



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

New Jersey Economic Development Authority *2014 Annual Report*



New Jersey Economic Development Authority
Mailing Address: PO Box 990, Trenton, NJ 08625-0990
Street Address: 36 West State Street, Trenton, NJ 08625
Phone: (609) 858-6700
E-mail: CustomerCare@njeda.com

Message from EDA Board Chairman Al Koeppel

As Chair of the Board of the New Jersey Economic Development Authority (EDA), I am happy to report that 2014 was another exciting year as the Authority continued its mission to fuel job creation and encourage private investment in the state. With a well-earned reputation for professionalism and competency, the EDA has remained committed to advancing its mission while upholding the highest level of due diligence and fiduciary oversight.

As you will see in the pages that follow, the EDA has successfully administered its myriad programs to support entrepreneurs, small businesses, large companies, developers and municipalities. In particular, 2014 was marked by significant corporate interest in Camden. The City's expanding commercial base is a testament to the power of the New Jersey Economic Opportunity Act, as well as comprehensive community revitalization efforts at the state and local level.

In addition to Camden, we have seen increased interest and activity in cities throughout the state. This includes Newark, which continued its renaissance last year with a host of new developments and historic renovation projects that are bringing new corporate, residential, academic and retail space to the City.

I am proud of the projects the EDA has helped to advance and its work over the last year to grow New Jersey's economy. Whether supporting a transformational redevelopment project, attracting a Fortune 500 company, or helping to rebuild a small retailer, the EDA continues to be propelled by the high performance of its Board of Directors and staff.

Congratulations to the Authority on another impressive year of work, and thank you to the Board for your first class service.

A handwritten signature in black ink, appearing to read "Al Koeppel". The signature is fluid and cursive, with a large initial "A" and "K".

Al Koeppel
EDA Board Chair

Message from CEO Melissa Orsen and President & COO Tim Lizura

With a powerful new economic toolkit to boost job creation and private investment and our continued support of the state's recovery and rebuilding efforts, 2014 was an eventful year at the Authority.

In total, the EDA finalized more than \$673.8 million in financing assistance, business incentives and tax credits in 2014, leveraging over \$1.5 billion of investment in New Jersey's economy, generating more than 4,500 new, permanent jobs and 4,435 construction jobs, and retaining 3,110 jobs that were at risk of leaving the state.

Among the highlights of 2014 not captured by these figures is the \$34 million disbursed to over 680 storm-impacted small businesses through the Stronger NJ Business Grant program. This includes "mom and pop" restaurants along the Jersey Shore, as well as a range of manufacturers and retailers throughout the state.

The EDA also remained committed to growing New Jersey's technology industry in 2014, advancing several new initiatives that allow us to support companies at every stage of growth. This includes the launch of New Jersey Founders & Funders, matchmaking events which provide emerging companies with direct access to angel and venture capital investors; and, \$1 million in funding to support the expansion of three co-working spaces in Asbury Park, Hoboken and Jersey City.

Additionally, activity under the New Jersey Economic Opportunity Act has been robust, with more than \$2.1 billion in tax incentives approved through the Grow New Jersey and Economic Redevelopment and Growth programs to date. We expect these projects alone to account for private investment in excess of \$3.2 billion, the creation of more than 15,500 new jobs and 11,750 construction jobs, and the retention of nearly 13,000 at-risk jobs. As performance-based incentives, approved projects must demonstrate compliance with program requirements, including generation of new tax revenue, completion of capital investments, and/or the hiring or retaining of employees prior to the receipt of any approved benefits.

Our efforts to spur business growth are strengthened as a result of the Partnership for Action. Created by Governor Chris Christie and led by Lieutenant Governor Kim Guadagno, the Partnership is a four-pronged public-private approach to economic development and the starting point for all initiatives, policies and efforts to attract and retain businesses while creating quality, sustainable jobs across communities. We are proud to be part of this team, which also includes the New Jersey Business Action Center (BAC), Choose New Jersey, and the Office of the Secretary of Higher Education.

Early in 2015, former CEO Michele Brown left the EDA to join Choose New Jersey as its President and CEO. We thank Michele for her outstanding leadership and look forward to our continued efforts to advance the Christie Administration's pro-growth agenda of spurring job

creation and private investment and ensuring the recovery, rebuilding and resiliency of our businesses and communities.

To learn more about opportunities for business growth throughout New Jersey, we invite you to visit www.njeda.com or www.NewJerseyBusiness.gov.



Melissa J. Orsen
EDA CEO



Timothy J. Lizura
EDA President & COO

2014 Results

EDA Results 2014*	
Projects Assisted	478
Total Assistance	\$673.8 million
Public/Private Investment	\$1.5 billion
Estimated New Permanent Jobs	4,505
Estimated Construction Jobs	4,436
Estimated Retained "At Risk" Jobs	3,112

EDA Results 1974 – 2014	
Projects Assisted	12,007
Total Assistance	\$24.2 billion
Public/Private Investment	\$53.4 billion
Estimated New Permanent Jobs	337,641
Estimated Construction Jobs	349,813
Estimated Retained "At Risk" Jobs	19,286 <i>calculated since 2012</i>

****For the purpose of annual reporting, EDA Results only reflect closed projects. These figures do not include projects only approved in 2014, including those advancing under the Economic Opportunity Act.***

EDA Mission

The New Jersey Economic Development Authority (EDA) 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.

Supporting New Jersey's Recovery, Rebuilding and Resilience



“For us, the effects of the storm really snowballed, creating a gap in cash flow. The Stronger NJ Business grant has helped us close that gap, fill in where insurance fell short, and get back to where we were prior to the storm.”

- Adam Padla, Vice President, Booth Movers

The EDA's focus on recovery and rebuilding continued during 2014, as evidenced by the \$61.6 million in assistance provided to 720 impacted small businesses through the Stronger NJ Business Grant and Loan programs. Additionally, the EDA made significant progress in administering the Stronger NJ Neighborhood and Community Revitalization (NCR) program, approving \$64 million to help advance a range of community improvement projects. Since the EDA began administering such federally-funded recovery programs in 2013, a total of over \$180 million has been approved to support 1,100 impacted businesses and 36 municipal projects. Programs are funded through the Community Development Block Grant-Disaster Recovery (CDBG-DR) allocation awarded to New Jersey.

Moonachie-based **Booth Movers** received a \$50,000 grant to support its recovery following a loss of inventory and damage to its solar electrical system, which resulted in increased utility costs. The company, which offers moving, storage, product and furniture distribution, and cabinet delivery services, had to relocate to temporary space while their warehouse and offices were remodeled.

In Point Pleasant, the seawall outside **Driftwood Motel** was destroyed by the storm, resulting in shattered windows, damaged walls, floors and furniture, and the flooding of 18 rooms. The family-owned and operated motel received a \$50,000 grant to support its recovery.



“Our summer season in 2013 was off 50-75 percent. Since our grant from the EDA, we were up and running 100 percent this summer.”

- Sam Ippolito, Owner, Driftwood Motel



“We’re in good shape now, despite how bleak things looked just after Sandy. Business has been terrific – perhaps even better than before. We feel very fortunate, and grateful to our customers, who have been so supportive over the last two years.”

- Kristin Catlett, Owner, Casa Comida

Casa Comida in Long Branch experienced three feet of flooding following the storm, resulting in considerable damage. After taking on credit card debt and enlisting the help of friends and family, the restaurant reopened six weeks after Sandy. Casa Comida received a \$24,669 grant and a \$224,000 working capital loan to support its recovery.



“North Jersey was hit harder by Superstorm Sandy than many people realize, and in the tourism sector, we always need to be at our best to ensure our customers have an unforgettable experience. The Stronger NJ Business Grant we received from the EDA really helped us get back on our feet.”

- Guy Gsell, President and Executive Producer, Field Station: Dinosaurs

Field Station: Dinosaurs encompasses 20 wooded acres in Secaucus. Upon admission to the outdoor prehistoric theme park, every visitor begins an expedition exploring more than 30 full-size animatronic dinosaurs. Nine of the dinosaurs were severely damaged by the storm. A grant of \$50,000 helped to support their repair and ensure Field Station was ready to welcome visitors for the season.

Located in Lavallette since 2003, **The Music Man Singing Ice Cream Shoppe** was surrounded by over four feet of water following the storm. In addition to losing all of its inventory and equipment, the interior of the building had to be renovated. The Music Man received a \$50,000 grant and a working capital loan of more than \$509,000 to support both its recovery and its expansion to a second location on the Seaside Heights boardwalk. The Music Man’s “Medley’s” officially opened its doors in Seaside in June 2014.



“After enduring the storm and the challenges that came along with it, we are excited to be able to open a second location on the boardwalk in Seaside Heights. Being a part of rehabilitating Lavallette and Seaside, we are thrilled that both towns bounced back so well.”

- Josephine Sessa-Agliata and Robert Agliata, Owners, The Music Man and Medley’s

Through the “Streetscape” component of the NCR program, 15 municipalities were approved for grants to support various improvements such as streetscapes, lighting, sidewalks, façade enhancements, and other physical upgrades to support the recovery of economic activity in commercial corridors.



With a Streetscape grant, Hoboken’s Citywide Wayfinding and First Street Streetscape Revitalization Project is advancing

Hoboken was approved for a Streetscape grant of nearly \$880,000 to help the City complete its Citywide Wayfinding and First Street Streetscape Revitalization Project. The project includes improvements to the First Street commercial corridor and the implementation of a wayfinding system that will direct consumers to commercial destinations. The corridor was flooded with more than six feet of water during the storm, resulting in significant financial losses to local businesses, as well as damage to the existing streetscape. The revitalization of First Street will span 12 blocks and include rain gardens, curb extensions, new benches, bike parking, trash and recycling receptacles, ADA accessible curb ramps, shade trees, and banners.



Sea Isle City's Beach-to-Bay development along JFK Boulevard

Other projects are advancing in **Highlands**, where the Borough will replace old and cracked sidewalks and curbs and install pedestrian-scale street lights, bike racks, benches and trash receptacles; **Asbury Park**, which involves the City replacing old conventional highway style poles and light fixtures with new energy efficient LED lights along its entire boardwalk; **Keansburg**, where the Borough is revamping Main Street and Carr Avenue to reconstruct roadways, build sidewalks and make the downtown safer for pedestrians; and **Sea Isle**, which is advancing the City's beach-to-bay corridor development, including enhancements to the downtown business district.

These projects are in various stages of the development process, which includes environmental review, design and permitting. All projects are expected to break ground in 2015.

Under the Development and Public Improvement (D&I) component of the NCR program, 21 community projects were approved for funding in 2014. Criteria for these projects included planned physical improvements with commercial or mixed uses and recreational or cultural projects within commercial, residential or existing/planned park areas.



A rendering of the revitalized Berry Lane Park in Jersey City

One project advancing with the support of D&I funding is the transformation of Berry Lane Park in **Jersey City**. The project, which will feature green infrastructure design to mitigate future flooding, involves turning 17 acres of brownfields into one of the largest municipally owned parks. Other projects approved last year include the Mansion Avenue drainage improvements in **Atlantic City**, which will allow for a system of storm water runoff improvements, including new piping, pumps and drainage structures; various improvements to Lakeview Field in **Little Ferry**, including turfing, lighting and fence replacement; and, improvements to the waterfront areas in **Perth Amboy**, including fishing piers and a recreational trail.

As the state's recovery and rebuilding progresses, the EDA's focus has expanded to include resilience. Two programs were launched in 2014 to help create a more resilient infrastructure in the state and ensure New Jersey is able to withstand future disasters.

In partnership with the Board of Public Utilities (BPU), the EDA launched the New Jersey Energy Resilience Bank (ERB) in October 2014, the first public infrastructure bank in the nation to focus on energy resilience. The ERB's mission is to minimize the impact of future major power outages and increase energy resiliency. Utilizing \$200 million through New Jersey's second CDBG-DR allocation, the ERB will support the development of distributed energy resources at critical facilities to enable them to remain operational during future outages.

Superstorm Sandy caused extensive damage to New Jersey's energy infrastructure, disrupting delivery of electricity, petroleum, and natural gas to consumers across the state, and leaving an estimated five million residents without electricity. Distributed energy resources, including combined heat and power, fuel cells and off-grid solar inverters with battery storage, allowed some critical facilities, such as wastewater treatment plants, hospitals and universities, to remain operational while the electric grid was down.



Princeton University's cogeneration plant allowed the school to switch off the grid and continue to power its campus

Financing options available through the ERB will consist of grants and loans to address unmet funding needs. Eligible technologies must be constructed to operate isolated from the electric utility grid (islanding), be able to start up without a direct connection to the electric grid (blackstart) when the grid is down due to extreme weather events, and have the capability to operate at critical load.

The application period for the first group of facilities targeted for the program, water and wastewater treatment plants, opened in December 2014; \$65 million of the initial \$200 million in ERB funding is allocated for this sector. During 2015, the program will open the program to other critical sectors, including healthcare, education and transit. As the need for resilient energy solutions far exceeds the \$200 million currently available through the ERB, additional sources of funding are being explored.

The EDA also launched the Retail Fuel Station program last year to enhance the operational resiliency of retail fuel stations from future electric power outages by incentivizing the permanent installation of back-up electric generator "quick-connects" or back-up electric generators. The voluntary grant program is funded with approximately \$7 million in Federal Emergency Management Agency Hazard Mitigation Grant Program money.

The program was initially limited to stations in close proximity to evacuation routes with minimum gasoline storage capacity of 30,000 gallons. In January 2015, the EDA announced the reopening of the application and the expansion of the program to include additional stations. Under the revised guidelines, all retail stations in New Jersey which sell diesel fuel, and meet minimum gasoline storage criteria, are eligible to apply. Stations with gasoline storage capacity between 18,000 and 35,000 gallons can apply for quick connect grants up to \$15,000, and

stations with gasoline storage capacity of greater than 35,000 gallons are eligible for permanent generator grants up to \$65,000.

In 2014, 62 stations were approved for assistance totaling over \$3 million. Of these approvals, 42 will install “quick connects” and 20 will install back-up generators. The first installation under the program was completed in February 2015, and several more are expected this spring.



“The ‘quick connect’ we have installed through the RFS program gives us the peace of mind of knowing we can provide uninterrupted service to our clients during a major power outage”

- Kesar Gill, owner, Valero in Belle Meade, first grant recipient to complete installation

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Access to Capital Paves Way for Business Growth



“Fueled by a commitment to service, quality and solutions, EVS Metal is proud to be recognized for its world class manufacturing processes. Our business was launched in New Jersey 20 years ago, and we’re thankful for the support of the EDA as we continue to expand and grow in the State.”

- Scott Berkowitz, President, EVS Metal

The EDA often partners with financial institutions, local organizations and other state agencies to help borrowers bridge financing gaps and increase their access to capital. This includes offering low-interest loans, bond financing and support for micro-lenders to increase their lending capacity and the technical assistance and training services they offer.

To help lower the cost of borrowing for businesses, the EDA works with over 40 banks, providing loan participations or guarantees. Banks that have been approved by the EDA for Premier Lender status benefit from faster turnaround and reduced risk. The streamlined process involves the EDA approving finance applications in as early as three to five business days, the result of which speeds the flow of capital to businesses. The EDA can participate in up to 50 percent of a bank loan for fixed assets (up to \$2 million) or working capital (up to \$750,000); the maximum guarantee for fixed assets and working capital is \$1.5 million.

Riverdale-based **EVS Metal, Inc.** celebrated its 20th anniversary in 2014. A precision sheet metal fabricator, EVS is considered one of the fastest growing manufacturing companies in the United States. EVS also provides machining, finishing, engineering, logistic, and integration services. To support its operations, the company received a loan from JP Morgan Chase that included a 20 percent EDA participation.

Other businesses that benefitted from EDA's Premier Lender partnerships include **Tipico Products Co.**, a wholesaler that is utilizing a TD Bank loan that includes a 43.8 percent EDA participation to expand to a larger facility in Lakewood; and, **Custom Labels, Inc.**, a printing company that received a loan from Two River Community Bank that includes a 30 percent EDA participation to help acquire a new property in Fairfield.

One of the EDA's longest-standing programs for small businesses is the New Jersey Business Growth Fund, an exclusive program of the EDA and PNC Bank. Through this program, creditworthy companies may be eligible for up to a \$3 million PNC Bank loan with a 25 percent or 50 percent EDA guarantee. Funding can be used for machinery and equipment or real estate.

Last year, **Filan and Conner Plumbing** utilized a PNC Bank loan backed by a 25 percent EDA guarantee to purchase a property in Berlin for its plumbing and bathroom remodeling business. Additionally, **Tony's Freehold Grill**, a family-owned railcar diner, used a PNC Bank loan backed by a 25 percent EDA guarantee to purchase its location in downtown Freehold. A PNC Bank loan, backed by a 25 percent EDA guarantee, also helped metal hose assembly manufacturer **Flexline** acquire a building for its operations in Kenilworth.

In addition to partnerships with commercial lenders, the EDA provides below-market rate direct loans that can be used for fixed assets or working capital. Businesses can apply for up to \$2 million for fixed assets, or up to \$750,000 for working capital. Direct loans offer businesses lower interest rates, longer terms, and the flexibility of choosing a variable or fixed rate.



“The direct loans from the EDA allowed us to continue to offer our customers the stellar products and service they have been accustomed to for the last 90 years. We’re proud to be a third-generation, family-run business that calls New Jersey home.”

-Jason Shaw, Owner, Breslow Home Design Center

Last year, **Breslow Home Design Center** received two direct loans to support its continued growth and operations in New Jersey; this included the purchase of a building in Livingston that the company had been leasing. Family run since 1924, Breslow offers its customers paint, window treatments and retractable awnings out of its two New Jersey showroom locations in Livingston and Chester. The company also services window treatments and awnings throughout the tri-state area and sells paint globally.

Beyond the support of its lending programs, the EDA offers affordable bond financing solutions to credit-worthy manufacturing companies seeking financing for capital improvements and expansions. It provides a link from Main Street to Wall Street for small and mid-sized manufacturers in New Jersey, as well as not-for-profit organizations, giving them access to capital they may not be able to obtain on their own and enabling them to borrow money at a lower cost.

Tax-exempt bonds for manufacturing companies can be used for real estate acquisitions, new equipment, machinery, building construction, and renovations. Tax-exempt bonds for not-for-profit organizations seeking capital to expand community services can be used to finance land and building acquisitions, new construction and renovations, equipment purchases, debt refinancing and working capital.

In 2014, **AP&G Co.** was approved for up to \$10 million in tax-exempt bonds to support the purchase and renovation of its new headquarters in Bayonne, as well as the acquisition of machinery and equipment. AP&G Co. was also approved for tax credits of up to \$11.25 million through the Grow NJ program to encourage the company to relocate from Brooklyn. The pest management solution manufacturer expects to create 150 new jobs and invest \$17 million to support its move to New Jersey.

Tax-exempt bonds also helped the **Ocean County chapter of the Arc**, a not-for-profit that provides a wide range of services to individuals with developmental disabilities and their families. The organization runs a number of group homes, apartments, adult training centers, vocational workshops, after school recreation programs and a primary care center. It purchased and renovated two commercial properties in Toms River and Tuckerton to serve as employment training programs for individuals with disabilities. Tax-exempt bonds totaling \$1.18 million will help the organization refinance the two recently purchased properties.

Through its partnership with not-for-profit economic development corporation UCEDC, the EDA has been able to expand the array of training, technical and financial assistance services available to entrepreneurs and small companies throughout New Jersey. In 2014, the EDA also provided a \$250,000 loan to UCEDC to help boost the lending capacity of the organization.

UCEDC offers a wide variety of free and low-cost training workshops, including a series of courses that help develop financial and business literacy for business owners at all stages of maturation and a comprehensive program that walks entrepreneurs through all aspects of

starting a business, culminating in the development of a business plan. UCEDC also offers a range of financing vehicles.

In 2014, UCEDC trained or mentored more than 1,700 entrepreneurs, conducted 55 business training workshops, and provided \$4.1 million in loans to 45 small businesses, 40 percent of which were minority or woman-owned enterprises.



“The class was an eye-opener. You have no idea what you don’t know until you know it!”

- Dianne Grossman, owner, Carpet Girl

Dianne Grossman, owner of **Carpet Girl**, is a recent graduate of UCEDC’s Entrepreneurship 101 program. Her Springfield-based business offers in-home service, factory direct carpet and flooring and can provide a full service – from measuring to installation. With over 20 years in the flooring and carpet industry, Grossman always dreamed of opening her own business.

Pastore Music, an instrument and audio equipment retailer and music lessons studio in Union City, took advantage of UCEDC’s storm recovery program. Sandy left the business cash-poor due to lost customers, threatening its viability. A \$50,000 microloan provided the working capital needed to sustain its operations.

###

Spurring Job Creation and Community Investment



“We are grateful to the Business Action Center and the EDA for their help and support of our plans to expand here in Paterson. With this (Grow NJ) program, we will be able to update, modernize and expand our buildings which will enable us to continue to grow and add jobs in Paterson.”

- Lisa Hirsh, President of Accurate Box

Founded in 1944, **Accurate Box** is one of the largest independent box manufacturers of high quality litho-laminated packaging. The company reached full capacity at its facility in Paterson, and executives began exploring expansion options that included relocating to New York. The Partnership for Action (PFA) worked in collaboration to encourage Accurate Box to remain and grow in New Jersey. The company’s decision to expand was supported by a Grow NJ award of up to \$39.8 million. The project involves the retention of 220 at risk jobs and the creation of 51 new jobs. Accurate Box also expects to invest \$19.8 million to renovate and expand its current facility from 287,000 to 365,000 square feet.

The PFA is the centerpiece of the Christie Administration’s economic development agenda. Led by Lt. Governor Kim Guadagno, the PFA aims to assist businesses of all sizes and across industries by zeroing in on relationship building and person-to-person outreach, promoting New Jersey’s diverse portfolio of financial incentives and resources, maximizing the effectiveness of these pro-growth policies and assisting businesses in navigating state government and programs.

The four elements of the PFA include the New Jersey Business Action Center, which applies a proactive, customer-oriented approach to businesses’ interactions with State government; the EDA, serving as the state’s financing arm; Choose New Jersey, a privately funded nonprofit organization that markets the state as an ideal location for business investment; and the Office of the Secretary of Higher Education, which coordinates, plans, and develops policies and advocates for the state’s higher education system.

The efforts of the PFA, coupled with the New Jersey Economic Opportunity Act, have effectively worked to increase interest in the state as a business destination.

Grow NJ, enhanced under the Act, is the state's key job creation and retention incentive. Since the EDA began accepting applications under the new program in December 2013, 90 businesses have been awarded tax credits totaling up to \$1.7 billion, representing the expected creation of nearly 10,470 new, permanent jobs and 3,950 construction jobs, the retention of nearly 13,000 at risk jobs, and the injection of an estimated \$1.4 billion of private investment in New Jersey's economy.

As New Jersey's key developer incentive program, the Economic Redevelopment and Growth Program (ERG) prioritizes development and job creation in smart growth locations with infrastructure in place, particularly in urban areas and those near train stations. The Act also authorized a total of \$600 million to support qualified residential projects under ERG. To date, 19 projects have been approved for a total of \$422.5 million. These projects, which include 13 residential developments, involve over \$1.8 billion of private investment and the expected creation of 5,070 new jobs and 7,800 construction jobs.

Grow NJ and ERG are performance-based programs, which means that approved projects must first generate new tax revenue, complete capital investments, and/or hire or retain employees to receive the approved benefits. No funding is provided to a project upfront. Projects are also subject to a comprehensive net benefit analysis to verify that the revenues the state receives will be greater than the incentive being provided. The EDA Board has maintained a standard test that the project must return to the state a minimum of 110 percent of the approved benefit (except in Camden, where the statute dictates 100 percent).



"Partnering with RBH, Goldman Sachs, Prudential, the City of Newark and NJEDA allows us to bring our global headquarters and the world's largest indoor vertical farm close to where the consumer is, offering a fresher, more nutritious and delicious product while also creating jobs in the community."

- David Rosenberg, CEO, AeroFarms

A commercial ERG of up to \$2.2 million was approved in December to support **RBH Group's** \$30 million redevelopment of a vacant warehouse in Newark's Ironbound community. **Aerofarms** is establishing its headquarters and manufacturing operations in the facility, where it seeks to create the largest aeroponic farm in the world. Aerofarms was approved for up to \$6.5 million in tax credits through Grow NJ to encourage the company to choose Newark over a competing location in Philadelphia. The project is expected to create nearly 80 new, permanent jobs in the City.

In November, **Festo Didactic, Inc.** celebrated its new Center for Workforce Technology Education in Eatontown. Part of the Festo AG company, Festo Didactic empowers its customers to train their employees into becoming qualified for highly sophisticated manufacturing work. Festo was approved for a Grow NJ award of up to \$2.1 million to encourage the company to establish its high-tech learning laboratory in New Jersey instead of New York. Festo invested an estimated \$6.4 million and expects to add nearly 40 new employees to its existing staff of 50.



“The new era of manufacturing focuses in a high-speed, high-tech world, fueled by technology, in which highly-skilled workers are needed to operate automated manufacturing and processing equipment.”

- Nader Imani, CEO, Festo Didactic

The **Campus Town** development on the College of New Jersey campus will be ready to welcome new students this fall. Supported by the EDA through the Higher Education Institution Public-Private Partnerships Program (P3) and with a \$15.7 million ERG, the \$120 million mixed-used development will include housing, a bookstore, a fitness and wellness facility for students, as well as retail stores, health facilities, and restaurants for the broader community. The retail establishments, including a 14,000-square-foot Barnes & Noble and a 4,300-square-foot Panera

Bread, will be open in September and October. The project is a partnership between the College and private developer PRC.



“The college can now take the money they would have allocated to improve their dorms and facilities and put it into education.”

- Greg Lentine, Director of University Campus Development, PRC

In Jersey City, **JPMorgan Chase** plans to create 1,000 new jobs as it expands its regional technology and operations hub. The project, which was approved for a Grow NJ award of up to \$224.8 million, also involves the retention of more than 2,600 jobs and private investment totaling nearly \$77 million.



“Thanks to the Christie Administration, Grow NJ made it possible for our firm to purchase our Newport Operations Center in Jersey City, which will create new jobs in New Jersey.”

- Matt Zames, Chief Operating Officer, JPMorgan Chase

Spotlight: Camden



“We are acutely aware of our social responsibility: we will work with the State of New Jersey and the City of Camden to leverage our plant to serve as a training academy to help young men and women, especially unemployed Camden residents and veterans, to acquire skills that yield well-paying jobs.”

- Dr. Krishna Singh, CEO, Holtec International

In July, Governor Christie joined with Camden Mayor Dana Redd and other state and local officials to announce the largest single investment of private capital in the history of Camden. Supported through the Grow NJ program, **Holtec International** is investing \$260 million to build a world class, state-of-the-art Technology Center in Camden which will include a massive manufacturing complex, a reactor test loop facility, and a corporate engineering building. The Center will occupy approximately 47 acres along the Delaware waterfront. Per its Grow NJ award, Holtec must create 235 new jobs; however, the company expects to ultimately have 2,000 workers in the manufacturing facility, as well as 1,000 engineers. The project is also expected to create thousands of construction jobs.

Holtec is one of eight businesses supported by the Grow NJ program that have committed to grow in the City of Camden over the last year. This significant corporate interest in the City illustrates how key policy objectives of the Grow NJ program are effectively being achieved. With a focus on invigorating and restoring communities that have long suffered from disinvestment, the Economic Opportunity Act placed extra emphasis on spurring development and private sector job growth in “Garden State Growth Zones” - Camden, Trenton, Passaic City, Paterson, and Atlantic City. Under the Act, projects in these cities have significantly lower eligibility thresholds and higher incentive levels, with Camden receiving the largest boost.

In addition to Holtec, the **Philadelphia 76ers** also announced in July their decision to build a new, \$82 million state-of-the-art practice facility and headquarters in the City. Located on a four-acre tract of land that now stands as a parking lot, the 76ers have indicated that they expect the facility to be the “best training, practice and headquarters complex in the world.” The campus is expected to open the summer of 2016. While the 76ers agreed to create 250 new jobs in Camden as a condition of its Grow NJ award, they anticipate growing by a larger number. The team also recently announced a community-focused partnership with Virtua, a leading healthcare provider in South Jersey. The partnership will include programming designed to improve basketball skills and overall wellness for children throughout the City of Camden and also create the team’s first-ever Camden Youth Basketball Clinic, which will be an annual, three-day summer clinic for Camden youth at its new practice facility.



“Today, Camden gave WebiMax a beautiful new place for our business to grow, and in return Camden received an industry leader in Digital Marketing and one-hundred of the most dedicated, talented and intelligent digital marketers in this country, with one-hundred more coming over the next decade.”

- Ken Wisnefski, CEO, WebiMax

Another business that is committed to supporting its new community is **WebiMax**. The digital marketing company completed its move to the City’s Ferry Terminal Building in December with the support of a Grow NJ award. The company has already taken part in a program aimed at teaching children about career paths in website design and online marketing and is assisting the City in developing a website to showcase Camden’s progress and increasing corporate presence.

Well-known companies - **Subaru of America** and **Lockheed Martin** – have also committed to relocating to the City with the help of the Grow NJ program. Subaru will be creating a state-of-the-art campus to house its new headquarters and a service/training center; Lockheed Martin will create two fully integrated laboratory facilities to support its global security and aerospace operations.

Through ERG, exciting residential projects are advancing in the City, including a \$19 million, two-phase development that will support future demand for student and faculty housing, help reduce vacant properties, and expand the stability of the Cooper Plaza Historic District. Developed by **Broadway Housing Partners** and **Ironstone Strategic Capital Partners**, Phase I will include the renovation of four buildings, which will house 21 residential units and one commercial unit; Phase II will include the construction of two new buildings, which will feature 38 residential units and one commercial unit.



"It is the proverbial win-win. The (Broadway Housing) development brings students close to the school, retail to the city and revitalization to the neighborhood."

- Dr. Paul Katz, Dean, Cooper Medical School of Rowan University

To take advantage of the momentum in the City, the Christie Administration recently announced the commitment of approximately \$500,000 for workforce development training programs that will help prepare local residents for job opportunities that are expected to result in the years to come. Funds will help with incumbent worker training, pre-employment training and pre-apprenticeship programs.

Camden's recent surge of activity follows the EDA's decades-long recovery effort to help revitalize neighborhoods, expand educational and recreational opportunities for residents, and attract new companies to the City. Camden's significant progress also builds on the Governor's commitment to expand opportunity, economic growth, and revival in New Jersey's cities.

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Expanding Support of Tech Industry Fuels Growth



“With the help of the Angel Tax Credit program, our investors were able to receive an immediate return on their investments. Throughout 2013 and 2014, we were able to exceed 100% growth year over year while growing our customer base and geographic reach. It appears likely that such growth will continue in 2015.”

- Ken McCauley, CEO, Princeton Power Systems

To stimulate the growth of New Jersey’s innovation economy and drive the commercialization of pioneering technology within the state, the EDA offers a continuum of assistance to help companies at every stage of growth. In 2014, the EDA took steps to expand its portfolio of assistance and also launched @NJEDATech on Twitter and LinkedIn to highlight available resources and provide increased exposure for EDA-assisted technology companies growing in the state.

Last year, hundreds of entrepreneurs, emerging businesses and established companies were supported through the EDA’s myriad initiatives.

Under the Angel Investor Tax Credit program, EDA approved 181 investments in 2014, representing a total of more than \$60.2 million of private investment in New Jersey-based companies. The program provides credits against New Jersey corporation business or gross income tax for 10 percent of a qualified investment in an emerging technology business with a physical presence in New Jersey that conducts research, manufacturing, or technology commercialization in the state.

One company that benefited from this program is **Princeton Power Systems**. The EDA approved more than \$5 million last year and \$2.5 million in 2013 for the company’s investors through the program. Created in a Princeton University dorm room in 2001 and now headquartered in Lawrenceville, Princeton Power is a technology business that designs and manufactures state-of-the-art solutions for energy management, micro-grid operations and

electric vehicle charging. According to Princeton Power, the funding allowed the company to create 20 new manufacturing jobs, double its floor space and upgrade its property.

Another popular program for early stage companies is the Technology Business Tax Certificate Transfer (NOL) Program. This competitive program allocates funds for technology and biotechnology companies to sell New Jersey tax losses and/or research and development tax credits to raise cash to finance their growth and operations. In Fiscal Year 2015, 44 companies were approved to share a total of \$54 million. Since the program was established in 1999, more than 500 businesses have been approved for awards totaling \$820 million.

Princeton-based **Agile Therapeutics, Inc.**, a specialty pharmaceutical company focused on the development of innovative women’s healthcare products, opened its doors in 1997 with two employees. Today, the company boasts a full-time staff of 11, with plans for further expansion in the coming years. Agile completed its initial public offering in May 2014, raising gross proceeds of \$55 million from various investors, including Princeton-based ProQuest Investments. Agile also turned twice to the NOL Program to support its growth.



“The NOL Program was vital to the Company’s 2014 funding strategy. The proceeds from the NOL Program in combination with a bridge loan from our existing investors allowed Agile to fund operations during its IPO process.”

- Alfred Altomari, President & CEO, Agile Therapeutics, Inc.

Altomari was honored in 2014 with the Public Company CEO Award by the NJ Tech Council

One of the most notable additions to the array of support available to New Jersey’s technology sector in 2014 was the creation of Founders & Funders. During events at the EDA’s Commercialization Center for Innovative Technologies (CCIT) in June and September, more than 60 entrepreneurs and start ups participated in a “speed dating” match up with investors, paving the way for these emerging companies to attain the funding they need to grow in the state. A third event was held in March 2015.

Located at CCIT, **PDS Biotechnology** is a clinical-stage company that develops simpler, safer, and more effective immunotherapies for cancer and infectious diseases based on the company's proprietary Versamune® immunotherapeutic platform. In addition to leasing laboratory and office space at CCIT, PDS also participated in the September 2014 Founders & Funders event. It was recently announced that publicly-traded institutional investor NetScientific plc (NSCI:London) made an investment in the company.



“CCIT has been ideal for PDS. The facility provides all the amenities that an early-stage biotech company requires at reasonable cost. I believe the Founders & Funders experience helped me well position PDS to attract suitable investors such as NetScientific and close our first institutional round with them.”

- Dr. Frank Bedu-Addo, President & CEO, PDS Biotechnology

The 46,000-square-foot CCIT is New Jersey's leading life sciences incubator. Located in North Brunswick, it is home to more than two dozen seed-stage life sciences companies, offering tenants affordable lab and office space and a wealth of resources, including a free guest speaker series which brings in experts on a wide variety of topics. In 2014, CCIT welcomed eight new tenants, including **Aucta Pharmaceuticals**, **Urigen Pharmaceuticals**, and **Crystal Pharmatech**. In addition, existing tenant **Ascendia Pharmaceuticals** more than doubled its presence at the facility.

In early 2015, the EDA introduced its Executive-in-Residence program at CCIT, which seeks to tap into New Jersey's vast life sciences ecosystem. The program will connect the state's broad pool of life sciences talent with the promising companies located at CCIT. In partnership with BioNJ, the program will involve appointed Executives mentoring and coaching CCIT tenants through a series of weekly office hours. Consistent with the needs of emerging life sciences businesses, the EDA is currently seeking applicants that have expertise in a variety of specialties, including business development, commercialization, partnering and licensing, health economics, regulatory, and reimbursement. The EDA is utilizing the Life Sciences Talent Network at BioNJ to attract Executive-in-Residence candidates.

Early 2015 also brought two additional actions to support the industry. EDA made a limited partnership investment in **Edison Partners VIII, LP**, which will invest in approximately 20 growth stage technology businesses in four key industry sectors: financial technology, healthcare IT, interactive marketing and digital media, and enterprise 2.0. The EDA invested in four previous Edison Partners funds - Edison III, IV, VI, and VII. In these funds, Edison invested \$195.8M in 45 New Jersey-based technology companies.

The EDA routinely helps increase available capital for emerging technology companies by investing as a limited partner in venture capital funds. Gains resulting from these investments are utilized to offer new funding opportunities to support New Jersey businesses. To date, EDA has approved investments in 12 venture funds in excess of \$40 million; to date, these funds have leveraged the EDA's investment in New Jersey businesses by more than 62 times.

Strengthened through the Economic Opportunity Act, Grow NJ offers enhanced benefits to companies in targeted industries, including technology, life sciences, energy and health. The Act also extended the reach of Grow NJ by reducing the threshold to qualify to as low as 10 full-time jobs for technology startups and also lowering the minimum capital investment threshold for these emerging companies. To date, nearly 30 percent of tax credits approved under the Grow NJ program have gone to support companies in the technology sector.



“Our new facility ensures we can deliver services and solutions that make a positive impact for our clients’ businesses, while consistently creating skilled job opportunities for talented individuals in our region.”

- Chris Sullens, President and CEO of Marathon Data Systems

Marathon Data Operating Co. was approved for a Grow NJ award of up to \$3.2 million to encourage the company to relocate to new headquarters in Neptune over a competing location in Boston. Marathon Data provides a cloud-based business management platform for companies with a mobile workforce. The company has been named one of America's fastest growing companies by Inc. Magazine and one of the best places to work in New Jersey for the

last four years. In addition to investing over \$1.5 million, the company expects to create 35 new jobs and retain its existing staff of 74.

Sandoz also celebrated the grand opening of its new headquarters in 2014. A division of Novartis, the company is a global leader in the generic pharmaceutical sector. Prior to making the decision to grow in Plainsboro, Sandoz considered a location in Pennsylvania. A Grow NJ award of up to \$9.1 million encouraged the company to lease the more than 154,000-square-foot property that was vacated in 2013 when its previous tenant expanded to a nearby location. The company's relocation and expansion will retain 292 existing jobs as well as create 70 new positions. The company also expects to invest \$15.2 million.



“In addition to its contributions to New Jersey’s position as the Medicine Chest of the World, Sandoz has breathed new life into a facility that has been vacant for more than a year. That brings an added boost to the tax base and strengthens the local economy through job creation.”

- Lt. Governor Guadagno

Valeant Pharmaceuticals celebrated its new headquarters in Bridgewater last year. Located in New Jersey since 2003, Valeant has continued to increase its footprint in the state. The company, which acquired Bausch & Lomb in 2013, was approved for a Grow NJ of up to \$39.5 million to locate its combined U.S. headquarters in Bridgewater. The site will ultimately house a combined work force of over 800 employees, with 274 retained positions and 550 new jobs.



“New Jersey has been our U.S. home for over a decade now and we have found it to be an ideal business environment. There is a wealth of talented and experienced individuals here that have helped us grow over the years. We are committed to New Jersey and look forward to expanding our presence here.”

- J. Michael Pearson, Chairman and CEO, Valeant

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EDA Executive Team



Melissa Orsen
Chief Executive Officer



Timothy J. Lizura
President & Chief Operating Officer



Maureen Hassett
*Senior Vice President,
Finance & Development*



Frederick J. Cole
*Senior Vice President,
Operations*



Lori Matheus
*Senior Vice President,
Strategic Partnerships*

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Former CEO, Newark Alliance
Former President & COO, PSEG
Former CEO, Bell Atlantic-New Jersey

Vice Chairman

Joseph A. McNamara (Vice Chairman)
Director, Laborers-Employers Cooperation
and Education Trust & Health & Safety

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Commissioner, New Jersey Department of
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Bob Martin
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Construction Trades Council

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Patrick R. Delle Cava
Business Manager, International Brotherhood
of Electrical Workers, Local 102

Harold Imperatore
Proprietor, The Bernards Inn

Nonvoting Member

Rodney Sadler
Camden Economic Recovery Board

Certifications Pursuant to E.O. 37

March 24, 2015

In accordance with Executive Order No. 37, the New Jersey Economic Development Authority's 2014 Annual Report also serves as the comprehensive report of the Authority's operations. This report highlights the significant action of the Authority for the year, including the degree of success the EDA had in promoting the State's economic growth strategies and other policies.

The report of independent auditors, Ernst & Young, dated March 24, 2015, is attached and completes the EDA's requirements concerning the preparation of a comprehensive report required by Executive Order No. 37.

I, Tim Lizura, certify that during 2014, the Authority has, to the best of my knowledge, followed all of the Authority's standards, procedures and internal controls.

I further certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the Authority for the year in question.



Timothy J. Lizura
EDA President & COO

I, Richard LoCascio, certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the Authority for the year in question.



Richard LoCascio, CPA
Controller