

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

May 14, 2019

MINUTES OF THE MEETING

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

Members present via conference call: Public Members Massiel Medina Ferrara and Thomas Scrivo.

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

Chairman Quinn called the meeting to order at 10:00 am.

Pursuant to the Internal Revenue Code of 1986, Ms. Sanders announced that this was a public hearing and comments are invited on any Private Activity bond projects presented today.

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

PUBLIC COMMENT

Several members of the public addressed the board. Attached are copies of comments provided by some of the speakers. The full list of speakers is below.

Raj Bath, NJ Main Street Alliance
Dena M. Laborski, NJ Citizen Action
Justin Goldsman, Our Revolution, Essex County, NJ
Bridget Devane, Health Professionals Allied Employees
Dava Padilla, NJ Communities United
Fabriona Bell, NJCU
Yevelin Nunez, NJCU
Estina Baker, Communications Workers of America
Jocelyn Sawyer, Food & Water Watch
Maricarmen Molina, Marricarmen Molina,
Simone Jelks-Bandison, Essex & Passaic County Progressive Democrats, Inc.
Roberta Reavey, SJWPC
Kate Delany, Collingswood Progressive Dems.
Dennis Gormley, Action Together NJ
Awais Quzi, Our Revolution, Essex County, NJ
Doug O'Mulley, Environment NJ
Anthony Vicente, Wolf-PAC

Ron Rivers, Rivers for Assembly
Ronsha Dickerson, Camden Parents Union
Pomasa Paz, 32BJ
Sue Altman, WF
Amir Khan, New Beginnings
Stan White, Camden Resident

In response to a request from Ronsha A. Dickerson of the Camden Parent Union for the board members to visit Camden, Chairman Quinn stated he would be happy to visit the city.

At this time, the majority of the public attendees left the meeting.

Mr. Sarlo stepped out of the meeting.

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the April 9, 2019 meeting minutes. A motion was made to approve the minutes by Mr. Dumont, and seconded by Commissioner Caride, and was approved by the 11 voting members present.

Chairman Quinn abstained because he was not a member of the Board at the time.

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

Mr. Sarlo re-entered the meeting at this time.

AUTHORITY MATTERS

ITEM: Special Counsel: Executive Order 52 (Murphy 2019) and Attorney General Investigation – Amendment to Retention Agreement

REQUEST: To approve additional contract funding.

MOTION TO APPROVE: Mr. Ryan **SECOND:** Mr. Lutz **AYES: 13**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: Innovation Challenge Program

REQUEST: To approve revisions to the Innovation Challenge Program specifications to delegate to staff the authority to grant, when requested, a three-month extension to the deadline.

MOTION TO APPROVE: Commissioner Caride **SECOND:** Mr. Alagia **AYES: 13**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Mr. Ryan left the meeting at this time.

ITEM: New Jersey-Israel Innovation Partnership Initiative

REQUEST: To approve the first phase of the New Jersey-Israel Innovation Partnership Initiative

MOTION TO APPROVE: Commissioner Angelo **SECOND:** Ms. Maloney **AYES: 12**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

OFFICE OF ECONOMIC TRANSFORMATION

ITEM: Advanced Manufacturing Guide – Pilot

REQUEST: To approve a Memorandum of Understanding between the Authority and the New Jersey Manufacturing Extension Program.

MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Lutz **AYES: 12**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ITEM: NJ Ignite – Program Clarifications

REQUEST: To approve the establishment of guidelines to define a Collaborative Workspace in determining eligibility for the NJ Ignite program and for receipt of program benefits on behalf of prospective tenants.

MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Layton **AYES: 12**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

INCENTIVE PROGRAMS

Grow New Jersey Assistance Program - Modifications

ITEM: Adare Pharmaceuticals, Inc APPL.#41048

REQUEST: To approve the modified project with an overall reduction in the incented new full-time jobs from 40 to 20.

MOTION TO APPROVE: Mr. Goetting **SECOND:** Commissioner Angelo **AYES: 12**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: Bayada Home Health Care, Inc APPL.#42313

THIS PROJECT WAS WITHHELD FROM CONSIDERATION.

BOND PROJECTS

Bond Resolutions

PROJECT: Friends of Beloved Community Charter School, Inc. APPL.# 45586

LOCATION: Jersey City, Hudson County

PROCEEDS FOR: Building acquisition, Refinancing, Renovation

FINANCING: \$40,145,000 Total Costs

MOTION TO APPROVE: Mr. Lutz **SECOND:** Commissioner Angelo **AYES: 12**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

LOANS/GRANTS/GUARANTEES

ITEM: Petroleum Underground Storage Tank Remediation, Upgrade, and Closure (PUST) Fund
REQUEST: To approve proposed amendments to the Petroleum Underground Storage Tank Remediation, Upgrade, and Closure Fund rules; and, to authorize staff to submit the proposed amendments for promulgation in the New Jersey Register.

MOTION TO APPROVE: Commissioner Angelo **SECOND:** Commissioner Caride **AYES: 12**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PUST and HDSRF Program Funding Status
(For Informational Purposes Only)

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. Layton **SECOND:** Ms. Maloney **AYES: 12**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

HDSRF Municipal Grants

PROJECT: Township of Hamilton (Hamilton Sanitary Landfill) **APPL.#45584**

LOCATION: Township of Hamilton, Atlantic County

PROCEEDS FOR: Remedial Action

FINANCING: \$213,582

PROJECT: Borough of National Park (R Hawthorne Sanitary Landfill) **APPL.#45638**

LOCATION: Gloucester Twp., Camden County

PROCEEDS FOR: Remedial Action

FINANCING: \$900,000

PROJECT: City of Salem (BOA-Tri County Oil Company) **APPL.#45396**

LOCATION: Salem City, Salem County

PROCEEDS FOR: Remedial Investigation

FINANCING: \$87,589

PROJECT: City of Trenton (Pukala-Fisher Site) **APPL.#45512**

LOCATION: Trenton City, Mercer County

PROCEEDS FOR: Remedial Action

FINANCING: \$383,743

PROJECT: Borough of Washington (Former Vikon Tile)
LOCATION: Washington Borough, Warren County
PROCEEDS FOR: Site Investigation
FINANCING: \$171,376

APPL.#45548

HDSRF Loan

PROJECT: Apollo Development & Land Corp., Inc
LOCATION: Newark City, Essex County
PROCEEDS FOR: Remedial Action and Investigation
FINANCING: \$345,000

APPL.#45570

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. Alagia **SECOND:** Mr. Goetting **AYES: 12**

RESOLUTION ATTACHED AND MARKED EXHIBIT:10

PROJECT: Estate of Arthur W. Beck, Sr.
LOCATION: Irvington Twp., Essex County
PROCEEDS FOR: Remediation
FINANCING: \$230,106

APPL.#45563

PROJECT: Tisha Perez
LOCATION: Marlboro Twp., Monmouth County
PROCEEDS FOR: Remediation
FINANCING: \$515,967

APPL.#45645

PROJECT: Pyramid Oil Company (Main Avenue Pyramid)
LOCATION: Clifton City, Passaic County
PROCEEDS FOR: Remediation
FINANCING: \$137,307

APPL.#45558

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Credit Underwriting projects Approved Under Delegated Authority

Premier Lender Program:

PROJECT: 32 Chestnut Realty LLC APPL.#45568
LOCATION: Farmingdale Borough, Monmouth County
PROCEEDS FOR: Purchase of Property
FINANCING: \$3,600,000 Fulton Bank loan with a 27.8% (\$1,000,000) Authority participation

PROJECT: Oshidar Real Estate, LLC APPL.#45567
LOCATION: Roselle Park Borough, Union County
PROCEEDS FOR: Refinancing
FINANCING: \$1,575,000 M&T Bank loan with a 34.29% (\$540,000) Authority participation

PROJECT: Oshidar Real Estate II, LLC APPL.#45674
LOCATION: Montague Twp., Sussex County
PROCEEDS FOR: Purchase of Property
FINANCING: \$400,000 M&T Bank loan with a 20% (\$80,000) Authority participation

PROJECT: SWP Real Estate, LLC APPL.#45593, #45594
LOCATION: Tinton Falls Borough, Monmouth County
PROCEEDS FOR: Refinancing
FINANCING: \$6,250,000 Investors Bank loan with a 16% (\$1,000,000) Authority participation and \$1,200,000 Investors Bank loan with a 50% (\$600,000) Authority participation

FOR INFORMATION ONLY: Angel Investor Tax Credit Program - Delegated Authority First Quarter 2019 Approvals

FOR INFORMATION ONLY: Incentives Modifications - Delegated Authority First Quarter 2019 Approvals

FOR INFORMATION ONLY: Post Closing Credit - Delegated Authority First Quarter 2019 Approvals

PUBLIC COMMENT

There was no public comment.

EXECUTIVE SESSION

The next item was to adjourn the public portion of the meeting and move in to executive session to receive attorney-client advice from EDA's special counsel on the ongoing inquiries, the minutes of which will be released when the need for confidentiality no longer exists.

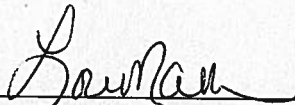
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Alagia **AYES: 12**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

The Board returned to Public Session.

There being no further business, on a motion by Mr. Lutz, and seconded by Commissioner Caride, the meeting was adjourned at 1:13pm.

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.



Lori Matheus, SVP
Assistant Secretary

Thank you for taking public input today.

My name is Dena Mottola Jaborska, and I am the Associate Director at New Jersey Citizen Action, an advocacy and direct service organization which advocates for, and supports low, and moderate income people statewide.

We strongly believe that the NJ EDA needs to overhaul its programs and its leadership. Since 2013, when the Economic Development Act was adopted, the EDA's business subsidy programs veered severely off course -- and moved alarmingly and rapidly away from its mission to generate real and lasting economic development. Often, companies which captured EDA's funds failed to deliver the number of jobs they committed to delivering. They failed to hire locally and they failed to bring real benefit to the communities where investments were made.

Further, EDA subsidies should have brought economic opportunities across the state, to places that needed it most, but instead unfairly flowed disproportionately to one community. Some companies who received the subsidies falsified information on their application, others manipulated or delayed reporting to avoid highlighting that they did not deliver on their promises. And this board utterly failed to hold their awardees accountable, turning a blind eye to the unfairness and misuse of taxpayer dollars, and continued to spend taxpayer dollars with little regard for our interests and the benefits we were due.

The taxpayers of this state deserve so much better. We deserve to have leadership over the EDA that is diligent and will ensure every last taxpayer dollar delivers robust benefits for the people of this state. And so today, we are here again urging the members of this board to step down and make way for new leadership more closely aligned with the taxpayers who have every right to expect real and lasting benefit for their investment.

We also expect this Board to support important reforms to the program and urge you not to get distracted by politics at the expense of the important policy reform work that must be done. We must all keep our eyes on the prize and not let politics get in the way of the work that must be done to overhaul the EDA's programs.

The people of this state can barely afford a business tax subsidy program at all, let alone one that is subject to political manipulation and weak returns on investment. We already know that business tax subsidy programs are an inferior tool for economic development and should not be the primary path to economic progress in our state. We

Testimony of Ron Rivers
ron@rivers2019.com | (347) 352-6329
EDA Board Public Meeting
May 14th, 2019

Good morning committee members, my name is Ron Rivers, and I'm here to share both my concerns and those of the hundreds of New Jersey residents that I have spoken to.

As a candidate for State Assembly, I've been knocking on a lot of doors. As you can probably guess, the most common concern of our residents are the taxes in our state. Imagine our residents' frustration when we discuss the blatant theft of taxpayer money that has recently occurred under the umbrella of your organization. To say that our community members are disappointed would be an understatement. They're angry, and today I am here to speak up on their behalf.

The EDA's website mission states that the organization is "an independent State agency that finances small and mid-sized businesses, administers tax incentives to retain and grow jobs, revitalizes communities through redevelopment initiatives, and supports entrepreneurial development by providing access to training and mentoring programs." If you consider your mission statement as your North Star, it is apparent that the organization is off course.

When I initially read the revelations surrounding this scandal I was both surprised and disappointed. I expected more from a state institution which would presumably bring some of our best minds together to support growth in NJ. Trickle-down economic models have proven to be failures time and time again. Attempts to spur growth by funding our wealthiest have historically failed at the state level, an example being Kansas, and have consistently failed to stimulate our economy at a national level. One would expect this to be common knowledge amongst a board of economic advisors.

If the accusations are correct, our EDA Board leadership has failed tremendously. Allowing George Norcross and his sphere of political and business allies to transfer wealth from New Jersey's middle and lower class to the wealthiest corporations and individuals in our state. Even more offensive is how the Parker McCay law firm was allowed to influence the very language that governed the distribution and regulation of the incentive program. It was gross incompetence that your organization must now atone for.

I'm here to share with you that the people of New Jersey are watching. In a time of increasing economic uncertainty, the looming prospects of automation and artificial intelligence, and a climate crisis that is set to disrupt economies across the globe radically, we expect you to do better. 11 Billion dollars of our tax monies are gone, money that could have been used for schools, infrastructure, other public projects. It's now up to you to ensure that no person associated with this deal is left to govern our tax dollars. Our trust has been broken; it's time to make it right.

Maricarmen Molina NJEDA Press Conference Talking Points - 5-14-19

- Good morning. My name is Maricarmen Molina. I'm a warehouse worker from Paterson and I'm a proud member of the Laundry, Distribution and Food Service Union, Workers United, SEIU.
- As members of the Warehouse Workers Stand Up Coalition, we are organizing to raise standards for all warehouse workers in New Jersey.
- I'm here today to demand real reform of the NJ Economic Development Authority and to say enough is enough!
- We need to reform the NJEDA to make sure that any public subsidies — especially subsidies for companies opening warehouse distribution centers — include real protections for workers and real benefits for our communities. This means a living wage of \$15 an hour, affordable health care and real safety protections at the very least.
- We need to reform the NJEDA to ensure real protections for taxpayers. This means real transparency, oversight and accountability.
- For too long the NJEDA has given away subsidies with no strings attached and with little public oversight.
- In the last five years alone, the NJEDA awarded nearly a quarter of a billion dollars in subsidies to companies opening warehouse distribution centers in New Jersey.
- However, there were no requirements to ensure that these subsidies actually created good jobs for our local communities.
- This is ridiculous. If we aren't creating good jobs with these subsidies then what's the point - other than to line the pockets of rich corporations?
- That's why we need to reform the NJEDA now.
- We need real protections for taxpayers. We need real protections for workers. And we will not settle for anything less.

Hi my name is Dave Salas I am from WSCU and I am a working mother of 3 children. I live in Camden N.J. were all these new companies have been popping up tax free for 10 years. It sounds good that jobs are opening in Camden but in all reality it is not good for Camden residents that live in the city. These companies brought people outside of Camden to work for them while denying jobs to Camden residents such as myself. So in order to provide for my family I have to take a 3 1/2 bus ride to and from work everyday. I spend 9.75 each way 5 days a week. That's money I could be using to take care of my family. Its sad that these companies refuse to hire Camden residents, but take advantage of the tax breaks and get richer, while the poor get poorer. George and Donald Worcross have given most of these companies ~~the~~ that came in to their friends and themselves. Pro Publica and WWHY

Reported that over 1 billion
of the money designated for
Camden came under control of
George Norcross or his brothers

Because of the construction
Camden is experiencing flooding in
areas that never flooded before
Camden was supposed to get a
Shoprite built but the plan was
axel by Geornorcross leaving Camden
a food desert where residents
are spending 12-20 to go buy
food

My name is Raj Bath and I'm the Business Representative for New Jersey Main Street Alliance, a coalition of more than 1,500 independently owned businesses throughout New Jersey.

I'm here today to highlight some concerns from the small business community in regards to how the EDA has been operating. The first bad news came when the state Comptroller reported there was no known return on investment for \$11 billion in tax breaks given to large corporations. Now we have learned that some of the companies who benefited from these handsome rewards are also bad actors. We've learned that they will go to extreme lengths to falsify information just so they can gain an advantage as well as prey on other small business owners. It goes without saying that New Jersey does not need this as they are bad for our communities. The absence of oversight on the EDA has resulted in corruption & mismanagement. Where there is a lack of, there will always be trouble.

Small business owners struggle and continue to struggle to gain access to credit and capital. Banks rarely extend lines of credit, and often offer loans that are too large, or too expensive, and predatory lenders bombard them constantly, disrupting their business activity on the daily. True economic development that can help assist Main Street to compete as well as to thrive is to invest with those whom are the bread & butter of our state economy. Providing funding for our communities such as infrastructure, education & public good will create opportunity zones for small business owners to rise and expand.

In particular, improving our transportation can mean something simple as less traffic which would = less waste of time for SBOs and thus not wasting their resources to deliver their products & goods. We have an opportunity to help our SBOs take advantage of the tri-state market. Trust me there are North, Central, & southern business owners who wished our public transportation was better.

I conclude by stating that this is not political; it's about bad actors & bad policy. Let's work to ensure that the EDA corrects its course to help spur economic development that is fair for all of New Jersey.

The final ask:

1. Contracts from EDA-recipients must prioritize hiring of local businesses and employees.
2. Subsidies must target small and mid-sized businesses.
3. Any tax credit scheme must include robust community benefit agreements.

Good Morning

I also represent Friday the other 16 chapters across the state

My name is Justin Goldsman and I have the honor to serve as the Chair of Our Revolution Essex County. Recent studies have shown that 75% of Americans, regardless of party, are tired of the corrosive influence of money in our political spheres and believe that major donors should not have more influence than the average citizen. We equate money with corruption because quite frankly that's what money does to elected officials. It silences their autonomy on legislation as they bend to donors. It makes those who cannot cut massive checks less important than those who can. And in this case, the influence of money and power leads to tax breaks and incentives for those pulling the strings from the shadows. The EDA board should prioritize people and the needs of NJ residents over puppets and powerful influences, but once again, NJ seems to revert back to a Party boss state while the residents get screwed. Mr. Sheehan is a real estate lawyer. According to the NYT, he had his own hand writing and mark ups all over the early drafts of the EDA proposals. When unelected donors have more influence over where NJ tax dollars are spent than do our elected officials, it is quite clear that we are nothing short of a shell of democracy. In fact, many, including myself, would describe the political health of NJ as a kleptocratic oligarchy. Elected officials should be the ones drafting and promoting legislation, not unelected power brokers deciding what is acceptable. In order to regain our trust, the EDA should make available all contracts paid for by public tax dollars without redactions.

power brokers

This board should be an engineer for economic development focused on equity, not a catalyst for corruption focused on corporations. The difference between transformative and transactional politics is simple: one uplifts communities and people together. The other builds up sky scrapers and leaves communities and people behind to benefit donors. Because of this, we are asking that community members and organizations have input in the process to ensure the businesses will benefit the actual communities to which they move into. ProPublica reported that over \$1B of the money designated for Camden went to Norcross related entities. 1B went to Camden, yet the number of jobs have gone down! How does this happen?

In 2014, Holtec was given \$260M to create 235 new jobs. Does it really cost over 1M/job created? The point of this board is to create jobs, yet even with these handouts, NJ pays so much more than the national average per job created. That's either corruption or mismanagement but either way it's inappropriate. *unnecessary*

We are also asking that community members, their skill sets, their priorities, be aligned with the types of businesses being brought in to those areas to ensure that community members are the first thought when it comes to hiring. Companies that operate on predatory lending, have questionable employment practices, and are harmful to small businesses should not be approved. Morality and ethics must resonate at the forefront of all EDA approved incentives.

People are beyond tired of corporate ransacking. They want investments in public education, in affordable housing, in transit and infrastructure. No more helicopter pads or waterfront luxury buildings. Economic investment means investing in people. This isn't left vs right, republicans or democrats. This is about trust and good governance. The only positive outcome from any of this is that the corruption and political power in this state is finally being brought to light. The level of corruption and mismanagement of tax payer dollars demonstrated by the EDA board members *alone* is cause enough to ask for resignation. But the level of harm done to our democracy and trust in the systems of government, that is one that is inexcusable, will have long term effects in the trust of NJans, and can only start to be remedied with your resignations. Thank you for your time, your service to our state, and hopefully, your decision to morally act and step down.

If you want to help the Jersey shore, invest in fighting climate change

700 315 432