government, academia, and innovation-related industries, discussed ways to jumpstart New Jersey's innovation economy and reclaim the Garden State's leadership role. Governor Murphy signed legislation re-establishing the Commission last summer at a bill signing at the NJEDA's Biotechnology Development Center, which sits on the same campus as CCIT and offers post-incubation space for life sciences businesses.

PACKED EVENTS CALENDAR ADVANCES AWARENESS OF NJEDA INITIATIVES

The presence of NJEDA staff at more than 40 events last month added to the momentum of our efforts to raise awareness of NJEDA programs to support a wide range of businesses and share Governor Murphy's vision for a stronger and fairer New Jersey economy. I had the pleasure of addressing the audience at the New Jersey Manufacturing Extension Program's "State of the State of Manufacturing," and moderating a panel at the Opportunity Zone Conference hosted by Choose New Jersey. A panel at the Southern NJ Development Council's Sound Off for South Jersey event highlighted proposed tax incentive programs, and the economic development plan for Cape May Airport was the focus of another South Jersey event. The NJEDA's Technology and Life Sciences team participated in several events focused on timely topics such as venture funding, Angel investment, collaborative workspaces, women in technology, entrepreneurship, and trends in the State's technology and life sciences sector. Our Small Business Services team interacted with such groups as the New Jersey Jewish Business Alliance and the NJ Coalition of Latino Pastor and Ministers. The team also attended many networking events, including the Small Business Lenders Forum, a Unity Brunch at the Prudential Center, and Jersey City's Small Business Services "Access to Capital" event.

CLOSED PROJECTS

Through March 2019, EDA closed on more than $34 million in lending and other small to mid-sized business assistance to support 39 projects, leveraging more than $75 million in capital investment and the creation of 137 new permanent jobs.

In addition to the assistance provided through these programs, EDA also executed agreements, pending certification, with seven incentive projects for $41.9 million. These projects are associated with the projected capital investment of more than $44 million, the estimated creation of 470 new permanent jobs and 124 construction jobs, and the retention of 814 jobs “at risk” of leaving New Jersey.

AUTHORITY MATTERS

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: April 9, 2019

RE: Proposed New Rules
Brownfields Loan Program

Request

The Members are requested to approve:

1. The attached new proposed program rules and to authorize staff to submit the proposed program rules for promulgation in the New Jersey Register, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law.

2. The creation of the Brownfields Loan Program - a financing program to provide low-interest loans to applicants who seek to remediate brownfield sites.

3. Utilization of up to $15,000,000 in Authority funds to capitalize the Brownfields Loan Program.

Background

Through his comprehensive economic plan for building a stronger and fairer economy in New Jersey, Governor Murphy has identified the remediation and redevelopment of brownfield sites as an important component of smart planning that will allow New Jersey to meet its goals for economic growth while minimizing the environmental impact and sprawl that is the byproduct of new development. To facilitate the redevelopment of brownfields, Governor Murphy has proposed a new set of programs including a new remediation and redevelopment tax credit, as well as an enhanced brownfields loan program through the Authority that would provide the necessary investment resources to undertake these projects.

For the brownfields loan program to be an effective investment tool to help drive remediation and redevelopment of these sites, the loan should be low-interest bridge financing that would address funding gaps to make the remediation phase of project financially viable, after which construction financing can be more readily obtained by the developer. A brownfields loan would also serve as a complement to the proposed brownfields tax credit outlined in Governor Murphy's economic plan by providing a similar bridge until a tax credit can be sold.

The Authority is currently authorized to provide brownfields loans of up to $750,000 under an existing brownfields loan program. Because the need exists for a loan program with more flexible uses and a larger maximum loan amount, the existing brownfields program, which is currently underutilized, will be discontinued upon promulgation of these regulations.

Program Details

The Brownfields Loan Program will provide financing of up to $5,000,000 to potential brownfield site purchasers and current brownfield site owners, provided they are not the party responsible for the contamination of the site or related to the responsible party and have not indemnified a responsible party or a party related to a responsible party. In addition to the costs associated with site investigation, assessment and remediation, the eligible uses of the financing may also include building and structural issues including demolition, asbestos abatement, and other activities as outlined in the attached program specifications. While the brownfields loan will be supporting the remediation of the site only, all projects must include a redevelopment plan for the reuse of the remediated site, which may include commercial (including but not limited to manufacturing and retail) and mixed-use developments, expansions or reuses.

As part of the base eligibility requirements for financing, the Authority must determine through an underwriting analysis that the project is economically feasible, and the project must demonstrate that a funding gap exists (essentially, that other financing is not currently available to the applicant). The property, in a remediated condition, must have an appraised value of at least 100 percent of all debt financing, including the requested brownfields loan amount, or the applicant must demonstrate other sources of collateral. The project must also submit a report prepared by a Licensed Site Remediation Professional (LSRP) or other documentation from a qualified professional to demonstrate that contamination exists or is suspected to exist, and the site therefore qualifies as a brownfield. Projects must also demonstrate local support through a letter of support from the mayor of the municipality in which the project is located.

Upon demonstrating that the project meets the base eligibility requirements, the project will then be scored by Authority staff according to public scoring criteria. While the specific scoring criteria and weights will be presented to the Members at a later date and prior to any application being made available, the criteria will score projects across a variety of factors related to the economic distress of the municipality and the benefits of the proposed redevelopment project to the municipality and the State, including but not limited to: the level of distress and environmental issues at the project location, the proximity of the project to public transportation, the alignment of the project to local redevelopment plans, the amount of the projected new tax revenues generated from the proposed use of the brownfield site, the need of the financing to the viability of the project, the public health and environmental benefits of the project in addition to the remediation of the brownfield site, and the length of time the brownfield site been abandoned or underutilized.

Applications will be accepted in competitive rounds. To be considered for funding, an application must meet a minimum score on the scoring criteria, but priority of funding will be determined based on highest overall score.

The loans will be structured with a 10-year term, with principal and interest deferred for the first two years, and then interest only for years 2-4, then amortizing for the balance (no balloon). There will be no penalty for prepayment.

For projects that meet the base eligibility and achieve the requisite score, the standard interest rate will be 3 percent. However, the Authority will review the design for the proposed redevelopment plan and will apply interest rate reductions based on the design of the project relative to various policy goals including: mixed-use residential development with an affordable housing component, food delivery sources in urban food deserts, primary health care services, tourism destination project, electric vehicle charging stations, smart growth parking (convertible to commercial space), and the development of incubators and collaborative workspaces. Further information regarding how rate reductions would be applied and enforced can be found in the attached program specifications.

Loan disbursements will be made as components of the project are completed and approved by either NJDEP or the qualified professional (for structural issues). There will be retainage of up to 10% of the total loan amount that will not be fully disbursed until a no further action letter or response action outcome for site remediation or corresponding document from the appropriate authority evidencing completion of remediation for structural remediation.

The Members will approve each loan.

<u>Fees:</u>

For the Brownfields Loan Program, the application fee will be $2,500 and other fees for the program will be consistent with NJEDA's standard loan program fees. The applicant will also be responsible for reimbursement for any third-party fees that NJEDA staff deems necessary and incurs during application review and prior to Board approval.

<u>Recommendation</u>

The Members' approval is requested to approve: (1) the attached new proposed program rules and to authorize staff to submit the proposed program rules for promulgation in the New Jersey Register, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law; (2) the creation of the Brownfields Loan Program - a financing program to provide low-interest loans to applicants who seek to remediate brownfield sites; and (3) utilization of up to $15,000,000 in Authority funds to capitalize the Brownfields Loan Program.

Prepared by: Pat Rose/Jacob Genovay

Attachments:
- Exhibit A – Proposed New Rules – Brownfields Loan Program
- Exhibit B – Program Specifications – Brownfields Loan Program

D R A F T

OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Administrative Rules

Fees

Authority Assistance Programs

Direct Loan Program

Proposed Amendments: N.J.A.C. 19:30-6.1; and 19:31-3.1 through 3.5

Authorized By: New Jersey Economic Development Authority, Tim Sullivan, Chief Executive Officer.

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

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

Proposal Number: PRN 2019-___.

Submit written comments by _____ __, 2019, to:

Jacob Genovay, Senior Legislative and Regulatory Officer
New Jersey Economic Development Authority
PO Box 990
Trenton, NJ 08625-0990
jgenovay@njeda.com

The agency proposal follows:

Summary

The New Jersey Economic Development Authority ("EDA" or "Authority") is proposing amendments to the rules establishing parameters for direct loan products that pertain to financial assistance available under a new Brownfields Loan Program.

The Brownfields Loan Program, which replaces the Brownfields Redevelopment Loan Program, provides low interest loans to applicants to remediate brownfield sites, which are former or current commercial or industrial sites that are currently vacant or underutilized and on which there has been, or there is suspected to have been, contamination or on which there is a contaminated building, or which has been remediated for industrial use but requires further remediation for mixed-use residential development. The applicant must have a plan for future redevelopment. Redevelopment of brownfield sites is an important component of smart planning that will allow New Jersey to meet its goals for economic growth by revitalizing these sites and putting them back to productive use, which will lessen the need for development on undeveloped land and the associated environmental impact and sprawl.

Proposed new N.J.A.C. 19:30-6.1(a)5 establishes an application fee for assistance under the Brownfields Loan Program of $2,500 and provides that the full amount of direct costs of any analysis by a third party retained by the Authority, if the Authority deems such retention to be necessary, shall be paid by the applicant.

N.J.A.C. 19:31-3.1(b)2 is amended to delete and replace the reference to the “Brownfields Redevelopment Loan Program” with “Brownfields Loan Program.” The provision replaces the maximum amount of financing available from $750,000 with $5,000,000 and adds a minimum amount of $100,000.

N.J.A.C. 19:31-3.1(f) is amended to delete and replace 1) the reference for proceeds of “Brownfields Redevelopment loans” with “Brownfields loans”; and 2) revises the eligible costs. Eligible costs must not be duplicative of other approved State or Federal grants previously awarded and must be associated with the remediation project. Examples of eligible costs are included in the revised provision. Additionally, not more than 20 percent of the loan may be used for soft costs.

Proposed new N.J.A.C. 19:31-3.1(i)7 is added pertaining to the deadline for full repayment and rate of interest. Full repayment of the loan is due at the earlier of the end of the loan term or upon the applicant’s closing of construction financing. The rate of interest shall be fixed and shall be determined by the economic feasibility and economics pertaining to the return on investment and the ability to attract the required investment. Additionally, the Authority, at its sole discretion, may reduce the rate of interest based on factors associated with the redevelopment project’s projected societal benefits and contribution to the economic development of the municipality and the areas to be affected by the redevelopment project as determined by a review of the redevelopment project design. This provision lists a non-comprehensive list of factors that may be considered.

N.J.A.C. 19:31-3.2, which pertains to eligibility requirements for Brownfields Redevelopment Loans, is deleted and replaced with requirements for the new Brownfields loans, as follows:

Proposed new N.J.A.C. 19:31-3.2(c)1 defines the following terms pertaining to the program for the implementation of the program: “brownfield site,” “contaminated building,” “contamination” or “contaminant,” “equity,” “licensed site remediation professional,” “local governmental redeveloper,” “redevelopment project,” “remediation” or “remediate” or “remedial activities,” and “remediation project” or “project.”

Proposed new N.J.A.C. 19:31-3.2(c)2 provides that applicants shall include potential purchasers or current owners of a brownfields site, including local governmental redevelopers (which include municipalities), and shall not include individuals or entities responsible for, or individuals or entities who have common ownership or control with entities responsible for, any existing environmental contamination at the site or any individuals or entities that have indemnified a responsible party or a party who has common ownership or control with a responsible party. The applicant must demonstrate that through licensed site remediation professional report or, as applicable for a structure, other documentation from a qualified professional that the site is a brownfield site.

Proposed new N.J.A.C. 19:31-3.2(c)3 provides that the applicant must demonstrate site control or a path to site control for the brownfield site.

Proposed new N.J.A.C. 19:31-3.2(c)4 provides that the brownfield site, considered in the condition it would be upon completion of remediation, shall have an appraised value equal to or greater than 100 percent of all debt financing, including the requested loan amount, unless the applicant can demonstrate other sources of collateral for the brownfield loan.

Proposed new N.J.A.C. 19:31-3.2(c)5 provides that the future use of the brownfield site shall be commercial use or mixed use. Commercial use includes manufacturing and retail uses. Mixed use can include residential use among the uses at the brownfield site.

Proposed new N.J.A.C. 19:31-3.2(c)6 provides that the applicant shall demonstrate to the Authority's satisfaction based on the Authority's analysis that the redevelopment project is economically feasible and a funding gap exists. The economic feasibility and the funding gap determinations shall take into account the costs of the remediation project. Economically feasible is defined as having enough cash flow to repay debt financing, including the Brownfields loan. The funding gap shall be supported by a certification from the applicant that after making all good faith efforts to raise additional capital, additional capital cannot be raised from other sources.

Proposed new N.J.A.C. 19:31-3.2(c)7 provides that applications must meet a minimum score to be eligible based on factors related to the economic distress of the municipality and the benefits of the proposed redevelopment project to the municipality and the State. The Authority may prioritize or select applicants in competitive rounds based on the scores. The provision states a non-comprehensive list of scoring criteria that the Authority may use.

Proposed new N.J.A.C. 19:31-3.2(c)8 precludes remediation projects previously approved for reimbursement through the Brownfields and Contaminated Site Remediation Reimbursement Program from eligibility. Remediation projects that have not received any assistance from the Brownfields and Contaminated Site Remediation Program are eligible for a Brownfields loan provided that the loan is used for separate uses than the reimbursement assistance.

Proposed new N.J.A.C. 19:31-3.3(c)9 requires that completed applications for the Brownfields Loan Program must be accompanied by 1) a letter of support from the mayor of the municipality in which the brownfields site is located; 2) in the case of municipalities making application, applicable approval of the Local Finance Board in the Division of Local

Government Services, Department of Community Affairs; 3) a plan for the redevelopment project, specifically including the proposed reuse of the brownfield site and a description of the relation of the reuse plan to applicable local redevelopment plan, zoning, and land use; 4) a completed environmental report prepared by a licensed site remediation professional; and 5) any applicable environmental report prepared by other qualified professional pertaining to any structure on the brownfield site.

N.J.A.C. 19:31-3.4(b) is revised to provide that the Authority's determination of the amount of the Brownfields loan shall also be based on the amount of the funding gap.

N.J.A.C. 19:31-3.5(d)1 is revised to state that as required by law, direct loans are subject to the Authority's affirmative action and prevailing wage requirements, as applicable. The Authority regulations for affirmative action can be found at N.J.AC. 19:30-3 and for prevailing wage at N.J.A.C. 19:30-4.

N.J.A.C. 19:31-3.5(d)2 is revised to include the Brownfields Loan Program as an exception to the requirement for life insurance on the applicant's principal officer.

Finally, new N.J.A.C. 19:31-3.5(d)4 provides that applicants are required to provide to the Authority the following: As a condition of closing, the applicant must provide documentation of owner equity equal to a minimum of 10 percent of the appraised value of the project site in a remediated state and evidence of site control, which includes the ability to perform the remediation and redevelopment projects, grant a lien on the brownfield site as collateral to the Authority if applicable, and record the required deed restriction. Upon closing, the applicant must record a deed restriction that requires that for 10 years after completion of the remediation project, any redevelopment project on the brownfield site shall be consistent with the proposed use and the factors considered to determine eligibility, rate of interest, or other benefits under the Brownfields Loan Program. The new provision also clarifies that the Authority's affirmative action and prevailing wage requirements applies to the remediation and redevelopment projects, as the Authority's financial assistance is provided for the costs of the former and in connection with the construction of the latter (based on the economic feasibility and funding gap for the remediation and redevelopment projects). Prior to final disbursement, the applicant must provide evidence that the remediation project is completed; however, the Authority will not require that the applicant complete the redevelopment project.

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

Social Impact

The proposed amendments will have a positive social impact by helping to remediate brownfields sites, i.e., any former or current commercial or industrial site, vacant or underutilized on which there has been, or there is suspected to have been, a discharge of a contaminant or on which there is a contaminated building or which has been remediated for industrial use, but requires further remediation for mixed-use residential development or there is a structure upon which abatement or removal of certain contaminants, with a proposed plan for a return to productive use.

Economic Impact

The proposed amendments will have a positive economic impact in advancing major provisions of the State Development and Redevelopment Plan which encourages urban redevelopment in order to support economic growth and to preserve natural resources in New Jersey.

Federal Standards Statement

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

Jobs Impact

The proposed amendments may result in retaining existing private sector jobs and stimulating creation of new private sector jobs, as well as supporting job growth in the construction industry due to remediation and redevelopment of former contaminated properties.

Agriculture Industry Impact

The proposed amendments will not have any impact on the agriculture industry of the State of New Jersey.

Regulatory Flexibility Statement

The proposed amendments will not impact small businesses, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., as the program provides funding to purchasers or owners of brownfield sites with qualifying projects. Generally, businesses eligible for Authority financial assistance are required to comply with the EDA's standard, on-line application process and regular compliance requirements; however, any costs due to reporting, recordkeeping, or other compliance requirements on qualifying small businesses are fully offset by the amount of financial assistance received. The proposed amendment at N.J.A.C. 19:30-6.1, which sets forth an application fee for the program and is in addition to the Authority's other related loan fees, is intended to compensate the EDA for the costs of implementing the program.

Housing Affordability Impact Analysis

The proposed amendments may increase an indeterminate amount of housing units by facilitating remediation of brownfield sites that will be used for mixed-use projects that include residential space. The number of housing units, as well as any increase or decrease in the average cost of housing affected by the regulation may not be estimated, because the number of potential applicants and qualifying remediation projects is not currently known.

Smart Growth Development Impact Analysis

The proposed amendments provide incentives encouraging new construction and rehabilitation of underutilized buildings, including commercial, retail and residential components in Planning Area 1 and other areas designated for development under the State Development and Redevelopment Plan. The number of housing units, as well as any increase or decrease in the average cost of housing affected by the regulation may not be estimated, because the number of potential applicants and qualifying remediation projects is not currently known.

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

CHAPTER 30. ADMINISTRATIVE RULES

SUBCHAPTER 6. FEES

19:30-6.1 Application fee

(a) Except as set forth in (c) and (d) below, a non-refundable fee of $1,000 shall accompany every application for Authority assistance, except for:

1.-2 (No change.)

3. An application for assistance under the Small Business Fund and N.J.S.A. 34:1B-47 et seq., for which the fee is $ 300.00; [and]

4. An application for assistance under the Real Estate Impact Fund, for which the fee is $2,500; and the full amount of direct costs of any analysis by a third party retained by the Authority, if the Authority deems such retention to be necessary, shall be paid[.]**; and**

5. An application for assistance under the Brownfields Loan Program, for which the fee is $2,500; and the full amount of direct costs of any analysis by a third party retained by the Authority, if the Authority deems such retention to be necessary, shall be paid by the applicant prior to Authority's decision on the application.

(b)-(d) (No change.)

CHAPTER 31. AUTHORITY ASSISTANCE PROGRAMS

SUBCHAPTER 3. DIRECT LOAN PROGRAM

19:31-3.1 Program description

(a) (No change.)

(b) Except as otherwise provided in this subsection, direct loans are available in a maximum amount of $2,000,000 for fixed asset financing and $750,000 for working capital.

1. (No change.)

2. For the[Brownfields Redevelopment Loan Program] **Brownfields Loan Program**, the maximum loan amount will be [$750,000] **$5,000,000 and the minimum shall be $100,000**.

3.-8. (No change.)

(c)-(e) (No change.)

(f) Proceeds of [Brownfield Redevelopment loans] **Brownfields loans** shall be used for financing those [remediation] costs [deemed eligible by the New Jersey Department of Environmental Protection pursuant to the Municipal Landfill Site Closure, Remediation and Redevelopment Agreement that has been entered into by the applicant with the New Jersey Department(s) of Environmental Protection and Treasury, and the New Jersey Commerce and Economic Growth Commission] **not duplicative of other approved State or Federal grants previously awarded for the proposed use of funds and associated with the remediation project, including, but not limited to: soil, groundwater, and infrastructure investigation, assessment, and remediation; abatement; hazardous materials or waste disposal; long-term groundwater remediation, natural attenuation, or other forms of engineering and institutional controls; building and structural remedial activities, including, but not limited to, demolition, asbestos abatement, polychlorinated biphenyl removal, contaminated wood or paint removal, or other infrastructure remedial activities; attorney fees; and planning, engineering and environmental consulting. Not more than 20 percent of the Brownfields loan may be used for soft costs.**

(g)-(h) (No change.)

(i) The Authority shall determine the term, and fixed and/or variable rates of interest, including interest rate floors, to be charged for each loan product through consideration and official action of the Members at a public hearing. The applicant shall elect in writing, at or prior to the time of closing, a fixed interest rate or [at] a variable interest rate.

1.-6. (No change.)

7. For Brownfields loans, full repayment shall be due and payable to the Authority at the earlier of the end of the loan term or upon closing of construction financing. The interest shall be fixed and shall be determined by the economic feasibility and economics pertaining to the return on investment and the ability to attract the required investment. The Authority, at its sole discretion, may reduce the rate of interest based on factors associated with the redevelopment project's projected societal benefits and contribution to the economic development of the municipality and the areas to be affected by the redevelopment project as determined by a review of the redevelopment project design; such factors may include, but are not limited to:

i. The redevelopment project has been designed as a mixed-use residential project consisting of newly-constructed residential units where the developer will reserve at least 20 percent, but not more than 50 percent, of the residential units constructed for occupancy by low- and moderate-income households with affordability controls as required under the rules of the Council on Affordable Housing;

ii. The brownfield site is in an urban food desert community and the redevelopment project design includes a food delivery source, which means access to nutritious foods, such as fresh fruits and vegetables, through grocery operators, including, but not limited to, a full-service supermarket or grocery store, or other healthy food retailers of at least 10,000 square feet, including, but not limited to, a prepared food establishment selling primarily nutritious ready-to-serve meals.

iii. The redevelopment project design includes a health care or health services center with a minimum of 10,000 square feet of space devoted to primary health care or health services and is located in a distressed municipality with a Municipal Revitalization Index score of 50 or lower.

iv. The redevelopment project has been designed as a tourism destination project, which means a non-gaming business facility that will be among the most visited privately owned or operated tourism or recreation sites in the State, and which has been determined by the Authority to be located in an area appropriate for development and in need of economic development incentive assistance. A tourism destination project shall include a non-gaming business facility within an established tourism district with a significant impact on the economic viability of that district.

v. The redevelopment project design includes an electric vehicle charging station installation in at least 25 percent of the parking spaces to be located at the redevelopment project.

vi. The applicant demonstrates to the Authority that the parking area to be located at the redevelopment project is capable of conversion to commercial space if there is a decrease in demand for parking.

vii. The redevelopment project has been designed to include an incubator facility or collaborative workspaces.

Recodify existing 7. As 8. (No change in text.)

(j)-(k) (No change.)

19:31-3.2 Eligibility standards

(a)-(b) (No change.)

[(c) For Brownfield Redevelopment Loans, project sites must be the subject of a Municipal Landfill Site Closure, Remediation and Redevelopment Agreement that has been entered into by the applicant with the New Jersey Departments of Environmental Protection and the Treasury.]

(c) For Brownfields Loans:

1. The following words and terms, when used in this subchapter, shall have the following meanings only for purposes of the Brownfields Loan Program, unless the context clearly indicates otherwise:

i. "Brownfield site" means any former or current commercial or industrial site that is currently vacant or underutilized and on which there has been, or there is suspected to have been, a discharge of a contaminant or on which there is a contaminated building or which has been remediated for industrial use, but requires further remediation for mixed-use residential development;

ii. "Contaminated building" means a structure for which abatement or removal of asbestos, polychlorinated biphenyls, contaminated wood or paint, and other infrastructure remedial activities necessary;

iii. "Contamination" or "contaminant" means any discharged hazardous substance as defined pursuant to section 3 of P.L. 1976, c. 141 (N.J.S.A. 58:10-23.11b), hazardous waste as defined pursuant to section 1 of P.L. 1976, c. 99 (N.J.S.A. 13:1E-38), or pollutant as defined pursuant to section 3 of P.L. 1977, c. 74 (N.J.S.A 58:10A-3);

iv. "Equity" means cash, development fees, costs for remediation and redevelopment project feasibility incurred within the 12 months prior to application, property value less any mortgages or liens, and the portion of the developer's fee that is delayed for a minimum of five years, and any other investment by the developer in the remediation or redevelopment project deemed acceptable by the Authority in its sole discretion but shall not include Federal, state and local grant and federal and state tax credits; and

v. "Licensed site remediation professional" means an individual who is licensed by the Site Remediation Professional Licensing Board pursuant to section 7 of P.L. 2009, c. 60 (N.J.S.A. 58:10C-7) or the department pursuant to section 12 of P.L. 2009, c. 60 (N.J.S.A. 58:10C-12);

vi. "Local governmental redeveloper" means a municipal government, a municipal parking authority, a redevelopment agency acting on behalf of a municipal government as defined in section 3 of P.L. 1992, c. 79 (N.J.S.A. 40A:12A-3), a county improvement authority established pursuant to P.L.1960, c. 183 (N.J.S.A. 40:37A-44 et seq.), or any subdivision, department, agency, or instrumentality of a county or municipality that is authorized to complete the remediation and redevelopment of a brownfield site; and

vii. "Redevelopment project" means the specific construction project or improvement, including lands, buildings, improvements, real and personal property or any interest

therein, including lands under water, riparian rights, space rights and air rights, acquired, owned, leased, developed or redeveloped, constructed, reconstructed, rehabilitated or improved, undertaken by a developer, owner or tenant, or both, at the brownfield site upon completion of the remediation project.

viii. "Remediation" or "remediate" or "remedial activities" means all necessary actions to investigate and clean up or respond to any known, suspected, or threatened discharge of contaminants, including, as necessary, the preliminary assessment, site investigation, remedial investigation, and remedial action, as those terms are defined in section 23 of P.L. 1993, c. 139 (N.J.S.A. 58:10B-1), provided, however, that "remediation" or "remediate" shall not include the payment of compensation for damage to, or loss of, natural resources.

ix. "Remediation project" or "project" means the investigation, assessment, and remediation of a brownfield site.

2. Applicants shall include potential purchasers or current owners of a brownfield site, including local governmental redevelopers, and shall not include individuals or entities responsible for, or individuals or entities who have common ownership or control with entities responsible for, any existing environmental contamination at the site or any individuals or entities that have indemnified a responsible party or a party who has common ownership or control with a responsible party. The applicant shall demonstrate to the Authority's satisfaction through the required licensed site remediation professional report or, as applicable for a structure, other documentation from a qualified professional that the site is a brownfield site;

3. Demonstrate site control or a path to site control for the brownfield site;

4. The brownfield site, in a remediated condition, shall have an appraised value equal to or greater than 100 percent of all debt financing, including the requested Brownfields loan amount, unless the applicant can demonstrate other sources of collateral to the Authority's satisfaction;

5. Future use of the site shall be commercial, including, but not limited to, manufacturing and retail, or mixed use.

6. The applicant shall demonstrate the following to the Authority's satisfaction and based on the Authority's analysis, taking into account the costs of the remediation project:

i. The redevelopment project is economically feasible, meaning there is enough cash flow to repay debt financing, including the Brownfields loan, and

ii. The redevelopment project has a funding gap, which shall be supported by a certification from the applicant that after making all good faith efforts to raise additional capital, additional capital cannot be raised from other sources;

7. In addition, applications shall meet a minimum score and may be prioritized or selected in competitive rounds based on criteria that considers factors related to the economic distress of the municipality and the benefits of the proposed redevelopment project to the municipality and the State, including, but not limited to:

i. The applicant is a non-profit entity;

ii. The level of economic distress in the municipality as determined by the brownfield site being located in one of the 50 most distressed municipality in the Municipal Revitalization Index, in an eligible Opportunity Zone pursuant to 26 U.S.C. s.1400Z-1 and 26 U.S.C. s.1400Z-2, or in a municipality serviced by the New Jersey Department of Environmental Protection Community Collaborative Initiative;

iii. Investment received through a fund qualifying under 26 U.S.C. s.1400Z-1 and 26 U.S.C. s.1400Z-2, or engagement and collaboration with the Department of Environmental Protection Community Collaborative Initiative;

iv. The brownfield site is located in Planning Area 1 (Metropolitan) pursuant to the State Planning Act, P.L. 1985, c. 398 (N.J.S.A. 52:18A-196 et seq.) and within a one-half mile radius, with bicycle and pedestrian connectivity, to the mid-point of a New Jersey Transit Corporation, Port Authority Transit Corporation, or Port Authority Trans-Hudson Corporation rail, bus, or ferry station, including all light rail stations, or a high frequency bus stop as certified by the New Jersey Transit Corporation;

v. The proposed plan for the reuse of the brownfield site is consistent with applicable local redevelopment plans;

vi. The amount of the projected new tax revenues generated from the proposed use of the brownfield site;

vii. The need of the loan to the viability of the remediation project and the redevelopment project;

viii. The public health and environmental benefits of the proposed redevelopment project, in addition to the remediation of the brownfield site; and

ix. The length of time the brownfield site has been abandoned or underutilized.

8. Remediation projects previously approved for reimbursement through the Brownfields and Contaminated Site Remediation Reimbursement Program are not eligible. Remediation projects that have not received any assistance from the Brownfields and Contaminated Site Remediation Program are eligible for a Brownfields loan provided that the loan is used for separate uses than the reimbursement assistance.

Recodify existing (d)-(e) as (f) and (g) (No change in text.)

19:31-3.3 Application procedures

(a) The prospective applicant should consult with the Authority to determine if the project is eligible for consideration.

(b) To apply, a completed Application for Financial Assistance (Application) concerning the project must be submitted to the Authority for review, together with the Application fee.

(c) A completed Application includes:

1. A history and description of the applicant's business;

2. A description of the proposed project and a detailed breakdown of the use of the loan proceeds;

3. Annual financial statements for the three most recent years, including the balance sheets, operating statements and reconciliations of the source and application of funds;

4. A current interim statement, if the most recent annual financial statement is more than six months old;

5. Three years of projections, including the balance sheets, operating statements, reconciliation of the source and application of funds, and a detailing of the assumptions used in preparing the projections;

6. A list of the applicant's five largest customers, including the customer name, address, telephone number, and contact person;

7. A list of the applicant's five largest suppliers, including the supplier name, address, telephone number, and contact person; [and]

8. A schedule of all officers, directors and stockholders (owning 10 percent or more of the stock), including resumes and signed, dated personal financial statements[.]**; and**

9. For the Brownfields Loan Program, applications shall be accompanied by:

i. A letter of support from the mayor of the municipality in which the brownfield site is located;

ii. In the case of municipalities making application, all approvals required by the Local Finance Board in the Division of Local Government Services, Department of Community Affairs;

iii. A plan for the redevelopment project, specifically including the proposed reuse of the brownfield site and a description of the relation of the reuse plan to applicable local redevelopment plan, zoning, and land use;

iv. A completed environmental report prepared by a licensed site remediation professional pursuant to applicable New Jersey Department of Environmental Protection requirements; and

vi. Any applicable environmental report prepared by other qualified professionals pertaining to any structure on the brownfield site.

(d) The Authority may also require:

1. Appraisal(s) on real property and/or machinery and equipment;

2. Aging of accounts receivable;

3. Aging of accounts payable; and/or

4. Any additional information deemed necessary to evaluate the Application.

(e) Applications are processed through several layers of staff review, and may then be recommended for consideration and official action of the Members at a public meeting. The applicant has no right to have its Application presented to the Members.

19:31-3.4 Evaluation process

(a) When all of the required information is received, the Authority will perform its own credit evaluation based on the following:

1. Visitation to the applicant's place of business, which may take place prior to the Application as part of the meeting to determine eligibility;

2. An analysis of historic and projected financial statements and a comparison to industry peers;

3. An independent industry study using source material such as the U.S. Department of Commerce's Industrial Outlook and the Standard & Poor's Industry survey, comparing the applicant's projections to the study, and considering the short term and long term outlook for the industry;

4. Contact with applicant's customers to ascertain the quality of the product or service provided, the competitiveness of the pricing, reliability and timeliness of delivery, length of the relationship, likelihood of the relationship being continued, and the customers' opinions of the applicant's management;

5. Contact with applicant's suppliers to ascertain the length of the relationship, the amount of credit extended, the amount of purchases, payment history, the likelihood of the relationship being continued, and possibly an opinion of applicant's management;

6. Contact with applicant's bank(s) to ascertain credit history and an opinion of the applicant's management;

7. An analysis of collateral available to secure the requested financing as to adequacy of amount, quality, condition and marketability; and

8. Independent credit investigations of the applicant and its principals, which may include real estate searches, financing statement searches, and judgment and lien searches.

(b) After completing (a) above, a determination is made as to the merits of the request, the likelihood of repayment, and the adequacy of the collateral available to secure the requested financing. **For a Brownfields loan, the determination of the amount of the loan shall also be based on the amount of the funding gap.**

(c) If a positive determination is made, the requested financing is presented to the Members for approval.

19:31-3.5 Approval process

(a) Only the Members can approve a direct loan, either directly or through delegation.

(b) When the Members approve a request, the minutes of the meeting at which such approval occurs are submitted to the Governor.

(c) The Members' approval is effective 10 working days after the Governor's receipt of the minutes, provided no gubernatorial veto of this action has occurred.

(d) If there has been no veto, a formal commitment letter is issued to the applicant.

1. The commitment letter contains all terms, conditions and collateral required by the Authority. **As applicable, direct loans are subject to the Authority's affirmative action requirements, P.L. 1979, c. 203 (N.J.S.A. 34:1B-5.4) and prevailing wage requirements, P.L. 2007, c. 245 (N.J.S.A. 34:1B-5.1).**

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

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

4. For the Brownfields Loan Program, applicants are required to:

i. As a condition to closing:

(1) Provide documentation of owner equity equal to a minimum of 10 percent of the appraised value of the brownfield site in a remediated state.

(2). Demonstrate site control, which includes the ability to perform the remediation and redevelopment projects, grant a lien on the brownfield site as collateral to the Authority if applicable, and record the deed restriction in (iii) below.

ii. Upon closing, record a deed restriction that requires that for 10 years after completion of the remediation project, any redevelopment project on the brownfield site shall be consistent with the proposed use and the factors considered to determine eligibility, rate of interest, or other benefits under the Brownfields Loan Program.

iii. The Authority's affirmative action and prevailing wage requirements shall apply to the remediation project and the redevelopment project.

iv. Prior to final disbursement, provide evidence that the remediation project is completed. There shall be no requirement for the applicant to complete the redevelopment project.

(e) When the commitment letter has been accepted by the applicant and returned to the Authority, a list of closing instructions is mailed to the attorney for the applicant.

(f) When all required documentation is prepared, in form and content satisfactory to the Authority, a loan closing is scheduled and the funds are made available to the applicant.

Brownfields Loan Program Proposed Program Specifications	
Funding Source	Up to $15,000,000
Program Purpose	To provide financial assistance in the form of low-interest loans to applicants who seek to remediate and develop property.
Eligible Applicants	Potential brownfield site purchasers and current brownfield site owners (including local government redevelopers) that intend to develop commercial (including but not limited to manufacturing), retail, mixed-use developments, expansions or reuses. Parties responsible for contamination of brownfield site or related to party responsible for contamination of brownfield site, are not eligible for financing nor may an applicant have indemnified a responsible party or a party related to a responsible party. Applicants must be able to demonstrate site control or a path to site control. The applicant must provide an LSRP report or other documentation from a qualified professional that demonstrates that the site is a brownfield site. All applications must be accompanied by a letter of support from the mayor of the municipality in which the brownfield site is located. As required by the law governing borrowing by municipalities, municipalities applying for a Brownfields loan need Local Finance Board approval. Applicant must provide Owner Equity equal to a minimum of 10% of the appraised value of the property in a remediated state.
Eligible Projects/Properties	Any former or current commercial or industrial site that is currently vacant or underutilized and on which: • There has been, or there is suspected to have been, a discharge of a contaminant

Brownfields Loan Program Proposed Program Specifications	
	• There is a structure upon which abatement or removal of asbestos, polychlorinated biphenyls, contaminated wood or paint, and other structural remedial activities is necessary. • Any site as described above that has been remediated for industrial use but requires further remediation for mixed-use residential redevelopment. Project must be economically feasible, meaning there is enough cash flow to repay debt financing, including the brownfields loan, and demonstrate a funding gap or that other financing is not currently available (to be supported by a certification from the applicant that, after making all good faith efforts to raise additional capital, certifies that additional capital cannot be raised from other sources). Project must have a plan for reuse of the remediated site. Projects previously approved for reimbursement through the Brownfields and Contaminated Site Remediation Reimbursement Program are not eligible. Projects that have not received any assistance to date are not precluded from applying for and receiving an NJEDA Brownfields loan and reimbursement through the Brownfields and Contaminated Site Remediation Program, so long as the loan is used for separate uses than the reimbursement assistance. The property, in a remediated condition, must have an appraised value equal to or greater than 100 percent of all debt financing, including the requested Brownfields loan amount or applicant must demonstrate other sources of collateral. The following conditions, while not required at application, will be required prior to or at closing of a brownfields loan: 1. Demonstrate site control, which includes the ability to perform the remediation and redevelopment projects and grant a lien on the brownfield site as collateral to the Authority if applicable

<table>
<tr><th colspan="2">Brownfields Loan Program
Proposed Program Specifications</th></tr>
<tr><td></td><td>2. Record a deed restriction that requires that for 10 years after completion of the remediation project, any redevelopment project on the brownfield site shall be consistent with the proposed use and the factors considered to determine eligibility, interest rate, and other benefits under the Brownfields Loan Program.</td></tr>
<tr><td>Eligible Uses</td><td>Costs associated with the investigation, assessment, and remediation of a brownfield, including but not limited to:

• Soil, groundwater and infrastructure investigation
• Assessment
• Remediation
• Abatement
• Hazardous materials or waste disposal
• Long-term groundwater or natural attenuation
• Other forms of institutional controls
• Attorney fees
• Planning, engineering and environmental consulting
• Building and structural issues (including demolition, asbestos abatement, PCB removal, contaminated wood or paint removal or other infrastructure remedial activities)

Applicant cannot propose a use of funds that is duplicative of other approved State or Federal grants previously awarded that would pay for the proposed use of funds, e.g., environmental studies and reports that are eligible under NJDEP HDSRF.

Not more than 20% of the Brownfields loan can be used for soft costs.</td></tr>
<tr><td>Application Process</td><td>Applications will be accepted in competitive rounds. To be considered for funding, an application must meet a minimum score on publicly available scoring criteria, and priority of funding will be determined based on highest overall score.</td></tr>
</table>

<table>
<tr><th colspan="2">Brownfields Loan Program
Proposed Program Specifications</th></tr>
<tr><td>Loan Amounts</td><td>• Minimum loan amount of $100,000
• Maximum loan amount of $5,000,000</td></tr>
<tr><td>Loan Term, Rates and Repayment</td><td>10-year term, with P&I deferred for the first two years and then interest only for years 2-4, then amortizing for the balance (no balloon). No penalty for prepayment.

Interest Rate: Base rate of 3% with 20 basis point reductions per applicable criteria below, with a floor of 2%, based on the applicant/ redevelopment project design:

o Mixed-use residential project consisting of newly-constructed residential units where the developer will reserve at least 20 percent, but not more than 50 percent, of the residential units constructed for occupancy by low- and moderate-income households with affordability controls as required under the rules of the Council on Affordable Housing.
o The project is in an urban food desert community and the redevelopment project includes a food delivery source. Food delivery source” means access to nutritious foods, such as fresh fruits and vegetables, through grocery operators, including, but not limited to a full-service supermarket or grocery store, and other healthy food retailers of at least 10,000 square feet, including, but not limited to, a prepared food establishment selling primarily nutritious ready-to-serve meals.
o A health care or health services center with a minimum of 10,000 square feet of space devoted to primary health care or health services and is located in a distressed municipality with a Municipal Revitalization Index score of 50 or lower.</td></tr>
</table>

Brownfields Loan Program Proposed Program Specifications	
	- The project qualifies as a tourism destination project, which means a non-gaming business facility that will be among the most visited privately owned or operated tourism or recreation sites in the State, and which has been determined by the Authority to be in an area appropriate for development and in need of economic development incentive assistance, including a non-gaming business within an established tourism district with a significant impact on the economic viability of that district.. - The project includes an electric vehicle charging station installation in at least 25 percent of the parking spaces located at the redevelopment project - The project demonstrates to the Authority that the parking area at the redevelopment project is capable of conversion to commercial space if there a decrease in demand for parking. - The project includes an incubator facility or collaborative workspaces.
Funding Disbursement	Funding to be disbursed as components of the project are completed. There will be retainage of up to 10% of the total loan amount that will not be fully disbursed until project is issued a no further action letter or response action outcome (for site remediation) or corresponding document from the appropriate authority evidencing completion of remediation (for structural remediation).
Lien/Collateral/Security	Lien on property, subordinated to purchase mortgage, removed upon repayment. Deed restriction for 10 years after completion of the remediation requiring the redevelopment project to be consistent with the proposed use and the factors considered for eligibility or other benefits, such as reduced interest rate.

Brownfields Loan Program **Proposed Program Specifications**	
Fees	• Application fee: $2,500 • Commitment fee: 0.875% of loan amount • Closing fee: 0.875% of loan amount • Loan modification fees apply. Applicants will reimburse NJEDA for any third-party fees (e.g. appraisals, market studies, etc.) that the Authority deems necessary and incurs during application review and prior to Board approval
Board Approval	Board approval required
Scoring Criteria	The Authority will establish scoring criteria to evaluate the project design and must meet a minimum score to be considered for funding, but funding priority within an application round will be determined by overall score. Elements related to the economic distress of the municipality and the benefits of the proposed redevelopment project to the municipality and the State that may be considered in the scoring criteria include, but are not limited to: • The borrower/developer is a non-profit entity • Level of economic distress in the municipality as determined by the brownfield site being located in: one of the 50 most distressed municipality per MRI, an eligible opportunity zone, or in a municipality serviced by NJDEP Community Collaborative Initiative. • Proximity to public transportation - The project is located in a Planning Area 1 (Metropolitan) and within a one-half mile radius, with bicycle and pedestrian connectivity, to the mid-point of a New Jersey Transit Corporation, Port Authority Transit Corporation, or Port Authority Trans-Hudson Corporation rail, bus, or ferry station, including all light rail stations, or a high frequency bus stop as certified by the New Jersey Transit Corporation

Brownfields Loan Program **Proposed Program Specifications**	
	• The consistency between the proposed plan for the reuse of the brownfield site and local redevelopment plans. • The amount of the projected new tax revenues generated from the proposed use of the brownfield site • The need of the loan to the viability of the remediation project and the redevelopment project • The public health and environmental benefits of the project in addition to the remediation of the brownfield site. • Length of time the brownfield site has been abandoned or underutilized

MEMORANDUM

To: Members of the Authority

From: Tim Sullivan
Chief Executive Officer

Date: April 9, 2019

Subject: Film Tax Credit Program – Order of Applicant Consideration

Request:

The Members are requested to confirm, in accordance with N.J.A.C. 19:31-21.7(a), the following order of consideration in which the Members will consider film and television production applications for tax credits under the New Jersey Film Tax Credit Program:

1. All Star Movie, LLC
2. Event Services, Inc.
3. Ironman Productions, LLC
4. WB Studios Enterprises Inc.
5. Besa Movie LLC
6. Universal Television LLC (The Enemy Within Season 1)
7. Rose City Pictures, Inc.
8. Viacom International, Inc.
9. Universal Television LLC (Dream aka Little America)
10. The HKB Film LLC
11. Touchstone Television Productions LLC
12. Day 28 Films Liberty LLC
13. Twentieth Century Fox Film Corporation
14. SPR Media

Background:

The "Garden State Film and Digital Media Jobs Act," P.L. 2018, c. 56, enacted July 3, 2018, provides a credit against the corporation business tax and the gross income tax for certain expenses incurred for the production of certain films and digital media content in New Jersey.

Under the statute, a taxpayer may qualify for a tax credit of 30 percent of qualified film production expenses if 60 percent of the film's total production expenses, exclusive of post-production costs, are incurred for services and goods purchased through vendors in New Jersey, or the qualified film production expenses in New Jersey of the taxpayer for the production exceed $1 million in a tax period.

The film tax credit may be increased to 35% for qualified film production expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.

Additionally, as authorized by the Act, the rules provide for a bonus for taxpayers applying for a credit against the corporate business tax in the amount of two percent of the qualified film or digital media expenses if the application is accompanied by a diversity plan outlining goals, which includes the intention to prioritize the hiring of minority persons and women.

The total amount of film tax credits available under the program is $75 million per state fiscal year, beginning with State Fiscal Year ("SFY") 2019 and ending with SFY2023, for a total available pool of $375 million.

New rules for the Film Tax Credit Program were approved by the Members at the November 9, 2018 Board meeting and were adopted and effective upon acceptance for filing by the Office of Administrative Law. N.J.A.C. 19:31-21.7(a) provides that applications to the Film Tax Program shall be considered for initial approval on a first in time basis subject to the $75 million annual cap, and N.J.A.C. 19:31-21.9(a) provides that applicants that could not gain approval due to the annual cap restriction shall be considered for initial approval in the order in which they have submitted an application on the first date of the following fiscal year.

<u>Order of Consideration – Film Tax Credit Program</u>

As stated above, the regulations establish that applications for tax credits will be considered on a first in time basis, which is based on the date in which a completed application is received by the Authority in accordance with program procedures.

Given the Authority's limited experience in reviewing film production projects and their budgets, Authority staff requires additional time to review the applications. Understanding that the Members' initial approval of projects for film tax credits will be only an approval of a not to exceed amount, and that the actual tax credit issuance is subject to a certification process that involves Authority review of a CPA verification of actual expenses incurred by the film production, substantial review is needed at this preliminary stage to ensure that the tax credits under the $75 million annual cap are appropriately allocated if initially approved.

While the Authority undertakes this review and continues to work with the New Jersey Office of Diversity & Inclusion on the review of diversity plans, as well as the Division of Taxation generally, the Authority is not prepared to recommend any film tax credit projects for the

Members' initial approval at this time. However, should the Members confirm the order of consideration stated herein, film production companies may elect to proceed with their film productions in New Jersey knowing the order in which their applications for tax credits will be considered by the Members once the Authority finalizes its application reviews.

Understanding this order of consideration in no way represents an approval of a project for tax credits or diversity plans associated with a Film Tax Credit Program application, the following order of consideration is recommended for confirmation based upon the dates completed applications were received by the Authority:

1. **Applicant Name: All Star Movie, LLC**
   Production Name: The All Stars
   Application Received Date: 12/17/2018
   Date Application Deemed Complete: 12/17/2018
   Principal Photography Commencement: 3/29/19
   Principal NJ Photography Location: Trenton / Burlington / Atlantic City
   Estimated Date of Project Completion: 6/20/19
   Estimated Total Film Production Expenses: $14,492,926
   Estimated Qualified Film Production Expenses: $13,967,926
   Diversity Plan Submitted: Yes

   All Star Movie, LLC is producing a film titled "The All Stars". The All Stars will follow a mid-20's ex-con and a mid-70's cop as they race against time and obsessive 'sneakerhead' collectors to obtain the very first pair of 1929 Chuck Taylor Converse All-Stars to Sneakercon. The project will explore the legend and the legacy of Chuck Taylor, who sold and designed basketball sneakers starting in 1929. Billy Bob Thornton and the actress Awkwafina are set to star in the film, Alec Sokolow is the writer and Sam Sokolow is the producer.

2. **Applicant Name: Event Services Inc.**
   Production Name: WrestleMania XXXV
   Application Received Date: 12/20/2018
   Date Application Deemed Complete: 12/20/2018
   Principal Photography Commencement: 4/04/2019
   Principal NJ Photography Location: East Rutherford
   Estimated Date of Project Completion: 7/07/2019
   Estimated Total Film Production Expenses: $29,158,000
   Estimated Qualified Film Production Expenses: $9,497,200
   Diversity Plan Submitted: No

   Event Services Inc. will be filming "WrestleMania XXXV" in New Jersey for the purpose of distributing the event on DVD within the United States and abroad. The DVD is planned to include the event itself, in addition to other possible features such as, another version of the event that includes pop-up facts, pre-event interviews, and extra matches from other WWE notable shows. Anticipated principal actors include: John

Cena, Paul Wright, Colby Lopez, Jonathan Good, Ronda Rousey, Ashely Fliehr, among others.

3. **Applicant Name: Ironman Productions, LLC**
   Production Name: The Lonesome Soldier
   Application Received Date: 1/4/2019
   Date Application Deemed Complete: 1/4/2019
   Principal Photography Commencement: 4/15/19
   Principal NJ Photography Location: Atlantic City
   Estimated Date of Project Completion: 6/20/19
   Estimated Total Film Production Expenses: $15,000,000
   Estimated Qualified Film Production Expenses: $15,000,000
   Diversity Plan Submitted: Yes

   Ironman Productions, LLC is producing a film titled The Lonesome Soldier, a true story that follows veteran Jackson Harlow return home from Iraq with haunting memories. Based on a true story, witness Jackson fights to turn his life around as PTSD seemingly takes everything from him. Lionel Chetwynd is the Director and lead producers are Alexander Randazzo, Mark Wallace. A.I. Moore is the writer along with Linda Lee, the mother of solider. Actors have yet to be named.

4. **Applicant Name: WB Studios Enterprises Inc.**
   Production Name: JOKER
   Application Received Date: 1/08/2019
   Date Application Deemed Complete: 1/8/2019
   Principal Photography Commencement: 9/12/2018
   Principal NJ Photography Location: Newark
   Estimated Date of Project Completion: 12/7/2018
   Estimated Total Film Production Expenses: $88,972,192
   Estimated Qualified Film Production Expenses: $7,636,977
   Diversity Plan Submitted: Yes

   WB Studios Enterprises Inc. is producing JOKER. The origin story of JOKER, from a mild-mannered, put-upon and pathetic young man caring for his addled, delusional mother, to a twisted, angry and tortured figure allowing himself to act in an unhinged, anarchic and murderous fashion, becoming a symbol of controlled insanity in the process.

5. **Applicant Name: Besa Movie LLC**
   Production Name: Besa
   Application Received Date: 12/17/2018
   Date Application Deemed Complete: 1/14/2019
   Principal Photography Commencement: 2/2019
   Principal NJ Photography Location: Various
   Estimated Date of Project Completion: 3/2019
   Estimated Total Film Production Expenses: $1,504,109

Estimated Qualified Film Production Expenses: $1,492,609
Diversity Plan Submitted: Yes

Besa Movie LLC is the production company responsible for “Besa”. Chazz Palminteri stars in this crime-thriller film that depicts a head-on collision of two cultures that place blood vengeance above all forms of justice.

6. **Applicant Name: Universal Television LLC**
Production Name: The Enemy Within Season 1
Application Received Date: 12/20/2018
Date Application Deemed Complete: 1/14/2019
Principal Photography Commencement: 9/2018
Principal NJ Photography Location: East Rutherford
Estimated Date of Project Completion: 2/2019
Estimated Total Film Production Expenses: $64,402,655
Estimated Qualified Film Production Expenses: $44,905,367
Diversity Plan Submitted: Yes

Universal Television LLC is the production company responsible for “The Enemy Within Season 1”. Jennifer Carpenter stars in this fast-paced, spy-hunting thriller based on a brilliant former CIA operative now known as the most notorious traitor in American history.

7. **Applicant Name: Rose City Pictures, Inc.**
Production Name: The Many Saints of Newark
Application Received Date: 1/22/2019
Date Application Deemed Complete: 1/22/2019
Principal Photography Commencement: 4/3/2019
Principal NJ Photography Location: Newark
Estimated Date of Project Completion: 12/31/19
Estimated Total Film Production Expenses: $58,129,114
Estimated Qualified Film Production Expenses: $5,253,505
Diversity Plan Submitted: Yes

Rose City Pictures, Inc. is producing a film titled “The Many Saints of Newark” aka “Newark”. The film is set in the world of the acclaimed series, The Sopranos. It opens in 1967 Newark with the lead character Dickie M. as a troubled gangster, constantly striving to do the right thing but falling short. The film follows him as he navigates his way through the world of organized crime and his personal dilemmas, set against the backdrop of rising tensions between the Italian-American and the African-American communities of Newark.

8. **Applicant Name: Viacom International, Inc.**
Production Name: Black Girls Rock!
Application Received Date: 12/20/2018
Date Application Deemed Complete: 1/30/2019
Principal Photography Commencement: 8/26/18
Principal NJ Photography Location: Newark
Estimated Date of Project Completion: 8/26/18
Estimated Total Film Production Expenses: $4,504,625
Estimated Qualified Film Production Expenses: $1,982,029
Diversity Plan Submitted: No

Viacom International, Inc. produces an annual award show titled Black Girls Rock!, founded by former DJ and model Beverly Bond, that honors and promotes Black women in different fields involving music, entertainment, medicine, entrepreneurship and visionary aspects. The categorized awards include "The 'Rock Star' Award," "Social Humanitarian," "Who Got Next?," "Living Legend," "Shot Caller," "Trailblazer," "Motivator," "Young, Gifted & Black," "Star Power," and "Visionary." The program also features musical performances by female recording artists in the R&B and Soul music genres.

9. **Applicant Name: Universal Television LLC**
Production Name: Dream" aka "Little America"
Application Received Date: 2/28/19
Date Application Deemed Complete: 2/28/2019
Principal Photography Commencement: 3/07/19
Principal NJ Photography Location: Kearny
Estimated Date of Project Completion: 5/24/19
Estimated Total Film Production Expenses: $43,085,580
Estimated Qualified Film Production Expenses: $34,866,291
Diversity Plan Submitted: Yes

Universal Television LLC is producing Dream" aka "Little America" an anthology of true stories originally published in Epic Magazine and described as "a small, collective portrait of America's immigrants and thereby a portrait of America itself." The TV series will go beyond the headlines to look at the funny, romantic, heartfelt, inspiring and unexpected lives of immigrants in America. The current plan allows for 8 Episodes to be produced running about 30 minutes each.

10. **Applicant Name: The HKB Film LLC**
Production Name: The Atlantic City Story
Application Received Date: 2/11/2019
Date Application Deemed Complete: 3/8/2019
Principal Photography Commencement: 2/2019

Principal NJ Photography Location: Atlantic City
Estimated Date of Project Completion: 3/2019
Estimated Total Film Production Expenses: $314,299
Estimated Qualified Film Production Expenses: $249,058
Diversity Plan Submitted: No

The HKB Film LLC is the production company responsible for “The Atlantic City Story”. Jessica Hecht stars in the story of an unhappily married woman who runs away to Atlantic City. While there, she meets a young gambler, becomes intoxicated by his spontaneous lifestyle and the two lost souls form an unlikely bond.

11. Applicant Name: Touchstone Television Productions LLC
Production Name: Emergence
Application Received Date: 3/5/2019
Date Application Deemed Complete: 3/8/2019
Principal Photography Commencement: 3/2019
Principal NJ Photography Location: Kearny
Estimated Date of Project Completion: 4/2019
Estimated Total Film Production Expenses: $11,184,084
Estimated Qualified Film Production Expenses: $8,068,871
Diversity Plan Submitted: No

Touchstone Television Productions LLC is the production company responsible for “Emergence”. Alexa Swinton stars in a character-driven thriller that centers around a sheriff who takes in a young child that she finds near the site of a mysterious accident who has no memory of what has happened. The investigation draws her into a conspiracy larger than she ever imagined, and the child’s identity is at the center of it all.

12. Applicant Name: Day 28 Films Liberty LLC
Production Name: Gimme Liberty
Application Received Date: 1/24/2019
Date Application Deemed Complete: 3/11/2019
Principal Photography Commencement: 6/24/2019
Principal NJ Photography Location: Ramsey
Estimated Date of Project Completion: 12/31/2019
Estimated Total Film Production Expenses: $9,998,683
Estimated Qualified Film Production Expenses: $9,998,683
Diversity Plan Submitted: Yes

Gimme Liberty is the prequel to the 2014 theatrical film Gimme Shelter. This heroic true story is based on a working-class woman’s battle against the establishment to improve the housing laws to help those in need. This “David and Goliath” storyline, follows Kathy DiFiore’s courageous journey from an abused housewife to homeless, to eventually getting back on her feet to purchase her very own home where she gets the inspiration to start an organization for helping homeless women and pregnant teenagers for the last 38 years in the State of New Jersey.

13. **Applicant Name: Twentieth Century Fox Film Corporation**
Production Name: West Side Story
Application Received Date: 03/13/2019
Date Application Deemed Complete: 03/13/2019
Principal Photography Commencement: 7/1/2019
Principal NJ Photography Location: Paterson
Estimated Date of Project Completion: 4/10/2020
Estimated Total Film Production Expenses: $171,087,179
Estimated Qualified Film Production Expenses: $21,422,733
Diversity Plan Submitted: Yes

Twentieth Century Fox Film Corporation is producing a film that will be adapted for the screen from the original 1957 Broadway musical. "West Side Story" will be produced and directed by Steven Spielberg from a script by Oscar®-nominated screenwriter and Pulitzer Prize-winning playwright Tony Kushner. The musical is about a modern-day Romeo and Juliet who are involved in New York street gangs. On the harsh streets of the upper west side, two gangs battle for control of the turf. The situation becomes complicated when a gang member falls in love with a rival's sister.

14. **Applicant Name: SPR Media**
Production Name: A Nice Girl Like You
Application Received Date: 12/20/2018
Date Application Deemed Complete: 4/4/2019
Principal Photography Commencement: 10/23/2018
Principal NJ Photography Location: Atlantic City/Rutherford/Jersey City/Secaucus/ Glenn Ridge
Estimated Date of Project Completion: 2/14/2019
Estimated Total Film Production Expenses: $1,859,582
Estimated Qualified Film Production Expenses: $1,450,000
Diversity Plan Submitted: Yes

SPR Media is producing a film about an Oxford grad's hilarious explorations facing her sexual fears after being labeled 'sexophobic' by her significant other. When Lucy Neil and her boyfriend break up she is heartbroken. She sets out on a quest to understand why everyone close to her feels she is so uptight about sex and life itself. A proclaimed list maker, she sets out on a quest to enlighten herself on just what makes men tick or lack thereof.

Recommendation

The Members' approval is requested to confirm the above order of consideration in which the Members will consider film and television production applications for tax credits under the New Jersey Film Tax Credit Program

Prepared by: Pat Rose

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: April 9, 2019

RE: Memorandum of Understanding (MOU) – Advanced Manufacturing Student Outreach Pilot

Request

The Members are requested to approve a Memorandum of Understanding (MOU) between the Authority and the Ocean County Vocational Technical School District (OCVTSD) for the Authority to provide funding to support an advanced manufacturing student outreach pilot, which will help improve New Jersey students' perceptions of the advanced manufacturing industry, inform them of the requisite skills necessary for a career in the industry, and delineate all the different pathways and opportunities available for them to pursue within the industry. The maximum funding commitment from the Authority to OCVTSD necessary to reimburse the district for all costs, including bussing, staff chaperones, and printing costs, will be $20,000.

Background

Advanced manufacturing is a high-wage, high-value industry that has exhibited recent growth in New Jersey and is a focus sector within Governor Murphy's new economic development strategy. Its distinctive characteristics are a systems-based approach to maximizing efficiency and precision in manufacturing processes, and using technology such as sensors, automation, and wireless communication. The advanced manufacturing sector produces over $31 billion of yearly direct and indirect economic output in New Jersey and employs over 160,000 New Jerseyans, whose wages average nearly 20% higher than similar workers outside of New Jersey.

The modest rebound within New Jersey's manufacturing sector (and its increasing transition from conventional- to advanced-manufacturing) since the recession has been met with some headwinds that hinder additional growth opportunities. An aging workforce nearing retirement, combined with a shortage of new, younger workers entering the sector, has the potential to seriously inhibit future growth. Additionally, many of the younger workers that do enter the field are often under-trained for the tasks necessary to succeed in this modern, technically-demanding field. One factor that industry stakeholders through the New Jersey Advanced Manufacturing Policy Academy ("Manufacturing Policy Academy") have identified as a major inhibitor of sector growth is a negative and outdated perception of the manufacturing industry. Misconceptions of what advanced manufacturing actually entails are prevalent among students, such as the notion that it is a dirty and repetitive vocation with low pay and uncertain employment prospects. Additionally, there is a lack of understanding of the math and science skills necessary for a career in advanced manufacturing, as well as the different career pathways that are available within the industry.

Advanced Manufacturing Student Outreach Pilot To mitigate these issues, the NJEDA has helped facilitate a "marketing and outreach working group" within the Manufacturing Policy Academy. This Academy was formed by NJEDA in concert with New Jersey industry leaders with a grant from the National Institute of Standards in the U.S. Department of Commerce. With a large amount of stakeholder input, the working group has devised a three-pronged pilot project to help improve New Jersey students' perceptions of the industry, inform them of the requisite skills necessary for a career in the industry, and delineate all the different pathways and opportunities available for them to pursue within the sector. The three facets of this pilot are:

1. Student field trips to participating manufacturing facilities

a. Interested middle and high school students will be taken to an advanced manufacturing facility to observe how it operates and to interact with employees.
b. The focus area for this part of the pilot will be Ocean County. There will also be a focus on ensuring that students from varied socio-economic backgrounds attend the field trips, especially students from the county's three opportunity zone municipalities (Lakewood, Manchester, and Berkely)
c. The working group will ensure coordination for the field trips between school administrators, participating manufacturing firms, and OCVTS advanced manufacturing programs.

2. Dissemination of multimedia content dissemination to students.
   a. The working group will create a short piece of multi-media content (e.g. video clips) that showcases current advanced manufacturing processes.
3. Dissemination of pathways document to students and guidance counselors
   a. The working group will create a flyer and/or poster ("pathways" document), which will be an informational graphic that outlines the different educational and training paths a student may follow to achieve a career in the advanced manufacturing sector.

Students will sign up for the initial field trip at Ocean County Vocational Technical School's manufacturing program open house on May 23rd. The field trip will be tentatively scheduled for one school day during the week of June 3rd and will consist of 3 visits to participating manufacturing firms in the Jackson, NJ. These students will also receive the multimedia content and pathways document ahead of the field trips. Three additional field trips aimed at various age cohorts have also been tentatively planned for Fall 2019. The maximum funding commitment from the Authority to OCVTSD necessary to reimburse the district for all costs, including bussing, staff chaperones, and printing costs, will be $20,000.

Recommendation

The Members' approval is requested to approve a Memorandum of Understanding, attached as Exhibit A, between the Authority and the Ocean County Vocational Technical School District for the Authority to provide funding to reimburse the district for costs in an amount not to exceed $20,000 for a Student Outreach Pilot. This will expose students to the advanced manufacturing industry, a focus sector in Governor Murphy's Statewide Economic Development Plan, and is the first key step towards developing a workforce with the requisite skills necessary to ensure a resilient advanced manufacturing industry in New Jersey.

Prepared by: Eric Solomon

Attachments:
Exhibit A – Proposed Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("MOU"), made as of this _________ day of ______, 2019 (the "Effective Date"), is between the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ("EDA") and the Ocean County Vocational Technical School District ("OCVTSD"), (collectively the "Parties").

WHEREAS, the EDA, established pursuant to N.J.S.A. 34:1B-1 et seq., is an independent State authority, in but not of Treasury, that serves as the State's principal agency for driving economic growth and is committed to making New Jersey a national model for inclusive and sustainable economic development by focusing on key strategies to help build strong and dynamic communities, create good jobs for New Jersey residents, and provide pathways to a stronger and fairer economy; and

WHEREAS, the EDA has launched the Office of Economic Transformation to focus on the growth-oriented sectors identified in the Governor's Strategic Plan for Economic Development; and

WHEREAS, Advanced Manufacturing was identified as one of those growth- oriented sectors; and

WHEREAS, in July 2018, the NJEDA, in concert with New Jersey industry leaders, was awarded a grant from the National Institute of Standards in the U.S. Department of Commerce to create the New Jersey Manufacturing Policy Academy ("Policy Academy"), which is a group of government and industry leaders tasked with identifying best practices to support the New Jersey manufacturing sector; and

WHEREAS, the Policy Academy has met numerous times over the past 9 months, and has determined that, among other issues, marketing and outreach to school age students is needed to counter misconceptions about the manufacturing industry; and

WHEREAS, the Policy Academy supports a student outreach pilot program whereby students undertake a student field trip to a manufacturing facility and are provided with support multimedia and written materials ("Student Outreach Pilot"); and

WHEREAS, through the efforts of members of the marketing and outreach working group ("Working Group") of the Policy Academy, OCVTS has been identified as a school district willing to undertake the Student Outreach Pilot; and

WHEREAS, it is in the best interest of the Parties to enter into this MOU regarding the provision of EDA support of the Student Outreach Pilot.

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

1. OCVTSD will undertake the following activities:

    a. Provide to EDA a budget estimating costs OCVTSD anticipates it will incur for the Student Outreach Pilot prior to undertaking any activities.

b. Undertake at least two and up to four student field trips to participating manufacturing facilities, whereby interested middle and high school students ("Field Trip Students") of the OCTVSD will be taken to an advanced manufacturing facility to observe how it operates and to interact with employees. Prior to undertaking any field trip, OCVTSD shall obtain written approval from EDA.

c. OCTVDS will focus on encouraging students from varied socio-economic backgrounds to attend the field trips, especially students from the county's three opportunity zone municipalities (Lakewood, Manchester, and Berkely)

d. OCTVSD will use its normal procedures and protocols to provide transportation and chaperones for the Field Trip Students.

e. OCTVSD will disseminate the multimedia and written materials prepared pursuant to Paragraph 2 to the Field Trip Students and guidance counselors.

2. The EDA will undertake the following activities:

   a. As a member of the Working Group, assist the Working Group in creating a short piece of multi-media content (e.g. video clips) that showcases current advanced manufacturing processes.

   b. As a member of the Working Group, assist the Working Group in creating a flyer and/or poster, which will be an informational graphic that outlines the different educational and training paths a student may follow to achieve a career in the advanced manufacturing sector.

   c. Provide the multimedia and written materials to OCTVSD in advance of each field trip.

   d. As a member of the Working Group, assist the Working Group to assist with coordination for the field trips between school administrators, participating manufacturing firms, and OCVTS advanced manufacturing programs.

   e. Reimburse to OCTVSD the lesser of $20,000 or the OCVTSD's Student Outreach Pilot costs.

3. The MOU shall not take effect unless executed by the authorized representatives of EDA and OCTVSD. This MOU becomes effective immediately upon execution and shall remain in effect for

two (2) years, unless terminated sooner pursuant to section 13 below. This MOU may subsequently be extended for one (1) year upon mutual written consent of the Parties.

4. The Parties are entering into this MOU for the sole purpose of evidencing the mutual understanding and intention of the Parties with respect to the Student Outreach Pilot. It may be amended, modified, and supplemented at any time by mutual consent and in writing signed by the undersigned or their designees. This MOU may also be terminated by EDA staff or OCTVSD upon 60 days prior written notice to the other. There are no third-party beneficiaries of this MOU.
5. The Parties acknowledge that they are both public entities of the State of New Jersey. Therefore, the Parties agree that each entity shall be liable for its own conduct and any claims against it without indemnification from the other.
6. All notices, demands or communications to any party to this MOU shall be send to the addresses set forth below or as may be otherwise modified in writing:

EDA: 36 West State Street
PO Box 990
Trenton, NJ 08625

OCTVSD:

IN WITNESS HEREOF, EDA and OCTVSD have executed this MOU on the dates below:

For OCTVSD:

Name:

Signature: ____________________

Title:

Date: ____________________

For EDA:

Name: Tim Sullivan

Signature: ____________________

Title: Chief Executive Officer

Date: ____________________

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: Genmab US, Inc. P45531

PROJECT LOCATION: 777 Scudders Mill Road Plainsboro Twp. Middlesex County

APPLICANT BACKGROUND:
Genmab US, Inc. ("Genmab") is an international biotechnology company that aims to improve the lives of patients by creating and developing innovative antibody products. The company was founded in Copenhagen, Denmark in 1999 and is publicly traded on Nasdaq Copenhagen and under an American Depositary Receipt (ADR) in the US. Genmab employs over 250 people worldwide and has offices in Denmark, The Netherlands and the United States.

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

The applicant is currently located in Princeton, NJ.

MATERIAL FACTOR/NET BENEFIT:
After a detailed evaluation of its current operations and future growth potential, Genmab had determined that it will need to relocate to a new, substantially larger facility to accommodate its headquarters and R&D operations. This project would involve the establishment of a 90,000 SF facility that would serve as the U.S. headquarters for this rapidly growing BioTechnology company. The space will be constructed for Genmab's current and future employees and would include both office space and a biology lab for the research team. Genmab would move a total of 66 jobs to the new facility from their current location in Princeton, NJ and would create an estimated 150 additional jobs at the selected location over the next three years. The alternate site is a 100,000 SF facility which would be leased, and is located in Upper Merion, PA.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Genmab US, 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 Jan G. J. van deWinkel, Ph.D, the President and CEO of Genmab US, 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 $146.4 million over the 20-year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 66 New Jersey jobs listed in the application are at risk of being located outside the State on or before December 31, 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:

Minimum Capital Investment Requirements	($/Square Foot of Gross Leasable Area)
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:

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	$3,600,000	$20,606,700
New Jobs	25	150
Retained Jobs	35	66

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
Garden State Create Zone (GSCZ)	Applicant must be located in proximity to a NJ doctoral	Plainsboro Township is located in a designated Garden State

	university, the business must be in a targeted industry and the facility used by the business to conduct a collaborative research relationship with that NJ doctoral university. A collaborative research agreement between a Grow NJ applicant and the University will be reviewed for program compliance based on Collaborative Research Agreement Qualification Worksheet.	Create Zone, as it is within 3 miles of Princeton University. Base Award amount is $5,000
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 $195,250 exceeds the Middlesex County median salary by 225.1% resulting in an increase of $1,500 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 Life Sciences 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	**The Retained Full-Time Jobs will receive the lesser of:** - **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 ($20,606,700 / 10 / (150 + 66) = $9,540) 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.

Grant Calculation

BASE GRANT PER EMPLOYEE:			
Garden State Create Zone (GZCZ)			$ 5,000
INCREASES PER EMPLOYEE:			
Jobs with Salary in Excess of County Average:		$ 1,500	
Targeted Industry (Life Sciences):		$ 500	
INCREASE PER EMPLOYEE:			$ 2,000
PER EMPLOYEE LIMIT:			
Garden State Create Zone (GZCZ)		$12,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:			$ 7,000
AWARD:			
New Jobs:	150 Jobs X $7,000 X 100% =		$1,050,000
Retained Jobs:	66 Jobs X $7,000 X 50% =		$ 231,000
		Total:	**$1,281,000**
ANNUAL LIMITS:			
Garden State Create Zone (GZCZ) $10,000,000			
TOTAL ANNUAL AWARD			**$1,281,000**

PROJECT IS: (X) Expansion ( ) Relocation	
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 20,606,700
ANTICIPATED COMPLETION DATE FOR CAPITAL INVESTMENT:	December 31, 2019
ANTICIPATED DATE THAT JOBS WILL BE AT QUALIFIED BUSINESS FACILITY:	March 1, 2022
SIZE OF PROJECT LOCATION:	90,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
CONSTRUCTION: (X) Yes ( ) No	

NEW FULL-TIME JOBS:	150
RETAINED FULL-TIME JOBS:	66
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2018):	67
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	N/A
MEDIAN WAGES:	$ 195,250

NET BENEFIT MODEL:	2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 159,221,972
TOTAL AMOUNT OF AWARD:	$ 12,810,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 146,411,972

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. The Collaboration Agreement ("Agreement") must be fully executed prior to and submitted as part of the project completion certifications. A fully executed Agreement needs to be provided to the EDA on an annual basis during the commitment period. If the applicant does not provide an executed Agreement acceptable to the Authority, the project shall not receive a base tax credit for a Garden State Create Zone but will receive a grant calculated with a base tax credit of $3,000 for an Other Priority Area and will be limited to 90 percent of the withholdings of the applicant from the qualified business facility (estimated at an annual $2,152,826). Failure to provide the Agreement with the project completion certifications will result in a reduction of the total maximum award amount to $915,000. Failure to provide an Agreement in effect for at least half of the privilege period in an annual report will result in a reduction of the total maximum annual award to $1,098,000.

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 December 31, 2019; 2) approve the proposed Grow New Jersey grant to encourage Genmab US, 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: Matt Sestrich **APPROVAL OFFICER**: Mark Chierici

BOND PROJECTS

BOND RESOLUTIONS

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

SUBJECT: NJEDA Municipal Rehabilitation Refunding Bonds, 2019 Series

DATE: April 9, 2019

SUMMARY OF PROPOSED FINANCING

The Authority is being asked to approve the issuance of its Municipal Rehabilitation Refunding Bonds, 2019 Series A (the "2019 A Bonds") and its Municipal Rehabilitation Refunding Bonds, 2019 Series B (the "2019 B Bonds" and, together with the 2019 A Bonds, the "2019 Bonds"), and various related actions described below. The proceeds of the 2019 A Bonds will be used to (i) refund all or a portion of the Authority's outstanding Municipal Rehabilitation Bonds, 2003 Series A (the "2003 A Bonds"), and (ii) pay the costs of issuance of the 2019 A Bonds. The proceeds of the 2019 B Bonds will be used to (i) refund all or a portion of the Authority's outstanding Municipal Rehabilitation Bonds, 2003 Series B (Federally Taxable) (the "2003 B Bonds" and, together with the 2003 A Bonds, the "2003 Bonds"), and (ii) pay the costs of issuance of the 2019 B Bonds.

BACKGROUND

On April 9, 2003, the Authority issued the 2003 Bonds in an aggregate principal amount of $181,005,000 under and pursuant to the New Jersey Economic Development Authority Act, constituting Chapter 80 of the Laws of 1974 of the State of New Jersey, as amended and supplemented (the "Act"), the Municipal Rehabilitation and Economic Recovery Act, constituting Chapter 43 of the Law of 2002 of the State of New Jersey, as amended and supplemented (the "Municipal Rehabilitation Act"), and a resolution of the Authority adopted December 20, 2002 entitled "Municipal Rehabilitation and Economic Recovery Bond Resolution" (the "General Resolution"), as supplemented by the First Supplemental Municipal Rehabilitation and Economic Recovery Bond Resolution, adopted December 20, 2002 (the "First Supplemental Resolution"), and a Series Certificate of the Authority dated April 9, 2003 (the "Series Certificate" and, together with the General Resolution and the First Supplemental Resolution, collectively, the "Resolution"). In accordance with the Municipal Rehabilitation Act, the Authority used $175,000,000 of the proceeds of the 2003 Bonds to finance the costs of various eligible projects, consistent with the capital improvement and strategic revitalization plans in a qualified municipality, and the remainder of the proceeds to pay costs of issuance of the 2003 Bonds.

As of the date hereof, the 2003 A Bonds are outstanding in the aggregate principal amount of $48,975,000 and the 2003 B Bonds are outstanding in the aggregate principal amount of $50,335,000.

PLAN OF FINANCE

The 2019 Bonds will be sold via a direct purchase pursuant to a bond purchase contract (the "Bond Purchase Contract") entered into between the Authority and Barclays Capital, Inc. ("Barclays"). In a public bond offering, the Authority sells the bonds to an underwriter who resells the bonds to retail investors and institutional investors in the public securities market. In this direct purchase transaction, the Authority is selling the 2019 Bonds directly to Barclays, which is a qualified institutional buyer. As such, the Authority and the State are not subject to the same disclosure and reporting requirements as a publicly offered bond. Offering documents will not be required, thereby reducing issuance fees and time associated with the transaction. As described in detail below, through Treasury's competitive RFQ process, Barclays was selected as the purchaser in this direct purchase transaction and Barclays has agreed to restrictions as to resale of the 2019 Bonds.

The 2019 Bonds will be special, limited obligations of the Authority which are payable primarily from payments to be made by the Treasurer of the State (the "Treasurer") pursuant to a Contract Implementing Funding Provisions of the Municipal Rehabilitation and Economic Recovery Act entered into between the Treasurer and the Authority, dated April 9, 2003 (the "State Contract"). As provided in the Resolution, the principal or redemption price of and interest on the 2019 Bonds are payable from and secured by a pledge and assignment of the Revenues (as defined in the Resolution), including the amounts received by the Authority pursuant to the State Contract, and other Pledged Property referred to in the Resolution.

It is anticipated that (i) the 2003 A Bonds refunded with the proceeds of the 2019 A Bonds will be redeemed on the date of issuance of the 2019 A Bonds at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, and (ii) the 2003 B Bonds refunded with the proceeds of the 2019 B Bonds will be redeemed on the date of issuance of the 2019 B Bonds at a redemption price equal to 110% of the principal amount thereof, plus accrued interest to the redemption date.

For a summary description of certain other terms and conditions of the 2019 Bonds to be set forth in more specific detail in the Series Certificate with respect to the 2019 Bonds, see the Summary of Certain Terms and Conditions of the 2019 Bonds attached hereto as Exhibit A.

Based upon current market conditions, the plan of finance for this transaction achieves the following:

- Approximately $5.1 million net present value savings;
- FY 2020 budgetary savings of approximately $5.2 million for the State; and
- No gross debt service dis-savings or extension of final maturities, in aggregate, on the 2003 Bonds.

The issuance of the 2019 Bonds is expected to meet the Treasurer's three-pronged test of: (i) generating net present value savings; (ii) generating cumulative savings; and (iii) having no extension of the final maturity of the series of bonds being refunded.

APPROVAL REQUEST

The Authority is being requested to approve the adoption of the Second Supplemental Municipal Rehabilitation and Economic Recovery Bond Resolution (the "Second Supplemental Resolution") authorizing the issuance of the 2019 A Bonds and the 2019 B Bonds in an aggregate principal amount of not exceeding $105,000,000 for the purposes of refunding and redeeming all or a portion of the 2003 Bonds as described above.

The 2019 Bonds are expected to be issued as fixed rate bonds, although the interest rate on the 2019 Bonds will be subject to being increased upon the downgrading of the ratings on the 2019 Bonds or any other Bonds issued under the Resolution, and upon the failure to pay the principal or redemption price of or interest on any 2019 Bond, when due, all as more fully described in Appendix A attached hereto. It is anticipated that S&P or Moody's will issue a rating on the 2019 Bonds on or before their date of issuance.

The 2019 Bonds will also be subject to redemption and mandatory prepayment as more fully described in Appendix A attached hereto.

The issuance of the 2019 Bonds will be subject to the following parameters, all as determined by an Authorized Officer of the Authority, in consultation with the Treasurer, the Office of Public Finance, the Attorney General's Office and Bond Counsel:

1. The final maturity of the 2019 Bonds will not, in aggregate, exceed the final maturity of the 2003 Bonds to be refunded;
2. The true interest cost of the 2019 A Bonds will not exceed 6% per annum;
3. The true interest cost of the 2019 B Bonds will not exceed 7% per annum; and
4. The redemption price of any 2019 Bond shall not exceed 103% of the principal amount of such 2019 Bond; provided that the redemption price of any 2019 Bond subject to optional redemption pursuant to a "make-whole" call provision may exceed 103% of the principal amount of such 2019 Bond if so determined by an Authorized Officer of the Authority in a Series Certificate and approved in writing by the Treasurer.

The Authority is also being asked to approve certain actions of, and delegation of actions to, an Authorized Officer of the Authority with information provided by the Treasurer, Bond Counsel, and the Attorney General's Office and in consultation with, the Office of Public Finance, Bond Counsel and the Attorney General's Office, as applicable, and as approved by the Treasurer, which actions are more fully set forth in the Second Supplemental Resolution, which is incorporated herein by reference, and will be memorialized in one or more Series Certificates, and may include, without limitation:

1. To determine the date of issuance, sale and delivery, the initial interest rate or rates, the maturity dates, the principal amount and the redemption provisions of the 2019 A Bonds

and the 2019 B Bonds in accordance with the parameters set forth above;

2. To determine the maturities (or portions thereof) of the 2003 Bonds to be refunded through the issuance of the 2019 Bonds; and

3. To negotiate, execute, deliver and perform the Bond Purchase Contract relating to the 2019 Bonds.

In exercising the Authority's discretion to approve specific transactions authorized under the Second Supplemental Resolution, it is anticipated that the Authorized Officers of the Authority will make decisions on behalf of the Authority in consultation with the Treasurer.

Subchapter 6.7 (Fee Waiver) of the Authority's rules permits the chief executive officer, with the approval of the Members to waive, postpone or decrease the Authority's closing fees for State agency projects. In the absence of Board action, the Authority's statutory bond closing fee will apply. It is recommended the bond closing fee for this transaction be reduced to one-half of the statutory bond closing fee.

Professionals for the issuance of the 2019 Bonds were selected in compliance with Executive Order No. 26. Eckert Seamans Cherin & Mellott, LLC was selected as Bond Counsel through a competitive RFQ/RFP process performed by the Attorney General's Office on behalf of Treasury for State appropriation-backed transactions. Through Treasury's competitive RFQ process, as applicable, the following professionals were chosen: Barclays as the Purchaser of the 2019 Bonds and U.S. Bank National Association as Trustee, Paying Agent, Registrar, and Escrow Agent. The Second Supplemental Resolution will also authorize Authority staff to take all necessary actions incidental to the issuance of the 2019 Bonds subject to the Treasurer's approval, including without limitation, the selection of additional professionals, if any, pursuant to a competitive process utilizing Treasury's RFQ process in accordance with Executive Order No. 26 and Executive Order No. 37.

RECOMMENDATION

Based upon the above description, and subject to the criteria set forth above, the Members of the Authority are requested to: (i) approve the adoption of the Second Supplemental Resolution authorizing the issuance of the 2019 Bonds in the total aggregate principal amount not to exceed $105,000,000, as well as other matters in connection with the issuance and sale thereof and otherwise described above, including, but not limited to, the entry into the Bond Purchase Contract; (ii) approve the several actions and delegation of actions to an Authorized Officer of the Authority as may be necessary or advisable in order to issue the 2019 Bonds and to undertake the other transactions described in (i) above on terms which are in the best interest of the Authority and the State; (iii) ratify and approve the use of the aforementioned professionals; and (iv) authorize Authority staff to take all necessary actions incidental to the issuance of the 2019 Bonds, subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General's Office.

Prepared by: Teresa Wells

EXHIBIT A

SUMMARY OF CERTAIN TERMS AND CONDITIONS OF THE 2019 BONDS

Interest Rate:	Except as otherwise described below in the section entitled "Stepped-Up Interest Rate", the 2019 Bonds shall bear interest at the fixed rate of interest determined by an Authorized Officer of the Authority in a Series Certificate; provided, however, that such fixed interest rate on the 2019 Bonds will be increased by 0.25% upon any downgrade of any Rating (as hereinafter defined) on the 2019 Bonds or any other Bonds issued under the Resolution (the "Parity Debt") below the current ratings of "Baa1" (or its equivalent) by Moody's, "BBB+" (or its equivalent) by S&P or "A-" (or its equivalent) by Fitch (Moody's, S&P and Fitch are hereinafter collectively referred to as the "Rating Agencies"). The term "Rating" as used above shall mean the lowest long-term rating assigned by any of Moody's, S&P or Fitch to the 2019 Bonds or any Parity Debt.
Stepped-Up Interest Rate:	If (i) the Ratings on the Parity Debt by any two of the three Rating Agencies are downgraded below "Baa3" (or its equivalent) by Moody's, "BBB-" (or its equivalent) by S&P or "BBB-" (or its equivalent) by Fitch, or are suspended or withdrawn, or (ii) in the event that there is no rated Parity Debt outstanding and the Rating on the 2019 Bonds is downgraded below "Baa3" (or its equivalent) by Moody's or "BBB-" (or its equivalent) by S&P, as applicable, or is suspended or withdrawn, the interest rate on the 2019 Bonds will be increased to 10.0% per annum.
Optional Redemption:	The 2019 Bonds will be subject to optional redemption by the Authority prior to maturity, on any Business Day, in whole or in part (and if in part, in an Authorized Denomination), at a Redemption Price equal to the Make-Whole Amount determined in accordance with the provisions of the Resolution.
Mandatory Sinking Fund Redemption:	The 2019 Bonds will be subject to mandatory sinking fund redemption prior to maturity, in part, on each of the dates years and in the respective principal amounts determined by an Authorized Officer of the Authority in a Series Certificate at a Redemption Price equal to 100% of the principal amount thereof being redeemed, plus accrued interest, if any.
Event of Non-Appropriation:	An Event of Non-Appropriation is not an Event of Default under the Resolution.

Events of Default:	The Events of Default with respect to the 2019 Bonds are set forth in the Resolution and include the failure to pay the principal or redemption price of or interest on any Bond issued under the Resolution, including the 2019 Bonds, when due.
Mandatory Prepayment	If the Authority fails to pay the principal or redemption price of or interest on any 2019 Bond, when due, upon notice from the Bondholder Representative, the series of the 2019 Bonds of which such 2019 Bond is a part will become subject to Mandatory Prepayment and the then outstanding aggregate principal amount of all of the 2019 Bonds of such series will be re-amortized so that it becomes due in equal annual payments over the first to occur of (i) three years from the date of such re-amortization, and (ii) the final maturity date of the 2019 Bonds of such series. While the 2019 Bonds of such series are subject to such Mandatory Prepayment, they will bear interest at a rate of 10.0% per annum. Notwithstanding the above, the 2019 Bonds of such series can be returned to their original amortization schedule upon notice from the Bondholder Representative at any time prior to the date of the first Mandatory Prepayment.
Bondholder Representative:	Initially, Barclays and upon receipt from time to time by the Trustee and the Authority of a notice described in paragraph 7(c) of the Series Certificate, the person designated in such notice as the Bondholder Representative. Under the Resolution, the Bondholder Representative is granted the authority to exercise certain rights and to grant certain consents, approvals and directions on behalf of the holders of all of the 2019 Bonds. The exercise of any of such rights by the Bondholder Representative is conclusive and binding upon all of the holders of the 2019 Bonds.

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

SUBJECT: NJEDA School Facilities Construction Refunding Bonds
2019 Series GGG and 2019 Series HHH

DATE: April 9, 2019

SUMMARY OF PROPOSED FINANCING

The Authority is being asked to approve the issuance of its School Facilities Construction Refunding Bonds, 2019 Series GGG (the "2019 GGG Bonds") and its School Facilities Construction Refunding Bonds, 2019 Series HHH (the "2019 HHH Bonds" and, together with the 2019 GGG Bonds, the "2019 Refunding Bonds"), and various related actions described below. The proceeds of the 2019 Refunding Bonds (to be issued in an amount not to exceed $600,000,000), will be used to (i) refund all or a portion of the School Facilities Construction Refunding Bonds, 2011 Series EE (the "2011 EE Bonds"), (ii) refund all or a portion of the School Facilities Construction Refunding Bonds, 2011 Series GG (the "2011 GG Bonds"), (iii) refund all or a portion of the School Facilities Construction Bonds, 2010 Series DD-1 (the "2010 DD-1 Bonds"), (iv) refund all or a portion of the School Facilities Construction Refunding Bonds, 2013 Series NN Bonds (the "2013 NN Bonds" and, together with the 2011 EE Bonds, the 2011 GG Bonds and the 2010 DD-1 Bonds, the "Prior Obligations"), and (v) pay the costs of issuance of the 2019 Refunding Bonds. The proceeds of the 2019 Refunding Bonds will be used for refunding purposes within the meaning of the Act (as defined below) and will not count against the statutory debt issuance limitation placed on the School Facilities Construction Program.

BACKGROUND

Since April 2001, the Authority has issued prior series of tax-exempt and taxable School Facilities Construction Bonds and Notes in the aggregate principal amount of $11,151,804,000 for new money projects under the Educational Facilities Construction and Financing Act, L. 2000, c. 72, as amended and supplemented by L. 2007, c. 137 and L. 2008, c. 39 (the "Act"). Additionally, the Authority has issued prior series of refunding bonds in the aggregate principal amount of $14,191,825,000 that restructured and refunded all or a portion of several Series of tax-exempt and taxable bonds and notes, previously issued under the Act.

The Authority has $9,731,775,000 of tax-exempt and taxable bond and notes outstanding as of

April 1, 2019 in connection with the School Facilities Construction Program (the "School Program").

PLAN OF FINANCE

The 2019 Refunding Bonds will be sold via a direct purchase pursuant to a bond purchase contract (the "Purchase Contract") entered into between the Authority and Barclays Capital, Inc. ("Barclays"). In a public bond offering, the Authority sells the bonds to an underwriter who resells the bonds to retail investors and institutional investors in the public securities market. In this direct purchase transaction, the Authority is selling the 2019 Refunding Bonds directly to Barclays, which is a qualified institutional buyer. As such, the Authority and the State are not subject to the same disclosure and reporting requirements as a publicly offered bond. Offering documents will not be required, thereby reducing issuance fees and time associated with the transaction. As described in detail below, through Treasury's competitive RFQ process, Barclays was selected as the purchaser in this direct purchase transaction and Barclays has agreed to restrictions as to resale of the 2019 Refunding Bonds.

The 2019 Refunding Bonds will be issued under and pursuant to the School Facilities Construction Bond Resolution adopted by the Authority on February 13, 2001, as amended and supplemented (the "Resolution") and, except as otherwise described on Exhibit A attached hereto with respect to the 2019 GGG Bonds prior to the Crossover Date (as defined in Exhibit A), will be special, limited obligations of the Authority which are payable primarily from payments to be made by the Treasurer of the State (the "Treasurer") pursuant to the State Contract with the Treasurer, as amended by Amendment No.1 to the State Contract dated April 22, 2010, to implement the funding provisions of the 2008 Amendment to the Act (the "State Contract"). Except as otherwise described on Exhibit A attached hereto with respect to the 2019 GGG Bonds prior to the Crossover Date, as provided in the Resolution, the principal or redemption price of and interest on the 2019 Refunding Bonds are payable from and secured by a pledge and assignment of the Revenues (as defined in the Resolution), including the amounts received by the Authority pursuant to the State Contract, and other Pledged Property referred to in the Resolution.

Based upon current market conditions and assuming that the 2019 GGG Bonds are converted from taxable to tax-exempt on or about March 1, 2021 as described below, the plan of finance for this transaction achieves the following:

- Approximately $15.0 million net present value savings;

- FY 2020 budgetary savings of approximately $30.0 million for the State; and

- No gross debt service dis-savings or extension of final maturities, in aggregate, on the Prior Obligations.

The issuance of the 2019 Refunding Bonds is expected to meet the Treasurer's three-pronged test of: (i) generating net present value savings; (ii) generating cumulative savings; and (iii) having no extension of the final maturity of the series of Prior Obligations being refunded.

APPROVAL REQUEST

The Authority is being requested to approve the adoption of the Thirty-Ninth Supplemental School Facilities Construction Bond Resolution (the "Thirty-Ninth Supplemental Resolution") authorizing the issuance of the 2019 Refunding Bonds in an aggregate principal amount of not exceeding $600,000,000 for the purposes of refunding and redeeming all or a portion of the Prior Obligations as described above.

The 2019 Refunding Bonds will be issued as fixed interest rate bonds. The 2019 GGG Bonds will initially bear interest at a federally taxable rate, but upon the satisfaction of certain conditions described in Exhibit A attached hereto, the interest rate on the 2019 GGG Bonds will be converted to a lower federally tax-exempt rate. The 2019 HHH Bonds will be issued as federally taxable bonds to maturity.

For a summary description of certain other terms and conditions of the 2019 Refunding Bonds to be set forth in more specific detail in the Series Certificate with respect to the 2019 Refunding Bonds, see the Summary of Certain Terms and Conditions of the 2019 Refunding Bonds attached hereto as Exhibit B.

It is anticipated that S&P or Moody's will issue a rating on the 2019 Refunding Bonds on or before their date of issuance.

The 2019 Refunding Bonds will be subject to the following parameters, all as determined by an Authorized Officer of the Authority, in consultation with the Treasurer, the Office of Public Finance, the Attorney General's Office and Bond Counsel:

1. The final maturity of any 2019 Refunding Bonds will not, in aggregate, be later than the final maturity of the Prior Obligations to be refunded;
2. The true interest cost of the 2019 Refunding Bonds issued as federally tax-exempt Bonds will not exceed 6% per annum[*];
3. The true interest cost of the 2019 Refunding Bonds issued as federally taxable Bonds not subject to conversion will not exceed 7% per annum;
4. The true interest cost of the 2019 Refunding Bonds issued as federally taxable Bonds that are convertible to federally tax-exempt Bonds will not exceed 6.75% per annum; and
5. The redemption price of any 2019 Refunding Bond shall not exceed 103% of the principal amount of such 2019 Refunding Bond; provided that the redemption price of any 2019 Refunding Bond subject to optional redemption pursuant to a "make-whole" call provision may exceed 103% of the principal amount of such 2019 Refunding Bond if so determined by an Authorized Officer of the Authority in a Series Certificate and approved in writing by the Treasurer.

The Authority is also being asked to approve certain actions of, and delegation of actions to, an

[*] Federally tax-exempt Bonds will not be issued unless the Bonds to be refunded thereby are currently eligible to be refunded on a tax-exempt basis. The Prior Obligations are currently not eligible to be refunded on a tax-exempt basis.

Authorized Officer of the Authority with information provided by the Treasurer, Bond Counsel, and the Attorney General's Office and in consultation with the Office of Public Finance, Bond Counsel and the Attorney General's Office, as applicable, and as approved by the Treasurer, which actions are more fully set forth in the Thirty-Ninth Supplemental Resolution, which is incorporated herein by reference, and will be memorialized in one or more Series Certificates, and may include, without limitation:

1. To determine the date of issuance, sale and delivery, the maturity dates, the principal amounts, the interest rates, the redemption provisions and the conversion provisions of the 2019 GGG Bonds and the 2019 HHH Bonds in accordance with the parameters set forth above;
2. To determine the maturities (or portions thereof) of the Prior Obligations to be refunded through the issuance of the 2019 Refunding Bonds;
3. To determine the Crossover Date for the 2019 GGG Bonds;
4. To negotiate, execute, deliver and perform the Purchase Contract relating to the 2019 Refunding Bonds;
5. To purchase, or cause the Escrow Agent to purchase, United States Treasury Obligations, State and Local Government Series ("SLGS"), with proceeds from any 2019 Refunding Bonds in order to provide for the defeasance and/or refunding of the Prior Obligations to be refunded; and
6. To select and appoint a firm to serve as bidding agent, upon recommendation of the Treasurer based on Treasury's competitive RFP process, to solicit bids and to enter into or purchase Defeasance Securities (as defined in Sections 101 and 1201(2) of the Resolution) and/or Investment Securities (as defined in Section 101 of the Resolution) with proceeds of any 2019 Refunding Bonds, in the event that such Authorized Officer of the Authority determines that it is advantageous to the Authority to invest any such proceeds in Defeasance Securities and/or Investment Securities.

In exercising the Authority's discretion to approve specific transactions authorized under the Thirty-Ninth Supplemental Resolution, it is anticipated that the Authorized Officers of the Authority will make decisions on behalf of the Authority in consultation with the Treasurer.

Subchapter 6.7 (Fee Waiver) of the Authority's rules permits the chief executive officer, with the approval of the Members to waive, postpone or decrease the Authority's closing fees for State agency projects. In the absence of Board action, the Authority's statutory bond closing fee will apply. It is recommended the bond closing fee for this transaction be reduced to one-half of the statutory bond closing fee.

Professionals for the issuance of the 2019 Refunding Bonds were selected in compliance with Executive Order No. 26. Chiesa Shahinian & Giantomasi PC was selected as Bond Counsel through a competitive RFQ/RFP process performed by the Attorney General's Office on behalf of Treasury for State appropriation-backed transactions. Through Treasury's competitive RFQ process, the following professionals were chosen: Barclays as the Purchaser of the 2019 Refunding Bonds and U.S. Bank National Association as Trustee, Paying Agent, Registrar, and

Escrow Agent. The Thirty-Ninth Supplemental Resolution will also authorize Authority staff to take all necessary actions incidental to the issuance of the 2019 Refunding Bonds, including without limitation, the selection of additional professionals, if any, pursuant to a competitive process utilizing Treasury's RFQ/RFP process in accordance with Executive Order No. 26 and Executive Order No. 37.

RECOMMENDATION

Based upon the above description, and subject to the criteria set forth above, the Members of the Authority are requested to: (i) approve the adoption of the Thirty-Ninth Supplemental Resolution authorizing the issuance of the 2019 Refunding Bonds in the total aggregate principal amount not to exceed $600,000,000, as well as other matters in connection with the issuance and sale thereof and otherwise described above, including, but not limited to, the entry into the Purchase Contract; (ii) approve the several actions and delegation of actions to an Authorized Officer of the Authority as may be necessary or advisable in order to issue the 2019 Refunding Bonds and to undertake the other transactions described in (i) above on terms which are in the best interest of the Authority and the State; (iii) authorize the use of the aforementioned professionals; and (iv) authorize Authority staff to take all necessary actions incidental to the issuance of the 2019 Refunding Bonds; subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General's Office.

Prepared by: Teresa Wells

EXHIBIT A

SUMMARY OF THE CROSSOVER REFUNDING STRUCTURE AND CONVERSION TO TAX-EXEMPT INTEREST RATE FOR THE 2019 GGG BONDS

The 2011 EE Bonds and the 2011 GG Bonds are subject to optional redemption by the Authority on or after March 1, 2021. In order to complete a refunding for savings today while complying with the applicable IRS rules and regulations, the Authority will utilize a so-called "Crossover Refunding" approach for the 2019 GGG Bonds that incorporates the following key mechanics:

1. On their date of issuance, proceeds from the sale of the 2019 GGG Bonds to Barclays will be deposited into an escrow fund. From their date of issuance to but not including a date occurring on or prior to March 1, 2021 as determined by an Authorized Officer of the Authority in a Series Certificate (the "Crossover Date"), the 2019 GGG Bonds will bear interest at a federally taxable rate and the cash flow generated by the investments in the escrow fund established with proceeds of the 2019 GGG Bonds will be applied to pay the debt service due on the 2019 GGG Bonds from their date of issuance to but not including the Crossover Date, which will consist of only interest on the 2019 GGG Bonds during such period; and

2. On the Crossover Date, (i) the amounts remaining in the escrow fund will be applied to the current refunding and redemption of the 2011 EE Bonds and the 2011 GG Bonds to be refunded, (ii) upon the satisfaction of certain conditions set forth in the Resolution, including the delivery of a favorable opinion of Bond Counsel relating to the conversion to the tax-exempt rate, the interest rate on the 2019 GGG Bonds will be converted to the reduced tax-exempt rate which was established at the time of the issuance of the 2019 GGG Bonds in 2019, and (iii) the Authority will thereafter be responsible for paying the debt service coming due on the 2019 GGG Bonds to maturity pursuant to and in accordance with the Resolution and the State Contract. The form of the necessary opinion relating to the conversion of the interest on the 2019 GGG Bonds to the tax-exempt rate will be provided by Bond Counsel at the closing of the issuance of the 2019 GGG Bonds and, provided that certain conditions are satisfied, will be executed and delivered on the Crossover Date. If Bond Counsel is unable to deliver its opinion on the Crossover Date, the interest on the 2019 GGG Bonds will remain federally taxable to maturity and the interest rate on the 2019 GGG Bonds will not be reduced. Notwithstanding the foregoing, if the conditions to the conversion to the tax-exempt interest rate can be satisfied on the Crossover Date, the holders of the 2019 GGG Bonds have the right to elect to have the 2019 GGG Bonds continue to bear interest at the taxable rate until final maturity upon making a payment to the State equal to the present value of the difference in interest costs resulting from the difference in the tax-exempt and taxable interest rates.

EXHIBIT B

SUMMARY OF CERTAIN TERMS AND CONDITIONS OF THE 2019 REFUNDING BONDS

Interest Rate:	Except as otherwise described below in the section entitled "Stepped-Up Interest Rate", the 2019 Refunding Bonds shall bear interest at the fixed rate of interest determined by an Authorized Officer of the Authority in a Series Certificate; provided, however, that such fixed interest rate on the 2019 Refunding Bonds will be increased by 0.25% upon any downgrade of any Rating (as hereinafter defined) on the 2019 Refunding Bonds or any other Bonds issued under the Resolution (the "Parity Debt") below the current ratings of "Baa1" (or its equivalent) by Moody's, "BBB+" (or its equivalent) by S&P or "A-" (or its equivalent) by Fitch (Moody's, S&P and Fitch are hereinafter collectively referred to as the "Rating Agencies"). The term "Rating" as used above shall mean the lowest long-term rating assigned by any of Moody's, S&P or Fitch to the 2019 Refunding Bonds or any Parity Debt.
Stepped-Up Interest Rate:	If the Ratings on the 2019 Refunding Bonds or the Parity Debt by any two of the three Rating Agencies are downgraded below "Baa3" (or its equivalent) by Moody's, "BBB-" (or its equivalent) by S&P or "BBB-" (or its equivalent) by Fitch, or are suspended or withdrawn, the interest rate on the 2019 Refunding Bonds will be increased to 10.0% per annum.
Optional Redemption:	The 2019 Refunding Bonds will be subject to optional redemption by the Authority prior to maturity, on any Business Day, in whole or in part (and if in part, in an Authorized Denomination), at a redemption price equal to the Make-Whole Amount determined in accordance with the provisions of the Resolution.
Mandatory Sinking Fund Redemption:	The 2019 Refunding Bonds will be subject to mandatory sinking fund redemption prior to maturity, in part, on each of the dates in each of the years and in the respective principal amounts determined by an Authorized Officer of the Authority in a Series Certificate at a redemption price equal to 100% of the principal amount thereof being redeemed, plus accrued interest, if any.
Event of Non-Appropriation:	An Event of Non-Appropriation is not an Event of Default under

the Resolution.

Events of Default:	The Events of Default with respect to the 2019 Refunding Bonds are set forth in the Resolution and include the failure to pay the principal or redemption price of or interest on any Bond issued under the Resolution, including the 2019 Refunding Bonds, when due.
Mandatory Prepayment:	If the Authority fails to pay the principal or redemption price of, or interest on, any 2019 Refunding Bond, when due, upon notice from the Bondholder Representative, the series of the 2019 Refunding Bonds of which such 2019 Refunding Bond is a part will become subject to Mandatory Prepayment and the then outstanding aggregate principal amount of all of the 2019 Refunding Bonds of such series will be re-amortized so that it becomes due in equal annual payments over the first to occur of (i) three years from the date of such re-amortization, and (ii) the final maturity date of the 2019 Refunding Bonds of such series. While the 2019 Refunding Bonds of such series are subject to such Mandatory Prepayment, they will bear interest at a rate of 10.0% per annum. Notwithstanding the above, the 2019 Refunding Bonds of such series can be returned to their original amortization schedule upon notice from the Bondholder Representative at any time prior to the date of the first Mandatory Prepayment.
Bondholder Representative:	Initially, Barclays and upon receipt from time to time by the Trustee and the Authority of a notice described in paragraph 7(c) of the Series Certificate, the person designated in such notice as the Bondholder Representative. Under the Resolution, the Bondholder Representative is granted the authority to exercise certain rights and to grant certain consents, approvals and directions on behalf of the holders of all of the 2019 Refunding Bonds. The exercise of any of such rights by the Bondholder Representative is conclusive and binding upon all of the holders of the 2019 Refunding Bonds.

NJEDA

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

SUBJECT: NJEDA School Facilities Construction Refunding Bonds, 2019 Series

DATE: April 9, 2019

SUMMARY OF PROPOSED FINANCING

The Authority is being asked to approve the issuance of one or more series of School Facilities Construction Refunding Bonds, 2019 Series (the "2019 Bonds"). The authorized 2019 Bonds will be issued in an amount not to exceed $250 million and will be used to: (a) refund, for debt service savings, the Authority's outstanding: (i) School Facilities Construction Refunding Bonds, 2009 Series Z; (ii) School Facilities Construction Refunding Bonds, 2009 Series AA; (iii) School Facilities Construction Bonds, 2009 Series BB; and (iv) School Facilities Construction Bonds, 2010 Series CC-2 (collectively, the "Prior Obligations"); and (b) pay the costs of issuance of the 2019 Bonds.

BACKGROUND

Since April 2001, the Authority has issued prior series of tax-exempt and taxable School Facilities Construction Bonds and Notes in the aggregate principal amount of $11,151,804,000 for new money projects under the Educational Facilities Construction and Financing Act, L. 2000, c. 72, as amended and supplemented by L. 2007, c. 137 and L. 2008, c. 39 (the "Act"). Additionally, the Authority has issued prior series of refunding bonds and notes in the aggregate principal amount of $14,191,825,000 that restructured and refunded all or portions of several Series of tax-exempt and taxable bonds and notes, previously issued under the Act.

SUMMARY PLAN OF FINANCE

The 2019 Bonds will be sold as a direct purchase via privately placed loans with several banks. The terms of each loan will be set forth in a loan agreement to be entered into between the Authority and lender. In each privately placed loan transaction, the Authority will borrow money directly from a banking or other financial institution, with the Authority's obligations under the loan agreement evidenced by a 2019 Bond issued to such banking or other financial institution. Banks consider making loans to governmental entities a low risk way to invest bank capital. The Authority currently has two series of bonds outstanding with an aggregate par amount of $794,595,000 which were issued as privately placed loan agreements.

To accomplish the private placement of the 2019 Bonds, RBC Capital Markets, LLC, as bank solicitation agent, issued a RFP on behalf of the Authority to obtain proposals for firm funding commitments of tax-exempt direct bank loans to provide funds for the purposes set forth in the Summary of Proposed Financing outlined above. Via this competitive RFP process, firm rate commitments will have already been obtained on the privately placed loan(s) and will be locked-in with the selected bank(s) immediately following the adoption by the Authority of the Fortieth Supplemental Resolution and the approval by the Governor of the minutes of the Authority meeting or expiration of the gubernatorial veto period with respect to such minutes. The execution of the loan agreements(s) with the selected bank(s) is contingent on the Authority receiving all necessary approvals today. The banking or other financial institution(s) purchasing the privately placed 2019 Bonds are required to agree to restrictions as to resale. The 2019 Bonds will be issued as fixed rate obligations.

The 2019 Bonds, as well as the selection of the Prior Obligations to be refunded are structured to achieve the best economic benefits (described above) in the current market environment. Additionally, the transaction complies with the State Treasurer's three-pronged refunding test: (i) the transaction must produce nominal savings; (ii) the transaction must produce net present value savings; and (iii) the final maturity of the refunding bonds cannot exceed the final maturity of the bonds to be refunded.

Compliance with the three-pronged test prevents the State and the Authority from issuing refunding bonds that have longer maturities than those being refunded in aggregate. Maintaining this policy is viewed by the rating agencies as being a credit positive. Upon closing, all documents will be forwarded to the rating agencies for informational purposes only and as is standard practice by the Office of Public Finance.

In compliance with the State Treasurer's three prong test, the plan of finance achieves the following:

- Refunding the selected Prior Obligations debt service payments results in approximately $24.7 million net present value savings;
- FY 2020 budgetary savings of approximately $25.6 million for the State; and
- No gross debt service dis-savings or extension of final maturities, in aggregate, on the Prior Obligations

APPROVAL REQUEST

The Members are requested to approve the adoption of the Fortieth Supplemental School Facilities Construction Bond Resolution (the "Fortieth Supplemental Resolution") authorizing the issuance of one or more series of the 2019 Bonds in an aggregate principal amount not to exceed $250 million to be issued in three distinct and separate series.

These transactions involve entry into loan agreements with Capital One Public Funding, LLC and PNC Bank, N.A. as the loan providers and purchasers of the 2019 Bonds. The Authority will not provide a preliminary or final official statement or other disclosure documents and will not apply for ratings of the 2019 Bonds. The State will not be providing its typical public financial disclosure (commonly referred to as "Appendix I") regarding financial and other information relating to the State in connection with the 2019 Bonds, although such information is publicly available on the MSRB's EMMA web site. In addition, in each loan agreement, the Authority will covenant that commencing with the fiscal year of the State beginning July 1, 2019, the Authority shall provide or cause to be provided to the Lender the State's Comprehensive Annual Financial Report ("CAFR") prepared for the fiscal year of the State ending the immediately preceding June 30 as soon as such CAFR is available for distribution to the public.

The final maturity of any 2019 Bonds will not exceed the final maturity of the Prior Obligations being refunded. As of April 2, 2019, and based on the RFP process described above, the par amounts and true interest costs for the 2019 Bonds are as follows:

2019 Series	**Amount ($)**	**Delivery Date**	**Purchaser**	**True Interest Cost (%)**
III Bonds	$113,981,000	April 25, 2019	Capital One Public Funding, LLC	3.070%
JJJ Bonds	43,200,000	June 6, 2019	PNC Bank, N.A.	2.649%
KKK Bonds	70,245,000	March 24, 2020	PNC Bank, N.A.	3.375%
Sum/Weighted Averages	$227,426,000			3.119%

The 2019 Bonds will be issued for the purposes set forth in the *Summary of Proposed Financing*, as determined by an Authorized Officer of the Authority in consultation with the State Treasurer, Office of Public Finance, Attorney General's Office and Bond Counsel. The 2019 Bonds will be secured by the State Contract with the State Treasurer (as amended by Amendment No.1 to the State Contract dated April 22, 2010, to implement the funding provisions of the 2008 Amendment to the Act).

The Board is being asked to approve certain actions of, and delegation of actions to, an Authorized Officer of the Authority with information provided by the State Treasurer, Bond Counsel, and the Attorney General's Office and in consultation with the Office of Public Finance, Bond Counsel and the Attorney General's Office, as applicable, and as approved by the State Treasurer, which actions are more fully set forth in the Fortieth Supplemental Resolution, which is incorporated herein by reference, and may include, without limitation:

1. To approve the Bank Solicitation Agent Agreement in substantially the form attached thereto with any changes, insertions or deletions as may be necessary with the advice of Bonds Counsel and the Attorney General's Office;
2. To determine, subject to the provisions of this Fortieth Supplemental Resolution, the respective principal amounts, interest rate or rates, dated dates, interest payment dates, principal repayment dates, redemption dates, Redemption Prices and other redemption provisions, Authorized Denominations (not exceeding the aggregate principal amount of each maturity) of any Series of the Series 2019 Bonds, application of proceeds for the purposes stated in Section 202 of this Fortieth Supplemental Resolution and any other provisions necessary to comply with the Fortieth Supplemental Resolution or deemed necessary or advisable by such Authorized Officer of the Authority which are not in conflict with or in substitution for the provisions of the Fortieth Supplemental Resolution,

provided, however, that the aggregate principal amount of the Series 2019 Bonds shall not exceed $250,000,000, the maximum true interest cost of each Series of the Series 2019 Bonds shall not exceed 5.00%, the Redemption Price of the Series 2019 Bonds shall not exceed 103% of the principal amount thereof being redeemed, provided further that the Redemption Price of any Series 2019 Bond subject to optional redemption by the Authority pursuant to a "make-whole" provision may exceed one hundred three percent (103%) of the principal amount of such Series 2019 Bond as set forth on Schedule I to the Fortieth Supplemental Resolution or if so determined by an Authorized Officer of the Authority in one or more Series Certificates, and the final repayment date of the Series 2019 Bonds of each Series shall not be later than the final maturity date of the Bonds that are being refunded by such Series of the Series 2019 Bonds as set forth on Schedule II to the Fortieth Supplemental Resolution; and

3. To negotiate, execute, deliver and perform the loan agreements relating to the 2019 Bonds.

In exercising the Authority's discretion to approve specific transactions authorized under the Fortieth Supplemental Resolution, it is anticipated that the Authorized Officers of the Authority will make decisions on behalf of the Authority in consultation with the State Treasurer.

Subchapter 6.7 (Fee Waiver) of the Authority's rules permits the chief executive officer, with the approval of the Members to waive, postpone or decrease the Authority's closing fees for State agency projects. In the absence of Board action, the Authority's statutory bond closing fee will apply. It is recommended the bond closing fee for this transaction be reduced to one-half of the statutory bond closing fee.

Professionals for the 2019 Bonds were selected in compliance with Executive Order No. 26. M. Jeremy Ostow, Esq. was selected as Bond Counsel through a competitive RFQ/RFP process performed by the Attorney General's Office on behalf of Treasury for State appropriation-backed transactions. Through Treasury's competitive RFQ process RBC Capital Markets, LLC ("RBCCM") was chosen as Solicitation Agent for the bank loan providers and purchasers of the 2019 Bonds. Through a competitive solicitation process conducted by RBCCM, the Authority and OPF have selected, subject to the Authority's approval, Capital One Public Funding, LLC and PNC Bank, N.A. to serve as bank loan providers in connection with the 2019 Bonds and were identified by the Authority through a competitive RFP process. U.S. Bank National Association will serve as Trustee, Paying Agent, Registrar, Escrow Agent, and Closing Document Escrow Agent. The Fortieth Supplemental Resolution will also authorize Authority staff to take all necessary actions incidental to the issuance of the 2019 Bonds subject to the State Treasurer's approval, including without limitation, the selection of additional professionals, if any, pursuant to a competitive process utilizing Treasury's RFP process in accordance with Executive Order No. 26 and Executive Order No. 37.

RECOMMENDATION

Based upon the above description, and subject to the criteria set forth above, the Members are requested to: (i) approve the adoption of the Fortieth Supplemental Resolution authorizing the issuance of the 2019 Bonds in the aggregate principal amount not to exceed $250 million as well as other matters in connection with the issuance and sale thereof and otherwise described above, including, but not limited to, the entry into loan agreements; (ii) approve the Escrow Deposit Agreement and the Bank Solicitation Agent Agreement; (iii) approve several actions and delegation of actions to an Authorized Officer of the Authority as may be necessary or advisable in order to issue the 2019 Bonds and to undertake the other transactions described in (i) above on terms which are in the best interest of the Authority and the State; (iv) ratify and approve the use of the aforementioned professionals and (v) authorize Authority staff to take all necessary actions incidental to the issuance of the 2019 Bonds; subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General's Office.

Prepared by: Teresa Wells

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

SUBJECT: NJEDA School Facilities Construction Refunding Bonds
2019 Series GGG and 2019 Series HHH

DATE: April 9, 2019

SUMMARY OF PROPOSED FINANCING

The Authority is being asked to approve the issuance of its School Facilities Construction Refunding Bonds, 2019 Series GGG (the "2019 GGG Bonds") and its School Facilities Construction Refunding Bonds, 2019 Series HHH (the "2019 HHH Bonds" and, together with the 2019 GGG Bonds, the "2019 Refunding Bonds"), and various related actions described below. The proceeds of the 2019 Refunding Bonds (to be issued in an amount not to exceed $600,000,000), will be used to (i) refund all or a portion of the School Facilities Construction Refunding Bonds, 2011 Series EE (the "2011 EE Bonds"), (ii) refund all or a portion of the School Facilities Construction Refunding Bonds, 2011 Series GG (the "2011 GG Bonds"), (iii) refund all or a portion of the School Facilities Construction Bonds, 2010 Series DD-1 (the "2010 DD-1 Bonds"), (iv) refund all or a portion of the School Facilities Construction Refunding Bonds, 2013 Series NN Bonds (the "2013 NN Bonds" and, together with the 2011 EE Bonds, the 2011 GG Bonds and the 2010 DD-1 Bonds, the "Prior Obligations"), and (v) pay the costs of issuance of the 2019 Refunding Bonds. The proceeds of the 2019 Refunding Bonds will be used for refunding purposes within the meaning of the Act (as defined below) and will not count against the statutory debt issuance limitation placed on the School Facilities Construction Program.

BACKGROUND

Since April 2001, the Authority has issued prior series of tax-exempt and taxable School Facilities Construction Bonds and Notes in the aggregate principal amount of $11,151,804,000 for new money projects under the Educational Facilities Construction and Financing Act, L. 2000, c. 72, as amended and supplemented by L. 2007, c. 137 and L. 2008, c. 39 (the "Act"). Additionally, the Authority has issued prior series of refunding bonds in the aggregate principal amount of $14,191,825,000 that restructured and refunded all or a portion of several Series of tax-exempt and taxable bonds and notes, previously issued under the Act.

The Authority has $9,731,775,000 of tax-exempt and taxable bond and notes outstanding as of

April 1, 2019 in connection with the School Facilities Construction Program (the "School Program").

PLAN OF FINANCE

The 2019 Refunding Bonds will be sold via a direct purchase pursuant to a bond purchase contract (the "Purchase Contract") entered into between the Authority and Barclays Capital, Inc. ("Barclays"). In a public bond offering, the Authority sells the bonds to an underwriter who resells the bonds to retail investors and institutional investors in the public securities market. In this direct purchase transaction, the Authority is selling the 2019 Refunding Bonds directly to Barclays, which is a qualified institutional buyer. As such, the Authority and the State are not subject to the same disclosure and reporting requirements as a publicly offered bond. Offering documents will not be required, thereby reducing issuance fees and time associated with the transaction. As described in detail below, through Treasury's competitive RFQ process, Barclays was selected as the purchaser in this direct purchase transaction and Barclays has agreed to restrictions as to resale of the 2019 Refunding Bonds.

The 2019 Refunding Bonds will be issued under and pursuant to the School Facilities Construction Bond Resolution adopted by the Authority on February 13, 2001, as amended and supplemented (the "Resolution") and, except as otherwise described on Exhibit A attached hereto with respect to the 2019 GGG Bonds prior to the Crossover Date (as defined in Exhibit A), will be special, limited obligations of the Authority which are payable primarily from payments to be made by the Treasurer of the State (the "Treasurer") pursuant to the State Contract with the Treasurer, as amended by Amendment No.1 to the State Contract dated April 22, 2010, to implement the funding provisions of the 2008 Amendment to the Act (the "State Contract"). Except as otherwise described on Exhibit A attached hereto with respect to the 2019 GGG Bonds prior to the Crossover Date, as provided in the Resolution, the principal or redemption price of and interest on the 2019 Refunding Bonds are payable from and secured by a pledge and assignment of the Revenues (as defined in the Resolution), including the amounts received by the Authority pursuant to the State Contract, and other Pledged Property referred to in the Resolution.

Based upon current market conditions and assuming that the 2019 GGG Bonds are converted from taxable to tax-exempt on or about March 1, 2021 as described below, the plan of finance for this transaction achieves the following:

- Approximately $15.0 million net present value savings;
- FY 2020 budgetary savings of approximately $30.0 million for the State; and
- No gross debt service dis-savings or extension of final maturities, in aggregate, on the Prior Obligations.

The issuance of the 2019 Refunding Bonds is expected to meet the Treasurer's three-pronged test of: (i) generating net present value savings; (ii) generating cumulative savings; and (iii) having no extension of the final maturity of the series of Prior Obligations being refunded.

APPROVAL REQUEST

The Authority is being requested to approve the adoption of the Thirty-Ninth Supplemental School Facilities Construction Bond Resolution (the "Thirty-Ninth Supplemental Resolution") authorizing the issuance of the 2019 Refunding Bonds in an aggregate principal amount of not exceeding $600,000,000 for the purposes of refunding and redeeming all or a portion of the Prior Obligations as described above.

The 2019 Refunding Bonds will be issued as fixed interest rate bonds. The 2019 GGG Bonds will initially bear interest at a federally taxable rate, but upon the satisfaction of certain conditions described in Exhibit A attached hereto, the interest rate on the 2019 GGG Bonds will be converted to a lower federally tax-exempt rate. The 2019 HHH Bonds will be issued as federally taxable bonds to maturity.

For a summary description of certain other terms and conditions of the 2019 Refunding Bonds to be set forth in more specific detail in the Series Certificate with respect to the 2019 Refunding Bonds, see the Summary of Certain Terms and Conditions of the 2019 Refunding Bonds attached hereto as Exhibit B.

It is anticipated that S&P or Moody's will issue a rating on the 2019 Refunding Bonds on or before their date of issuance.

The 2019 Refunding Bonds will be subject to the following parameters, all as determined by an Authorized Officer of the Authority, in consultation with the Treasurer, the Office of Public Finance, the Attorney General's Office and Bond Counsel:

1. The final maturity of any 2019 Refunding Bonds will not, in aggregate, be later than the final maturity of the Prior Obligations to be refunded;
2. The true interest cost of the 2019 Refunding Bonds issued as federally tax-exempt Bonds will not exceed 6% per annum*;
3. The true interest cost of the 2019 Refunding Bonds issued as federally taxable Bonds not subject to conversion will not exceed 7% per annum;
4. The true interest cost of the 2019 Refunding Bonds issued as federally taxable Bonds that are convertible to federally tax-exempt Bonds will not exceed 6.75% per annum; and
5. The redemption price of any 2019 Refunding Bond shall not exceed 103% of the principal amount of such 2019 Refunding Bond; provided that the redemption price of any 2019 Refunding Bond subject to optional redemption pursuant to a "make-whole" call provision may exceed 103% of the principal amount of such 2019 Refunding Bond if so determined by an Authorized Officer of the Authority in a Series Certificate and approved in writing by the Treasurer.

The Authority is also being asked to approve certain actions of, and delegation of actions to, an

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* Federally tax-exempt Bonds will not be issued unless the Bonds to be refunded thereby are currently eligible to be refunded on a tax-exempt basis. The Prior Obligations are currently not eligible to be refunded on a tax-exempt basis.

Authorized Officer of the Authority with information provided by the Treasurer, Bond Counsel, and the Attorney General's Office and in consultation with the Office of Public Finance, Bond Counsel and the Attorney General's Office, as applicable, and as approved by the Treasurer, which actions are more fully set forth in the Thirty-Ninth Supplemental Resolution, which is incorporated herein by reference, and will be memorialized in one or more Series Certificates, and may include, without limitation:

1. To determine the date of issuance, sale and delivery, the maturity dates, the principal amounts, the interest rates, the redemption provisions and the conversion provisions of the 2019 GGG Bonds and the 2019 HHH Bonds in accordance with the parameters set forth above;
2. To determine the maturities (or portions thereof) of the Prior Obligations to be refunded through the issuance of the 2019 Refunding Bonds;
3. To determine the Crossover Date for the 2019 GGG Bonds;
4. To negotiate, execute, deliver and perform the Purchase Contract relating to the 2019 Refunding Bonds;
5. To purchase, or cause the Escrow Agent to purchase, United States Treasury Obligations, State and Local Government Series ("SLGS"), with proceeds from any 2019 Refunding Bonds in order to provide for the defeasance and/or refunding of the Prior Obligations to be refunded; and
6. To select and appoint a firm to serve as bidding agent, upon recommendation of the Treasurer based on Treasury's competitive RFP process, to solicit bids and to enter into or purchase Defeasance Securities (as defined in Sections 101 and 1201(2) of the Resolution) and/or Investment Securities (as defined in Section 101 of the Resolution) with proceeds of any 2019 Refunding Bonds, in the event that such Authorized Officer of the Authority determines that it is advantageous to the Authority to invest any such proceeds in Defeasance Securities and/or Investment Securities.

In exercising the Authority's discretion to approve specific transactions authorized under the Thirty-Ninth Supplemental Resolution, it is anticipated that the Authorized Officers of the Authority will make decisions on behalf of the Authority in consultation with the Treasurer.

Subchapter 6.7 (Fee Waiver) of the Authority's rules permits the chief executive officer, with the approval of the Members to waive, postpone or decrease the Authority's closing fees for State agency projects. In the absence of Board action, the Authority's statutory bond closing fee will apply. It is recommended the bond closing fee for this transaction be reduced to one-half of the statutory bond closing fee.

Professionals for the issuance of the 2019 Refunding Bonds were selected in compliance with Executive Order No. 26. Chiesa Shahinian & Giantomasi PC was selected as Bond Counsel through a competitive RFQ/RFP process performed by the Attorney General's Office on behalf of Treasury for State appropriation-backed transactions. Through Treasury's competitive RFQ process, the following professionals were chosen: Barclays as the Purchaser of the 2019 Refunding Bonds and U.S. Bank National Association as Trustee, Paying Agent, Registrar, and

Escrow Agent. The Thirty-Ninth Supplemental Resolution will also authorize Authority staff to take all necessary actions incidental to the issuance of the 2019 Refunding Bonds, including without limitation, the selection of additional professionals, if any, pursuant to a competitive process utilizing Treasury's RFQ/RFP process in accordance with Executive Order No. 26 and Executive Order No. 37.

RECOMMENDATION

Based upon the above description, and subject to the criteria set forth above, the Members of the Authority are requested to: (i) approve the adoption of the Thirty-Ninth Supplemental Resolution authorizing the issuance of the 2019 Refunding Bonds in the total aggregate principal amount not to exceed $600,000,000, as well as other matters in connection with the issuance and sale thereof and otherwise described above, including, but not limited to, the entry into the Purchase Contract; (ii) approve the several actions and delegation of actions to an Authorized Officer of the Authority as may be necessary or advisable in order to issue the 2019 Refunding Bonds and to undertake the other transactions described in (i) above on terms which are in the best interest of the Authority and the State; (iii) authorize the use of the aforementioned professionals; and (iv) authorize Authority staff to take all necessary actions incidental to the issuance of the 2019 Refunding Bonds; subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General's Office.

Prepared by: Teresa Wells

EXHIBIT A

SUMMARY OF THE CROSSOVER REFUNDING STRUCTURE AND CONVERSION TO TAX-EXEMPT INTEREST RATE FOR THE 2019 GGG BONDS

The 2011 EE Bonds and the 2011 GG Bonds are subject to optional redemption by the Authority on or after March 1, 2021. In order to complete a refunding for savings today while complying with the applicable IRS rules and regulations, the Authority will utilize a so-called "Crossover Refunding" approach for the 2019 GGG Bonds that incorporates the following key mechanics:

1. On their date of issuance, proceeds from the sale of the 2019 GGG Bonds to Barclays will be deposited into an escrow fund. From their date of issuance to but not including a date occurring on or prior to March 1, 2021 as determined by an Authorized Officer of the Authority in a Series Certificate (the "Crossover Date"), the 2019 GGG Bonds will bear interest at a federally taxable rate and the cash flow generated by the investments in the escrow fund established with proceeds of the 2019 GGG Bonds will be applied to pay the debt service due on the 2019 GGG Bonds from their date of issuance to but not including the Crossover Date, which will consist of only interest on the 2019 GGG Bonds during such period; and

2. On the Crossover Date, (i) the amounts remaining in the escrow fund will be applied to the current refunding and redemption of the 2011 EE Bonds and the 2011 GG Bonds to be refunded, (ii) upon the satisfaction of certain conditions set forth in the Resolution, including the delivery of a favorable opinion of Bond Counsel relating to the conversion to the tax-exempt rate, the interest rate on the 2019 GGG Bonds will be converted to the reduced tax-exempt rate which was established at the time of the issuance of the 2019 GGG Bonds in 2019, and (iii) the Authority will thereafter be responsible for paying the debt service coming due on the 2019 GGG Bonds to maturity pursuant to and in accordance with the Resolution and the State Contract. The form of the necessary opinion relating to the conversion of the interest on the 2019 GGG Bonds to the tax-exempt rate will be provided by Bond Counsel at the closing of the issuance of the 2019 GGG Bonds and, provided that certain conditions are satisfied, will be executed and delivered on the Crossover Date. If Bond Counsel is unable to deliver its opinion on the Crossover Date, the interest on the 2019 GGG Bonds will remain federally taxable to maturity and the interest rate on the 2019 GGG Bonds will not be reduced. Notwithstanding the foregoing, if the conditions to the conversion to the tax-exempt interest rate can be satisfied on the Crossover Date, the holders of the 2019 GGG Bonds have the right to elect to have the 2019 GGG Bonds continue to bear interest at the taxable rate until final maturity upon making a payment to the State equal to the present value of the difference in interest costs resulting from the difference in the tax-exempt and taxable interest rates.

EXHIBIT B

SUMMARY OF CERTAIN TERMS AND CONDITIONS OF THE 2019 REFUNDING BONDS

Interest Rate:	Except as otherwise described below in the section entitled "Stepped-Up Interest Rate", the 2019 Refunding Bonds shall bear interest at the fixed rate of interest determined by an Authorized Officer of the Authority in a Series Certificate; provided, however, that such fixed interest rate on the 2019 Refunding Bonds will be increased by 0.25% upon any downgrade of any Rating (as hereinafter defined) on the 2019 Refunding Bonds or any other Bonds issued under the Resolution (the "Parity Debt") below the current ratings of "Baa1" (or its equivalent) by Moody's, "BBB+" (or its equivalent) by S&P or "A-" (or its equivalent) by Fitch (Moody's, S&P and Fitch are hereinafter collectively referred to as the "Rating Agencies"). The term "Rating" as used above shall mean the lowest long-term rating assigned by any of Moody's, S&P or Fitch to the 2019 Refunding Bonds or any Parity Debt.
Stepped-Up Interest Rate:	If the Ratings on the 2019 Refunding Bonds or the Parity Debt by any two of the three Rating Agencies are downgraded below "Baa3" (or its equivalent) by Moody's, "BBB-" (or its equivalent) by S&P or "BBB-" (or its equivalent) by Fitch, or are suspended or withdrawn, the interest rate on the 2019 Refunding Bonds will be increased to 10.0% per annum.
Optional Redemption:	The 2019 Refunding Bonds will be subject to optional redemption by the Authority prior to maturity, on any Business Day, in whole or in part (and if in part, in an Authorized Denomination), at a redemption price equal to the Make-Whole Amount determined in accordance with the provisions of the Resolution.
Mandatory Sinking Fund Redemption:	The 2019 Refunding Bonds will be subject to mandatory sinking fund redemption prior to maturity, in part, on each of the dates in each of the years and in the respective principal amounts determined by an Authorized Officer of the Authority in a Series Certificate at a redemption price equal to 100% of the principal amount thereof being redeemed, plus accrued interest, if any.
Event of Non-Appropriation:	An Event of Non-Appropriation is not an Event of Default under

the Resolution.

Events of Default:	The Events of Default with respect to the 2019 Refunding Bonds are set forth in the Resolution and include the failure to pay the principal or redemption price of or interest on any Bond issued under the Resolution, including the 2019 Refunding Bonds, when due.
Mandatory Prepayment:	If the Authority fails to pay the principal or redemption price of, or interest on, any 2019 Refunding Bond, when due, upon notice from the Bondholder Representative, the series of the 2019 Refunding Bonds of which such 2019 Refunding Bond is a part will become subject to Mandatory Prepayment and the then outstanding aggregate principal amount of all of the 2019 Refunding Bonds of such series will be re-amortized so that it becomes due in equal annual payments over the first to occur of (i) three years from the date of such re-amortization, and (ii) the final maturity date of the 2019 Refunding Bonds of such series. While the 2019 Refunding Bonds of such series are subject to such Mandatory Prepayment, they will bear interest at a rate of 10.0% per annum. Notwithstanding the above, the 2019 Refunding Bonds of such series can be returned to their original amortization schedule upon notice from the Bondholder Representative at any time prior to the date of the first Mandatory Prepayment.
Bondholder Representative:	Initially, Barclays and upon receipt from time to time by the Trustee and the Authority of a notice described in paragraph 7(c) of the Series Certificate, the person designated in such notice as the Bondholder Representative. Under the Resolution, the Bondholder Representative is granted the authority to exercise certain rights and to grant certain consents, approvals and directions on behalf of the holders of all of the 2019 Refunding Bonds. The exercise of any of such rights by the Bondholder Representative is conclusive and binding upon all of the holders of the 2019 Refunding Bonds.

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM - (PREMIER LENDER)

APPLICANT: Friends of Beloved Community Charter School 2, Inc. P45586

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

PROJECT LOCATION: 508 and 531 Grand Street Jersey City (T/UA) Hudson

APPLICANT BACKGROUND:

Friends of Beloved Community Charter School 2, Inc., established 1995 is a charitable organization that supports diverse initiatives to expand educational opportunity through developing facilities for charter schools. Beloved Community Charter School, Inc., a New Jersey Nonprofit Corporation, established 2012, is a 501(c)(3) not-for-profit organization established for the purpose of operating and maintaining a public school under a charter granted by the State of New Jersey. Beloved Community Charter School Inc. serves a population of 1080 students in kindergarten through the eighth grade. The school is approved to offer grade level 9 in the school year 2019-20 and grade level 10 in the school year 2020-21. During this period, it plans to enroll an additional 120 students each year. The School is in good standing with the Department of Education. Michele Link is the School's Chief Academic Officer.

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

APPROVAL REQUEST:

Authority assistance will enable the Applicant to refinance existing debt related to the high school located at 531 Grand Street, complete the fit out of the high school located at 531 Grand Street, acquire the elementary school and middle school facilities located at 508 Grand Street, complete various capital improvements including an addition to the elementary and middle school facilities and fund a debt service reserve fund. Proceeds of the bond will also pay a portion of the interest accruing during the capital improvements and the cost of issuance.

This project is being presented for public hearing only at the April 9, 2019 board meeting.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	$20,000,000
Refinancing	$14,400,000
Debt service reserve fund	$2,650,000
Renovation of existing building	$1,300,000
Tech Networking FF&E	$650,000
Underwriter's Fee	$515,000
Interest during construction	$250,000
Cost of Issuance	$250,000
Finance fees	$130,000

TOTAL COSTS	$40,145,000

JOBS: At Application 201 Within 2 years 72 Maintained 0 Construction 9

PUBLIC HEARING: 04/09/19 (Published 04/02/19) **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi,

DEVELOPMENT OFFICER: M. Athwal **APPROVAL OFFICER:** S. Novak

PRELIMINARY BOND RESOLUTIONS

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

APPLICANT: Premio Foods P45591

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

PROJECT LOCATION: 50 Utter Avenue Hawthorne Borough (N) Passaic

APPLICANT BACKGROUND:
Premio Foods ("Premio" or "the company") with corporate offices in Fair Lawn, NJ, is a regional manufacturer and distributor of fresh and frozen sausage for retail and food service clients primarily in the eastern United States. Premio operates a 50,000 square foot manufacturing food facility in Hawthorne, NJ.

The Authority previously issued two tax-exempt bonds to Garden State Sausage, the Applicant's name prior to Premio Foods; P08412 for $2.7 million closed 12/29/1995 purchased by Brown Brothers Harriman, and P09627 for $1.2 million closed 11/18/1997 and also purchased by Brown Brothers Harriman.

APPROVAL REQUEST:
The company is applying for tax-exempt bond financing to purchase and install new manufacturing equipment and the required software needed to run the manufacturing floor.

Approval of this tax-exempt bond will assist a consistently growing and expanding manufacturer in NJ, to become more efficient and continue to grow it's business and expand its employee base.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	$6,900,000
Technology & Networking	$3,100,000
TOTAL COSTS	$10,000,000

JOBS: At Application 390 Within 2 years 10 Maintained 0 Construction 0

PUBLIC HEARING:

BOND COUNSEL: Archer & Greiner

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: M. Chierici

LOANS/GRANTS/GUARANTEES

HAZARDOUS DISCHARGE SITE REMEDIATION FUND

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: April 9, 2019

SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

The following grant project has been approved by the Department of Environmental Protection to perform remedial investigation activities. The scope of work is described on the attached project summary:

HDSRF Municipal Grant:

P45329	New Jersey Performing Arts Center Corporation	$201,517
Total HDSRF Funding – April 2019		**$201,517**

Tim Sullivan

Prepared by: Kathy Junghans

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

APPLICANT: New Jersey Performing Arts Center Corporation P45329

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

PROJECT LOCATION: 1 Center Street Newark City (T/UA) Essex

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

APPLICANT BACKGROUND:

New Jersey Performing Arts Center Corporation, is a non-profit 501(c)(3) entity which has potential environmental areas of concern (AOCs) at the project site. New Jersey Performing Arts Center Corporation owns the project site and has satisfied proof of site control. It is the applicant's intent, upon completion of the environmental investigation activities to redevelop the project site for mixed-use.

NJDEP has approved this request for Remedial Investigation (RI) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 6, Series A.

According to the HDSRF legislation, the Authority and the NJDEP can award grants to non-profit 501(c)(3) entities for Preliminary Assessment, Site Investigation and Remedial Investigation activities. As required by the legislation, all of the limitations and conditions for the award applicable to municipalities shall apply to the award of grants to non-profit 501(c)(3) entities.

APPROVAL REQUEST:

New Jersey Performing Arts Center Corporation is requesting grant funding to perform RI in the amount of $201,517 at the NJ Performing Arts Center project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $201,517

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	$201,517
EDA administrative cost	$500
TOTAL COSTS	$202,017

APPROVAL OFFICER: K. Junghans

PETROLEUM UNDERGROUND STORAGE TANK (PUST)

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: April 9, 2019

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

The following not-for-profit and residential grant projects have been approved by the Department of Environmental Protection to perform upgrade and site remediation activities. The scope of work is described on the attached project summaries:

PUST Residential Grants:

P45256	Lucille Virgilio Trust	$ 22,997
P45370	Velma Morgan	$147,025
P34431	Lillian Molina	$189,434
		$359,456

PUST Not-For-Profit Grant:

P45281	American Christian School Society	$270,264

Total UST Funding – April 2019 **$629,698**

Tim Sullivan

Prepared by: Kathy Junghans

36 West State Street | PO Box 990 | Trenton, NJ 08625-0990 | 609-858-6700 | customercare@njeda.com | www.njeda.com

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

APPLICANT: Lucille Virgilio Trust P45256

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

PROJECT LOCATION: 1 Orange Heights Avenue West Orange Township (N) Essex

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

APPLICANT BACKGROUND:

Between March 2014 and December 2017, Lucille Virgilio Trust received an initial grant in the amount of $92,197 under P38644 and supplemental grants totaling $136,340 under P41163 and P44354 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

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

APPROVAL REQUEST:

The applicant is requesting aggregate supplemental grant funding in the amount of $22,997 to perform the approved scope of work at the project site. Because the aggregate supplemental grant funding is $159,337, it exceeds staff delegation approval of $100,000 and therefore requires EDA's board approval. Total grant funding including this approval is $251,534.

The NJDEP oversight fee of $2,300 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: $22,997

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remediation	$22,997
NJDEP oversight cost	$2,300
EDA administrative cost	$250
TOTAL COSTS	$25,547

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Velma Morgan P45370

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

PROJECT LOCATION: 3414 High Street Gloucester City (T/UA) Camden

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

APPLICANT BACKGROUND:

In January 2018, Velma Morgan received a grant in the amount of $35,375 under P44014 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

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

APPROVAL REQUEST:

The applicant is requesting supplemental grant funding in the amount of $147,025 to perform the approved scope of work at the project site. Total grant funding including this approval is $182,400.

The NJDEP oversight fee of $14,703 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: $147,025

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remediation	$147,025
NJDEP oversight cost	$14,703
EDA administrative cost	$250
TOTAL COSTS	$161,978

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Lillian Molina P34431

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

PROJECT LOCATION: 55 Highland Avenue Franklin Township (N) Somerset

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

APPLICANT BACKGROUND:

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

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of $189,434 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $18,943 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: $189,434

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade,Closure,Remediation	$189,434
NJDEP oversight cost	$18,943
EDA administrative cost	$250
TOTAL COSTS	$208,627

APPROVAL OFFICER: K. Junghans

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

APPLICANT: American Christian School Society P45281

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

PROJECT LOCATION: 126 South Hillside Ave. Roxbury Township (N) Morris

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

APPLICANT BACKGROUND:

American Christian School Society is a 501(c)(3) not-for-profit entity seeking to remove a leaking underground storage tank (UST) with extensive onsite soil and groundwater contamination located Roxbury and perform the required remediation outside the building. The tank will be decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible.

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of $270,264 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $27,026 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: $270,264

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

PROJECT COSTS:

Upgrade,Closure,Remediation	$270,264
NJDEP oversight cost	$27,026
EDA administrative cost	$500
TOTAL COSTS	$297,790

APPROVAL OFFICER: K. Junghans

BOARD MEMORANDUM

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: April 9, 2019

SUBJECT: Projects Approved Under Delegated Authority –
For Informational Purposes Only

The following projects were approved under Delegated Authority in March 2019:

Premier Lender Program:

1) 50 Somerset Place LLC (P45592), located in Clifton City, Passaic County, is a real estate holding company formed in 2019 to purchase the project property. The facility will be utilized by Shawnee Trucking Co., Inc., Shawnee Transportation Services, Inc., Symco Equipment, LLC and Shawnee Warehousing Services Inc. These businesses provide warehousing services, such as pallet storage and offloading and onloading products and transportation and logistics services. ConnectOne Bank approved an $11,520,000 loan contingent upon a 17.36% ($2,000,000) Authority participation. Proceeds will be used to purchase the project property into which all of the operating companies will be relocated from Carlstadt, NJ. The Company currently has 67 employees and expects to create 15 new jobs over the next two years.

2) 124 Market ST LLC (P45470), located in Newark City, Essex County, is a real estate holding company formed in 2017 to purchase the project property. The operating company, Brick City Gold, Inc., was established in 2005 as a jewelry dealer and manufacturer specializing in laser welding, laser engraving and casting. M & T Bank approved a $1,250,000 loan contingent upon a 50% ($625,000) Authority participation. Proceeds will be used to purchase the project property to relocate its entire operations and expand its manufacturing component of the business. Currently, the Company has five employees and plans to create ten new positions within the next two years.

3) Dade Realty LLC (P45502), located in Plainfield City, Union County, is a real estate holding company formed in 2018 to purchase and own the project property. The operating company, Carts Mobile Food Equipment Corporation, was established in 1976 as a manufacturer and fabricator of stainless-steel equipment, custom cabinetry, counters, work stations, tables and racking systems for equipment dealers, architects, contractors, and large-scale kitchen and cafeteria upgrade consultants. Lakeland Bank, NA approved a $1,850,000 loan with a 44.4% ($823,000) Authority participation. Proceeds will be used to purchase the project property to relocate the Company's entire operations from Brooklyn, NY. The Company plans to create 34 new positions over the next two years. On April 10, 2018 the Members of the EDA Board approved a $3,740,000 grant under the GROW NJ Program to Carts Mobile Food Equipment Corporation.

4) IJA Holdings, LLC (P45556), located in Trenton City, Mercer County, is a newly formed real estate holding company created to purchase the project property. Two operating companies occupy the property. IJA Acquisitions, LLC (AKA Trenton Corrugated Products), was formed in 1973 as a custom designer and manufacturer of cardboard boxes and containers that delivers product with its four-truck fleet. Motwingles, LLC, is newly formed to purchase the ownership interest of A. Pecoraro & Associates, LLC in the cardboard consortium of Freedom Cardboard LLC. M & T Bank approved a $2,500,000 loan contingent upon 50% ($1,250,000) Authority participation. Proceeds will be used to purchase the project property. The Company currently has 36 employees and plans to create ten new jobs over the next two years.

Stronger NJ Business Loan Program:

1) Assisted Living Inc. (P39941 & P42395), located in Hopewell Township, Mercer County, was founded in 1999 as a non-profit licensed assisted living program that provides services to senior citizens and adults with disabilities. Services include bathing, dressing, grooming, medication administration, activities and meal preparation. The Company was approved for a $1,437,795 construction loan and a $50,000 forgivable construction loan.

Small Business Fund Program - Modification:

1) KC Car Wash Inc. (P45466), located in Belleville Township, Essex County, was approved on December 12, 2018 for a $790,000 Provident Bank loan contingent upon a 50% ($395,000) Authority participation. Proceeds will be used to refinance an existing mortgage. Provident Bank approved a loan increase from $790,000 to $900,000 and the Authority increased its participation from $395,000 to $450,000, reflecting our 50% share of the loan. All other terms and conditions of the original approval remain unchanged.

Prepared by: G. Robins

NJEDA

TO: Members of the Authority

FROM: Tim Sullivan, Chief Operating Officer

DATE: April 9, 2019

SUBJECT: Hazardous Discharge Site Remediation Fund - Delegated Authority First Quarter 2019 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 March 31, 2019 for the first quarter. Five grants were approved totaling $276,050.

Tim Sullivan

Prepared by: Kathy Junghans

PROJECT	APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
P45326	Bayonne City (5th Street Connection)	Initial grant for Preliminary Assessment and Site Investigation	$52,566	$52,566
P45546	Monmouth Conservation Foundation (C. River Plaza)	Supplemental grant for Site Investigation	$39,085	$133,716
P45524	West Orange Township (Selecto Flash Inc)	Initial grant for Remedial Action	$41,934	$43,934
P45523	Woodbridge Township (Woodbridge Township DPW)	Supplemental grant for Remedial Action	$74,059	$249,237
45277	Hemant Shah Family Foundation	Initial grant for Remedial Investigation	$68,406	$68,406
2 Grants		**Total Delegated Authority for HDSRF Applications**	**$276,050**	**$547,859**

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

HDSR MUNICIPAL & COMMERCIAL APPROVALS, BY MONTH
FROM 01/01/2019 TO 03/31/2019

PROJ NUM	PROJ NAME	DATE	AMOUNT
Month: MARCH 2019			
P45326	Bayonne City(5th Street Connection)	03/01/2019	52,566.00
P45546	Monmouth Conservation Foundation(Chris	03/01/2019	39,085.00
P45524	West Orange Township(Selecto Flash Inc)	03/01/2019	41,934.00
P45523	Woodbridge Township(Woodbridge Township	03/12/2019	74,059.00
P45277	Hemant Shah Family Foundation	03/18/2019	68,406.00
Subtotal for month 5 Projects			276,050.00
Totals: 5 Projects			276,050.00

NJEDA

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: April 09, 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 January 01, 2019 to March 31, 2019

Summary:

	# of Grants	$ Amount
Leaking tank grants awarded	20	$420,422
Non-leaking tank grants awarded	0	$0

Applicant	Description	Grant Amount	Awarded to Date
Beaty, Geneva (P45280)	Initial grant for upgrade, closure and remediation	$12,675	$12,675
Bil, Kazimierz and Catherine (P45243)	Supplemental grant for site remediation	$52,028	$153,817*
Bizik Enterprises, Inc. (P45305)	Initial grant for upgrade, closure and remediation	$95,328	$95,328
Carman, Michelle (P45296)	Initial grant for upgrade, closure and remediation	$3,304	$3,304
Coello, Cynthia (P45323)	Supplemental grant for site remediation	$3,160	$9,405
DeLuca, Nancy (P45292)	Initial grant for upgrade, closure and remediation	$9,960	$9,960
Deacon, Harold (P45452)	Supplemental grant for site remediation	$25,274	$54,292
Gibson, Doug (P45324)	Supplemental grant for site remediation	$34,162	$186,230*
Gottshalk, Deborah and Glenn (P45290)	Initial grant for upgrade, closure and remediation	$10,260	$10,260
Hickman, Jean (P45436)	Supplemental grant for site	$8,589	$76,054

Applicant	Description	Grant Amount	Awarded to Date
	remediation		
Jackson, Jesse (P45435)	Supplemental grant for site remediation	$12,688	$55,918
Krysztopik, Marek (P45255)	Supplemental grant for site remediation	$6,512	$99,798
Lightbody, William and Debra (P45252)	Supplemental grant for site remediation	$15,572	$22,935
Lynch, Donald and Cherie (P45247)	Supplemental grant for site remediation	$17,611	$38,141
Moczula, Martha (P45263)	Supplemental grant for site remediation	$570	$12,121
Munoz, Maria E. (P45295)	Initial grant for upgrade, closure and remediation	$11,375	$11,375
Patterson, Kimeka (P45303)	Initial grant for upgrade, closure and remediation	$31,447	$31,447
Reifenheiser, Alan and Barbara (P45250)	Supplemental grant for site remediation	$57,240	$77,889
Shamael, Doti (P45437)	Supplemental grant for site remediation	$1,649	$22,246
United Methodist Church of Lake Hopatcong (P45299)	Initial grant for upgrade, closure and remediation	$11,018	$11,018
20 Grants	**Total Delegated Authority funding for Leaking applications.**	**$420,422**	

*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

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: April 9, 2019

SUBJECT: Real Estate Division Delegated Authority for Leases and Right of Entry (ROE)/ Licenses for First Quarter 2019- ***For Informational Purposes Only***

The following approvals were made pursuant to Delegated Authority for Leases and ROE/ Licenses in January, February and March 2019:

LEASES / CCIT GRANTS

TENANT	LOCATION	TYPE	TERM	S.F.	CCIT GRANT
Bellerophon Therapeutics	CCIT	Lease Holdover	Month to Month	1600sf	N/A
Aucta Pharmaceuticals	CCIT	Lease Holdover	Month to Month	1,000sf	N/A
BioAegis Therapeutics	CCIT	Lease Holdover	Month to Month	800sf	N/A
Grace Therapeutics	CCIT	Lease Holdover	Month to Month	1,600sf	N/A
Urigen Pharmaceuticals	CCIT	Lease Holdover	Month to Month	655sf	N/A
Mito Biopharma	CCIT	New Lease	1 Year	125sf	Yes
TheWell Bioscience	CCIT	New Lease	1 Year	800sf	N/A
Acryspharm	CCIT	New Lease	1 Year	800sf	N/A
Health Interactive	CCIT	Lease Renewal	1 Year	1,260sf	N/A
EUPROTEIN	CCIT	Lease Renewal	1 Year	1,600sf	N/A
Genomic Prediction	CCIT	Lease Amendment	5 months	Additional small lab 2,400sf	N/A
Bright Cloud International	CCIT	Lease Extension	One Year	900sf	N/A

NJ Biopharmaceuticals	CCIT	Lease Amendment & Extension	15 months	Addiitonal 2,125sf for new total of 4,250sf	N/A
Kamat Pharmatech	BDC	New Lease	3 Years 12/1/18-11/30/21	2,016sf	N/A
Apicore LLC	BDC	New Lease	Three Years	4,298sf	N/A
Grace Therapeutics	BDC	New Lease	Three Years	3,086sf	N/A
Adlai Nortye USA	BDC	Lease Amendment	3/1/19-7/14/21	Additional 1,452sf for new total of 7,615sf	N/A

RIGHT OF ENTRY/LICENSES/EXTENSIONS

ENTITY	LOCATION	TYPE	CONSIDERATION
New Jersey Aquarium	Riverside & Aquarium Drive, Camden, NJ	Property Access Agreement	$1.00

MISCELLANEOUS

ENTITY	LOCATION	TYPE	CONSIDERATION
None			

Tim Sullivan
Chief Executive Officer

Prepared by: Donna T. Sullivan