



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan
Chief Executive Officer

DATE: May 11, 2022

SUBJECT: Agenda for Board Meeting of the Authority May 11, 2022

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

CEO's Report to the Board

Community Development

Authority Matters

Economic Transformation

Incentives

Bond Projects

Loans/Grants/Guarantees

Real Estate

Board Memoranda

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

April 13, 2022

MINUTES OF THE MEETING

The Meeting was held in person and by teleconference call.

Members of the Authority present in person: Chairman Kevin Quinn, Noreen Giblin, Executive Representative, ; Public Members: Charles Sarlo, Vice Chairman; and Robert Shimko, First Alternate Public Member.

Members of the Authority present via conference call: Commissioner Marlene Caride of the Department of Banking and Insurance; State Treasurer Elizabeth Muoio of the Department of Treasury; Roberto Soberanis representing Commissioner Robert Asaro-Angelo of the Department of Labor and Workforce Development; Elizabeth Dragon representing Commissioner Shawn LaTourette of the Department of Environmental Protection; Public Members: Phil Alagia, Virginia Bauer, Fred Dumont, Aisha Glover, and Marcia Marley.

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

Members of the Authority absent: Public Members Massiel Medina Ferrara, and Rosemari Hicks, Second Alternate Public Member.

Mr. Quinn called the meeting to order at 10:05 am.

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. Mr. Sullivan stated that pursuant to the Internal Revenue Code of 1986, as amended, the meeting is a public hearing and comments are invited on any private activity bond projects presented.

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the March 9, 2022 meeting minutes. A motion was made to approve the minutes by Commissioner Caride and seconded by Mr. Shimko, and was approved by the 11 voting members present.

The next item of business was the approval of the March 9, 2022 executive session meeting minutes. A motion was made to approve the minutes by Commissioner Caride and seconded by Ms. Giblin and was approved by the 11 voting members present.

FOR INFORMATION ONLY: The next item was the presentation of the Chairman's remarks to the Board.

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

Mr. Alagia joined the call at this time.

AUTHORITY MATTERS

RULES

ITEM: Special Adopted New Rules and Concurrent Proposed New Rules New Jersey Innovation Evergreen Fund Evergreen Program (N.J.A.C. 19:31-25)

REQUEST: To approve: (1) the special adopted new rules and concurrent proposed new rules for the new Evergreen Program and to authorize staff to (a) submit the special adopted new rules and concurrent proposed program rules for promulgation in the New Jersey Register and (b) submit the proposed program rules as final adopted rules for promulgation in the New Jersey Register if no formal comments are received; subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law; (2) the creation of the Evergreen Program, a tax incentive program authorized by the New Jersey Economic Recovery Act of 2020 (Sections 20 through 34 of P.L. 2020, c. 156), to encourage economic development, targeting the Governor's priority sectors through job creation and investment into the innovation economy; and; 3) Delegation to the Authority's Chief Executive Officer, to establish a date/s for the corporate business tax auction (no more than annually) and to approve follow-on investment (with certain exceptions).

MOTION TO APPROVE: Mr. Sarlo **SECOND:** Mr. Shimko **AYES: 12**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

MOU

ITEM: Offshore Wind Painting and Submerged Arc Welding Memorandum of Understanding (MOU) – New Jersey Economic Development Authority (NJEDA) and Salem County Vocational Technical School (SCVTS)

REQUEST: To approve: (1) the MOU between NJEDA and SCVTS to support expansion of the school's welding and painting programs in order to prepare students for specialized positions in monopile fabrication and other large-scale manufacturing, and (2) provide delegated authority to the CEO to extend the MOU by up to twelve (12) months if needed.

MOTION TO APPROVE: Commissioner Caride **SECOND:** Ms. Giblin **AYES: 12**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

COMMUNITY DEVELOPMENT

ITEM: Food Security Planning Grant Program

REQUEST: To approve: (1) the creation of the Food Security Planning Grant Program that will competitively award grants to municipal governments, county governments, and/or redevelopment agencies to improve food access and food security by leveraging distressed assets in New Jersey's Food Desert Communities, (2) utilization of funding from the Economic Recovery Act of 2020, as authorized under Section 127.d of P.L. 2020, c. 156, to capitalize the Food Security Planning Grant Program, (3) delegation of authority to CEO to approve individual applications to the Food Security Planning Grant program, (4) delegated authority to CEO to decline applications for solely non-discretionary reasons, and for appeals related to these non-discretionary declinations, and to approve Final Administrative Decisions, and (5) delegated authority to the Chief Executive Officer to accept additional funds to expand the funding pool for this pilot program from any available governmental funding (State or County) and to impose additional requirements as may be required by law as a condition of accepting, provided that the requirements are consistent with the parameters of the program.—

MOTION TO APPROVE: Ms. Giblin **SECOND:** Mr. Soberanis **AYES: 12**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

ITEM: Historic Property Survey Grant Program

REQUEST: To approve: (1) the creation of the Historic Property Survey Grant Program, that will provide grants to municipal and county government entities, and non-profit organizations working in collaboration with or on behalf of municipal or county government entities, financial assistance will be in the form of grants for the preparation of Historic Property Surveys throughout the state that include, within the defined scope, properties located within a Government Restricted Municipality or that are distressed assets, (2) utilization of funding from the Economic Recovery Act of 2020, which established under Section 127.d of P.L. 2020, c. to capitalize the Historic Property Survey Grant Program, (3) delegation to the Chief Executive Officer to approve individual applications to the Historic Property Survey Grant Fund Program in accordance with the terms and the program specifications; and (4) delegated authority to the Chief Executive Officer to decline applications for solely non-discretionary reasons, and to approve Final Administrative Decisions upon recommendation of the Hearing Officer for appeals based on non-discretionary declinations.

MOTION TO APPROVE: Ms. Dragon **SECOND:** Ms. Bauer

AYES: 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

PROCUREMENT

ITEM: Recommendation for Award - #2022-RFP-IPM-051 Investment/Cash Management Consulting Services

REQUEST: To approve entry into the Investment & Cash Management Consulting Services contract for (1) one year with (2) two (2) year extension options to be exercised by Authority staff, at the same prices, terms and conditions.

MOTION TO APPROVE: Mr. Dumont **SECOND:** Ms. Bauer

AYES: 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

Ms. Glover joined the meeting at this time.

INFRASTRUCTURE

ITEM: Request for Approval of a Design Services Agreement with Atlantic City Electric (ACE) for a transmission line connection to the New Jersey Wind Port

REQUEST: To approve the Authority entering into a Design Services Agreement with Atlantic City Electric (ACE) for the design, engineering and permitting of a transmission line connection and associated infrastructure for the New Jersey Wind Port.

MOTION TO APPROVE: Mr. Shimko **SECOND:** Ms. Bauer

AYES: 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

Ms. Dragon abstained because the Department of Environmental Protection has permitting oversight of the project.

INCENTIVES

BEIP GROW HUB BRAGG

ITEM: End of Waiver of Required Time at a Qualified Business Facility and/or Project Site (collectively “work location”)

REQUEST: Approval of June 30, 2022 as the end of the waiver of the requirement that a full-time employee spends a certain percentage of their work time at the work location to qualify as an incented position.

MOTION TO APPROVE: Ms. Giblin **SECOND:** Mr. Shimko **AYES: 13**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

Economic Redevelopment and Growth Grant Program

ITEM: Parking Authority of the City of Paterson (“PPA”) - Modification Mixed-Use Parking Economic Redevelopment and Growth Grant Program (“Mixed-Use Parking ERG”) P45229 / PROD-00184674

REQUEST: To approve and authorize the Authority to issue a revised approval letter to the Parking Authority of the City of Paterson for its modification application for Mixed-Use Parking Economic Redevelopment and Growth Grant Program.

MOTION TO APPROVE: Mr. Sarlo **SECOND:** Ms. Giblin **AYES: 13**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

Film & Digital Media Tax Credit

ITEM: The New Jersey Film and Digital Media Tax Credit Program: Delegations of Authority

REQUEST: To approve updates to delegations of authority for the New Jersey Film and Digital Media Tax Credit Program.

MOTION TO APPROVE: Commissioner Caride **SECOND:** Ms. Bauer **AYES: 13**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

BOND PROJECTS

Final Approval

PROJECT: UMM Energy Partners, LLC*

PROD. #00301877

LOCATION: Little Falls Township, Passaic County

PROCEEDS FOR: refunding bond

FINANCING: \$85,000,000.00

MOTION TO APPROVE: Ms. Marley **SECOND:** Ms. Bauer **AYES: 13**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

Preliminary Approval

PROJECT: The Atlantic City Sewerage Company*

PROD. #00302085

LOCATION Atlantic City, Atlantic County

PROCEEDS FOR: Construction, rehabilitation, upgrade and expansion, cost of issuance

FINANCING: Total Costs: \$8,100,000.00

MOTION TO APPROVE: Ms. Giblin **SECOND:** Ms. Dragon

AYES: 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

ITEM: NJEDA School Facilities Construction Refunding Bonds- PROD-00302128

REQUEST: To approve: (i) the adoption of the 44th Supplemental Resolution authorizing the issuance of Refunding Bonds in the total aggregate principal amount not to exceed \$2,000,000,000 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 Contracts; (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 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 Refunding Bonds; subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General's Office.

MOTION TO APPROVE: Ms. Bauer **SECOND:** Mr. Alagia

AYES: 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

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: Ms. Dragon **SECOND:** Commissioner Caride **AYES: 13**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: Somerville Borough – Somerville Landfill

PROD. #00301883

LOCATION: Somerville Borough, Somerset County

PROCEEDS FOR: Remedial action

FINANCING: \$5,000,000.00

REAL ESTATE

ITEM: New Jersey Bioscience Center at North Brunswick 691 South Route 1, North Brunswick Shell Rehabilitation of Building 5

REQUEST: To approve: (1) renovating Building 5 consisting of approximately 25,000 SF, (2) increasing the contract for pre-construction and construction services with Torcon, the Center's Construction Management firm of record, based upon the previously established fee plus an incentive clause, (3) increasing the contract with HDR, the Center's Architectural and Engineering firm of record, consistent with the attached budget.

MOTION TO APPROVE: Mr. Sarlo **SECOND:** Mr. Shimko

AYES: 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

LEGAL AFFAIRS

NJ Arts and Innovation Festival Challenge Grant

ITEM: NJ Arts and Innovation Festival Challenge Grant Hearing Officer's Recommendation - M Plus Communications

REQUEST: Consent to the Hearing Officer's recommendation to uphold the Board's declination of M Plus Communications' application to the New Jersey Arts and Innovation Festival Challenge Grant and deny applicant's appeal.

MOTION TO APPROVE: Ms. Giblin **SECOND:** Mr. Shimko **AYES: 10**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

State Treasurer Muoio abstained because she is a Member of the Board of NJPAC.

Ms. Glover abstained because she is a Member of the Board of NJPAC.

Ms. Sarlo abstained because his firm works with Bergen PAC.

ITEM: NJ Arts and Innovation Festival Challenge Grant Hearing Officer's Recommendation - DW Cultural Solutions Group

REQUEST: Consent to the Hearing Officer's recommendation to uphold the Board's declination of DW Cultural Solutions Group's application to the New Jersey Arts and Innovation Festival Challenge Grant and deny applicant's appeal.

MOTION TO APPROVE: Ms. Bauer **SECOND:** Ms. Dragon **AYES: 10**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

State Treasurer Muoio abstained because she is a Member of the Board of NJPAC.

Ms. Glover abstained because she is a Member of the Board of NJPAC.

Ms. Sarlo abstained because his firm works with Bergen PAC.

ITEM: NJ Arts and Innovation Festival Challenge Grant Hearing Officer's Recommendation - Voice Concepts Incorporated

REQUEST: Consent to the Hearing Officer's recommendation to uphold the Board's declination of Voice Concepts Incorporated's application to the New Jersey Arts and Innovation Festival Challenge Grant and deny applicant's appeal.

MOTION TO APPROVE: Ms. Giblin **SECOND:** Ms. Dragon **AYES: 10**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

State Treasurer Muoio abstained because she is a Member of the Board of NJPAC.

Ms. Glover abstained because she is a Member of the Board of NJPAC.

Ms. Sarlo abstained because his firm works with Bergen PAC.

ITEM: NJ Arts and Innovation Festival Challenge Grant Hearing Officer's Recommendation - Camden County Partnership

REQUEST: Consent to the Hearing Officer's recommendation to uphold the Board's declination of Camden County Partnership's application to the New Jersey Arts and Innovation Festival Challenge Grant and deny applicant's appeal.

MOTION TO APPROVE: Ms. Giblin **SECOND:** Ms. Dragon **AYES: 10**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

State Treasurer Muoio abstained because she is a Member of the Board of NJPAC.

Ms. Glover abstained because she is a Member of the Board of NJPAC.

Ms. Sarlo abstained because his firm works with Bergen PAC.

ITEM: NJ Arts and Innovation Festival Challenge Grant Hearing Officer's Recommendation - Bergen PAC

REQUEST: Consent to the Hearing Officer's recommendation to uphold the Board's declination of Bergen PAC's application to the New Jersey Arts and Innovation Festival Challenge Grant and deny applicant's appeal.

MOTION TO APPROVE: Mr. Shimko **SECOND:** Ms. Dragon **AYES: 10**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

State Treasurer Muoio abstained because she is a Member of the Board of NJPAC.

Ms. Glover abstained because she is a Member of the Board of NJPAC.

Ms. Sarlo abstained because his firm works with Bergen PAC.

ITEM: NJ Arts and Innovation Festival Challenge Grant Hearing Officer's Recommendation - B Pritchett Music

REQUEST: Consent to the Hearing Officer's recommendation to uphold the Board's declination of B Pritchett Music's application to the New Jersey Arts and Innovation Festival Challenge Grant and deny applicant's appeal.

MOTION TO APPROVE: Ms. Giblin **SECOND:** Ms. Bauer **AYES: 10**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

State Treasurer Muoio abstained because she is a Member of the Board of NJPAC.

Ms. Glover abstained because she is a Member of the Board of NJPAC.

Ms. Sarlo abstained because his firm works with Bergen PAC.

**NJ ARTS AND INNOVATION FESTIVAL CHALLENGE GRANT
APPELLANT COMMENTS:**

Ms. Dorinda Walker addressed the Board regarding the Hearing Officer's recommendation to uphold the Board's declination of DW Cultural Solutions Group's application to the New Jersey Arts and Innovation Festival Challenge Grant and deny the applicant's appeal

Ms. Topaza Watkins-Edmond addressed the Board regarding the Hearing Officer's recommendation to uphold the Board's declination of Voice Concepts Incorporated's application to the New Jersey Arts and Innovation Festival Challenge Grant and deny the applicant's appeal.

Mr. Brennen Pritchett addressed the Board regarding the Hearing Officer's recommendation to uphold the Board's declination of B Pritchett Music's application to the New Jersey Arts and Innovation Festival Challenge Grant and deny the applicant's appeal.

BOARD MEMORANDA - FYI ONLY

Credit Underwriting Projects Approved Under Delegated Authority, March 2022

Real Estate Division Delegated Authority for Leases and Right of Entry (ROE) / Licenses, 1st Quarter 2022

PUBLIC COMMENT

Mr. Brennen Pritchett, B. Pritchett Music, addressed the Board seeking clarity on whether his application was approved or denied. Mr. Sullivan advised that his appeal was denied.

Mr. Tom LaTourette, Member, Rutherford Chamber of Commerce, addressed the board regarding the Sustain and Serve program.

He stated that the Authority should work with Chambers of Commerce and provided the website for the Rutherford Chamber of Commerce.

There being no further business, on a motion by Mr. Quinn, and seconded by Mr. Shimko, the meeting was adjourned at 12:11pm.

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.



Danielle Esser, Director
Governance & Strategic Initiatives
Assistant Secretary



MEMORANDUM

To: Members of the Authority
From: Tim Sullivan
Date: May 11, 2022
Re: May 2022 Board Meeting

It's been an eventful month since we last met, including activities that highlighted New Jersey's appeal for global companies, while continuing to advance programs established by the Economic Recovery Act of 2020 (ERA). Two weeks ago, I joined Governor Phil Murphy, Choose New Jersey executives, and a delegation of New Jersey business and technology leaders on a trade mission to Ireland. Several announcements resulted from the trip, including a commitment from Applegreen, one of the largest on-highway service plaza (more commonly known as rest stops) operators in the United States and Europe, to invest \$126 million in the state of New Jersey, where it will create at least 100 skilled new jobs at its new headquarters in Glen Rock. Applegreen will redevelop all of New Jersey's 21 on-highway service plazas in a move that will create 800 new jobs over the coming years. The redeveloped plazas will offer commuters the latest technologies and highest standards of customer service including a focus on electric vehicle charging.

While in Ireland, I had the opportunity to join First Lady Tammy Murphy for a visit to the Irish Centre for Maternal and Child Health Research, Ireland's first translational research Centre for maternal and child health, known as "INFANT," hosted at University College Cork (UCC). While there, I signed an agreement between the New Jersey Economic Development Authority (NJEDA) and INFANT, which establishes collaboration through sharing of research findings, clinical work, and best practices that will support the mission of both parties to be at the forefront of groundbreaking research and accelerate efforts to advance health outcomes of mothers and infants. The visit presented an opportunity to gather information as the First Lady Murphy leads efforts to launch a Maternal and Infant Health Innovation Center in Trenton. The Center is a key recommendation from her Nurture NJ Strategic Plan, which aims to make New Jersey the safest and most equitable state in the United States to deliver and raise a baby.

As the chairman mentioned, that same week, the NJEDA partnered with Choose New Jersey to sponsor the Business Network for Offshore Wind's 2022 International Partnering Forum (IPF), the nation's leading offshore wind conference which brings together approximately 2,500 industry stakeholders from across the globe. During the Governor's plenary speech at IPF, he announced that the NJEDA had signed a Letter of Intent (LOI) with Ørsted Offshore North America, committing Ørsted to marshal its Ocean Wind 1 project from the NJ Wind Port. Ørsted had originally proposed to the New Jersey Board of Public Utilities that Ocean Wind 1 - which is New Jersey's first offshore wind project - would be marshalled from an interstate port. Ørsted's decision to switch to the NJ Wind Port will create over 200 pre-assembly, load out and stevedoring jobs, as well as hundreds of indirect jobs that would otherwise have been lost to other states. The NJEDA anticipates announcing further Wind Port tenants over the course of 2022.

Today the Board will be asked to consider the creation of a \$54.5 million Child Care Facilities Improvement Pilot Program that will support child care providers, a sector of the small business community hit particularly hard by the effects of the pandemic. Through Phase 1 of the proposed pilot program, the NJEDA will provide grants of \$50,000 to \$200,000 to licensed child care centers in New Jersey to cover the costs of facility improvement projects. The grants will cover costs for such projects as installing energy efficient windows, creating additional classroom space, purchasing new playground equipment, replacing flooring, remediating environmental hazards such as lead or mold, installing energy efficient windows, or putting in child-height sinks or toilets.



I want to take a moment to publicly acknowledge and thank Bruce Steadman, who is retiring after a long run as the Executive Director of the Fort Monmouth Economic Revitalization Authority. Under Bruce's leadership, 85 percent of Fort Monmouth property is in development. Thank you for your service, Bruce.

As always, many thanks to NJEDA staff for their hard work to advance these and other impactful programs, and to our Board members for their thoughtful guidance and steadfast commitment to the good of the state.

A handwritten signature in black ink, appearing to be "T. A.", is written above a solid black horizontal line. The signature is stylized and cursive.



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: May 11, 2022

SUBJECT: Child Care Facilities Improvement Pilot Program – Phase 1

Request:

The Members are asked to approve:

1. Approval to enter into a Memorandum of Understanding with the New Jersey Department of Community Affairs (DCA) whereby the Authority will accept up to \$20,000,000 in American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) appropriated to the Authority pursuant to P.L. 2021, c. 144, to fund the Child Care Facilities Improvement Pilot Program – Phase 1.
2. Approval to enter into a Memorandum of Understanding with the New Jersey Department of Human Services (DHS) whereby the Authority will accept \$4,450,000 to fund the Child Care Facilities Improvement Pilot Program – Phase 1.
3. Creation of the Child Care Facilities Improvement Pilot Program – Phase 1, a grant program to provide funding for licensed child care centers in New Jersey to make facility improvements that will contribute to high quality early childhood learning environments, and the waiver of applicant fees due to financial hardship of program applicants.
4. Utilization of the following funding amounts and sources to capitalize Phase 1 of the Child Care Facilities Improvement Pilot Program:
 - a. \$10,000,000 of funds appropriated to the Authority pursuant to P.L. 2021, c.144, with delegation to the Chief Executive Officer to increase funding to up to \$20,000,000 if demand exceeds the \$10,000,000 in available funding. This request also includes the utilization of up to 2.5% of this funding to support the Authority’s administrative costs associated with operating the program.

- b. \$4,450,000 of funding appropriated to DHS, including the utilization of up to 10% of this funding to support the Authority's administrative costs associated with operating the program.
5. Delegation of authority to the Chief Executive Officer to approve individual applications for the Child Care Facilities Improvement Pilot Program – Phase 1 in accordance with the terms set forth in this memo and the attached program specifications.
6. Delegated authority to the Chief Executive Officer to decline applications for solely non-discretionary reasons, and to approve Final Administrative Decisions upon recommendations of the Hearing Officer for appeals based on non-discretionary declinations.

Background:

The COVID-19 pandemic has highlighted the importance of the child care sector as a critical enabler of economic activity and recovery. Working families require reliable, safe, affordable, accessible, and quality child care. However, the child care sector – both in New Jersey and across the nation – faces complex challenges as the economy recovers.

To better understand other ways the Authority could provide support for this crucial sector, the Authority, in partnership with the DHS and Department of Children and Families (DCF), issued a Request for Information (RFI) in December 2020 and received nearly three dozen responses. RFI respondents emphasized that providing high quality child care is a necessity to aid in the State's economic recovery as parents return to work and want to ensure their children are in safe, healthy, and enriching learning environments. Respondents stressed that the high cost of upgrading and maintaining child care facilities can prevent child care providers from making critical investments. Due to the high cost of providing care relative to the tuition most parents can reasonably afford, child care providers face razor-thin profit margins, forcing them to forego necessary facilities upgrades, repairs, and maintenance. These slim profit margins and lack of collateral (child care providers often rent, not own, the spaces where they provide care) often prevent child care providers from accessing traditional sources of financing to fund facility repair and improvement costs.

Throughout the pandemic, the Authority provided more than \$23 million in grants to over 1,300 child care providers across the state through the COVID-19 Small Business Emergency Assistance Program, including a dedicated pool of funds set aside for the child care sector in Phase 4 of the program. However, given the centrality of the sector to the economic recovery, more support is needed.

As part of the State's commitment to supporting the child care sector, in June 2021 the New Jersey State Legislature passed and Governor Phil Murphy signed into law (P.L. 2021, c.144) a bill appropriating \$100 million of ARP CSLFRF to DCA to support child care providers and the child care workforce through a number of initiatives, including providing grants for facilities improvements, business technical assistance, workforce development supports, and a study of the child care landscape in the state.

Through the law, DCA will make:

- \$15.5 million available to DCF to create workforce development supports and conduct a child care landscape study;
- \$30 million available to DHS to provide grants to licensed or registered child care providers or their employees for workforce retention and hiring; and
- \$54.5 million available to the Authority to provide technical assistance and grants for facilities improvements to licensed child care providers (i.e., child care centers serving 6 or more children) and registered family child care homes (i.e., home-based child care businesses registered with DHS serving 5 or fewer children).

This is consistent with ARP CSLFRF guidance, which emphasizes that that child care providers serving low-income children receiving subsidies—and the families and children that rely on them—were significantly impacted by COVID. The U.S. Treasury noted that “low-income households are also more likely to lose access to quality childcare. The widespread closure of childcare centers combined with a lack of access to paid family leave means parents in low-income households are more likely to experience a reduction of income or leave their jobs due to a lack of childcare options...Additionally, childcare providers serving primarily low-income families were less likely to remain open during the pandemic because of tighter profit margins and general community financial insecurity, compared to childcare providers serving primarily high-income families.”

Program Details:

Phase 1 of the Child Care Facilities Improvement Pilot Program (“Program”) will provide grants for total project costs between \$50,000 and \$200,000 to licensed child care providers (also referred to as “centers” or “providers”) to make improvements to their child care facility. While the program is intended to have a broader economic benefit as outlined below, these grants are provided as direct benefits to the providers.

In line with the Murphy Administration’s commitment to supporting the child care sector and priorities set forth in ARP CSLFRF final guidance, Phase 1 of the Program will:

- Provide funding to businesses—including many minority- and women-owned businesses and those in Opportunity Zone eligible census tracts—that otherwise may not have access to resources to fund facility improvements.
- Promote healthy childhood environments for children, families, and child care providers that were impacted by the COVID-19 pandemic.
- Support the capacity of child care providers to provide infant and toddler care in tandem with the expansion of Universal Pre-K to serve more 4-year-olds in the state.
- Engage providers to participate in New Jersey’s child care quality improvement rating system, Grow NJ Kids.

- Target resources to communities of greater need due to historic disinvestment, through set-aside for providers located in Opportunity Zones and include the requirement that providers serve low-income children receiving Child Care Assistance subsidies.

Eligibility:

P.L. 2021, c.144 directs the Authority to make facility improvement grants available to licensed child care providers and registered family child care homes. For Phase 1 of this program, which the Members are being asked to approve today, the Authority is limiting eligibility to licensed child care providers only. However, the Authority anticipates returning to the Board at a later date with subsequent phases of the program that will expand eligibility to registered family child care homes.

Eligibility for Phase 1 of the Program will be limited to child care centers licensed by DCF to provide full-day child care (6 or more hours per day). For Phase 1, applicants must have been licensed as of June 4, 2021 to qualify for the grant, aligned with the end of the Public Health Emergency under Executive Order 103. Applicants may be for-profit businesses or nonprofit organizations. School districts are not eligible to apply directly for this program.

Applicants may own or lease the space that will be improved using the grant funding. If the space is leased, the applicant must provide a certification from the landlord that they have reviewed and approved the proposed facility improvements. Landlords are not eligible to apply directly for this program.

Applicants must at the time of application currently enroll, or have enrolled in the 12 months prior to the date of application, at least one (1) child receiving support through the DHS Child Care Assistance Program (CCAP). The Authority will confirm enrollment of children receiving CCAP with DHS.

There will be an application limit of one application per DCF-licensed child care center (based on license number, which is licensed at a child care center site location level) and two applications per Employer Identification Number (EIN). This means that an entity operating multiple DCF-licensed child care centers under a single EIN will be limited to a maximum of two applications, each of which must be for a different DCF-licensed child care center. Each application will be considered on its own and must separately meet the requirements of the program.

In addition to the eligibility parameters already stated above, the applicant must also be in substantial good standing with the New Jersey Department of Labor and Workforce Development (DOL), New Jersey Department of Environmental Protection (DEP), DCF, and DHS. Applicants will also be responsible for providing a current Tax Clearance Certificate prior to execution of a grant agreement with EDA to demonstrate proper registered to do business in New Jersey and in substantial good standing with the New Jersey Division of Taxation. Applicants may not be debarred from receiving federal funds.

Diversity, Equity and Inclusion:

Up to 40% of total grant funding made available in Phase 1 of the Program will be reserved for eligible applicants in Opportunity Zone eligible census tracts. If the Authority does not receive sufficient eligible applications from applicants in Opportunity Zone eligible census tracts prior to the application deadline, the Authority may use funds for grants to eligible applicants not located in Opportunity Zone eligible census tracts.

In combination with the set-aside funds for Opportunity Zones, the Authority is further ensuring a focus on child care centers that serve low-income children by requiring that eligible applicants must serve at least one child receiving support through CCAP. Families eligible for CCAP must fall below 200% of the federal poverty line (\$55,400 for a family of 4), far below the New Jersey median household income of more than \$85,000. This criterion ensures a targeted focus on centers more likely to serve low-income children that can significantly benefit from facilities improvements and high-quality early childhood learning environments.

In addition to this specific reservation of program funding to eligible Opportunity Zone census tracts, the program more broadly supports diversity and inclusion by allocating funding to the child care sector, under which a high percentage of businesses are owned and staffed by women, particularly women of color. For example, within the Authority's Small Business Emergency Assistance Grant Program, nearly 60% of child care providers self-identified as women-owned and nearly 35% as minority-owned, as compared to other non-child care industries, of which a lower percentage (approximately 30%) identified as women- or minority-owned.

Eligible Funding Uses:

Grants will be used for prospective hard and soft costs associated with facilities improvements, where no more than 20% of a grant can be used to support soft costs. Grants will cover the full project cost of the facility improvement(s), with a minimum eligible project cost of \$50,000 and a maximum eligible project cost of \$200,000 per DCF-licensed child care center. Applicants may not use external funding sources to fund the specific project(s) proposed in this application. Grant awards will be calculated based on the quoted project cost of the facility improvement, plus an additional 15 percent which the grantee may use, upon request and NJEDA verification, for unanticipated cost overruns. This means that given the maximum allowable project costs under the program are \$200,000, the maximum grant amount is \$230,000. Consequently, given that the minimum allowable project costs under the program are \$50,000, the minimum grant amount is \$57,500. The Program will not provide reimbursement for costs already incurred prior to award. As required by ARP and the U.S. Treasury CSLFRF final rule, the deadline for incurring (defined as obligating) funds is December 31, 2024 and the deadline for spending federal funds is December 31, 2026.

Eligible hard costs are limited to:

- Labor and materials for *interior* building improvements to:
 - Create additional classroom space in existing location by converting or adapting other rooms to classroom space (e.g., demolition of partitions and infilling existing wall

- construction, modifying existing exits for sufficient egress, installing diaper change area for new infant/toddler classroom)
- Create or improve areas to serve as indoor gross motor and/or multi-purpose space
 - Improve egress and access within the facility (e.g., ramps, sinks with knee clearances) as well as egress and access to the outdoors for children with no or limited mobility
 - Install, repair, replace, and/or improve:
 - Bathrooms with age-appropriate plumbing and child height fixtures (e.g., toilets, sinks) that are in or adjacent to classrooms, including touchless fixtures, toilet partitions and doors, ceiling tiles, light fixtures, flooring, paint
 - Child height handwashing sinks in classrooms, including touchless fixtures
 - Windows in classrooms and common areas (e.g., install child height windows to allow for more natural light, repair window with ventilation issues, replace window that is unable to open, replace windows with energy efficient model, install blinds or glass glazing systems, install banisters or window guards)
 - Flooring (e.g., carpets in poor condition, new flooring for bathrooms)
 - Fire safety and fire protection systems e.g. sprinklers, smoke detectors
 - Indoor air quality systems (e.g., HVAC systems upgrades and maintenance, mechanical air exchange system with individual classroom controls, air purifiers)
 - Doors, entrances and exits including locking mechanisms
 - Remediation of environmental issues (e.g., lead pipes, asbestos, including environmental site and remedial investigation)
 - Diaper changing areas
 - Nurse area, sick child area
 - Electric and lighting systems
 - Security systems including security cameras
 - Furniture, fixtures, and equipment (FFE)
 - Kitchens and food preparation areas
 - Plumbing (e.g., leaking pipes, drainage issues)
 - Acoustics (e.g., absorptive materials, acoustic panels, ceiling tiles)
 - Secure storage areas (e.g., wall cabinets, cubbies, closets, cot storage, storage for hazardous materials)
 - Stable partitions and/or floor-to-ceiling walls to separate classrooms and improve acoustics
- Labor and materials for *exterior* building improvements to:
 - Install, repair, replace and/or improve equipment to provide children with age-appropriate, safe, engaging outdoor play areas:
 - Climbing structures (e.g., adding more cushioning)
 - Creating a separate space for infants
 - Bollards for parking lots and/or playgrounds
 - Covered enclosures, shade structures, awnings, outdoor furniture, storage shed
 - Increase accessibility or to meet code enforcement requirements, e.g. installing or replacing ramps
 - Address exterior drainage issues
 - Install, repair, replace and/or improve:

- Exterior fencing, including security gates
- Roofing (e.g., addressing leaking or mold)
- Decking (e.g., wood that has been deemed a hazard)
- Sidewalks connecting classrooms
- Parking areas (e.g., short-term parking for drop-off)

Eligible soft costs (capped at up to 20% of total grant) are limited to:

- Architect fees
- Permit fees
- Construction management
- Freight and shipping delivery
- Environmental assessment

Applicants may not use grants through this program to finance new facility construction, construction of additions, nor facility or site acquisition, nor any fines incurred as a result of code or zoning violations during construction project(s) associated with this grant.

Application Process:

Applications will be accepted and reviewed on a first-come, first served basis from the date and time the program application is open to the public. Applications will be accepted until all funding is exhausted, or three (3) years after date of application launch, whichever is sooner.

As part of a program application, the Authority will request the following information including, but not limited to:

- A detailed description of proposed project(s), to ensure consistency with eligible uses with proposed project cost between \$50,000 and \$200,000.
- At least one quote per DCF-licensed child care center location that details the full cost of proposed project(s) to occur at that location. All quotes must be from contractors that are registered with DOL as a Public Works Registered Contractor and are consistent with New Jersey state prevailing wage rates.
- If purchasing FFE, quotes for the proposed cost of FFE purchases, which can be a formal bid from a vendor and/or printouts/screenshots with prices from online retailer(s) for item(s) to be purchased.
- Photos of the space(s) where the proposed project(s) will take place.
- If available at the time of application, project design documents (e.g., architectural renderings or drawings made by a contractor).
- If applicants lease space, a copy of their lease and a certification from the landlord that they have reviewed and approved the proposed facility improvement(s).
- If applicants own space, a deed, property tax statement, or proof of mortgage payment.
- Proposed budget and timeline for the facility improvement project

As part of the application process, applicants must provide the following certifications including, but not limited to:

- Applicant must certify that they will utilize only contractors registered as a New Jersey Public Works Contractor with DOL, and that the project will comply with New Jersey prevailing wage requirements and state affirmative action requirements for contractors. Federal Davis-Bacon rules do not apply for this grant.
- Applicant must certify that grant funding will not be used to supplant existing space dedicated to infant and toddler care.
- Applicant must commit to enroll in DHS' Grow NJ Kids Quality Rating Improvement System within one (1) year of the date of grant execution, if not already enrolled, which the Authority will verify with DHS.
- Applicant must maintain licensure with DCF at the location of the facility improvement to provide child care for four (4) years following execution of the grant agreement, which the Authority will verify with DCF.

In addition to providing these certifications at application, these will be included as covenants in a grant agreement with the possibility for repayment by the child care provider if the above certifications are not adhered to, at the discretion of the Authority. The Authority understands that based on the current pandemic and other emergency situations, there may be circumstances that may impact the continuation of child care services. As such, the applicant shall notify the Authority in writing (email or letter) of those circumstances and the Authority shall review and decide whether a grantee shall return or pay the amount of grant fund they received.

Applications will first be reviewed for completeness and evaluated by staff for alignment with the eligible uses as prescribed above. Additionally, a third-party external firm will conduct a review of project costs to assess the cost reasonableness of the project, as defined under federal statute 2 CFR § 200.404. If there are questions about the application, or if an applicant does not submit all required materials, staff will follow up with the applicants and applicants will be given up to 10 business days to respond, clarify, and/or resubmit any needed materials, after which an application may be declined for unresponsiveness to the Authority's request for additional information.

Although applications will be reviewed in the order in which they are received, any approval of funding for a specific application will be based on the Authority's completing its review and verifying that all necessary information has been received and that the applicant and project meet all eligibility criteria.

If an applicant is declined on the basis that the quote provided at the time of application was done by a contractor is not properly registered with NJDOL, but otherwise meets all other eligibility criteria and has exhausted their appeal right, that applicant may be allowed to re-apply with a quote from a properly registered contractor. The new application will be reviewed and considered for funding based on the time of the new submission.

Delegated Authority:

The Members are requested to approve delegated authority to approve individual applications to the Child Care Facilities Improvement Pilot Program – Phase 1 in accordance with the terms set forth in the attached product specifications. These approvals are appropriate for delegated authority because the

maximum financial assistance under this program is comparable to financial assistance amounts approved under delegated authority in other programs and the specifications are generally based on non-discretionary criteria. Additionally, this program is not competitive; each application will be reviewed on its own.

This request also includes the authority to decline for any decisions based solely on non-discretionary reasons. Entities whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter (which must be at least 10 business days). The Director of Legal Affairs will designate Hearing Officers who will review the applications, the appeals, and any other relevant documents or information. The Hearing Officer will recommend an administrative decision, for which delegated authority is requested to accept the administrative decision of the Hearing Officer for appeals based on solely non-discretionary reasons.

In addition, the Members are requested to approve delegated authority to commit up to an additional \$10 million in ARP CSLFRF funding if the program is oversubscribed.

Post Approval:

Following a delegated authority approval, the applicant will be notified of the approval stating the level of funding (as a not to exceed amount) available for the proposed project. After notification is issued, the child care provider will execute an agreement with the EDA. The child care provider will have 90 days from the date of the fully executed agreement with the EDA to enter into a separate agreement with the New Jersey Public Works contractor(s) that provided quote(s) during the application to complete the approved facility improvement project, with possibility for extension at the request of the child care provider and at the discretion of the Authority. If the contractor is no longer able to complete work for the approved project, the child care provider may identify a new contractor for the work, so long as the contractor is a New Jersey Public Works Registered Contractor and is able to complete the work at or below the approved grant amount.

EDA will also schedule a pre-construction meeting with the grantee and their contractor(s) to re-affirm prevailing wage and affirmative action requirements under this grant alongside other monitoring requirements. Although applicants may be nonprofits, the U.S. Treasury final CSLFRF rules explain that nonprofit entities that are direct beneficiaries, as in this program, are not subject to the subrecipient monitoring and reporting requirements in the federal Uniform Guidance, 2 C.F.R. 200, which would include compliance with the federal procurement process.

When required to start construction, EDA will disburse initial deposits for equipment or services to the contractor upon receipt of invoices prior to the start of construction. Payments will be disbursed directly to the contractor upon receipt of invoice that is signed by the child care provider.

EDA will disburse subsequent payments directly to the contractor for the duration of the project upon receipt of invoices that include photos demonstrating construction progress and signature from the child care provider affirming that work has been completed to their satisfaction. Payments will be disbursed periodically no more than once per month per project location. With the exception of the initial deposits, no payment will be disbursed without confirmation that work has been conducted in accordance with prevailing wage and affirmative action requirements. Final payment will be

disbursed upon completion of a site visit by EDA to confirm the work has been completed. EDA reserves the right to also conduct site visits during construction, as deemed appropriate by the Authority, to confirm that work is being completed in accordance with eligible uses for the Program, federal guidelines, and all prevailing wage and affirmative action requirements.

Facility improvement projects must commence within one (1) year of execution of the grant agreement with EDA and be completed within one (1) year of construction start, with possibility for extensions at the request of the child care provider and at the discretion of the Authority.

EDA intends to use a portion of administrative costs allocated to this program (not to exceed \$250,000) to issue a purchase order to Temporary Employment Services in accordance with State Blanket PO# 18-GNSV2-00348. The intent of the State's Blanket P.O. is to provide the State and its Cooperative Purchasing Program participants (the Authority is one of the State's Cooperative Purchasing Program participants) staffing for administrative support functions, which will be needed for this program due to limited staff capacity to review applications.

Program Funding

The Members are requested to approve the utilization of \$10,000,000 of ARP CSLFRF funding allocated to the Authority by P.L. 2021, c.144 to fund the Child Care Facilities Improvement Pilot Program – Phase 1, with delegated authority to the Chief Executive Officer to increase funding by up to an additional \$10,000,000 if the program is oversubscribed.

Given that the program will provide grants to child care providers to make improvements to their facility, in alignment with the goals of the ARP CSLFRF, which specifically cites “promoting healthy childhood environments” as a strategy to build stronger communities as the country emerges from the pandemic, staff believes this program is an appropriate and justified use of ARP CSLFRF funding. Furthermore, the U.S. Department of Treasury also states in the CSLFRF final rule that “improvements to or new construction of childcare, daycare, and early learning facilities are eligible capital expenditures” under this use.¹ Additionally, as explained by U.S. Treasury in its final CSLFRF rule, nonprofit entities that are direct beneficiary

In addition, DHS was appropriated \$4,450,000 for a “Child Care Facility Improvements Pilot Program” to “allow providers to make needed capital improvements to their facilities in exchange for participating in Grow NJ Kids, the State’s child care quality rating and improvement system.”² Given the alignment with EDA’s proposed Program, EDA and DHS have collaborated on a Memorandum of Understanding (MOU) for EDA to utilize this state funding toward the Program. Staff are requesting approval to enter into this MOU (Attachment B) to transfer funds from DHS to EDA for the purposes of utilizing these funds for Phase 1 of the Program as outlined in this memorandum.

¹ Coronavirus State and Local Fiscal Recovery Funds, 87 Fed. Register 4364 (January 27, 2022)

² The State of New Jersey Budget in Brief, Fiscal Year 2022, page 39, available at <https://www.state.nj.us/treasury/omb/publications/22bib/BIB.pdf>.

Fees:

Due to financial hardships experienced by child care providers during and emerging from the pandemic, as well as in recognition of the fact that the child care industry operates under extremely thin profit margins for which any of the Authority’s conventional fees could restrict the ability of child care facilities to access this funding, Staff is requesting approval from the Members to waive all fees from applicants for this program. The Authority’s administrative costs for operating the program will be supported by utilizing a portion of available program funds for administrative expenses.

Recommendation:

The Members are requested to approve: (1) Approval to enter into a Memorandum of Understanding with DCA whereby the Authority will accept \$20,000,000 in ARP CSLFRF funding appropriated to the Authority pursuant to P.L. 2021, c. 144; (2) Approval to enter into a Memorandum of Understanding with the DHS whereby the Authority will accept \$4,500,000 (3) Creation of the Child Care Facilities Improvement Pilot Program – Phase 1, a grant program to provide funding for licensed child care centers in New Jersey to make facility improvements that will contribute to high quality early childhood learning environments; (4a) Utilization of \$10,000,000 of funds appropriated to the Authority pursuant to P.L. 2021, c.144, with delegation to the Chief Executive Officer to increase funding to up to \$20,000,000 if demand exceeds the \$10,000,000 in available funding. This request also includes the utilization of up to 2.5% of this funding to support the Authority’s administrative costs associated with operating the program; (4b) Utilization of \$4,450,000 of funding appropriated to DHS, including the utilization of up to 10% of this funding to support the Authority’s administrative costs associated with operating the program; and (5) Delegation of authority to the Chief Executive Officer to approve individual applications for the Child Care Facilities Improvement Pilot Program – Phase 1 in accordance with the terms set forth in this memo and the attached program specifications, and (6) Delegated authority to the Chief Executive Officer staff to decline applications for solely non-discretionary reasons, and to approve Final Administrative Decisions upon recommendations of the Hearing Officer for appeals based on non-discretionary declinations.



Tim Sullivan, CEO

Prepared by: Tara Colton, EVP, Economic Security
Emily Apple, Program Manager, Economic Security

Attachments

Attachment A—Program Specifications

Attachment B—Memorandum of Understanding with the NJ Department of Human Services

Attachment A
Child Care Facilities Improvement Fund
Program Specifications
May 11, 2022

Funding Source	<ul style="list-style-type: none"> • Up to \$20,000,000 in American Rescue Plan State and Local Fiscal Recovery Funds (ARP CSFRF) • \$4,450,000 in fiscal year 2022 state funds transferred to EDA via MOU with NJ Department of Human Services (DHS) • 40% of total grant funding made available in Phase 1 of the Program will be reserved for eligible applicants in Opportunity Zones.
Program Purpose	<p>A program that provides grant funding to licensed child care centers in New Jersey for facilities improvements that will contribute to high quality early childhood learning environments.</p>
Eligible Applicants	<ul style="list-style-type: none"> • Child care centers licensed by the New Jersey Department of Children and Families (DCF) as of June 4, 2021 • Applicants must currently enroll, or have enrolled in the 12 months prior to the date of application, at least one (1) child receiving support through DHS’ Child Care Assistance Program • Applicants may be for-profit businesses or non-profit organizations • Can own or lease space <ul style="list-style-type: none"> ○ Landlord certification required if leased property (landlords are not eligible to apply directly) ○ Deed, property tax statement, or proof of mortgage payment required if property is owned • Applicants must be in good standing with: <ul style="list-style-type: none"> ○ NJ Department of Labor and Workforce Development (DOL) ○ NJ Department of Environmental Protection (DEP) ○ NJ Division of Taxation, as evidenced by a Tax Clearance Certificate ○ DCF ○ DHS

	<ul style="list-style-type: none"> • Applicant must not be debarred from receiving federal funds, as indicated through System for Award Management (SAM) • Applicants who are not currently enrolled in DHS’ Grow NJ Kids (GNJK) quality rating system must commit to enroll within one (1) year of executing a grant agreement with the EDA. • Grantees must commit to maintaining their licensure with DCF to provide child care for four (4) years following execution of the grant agreement at the location of the facility improvement project. • Applicants are limited to one (1) application per DCF-licensed child care center location, and two (2) applications per Employer Identification (EIN). • Total project costs must be between \$50,000 and \$200,000. Grant awards will include additional 15% of eligible project costs to account for cost overruns. • Contractors conducting facility improvements must be a DOL Public Works Registered Contractor and abide by state prevailing wage and affirmative action requirements. • As part of the application, applicants must submit: <ul style="list-style-type: none"> ○ A detailed description of proposed project(s), to ensure consistency with eligible uses with proposed project cost between \$50,000 and \$200,000. ○ At least one quote per DCF-licensed child care center location that details the full cost of proposed project(s) to occur at that location. All quotes must be from contractors that are registered with DOL as a Public Works Registered Contractor and are consistent with New Jersey state prevailing wage rates. ○ If purchasing FFE, quotes for the proposed cost of FFE purchases, which can be a formal bid from a vendor and/or printouts/screenshots with prices from online retailer(s) for item(s) to be purchased. ○ Photos of the space(s) where the proposed project(s) will take place. ○ If available at the time of application, project design documents (e.g., architectural renderings or drawings made by a contractor).
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	<ul style="list-style-type: none"> ○ If applicants lease space, a copy of their lease and a certification from the landlord that they have reviewed and approved the proposed facility improvement(s). ○ If applicants own space, a deed, property tax statement, or proof of mortgage payment. ○ Proposed budget and timeline for the facility improvement project
<p>Eligible Uses</p>	<ul style="list-style-type: none"> ● Labor and materials for <i>interior</i> building improvements to: <ul style="list-style-type: none"> ○ Create additional classroom space in existing location by converting or adapting other rooms to classroom space (e.g., demolition of partitions and infilling existing wall construction, modifying existing exits for sufficient egress, installing diaper change area for new infant/toddler classroom) ○ Create or improve areas to serve as indoor gross motor and/or multi-purpose space ○ Improve egress and access within the facility (e.g., ramps, sinks with knee clearances) as well as egress and access to the outdoors for children with no or limited mobility ○ Install, repair, replace, and/or improve: <ul style="list-style-type: none"> ▪ Bathrooms with age-appropriate plumbing and child height fixtures (e.g., toilets, sinks) that are in or adjacent to classrooms, including touchless fixtures, toilet partitions and doors, ceiling tiles, light fixtures, flooring, paint ▪ Child height handwashing sinks in classrooms, including touchless fixtures ▪ Windows in classrooms and common areas (e.g., install child height windows to allow for more natural light, repair window with ventilation issues, replace window that is unable to open, replace windows with energy efficient model, install blinds or glass glazing systems, install banisters or window guards) ▪ Flooring (e.g., carpets in poor condition, new flooring for bathrooms) ▪ Fire safety and fire protection systems e.g. sprinklers, smoke detectors ▪ Indoor air quality systems (e.g., HVAC systems upgrades and maintenance, mechanical air exchange system with individual classroom controls, air purifiers) ▪ Doors, entrances and exits including locking mechanisms

	<ul style="list-style-type: none"> ▪ Remediation of environmental issues (e.g., lead pipes, asbestos, including environmental site and remedial investigation) ▪ Diaper changing areas ▪ Nurse area, sick child area ▪ Electric and lighting systems ▪ Security systems including security cameras ▪ Furniture, fixtures, and equipment (FFE) ▪ Kitchens and food preparation areas ▪ Plumbing (e.g., leaking pipes, drainage issues) ▪ Acoustics (e.g., absorptive materials, acoustic panels, ceiling tiles) ▪ Secure storage areas (e.g., wall cabinets, cubbies, closets, cot storage, storage for hazardous materials) ▪ Stable partitions and/or floor-to-ceiling walls to separate classrooms and improve acoustics <ul style="list-style-type: none"> • Labor and materials for <i>exterior</i> building improvements to: <ul style="list-style-type: none"> ○ Install, repair, replace and/or improve equipment to provide children with age-appropriate, safe, engaging outdoor play areas: <ul style="list-style-type: none"> ▪ Climbing structures (e.g., adding more cushioning) ▪ Creating a separate space for infants ▪ Bollards for parking lots and/or playgrounds ▪ Covered enclosures, shade structures, awnings, outdoor furniture, storage shed ○ Increase accessibility or to meet code enforcement requirements, e.g. installing or replacing ramps ○ Address exterior drainage issues ○ Install, repair, replace and/or improve: <ul style="list-style-type: none"> ▪ Exterior fencing, including security gates ▪ Roofing (e.g., addressing leaking or mold) ▪ Decking (e.g., wood that has been deemed a hazard) ▪ Sidewalks connecting classrooms ▪ Parking areas (e.g., short-term parking for drop-off) <ul style="list-style-type: none"> • Eligible soft costs (capped at up to 20% of total grant) are limited to: <ul style="list-style-type: none"> ○ Architect fees ○ Permit fees ○ Construction management ○ Freight and shipping delivery
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	<ul style="list-style-type: none"> ○ Environmental assessment ● All work must be conducted in accordance with NJ prevailing wage and affirmative action requirements. ● All proposed projects are subject to third-party review for cost reasonableness. ● Facility improvement projects must commence within one (1) year of contract execution and be completed within one (1) year of construction start, with possibility for extension at the request of the child care provider and at the discretion of the Authority.
<p>Application Process and Board Approval/ Delegated Authority</p>	<ul style="list-style-type: none"> ● Online application. Applications will be reviewed on a rolling basis, based on the availability of funding, until all funds are fully committed. ● Delegation to the Chief Executive Officer with authority to subdelegate to staff to approve individual applications to Phase 1 of the Child Care Facilities Improvement Pilot Program that are consistent with the terms set forth in the memo and program specifications. These approvals are appropriate for delegated authority because the maximum financial assistance under this program is comparable to financial assistance amounts approved under delegated authority in other programs and the specifications are generally based on non-discretionary criteria. Additionally, this program is not competitive; each application will be reviewed on its own. ● Delegation to the Chief Executive Officer with authority to subdelegate to staff to enter into a Memorandum of Understanding (MOU) with the New Jersey Department of Community Affairs (DCA) to accept and use up to \$20,000,000 in American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) that was appropriated pursuant to P.L. 2021, c. 144 for the purposes of funding eligible grant requests under Phase 1 of the Child Care Facilities Improvement Pilot Program, in accordance with federal requirements for the use of those funds; ● Delegation to the Chief Executive Officer with authority to subdelegate to staff to enter into a Memorandum of Understanding (MOU) with the New Jersey Department of Human Services (DHS) to accept and use \$4,450,000 in state funds allocated in the Fiscal Year 2022 state budget for purposes of facilities improvements for child care providers for Phase 1 of the Child

	Care Facilities Improvement Pilot Program and for EDA administrative costs related to implementation of the program.
Grant Amounts	<ul style="list-style-type: none"> • Minimum Grant Amount: \$57,500 • Maximum Grant Amount: \$ 230,000 • Grant awards will include additional 15% of eligible project costs to account for cost overruns.
Funding Disbursement	<ul style="list-style-type: none"> • EDA will provide notification to approved applicants stating the level of funding available for the proposed project. After notification is issued, the child care provider will execute an agreement with the EDA. • The child care provider will have 90 days from the date of the fully executed agreement with the EDA to enter into a separate agreement with the New Jersey Registered Public Works Contractor(s) that provided quote(s) during the application to complete the approved facility improvement project, with possibility for extension at the request of the child care provider and at the discretion of the Authority. If the contractor is no longer able to complete work for the approved project, the child care provider may identify a new contractor for the work, so long as the contractor is a New Jersey Public Works Registered Contractor and is able to complete the work at or below the approved grant amount. • When necessary to start construction, EDA will disburse deposits prior to the start of construction to the contractor directly upon receipt of invoices signed by the child care provider. • Prior to the start of construction, EDA will schedule a pre-construction meeting with the grantee and their contractor to re-affirm prevailing wage and affirmative action requirements, among other requirements, under this grant. • EDA will disburse subsequent payments directly to the contractor for the duration of the project upon receipt of invoices that include photos demonstrating construction progress and signature from the child care provider affirming that work has been completed to their satisfaction. Payments will be disbursed no more than once per month per location. • With the exception of the initial deposits, no payment will be disbursed without confirmation that work has been conducted in

	<p>accordance with prevailing wage and affirmative action requirements.</p> <ul style="list-style-type: none"> • Final payment will not be disbursed until EDA has conducted a site visit to confirm the work has been completed and is in compliance with prevailing wage and affirmative action requirements. • EDA reserves the right to also conduct site visits during construction to confirm that work is being completed in accordance with eligible uses for the Program, federal guidelines, and all prevailing wage and affirmative action requirements.
Fees	<p>Due to financial hardship experienced by child care providers during the pandemic, the Authority will collect no fees from the applicant for this program.</p>
Appeal Process	<p>Applicants whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter. For appeals based on non-discretionary declines, Director, Legal Affairs, will designate Hearing Officers who will review the applications, appeals, and any other relevant documents or information. The Hearing Officer will prepare a recommended decision, which must be approved, and a Final Administration Decision issued, by staff in accordance with delegated authority.</p> <p>For declines based on discretionary reasons, Director, Legal Affairs, will designate Hearing Officers who will review the applications, appeals, and any other relevant documents or information and prepare a Recommendation to the Board. The Board is the final decision-maker for discretionary appeals.</p>

Attachment B

MEMORANDUM OF UNDERSTANDING

BETWEEN

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

AND

NEW JERSEY DEPARTMENT OF HUMAN SERVICES
DIVISION OF FAMILY DEVELOPMENT

FOR

CHILD CARE FACILITY IMPROVEMENT PILOT PROGRAM

This **Memorandum of Understanding** (“MOU” or “Agreement”) made this 2nd day of May, 2022 by and between the New Jersey Economic Development Authority (“EDA”) and the New Jersey Department of Human Services (“DHS”) (collectively referred to as the “Parties” and individually referred to as the “Party”);

WHEREAS, EDA is an independent state agency, in but not of the Department 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;

WHEREAS, DHS is the state’s largest agency serving about 2.1 million New Jerseyans, including older New Jerseyans; individuals and families with low incomes; people with developmental disabilities, or late-onset disabilities; people who are blind, visually impaired, deaf, hard of hearing, or deaf-blind; parents needing child care services, child support and/or healthcare for their children; people who are dealing with addiction and mental health issues; and families facing catastrophic medical expenses for their children. Through DHS’ eight divisions, it provides numerous programs and services designed to give eligible individuals and families the help they need for economic and health challenges;

WHEREAS, DHS, Division of Family Development (“DFD”) provides leadership and supervision to the public and non-profit agencies that deliver financial assistance and critical safety net services to individuals and families in New Jersey, including child care providers;

WHEREAS, the New Jersey Fiscal Year 2022 (“SFY2022”) state budget appropriates \$4,450,000 in Grants-in-Aid to DFD for a “Child Care Facility Improvements Pilot Program” that was described in the Budget in Brief as a program to “allow providers to make needed capital improvements to their facilities in exchange for participating in Grow NJ Kids, the State’s child care quality rating and improvement system”;

WHEREAS, the EDA is seeking to establish—upon approval by the members of the EDA (“Board”) the Child Care Facilities Improvement Pilot Program (“Program”), as initially authorized by the Section 2 of P.L. 2021, c. 144, to provide grants to licensed child care centers and registered family child care homes in New Jersey to make facilities improvements that will contribute to further developing high quality early childhood learning environments and propose a requirement that grant recipient facilities participate in the Grow NJ Kids quality rating improvement system within 1 year of receiving a grant from the Program;

WHEREAS, in anticipation of the establishment of the Program, EDA and DHS do not wish to create competing or duplicative programs;

WHEREAS, N.J.S.A. 52:14-1 et seq. authorizes state agencies to enter agreements to provide assistance to each other.

NOW, THEREFORE, the Parties acknowledge and agree as follows:

I. DUTIES OF THE PARTIES

- a. Upon execution of this MOU, DHS will provide to the EDA \$4,450,000 as originally appropriated to DFD in SFY2022 budget for the “Child Care Facility Improvements Pilot Program.”
- b. EDA will dedicate 90% of transferred funds (\$4,005,000) for grants to licensed child care centers through Phase 1 of the Program, based on the program specifications approved by the Board. The remaining 10% of funds (\$445,000) will be used to support EDA administrative expenses related to implementation of the Program.
- c. DHS will assist the EDA to promote the Program to licensed child care centers once applications are open for the Program.
- d. EDA will share data with DHS on a quarterly basis which shall include:
 - i. List of approved child care provider applicants;
 - ii. Summary of the approved project(s); and
 - iii. Location of approved child care providers.
- e. The Parties will have regular check-ins, at a frequency to be determined by the Parties, during which EDA will provide updates on the implementation of the program.
- f. EDA shall maintain all records and make such records available to DHS for a period of seven (7) years after this MOU has expired or been terminated.

II. GENERAL PROVISIONS

- A. This Agreement is being entered into for the sole purpose of evidencing the mutual understanding and intention of the Parties.
- B. The Parties agree that they are not relying upon any promises, understanding, warranties, circumstances, conduct, negotiations, expectations, representations, or agreements, oral or written, express or implied, other than those expressly set forth herein; that this Agreement is a complete integration and constitutes the entire agreement of the Parties with respect to the subject matter hereof; that this entire Agreement has been bargained for and negotiated; and the Parties have read, understood and approved this Agreement in its entirety.
- C. This MOU represents the entire and integrated understanding between the Parties and supersedes any and all prior understandings. This MOU may be amended by written agreement of the Parties.
- D. The Parties agree that electronic communication via email is the preferred method for the exchange of correspondence, deliverables, invoices, etc., for this Agreement unless stated otherwise herein.
- E. The Parties agree to comply with all applicable federal, State and local laws, rules and regulations (collectively, "laws"), including but not limited to the following: State and local laws relating to licensure; federal and State laws relating to safeguarding of confidential information, including HIPAA, 42 C.F.R. Part 2, N.J.S.A. 30:4-24.3, and N.J.S.A. 26:5C-1 et seq.; the federal Civil Rights Act of 1964 (as amended); P.L. 1975, Chapter 127, of the State of New Jersey (N.J.S.A. 10:5-31 et seq.) and associated executive orders pertaining to affirmative action and nondiscrimination in public contracts; the federal Equal Employment Opportunity Act; Section 504 of the federal Rehabilitation Act of 1973 pertaining to non-discrimination on the basis of handicap, and regulations thereunder; the Americans With Disabilities Act, 42 U.S.C. 12101 et seq.

If any provision of this Agreement conflicts with any federal or State law(s) or has the effect of causing the State to be ineligible for federal financial participation in payment for services, the specific provision shall be considered amended or nullified to conform to such law(s). All other Agreement provisions shall remain unchanged and shall continue in full force and effect.

- F. In the event that a dispute arises between the Parties as to the duties under the Agreement, the Party alleging the dispute shall provide written notice to the other. Upon receipt of the notice, the Parties shall meet and confer for a period of thirty (30) calendar days in a good faith effort to resolve the matter. The 30-day period may be extended upon the agreement of both Parties. The exercise of this dispute resolution process shall not relieve either Party of its duties and/or rights to file notice or actions in accordance with the law. Notwithstanding the preceding sentence, the Parties acknowledge that as State entities, neither Party will bring any legal action in court against the other Party.

- G. Except as specifically provided in this Agreement, the Parties hereto may not assign their rights, duties or obligations under this Agreement, either in whole or in part, without receiving the prior written consent of the other Party. Any assignment made without consent of the other Party shall be void and the non-assigning Party shall not recognize any such assignment.
- H. To the extent subcontracting is authorized under this Agreement, EDA must obtain pre-approval in writing from DHS of the subcontractor.
- I. The laws of the State of New Jersey shall govern this Agreement.
- J. EDA shall permit DHS access during business hours (8 A.M. to 5 P.M.) to all program-related records and data of EDA to effectuate DHS' right to audit all accounts and records maintained by EDA relevant to the activities under this MOU. The provisions of this subsection shall continue for a period of seven (7) years after the submission and acceptance of all services, deliverables and payments provided for and described by this MOU, or the end of the MOU term, whichever occurs later.
- K. Each Party, subject to the provisions of the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.) and availability of appropriated funds, shall be responsible for, and shall at its own expense, defend itself against any and all suits, claims, losses, demands or damages of whatsoever kind or nature, arising out of or in connection with any act of omission of its employees, agents or contractors, in the performance of the duties assumed by the Party pursuant to this Agreement. DHS is subject to the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.). Each Party is hereby released from any and all liabilities, claims, losses, costs, expenses and demands of any kind or nature whatsoever, arising under State or Federal law, solely out of or in connection with the other Party's performance of the duties assumed pursuant to this Agreement.
- L. Any and all publicity and/or public announcements relating to this Agreement or the work products of this Agreement shall be reviewed and approved in writing by both Parties prior to release or distribution. Both Parties must be in agreement prior to any release or distribution unless required as part of a legal proceeding.
- M. All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the execution and administration of the Program, including but not limited to, all papers, reports, surveys, plans, charts, records, analyses or publications produced for, or as a result of, this Agreement (hereinafter "Work Product") shall bear an acknowledgement of DHS' support and shall be the Property of the DHS. EDA shall submit any such Work Product to DHS sixty (60) days prior to the publication or presentation. DHS shall have sixty (60) days from the date the document is delivered to review. The Parties agree to abide by the policies of the applicable journals and presentations organizers

as to such matter as the public release or availability of data related to the publication or presentation (including poster presentations) (collectively "Publications"). The Parties shall mutually agree to resolve any difference which may arise during the review of a Publication. Authorship of Publications of the research results will be determined in accordance with appropriate scientific and academic standards and customs. Proper acknowledgements will be made for the contribution of each Party to the research. Due consideration shall be given to the scheduling of any Publication to allow time to: (a) seek protection of any intellectual property which may be developed by one of the Parties, such period not to exceed thirty (30) days; and (b) identify confidential information which one Party may wish to delete. It is recognized that due to the nature of this Agreement, articles may be jointly authored and such joint authorship shall be so recognized where appropriate. No Work Product produced utilizing funds or data obtained under this Agreement shall be released to the public without the prior written consent of DHS. DHS shall have the right to edit said Work Product and shall further have the right to add co-authorship or disclaimers as it, in its sole discretion, deems appropriate.

- N. DHS reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, the Work Product developed pursuant to this Agreement.
- O. Both Parties represent that no fee, commission, compensation, gifts or gratuity was paid or received regarding the solicitation of this Agreement, in contravention to N.J.S.A. 52:13D-13 et seq.
- P. Each of the Parties is an independent entity and neither Party shall hold itself out as an agent or representative of the other.
- Q. Each Party certifies that it shall not violate the federal anti-kickback statute, set forth at 42 U.S.C. § 1320a-7b(b) ("Anti-Kickback Statute"), or the federal prohibition against physician self-referrals, set forth at 42 U.S.C. § 1395nn ("Stark Law"), with respect to the performance of its duties under this Agreement.
- R. Counterparts and Electronic Signatures. This Agreement may be executed in counterparts and by any electronic means, each of which shall be deemed an original but all of which together shall constitute the Agreement.
- S. Third-Party Beneficiaries. This MOU shall not create in any individual or entity the status of a third-party beneficiary and nothing in this MOU shall be construed to create such status.

III. COMMENCEMENT AND TERMINATION

- A. Term. This MOU shall become effective on the date it is fully executed by the Parties and shall continue for a period of three (3) years. This MOU may be extended or renewed for an additional term(s) at the end of the 3-year term only by prior written agreement by the Parties if the program funding has not been exhausted or if additional funding becomes available. No later than thirty (30) days prior to the expiration of this Agreement, each Party shall so advise the other Party in writing as to whether they intend to extend or renew this Agreement for an additional term. At the expiration of the MOU, EDA will return any unused DHS funds remaining after all costs, direct or indirect, incurred by EDA have been paid.
- B. Termination.
1. Either Party may terminate this MOU upon service on the other Party of written notice giving at least ninety (90) days' written notice of such intention to terminate. In the event of termination, the Parties agree to conduct a final accounting within 90 days of the termination effective date.
 2. This Agreement may be terminated by mutual agreement in writing by both Parties or upon ninety (90) days written notice by either Party. Either Party may terminate this Agreement for cause as of the date specified in a written notice upon the occurrence of any of the following events:
 - a. Either Party's duties under this Agreement are prohibited under the laws, regulations or other rulings of the United States, the State of New Jersey or government department or agency thereof, or any Court of competent jurisdiction;
 - b. Either Party has made a determination, upon advice of legal counsel, that it is prohibited from or will be penalized for proceeding with its duties under this Agreement as a result of any likely proceedings of any governmental agency.
 3. Notice of termination shall be delivered via U.S. Postal Service, return receipt requested. Notice must be sent to the Parties identified herein.

In the event Party does not fulfill its duties under this Agreement, the other Party shall provide written notice of the default to the defaulting Party. The noticed Party shall have thirty (30) days to fulfill its duties ("cure period"). If the duty is not fulfilled to the satisfaction of the other Party, this Agreement may be terminated as of the date the cure period ends.

- C. If this Agreement is terminated prior to the end of its planned term, EDA shall be entitled to the funds for Program grants approved or Program grant applications subject to EDA's internal appeal process as of the termination date and for administrative expenses associated with such Program grants. In the event a Program grant application appeal is denied after the termination of this Agreement, any DHS funds allocated and maintained by EDA in anticipation of a Program grant award shall be immediately returned to DHS.

D. Notice of termination shall prompt immediate return to DHS of all unexpended funds appropriated by DHS to EDA and not subject to D above without further assessment or expenditure.

IV. NOTICE

All correspondence and notices to DHS regarding this MOU shall be addressed to the following person or his/her delegate or replacement:

Natasha Johnson
Assistant Commissioner, Division of Family Development
New Jersey Department of Human Services
P.O. Box 716
Trenton, NJ 08625-0716

All correspondence and notices to the EDA regarding this MOU shall be addressed to the following person or his/her delegate or replacement:

Tara Colton
Executive Vice President, Economic Security
New Jersey Economic Development Authority
One Gateway Center, Suite 1410, Newark, NJ 07102

IN WITNESS HEREOF, the Parties have executed this MOU as of the date first written above.

Signature:

Sarah Adelman, Commissioner
NJ Department of Human Services

Date: _____

Tim Sullivan, Chief Executive Officer
NJ Economic Development Authority

Date: _____

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: May 11, 2022

Subject: Dedication of Economic Recovery Funds toward CSIT Maternal and Infant Health R&D Grant Program

Summary:

The Members of the Board are asked to approve:

1. Dedication of \$250,000 in New Jersey Economic Development Authority (“EDA” or “Authority”) Economic Recovery Funds (ERF) toward grants made through the Commission on Science, Innovation, and Technology’s (“CSIT”) Maternal and Infant Health R&D Grant Program.
2. A Memorandum of Understanding (“MOU”) with CSIT to utilize funds for grants the Maternal and Infant Health R&D Grant Program.

Background

EDA has been a critical partner in New Jersey First Lady Tammy Murphy’s Nurture NJ initiative which aims to make New Jersey the safest place to deliver a baby in America with a particular focus on ending the unacceptable racial disparities for maternal and infant mortality in New Jersey. Nurture NJ is a comprehensive, whole-of-government effort by the Murphy Administration, led by the Office of the First Lady and comprised of more than 20 agency partners. Launched in 2019 by Governor Phil Murphy and First Lady Tammy Murphy, Nurture NJ is a statewide awareness campaign committed to both reducing maternal and infant mortality and morbidity and also ensuring equitable care among women and children of all races and ethnicities. The initiative is focused on improving collaboration and programming between all departments, agencies, and stakeholders to achieve the goal of making New Jersey the safest and most equitable place in the nation to give birth and raise a baby.

EDA’s central role in the implementation of the Nurture NJ Strategic Plan, released in January 2021¹, has been the development of a new Trenton-based Maternal and Infant Health Innovation

¹ Nurture New Jersey Strategic Plan (2021) download as PDF at <https://nurturenj.nj.gov/wp-content/uploads/2021/01/20210120-Nurture-NJ-Strategic-Plan.pdf>

Center (“Center”). In March 2022, the Board approved two critical steps to advance the development of the Center:

1. An MOU with Kean University’s Watson Institute for Urban Policy and Research to conduct outreach to and engage with impacted communities and organizational stakeholders in Trenton to inform recommendations for the Center’s scope of service offerings, partnerships, and opportunities to leverage existing community assets in the city.
2. An amendment to the Real Estate Advisory Consulting Services Contract with Jones Lang LaSalle (JLL) to provide preliminary real estate planning services for the development of the Center.

NJEDA-CSIT Memorandum of Understanding

In June 2019, the Members approved a Memorandum of Understanding (MOU) with CSIT, effective in July 2019. EDA provided support to CSIT during its earliest re-formation years to better coordinate and ramp-up market programs to innovation community stakeholders in the State. These activities complement the Authority’s Technology and Life Science activities and support the goals of the Governor’s strategic plan for economic development.

Since 2019, EDA and CSIT have collaborated on multiple initiatives, including, but not limited to:

- Research with NJ
- Clean Tech Research & Development Voucher Program
- Clean Tech Seed Grant Program

The new Maternal and Infant Health R&D Grant Program builds on these programmatic collaborations and will advance investment in a critical area of research that intersects with the Governor’s economic development and maternal and infant health strategies.

CSIT Maternal and Infant Health R&D Grant Program

The development of the Center represents a key strategy for the EDA to advance the innovation economy in this critical area of research. As the Authority seeks to deepen its impact on innovation and commercialization in the maternal and infant health space prior to the opening of the Center—which is still in the early stages of development—EDA has partnered with CSIT on the development of a new Maternal and Infant Health Research & Development (“R&D”) Grant Program (“Program”). The goal of the Program is to help New Jersey-based early-stage innovation-based companies accelerate R&D of technologies to transform new discoveries from research stage into commercially viable products and services. The grant funds support the R&D development of technologies, products and services that enhances the quality of care and service delivery activities to women and healthcare agencies that support pregnant people from pre-natal to birth to post-partum and infancy.

The Program is for companies conducting R&D or testing technologies in the following target sectors:

- Life Sciences (e.g., therapeutic drug development, medical devices)
- Technology (e.g., digital and tele health services and platform development)
- Food and Beverage (Non-retail)

Upon approval by the CSIT Board, CSIT will dedicate \$500,000 to this program. The Board is requested to approve an MOU with CSIT to utilize \$250,000 of funding through the Economic Recovery Fund (“ERF”), in line with the amendments to the Economic Recovery Fund Act in N.J.S.A § 34:1B-7.13(a)(12), which enables the Authority to provide grants to stimulate growth in targeted industries. The three industries outlined above are all sectors outlined in Governor Murphy’s economic development plan and currently supported by the Authority’s sector development team. This combined \$750,000 will fund 10 grants of \$75,000 each.

Investing in this program represents a meaningful investment in an under-invested field and one that advances the Authority’s Diversity, Equity, and Inclusion goals. A 2019 analysis of R01 grant awards (larger dollar grant awards) given by the National Institutes of Health found that the proposals that are least likely to be funded are associated with women and reproductive health issues and significant disparities exists between awards given to white and Black primary investigators.² By creating set-aside funding for maternal and infant health R&D, EDA and CSIT can help jumpstart new businesses that may face challenges accessing other sources of R&D capital while advancing research on these critical issues.

Recommendation

The Members of the Board are asked to approve:

1. Dedication of \$250,000 in New Jersey Economic Development Authority (“EDA” or “Authority”) Economic Recovery Funds (ERF) toward grants made through the Commission on Science, Innovation, and Technology’s (“CSIT”) Maternal and Infant Health Innovation Grant Program.
2. A Memorandum of Understanding (“MOU”) with CSIT to utilize funds for grants the Maternal and Infant Health R&D Grant Program.

² Hoppe TA, et al. Topic choice contributes to the lower rate of NIH awards to African-American/black scientists. *Sci Adv.* 2019 Oct 9;5(10):eaaw7238. doi: 10.1126/sciadv.aaw7238. PMID: 31633016; PMCID: PMC6785250.



Tim Sullivan, CEO

Prepared by: Tara Colton, Executive VP, Economic Security
Emily Apple, Program Manager, Economic Security

Attachments:

Attachment A –Memorandum of Understanding for CSIT Maternal and Infant Health R&D Grant Program

Attachment A

MATERNAL AND INFANT HEALTH R&D GRANT PROGRAM

MEMORANDUM OF UNDERSTANDING
BETWEEN THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY AND
COMMISSION ON SCIENCE, INNOVATION, AND TECHNOLOGY

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made this [REDACTED] day of May, 2022 by and between the New Jersey Economic Development Authority (“NJEDA”) and the New Jersey Commission on Science, Innovation and Technology (“NJ CSIT”). The NJEDA and NJ CSIT are collectively referred to herein as the “Parties.”

WHEREAS, the NJEDA has an existing Memorandum of Understanding related to entrepreneurial program development and execution with NJ CSIT, an independent commission, in but not of Treasury, that focuses on supporting early state entrepreneurship and innovation ecosystem building within the State; and

WHEREAS, in January 2021, the Nurture NJ Strategic Plan was released with nine action areas, and dozens of recommendations, including to “establish a Center in the state capital [Trenton] that focuses on innovation and research in maternal and infant health” led by NJEDA in partnership with the Departments of Health, Human Services, and Office of the Secretary of Higher Education; and

WHEREAS, NJEDA is taking steps to develop the Center, but wishes to invest in the maternal and infant health innovation ecosystem in advance of the Center’s launch; and

WHEREAS, NJ CSIT and NJEDA are developing a Maternal and Infant Health R&D Grant Program to provide grants to New Jersey-based early-stage innovation-based companies accelerate research and development of technologies to transform new discoveries from research stage into commercially viable products and services for maternal and infant health; and

WHEREAS, N.J.S.A. 52:14-1 et seq. authorizes state agencies to enter into agreements to provide assistance to each other.

NOW, THEREFORE, it is agreed between NJEDA and NJ CSIT:

1. DUTIES OF THE PARTIES: To achieve the goals of this MOU, the Parties hereby agree as follows:
 - a. NJEDA will provide to NJ CSIT \$250,000 in funds from the Economic Recovery Fund (“ERF”) upon execution of this MOU.
 - b. NJ CSIT will utilize this funding to fund awards for the Maternal and Infant Health R&D Grant Program (“Program”) based on the program specifications to be approved by the Board of NJ CSIT on May 13, 2022.

- c. NJEDA staff will have an opportunity to serve as scoring committee members for the Program.
 - d. Upon making awards, NJ CSIT will provide a list of grantees with a summary of projects to the NJEDA.
2. TERM: This MOU shall become effective on the date it is fully executed by both Parties. This MOU, unless terminated sooner as set forth in Paragraph 9, shall remain in effect for (5) years from the execution of this MOU.
3. SUBJECT TO THE AVAILABILITY OF FUNDING: The funding that NJEDA will provide under this MOU is subject to the availability of funds.
4. THIRD-PARTY BENEFICIARIES: This MOU shall not create in any individual or entity the status of a third-party beneficiary and nothing in this MOU shall be construed to create such status.
5. ASSIGNMENT: This MOU shall not be assignable and shall bind and inure to the benefit of the Parties hereto and their respective successors.
6. ADMINISTRATION: Administration of this MOU shall be governed by the written agreements reached by the NJEDA CEO and NJ CSIT Executive Director.
7. DISPUTE: If there are any disputes among the Parties concerning this MOU, the Executive Director of NJ CSIT and the CEO of NJEDA, or their authorized representatives, shall confer to resolve the dispute.
8. AMENDMENT: This MOU represents the entire and integrated agreement between the Parties and supersedes any and all prior agreements or understandings. This MOU may be amended by written agreement of the Parties.
9. TERMINATION: Either party may terminate this MOU upon service on the other party of written notice giving at least 90 days written notice of such intention to terminate. In the event of termination, the Parties agree to conduct a final accounting within 90 days of the termination effective date.
10. NOTICE: All correspondence and notices to NJ CSIT regarding this MOU shall be addressed to the following person or his/her delegate or replacement:

Judith Sheft
Executive Director
New Jersey Commission on Science, Innovation, and Technology
One Gateway Center, Suite 1410, Newark, NJ 07102
609-462-0560
JSheft@njeda.com

All correspondence and notices to NJEDA regarding this MOU shall be addressed to the following person or his/her delegate or replacement:

Tara Colton
Executive Vice President, Economic Security
New Jersey Economic Development Authority
One Gateway Center, Suite 1410, Newark, NJ 07102
609-802-2510
TColton@njeda.com

11. This MOU is being entered into for the sole purpose of evidencing the mutual understanding and intention of the Parties.

12. The parties, both entities of the State of New Jersey, are each subject to the New Jersey Tort Claims Act and the New Jersey Tort Claims Fund. This MOU shall be subject to all the provisions of the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.), the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.). Therefore, the Parties agree that each entity shall be liable for its own conduct and any claims against it without indemnification from the other party.

IN WITNESS HEREOF, the Parties have executed this MOU as of the date first written above. The Parties agree to accept electronic signatures.

For New Jersey Commission on Science, Innovation, and Technology:

Name: Judith Sheft

Signature: _____

Title: Executive Director

For New Jersey Economic Development Authority:

Name: Tim Sullivan

Signature: _____

Title: Chief Executive Officer

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Office

DATE: May 11, 2022

RE: Recommendation for Awards - Small Business Bonding Readiness Assistance Program

Summary

The Members are requested to approve entering into two contracts, one with the Statewide Hispanic Chamber of Commerce of New Jersey, and one with the African American Chamber of Commerce of New Jersey for the establishment and operation of a Small Business Bonding Readiness Assistance Program (the “Program”) and Small Business Bonding Readiness Assistance Fund (the “Fund”) to provide surety bonding support services and assistance to small businesses.

The contract award is based on total operating budget not to exceed two-hundred fifty thousand (\$250,000) dollars, per awardee, as appropriated through the Appropriations Act of Fiscal Year 2022, P.L.2021, c.133, for the establishment and maintenance of the Program and Fund. Since the appropriation has increased to \$500,000 two contracts will be issued to ensure that more small business owners can access this free resource.

Each contract provides for an initial contract term of two (2) years, with two (2), twelve (12) month extension options to be exercised at the sole discretion of the Authority, at the same terms and conditions, based on the Board-approved contract and subject to future funding appropriations.

Background

P.L.2016, c.84 requires the Authority to enter into an agreement with a non-profit business advocacy association to provide support services and assistance to small businesses seeking surety bonding. The Appropriations Act of Fiscal Year 2022, P.L.2021, c.133, appropriated an amount not to exceed \$500,000 for the establishment and maintenance of the Small Business Bonding Readiness Assistance Program and Fund.

This support and assistance is to be provided in two specific ways: (1) a Small Business Bonding Readiness Assistance Program that would provide small business training and surety bonding education through a series of workshops and strategic consulting sessions to increase small businesses’ bonding knowledge and capacity; and (2) a Small Business Bonding Readiness Assistance Fund to provide grant funding to small businesses that participate in the program, and to an association that provides small businesses participating in the program with support services and assistance. The collective goal of the Program and Fund is to better position small businesses to qualify for surety bonding, and as a result, more competitively bid on public works projects or perform contracts offered by the State or by the federal government.

Pursuant to the law, the Authority may only enter into a contract with a non-profit business advocacy association whose membership comprises small businesses in need of surety bonding.

Given the Authority's limited experience in the area of surety bonding and understanding that external perspective would be helpful in determining how to best meet the legislative intent, Authority staff conducted research into how other states/localities have structured similar types of programs. This research was then used as the basis for the Request for Information (RFI) that was issued to the business advocacy association community on January 16, 2018, for ideas and potential models of how such a Program and Fund would operate. Using this information, a Request for Proposals (RFP) was issued on March 23, 2018 and the contract was awarded to the African American Chamber of Commerce of New Jersey at the May 11, 2018 Board meeting. That contract period was for 2 years and 2 one-year extensions were exercised, with the contract set to expire in June of 2022. To date 105 participants graduated from the program, and 50 of those participants that graduated have qualified for a total of \$40 million in surety bonding.

RFP for Small Business Bonding Readiness Assistance Program

On February 4, 2022, the Authority issued a Request for Proposals #2021-RFP-IPM-079 to solicit proposals from qualified non-profit business advocacy membership associations with demonstrated prior experience in contracting with other governmental or public entities to administer surety bonding support services under the Program.

This RFP was duly advertised in two (2) newspapers for one (1) day on February 4, 2022, in the Courier Post and the Star Ledger, posted on the Authority's website, and on the NJ State Business Portal. Three-hundred-twenty-eight (328) total firms were identified by the department, through an NJSTART search, and a NJSAVI search for bid notification of the posting, and identified firms were sent an email informing them of the RFP.

In response to this solicitation, three (3) proposals were received by the stated deadline of February 25, 2022. One (1) proposal from Excelsior Business Development Corporation (d.b.a. Atlas Co.) was determined to be non-responsive for failing to provide the mandatory signature on the Signatory Page and was therefore not shared with the evaluation committee.

An evaluation committee (the "Committee") comprised of four NJEDA staff members then reviewed and scored the responsive proposals. As part of its review and evaluation of the proposals, the Committee considered a group of pre-established evaluation criteria, which included multiple factors established in the RFP, including: the qualifications and experience of the management, supervisory, and key personnel assigned to the contract; documented experience in successfully completing contracts of a similar size and scope; ability of the firm to complete the Scope of Work based on its Technical Proposal; and pricing.

Based on the thorough review of proposals, the Committee recommends the selection of the African American Chamber of Commerce of New Jersey and the Statewide Hispanic Chamber of Commerce of New Jersey. With the above factors considered, both the African American Chamber of Commerce and the Statewide Hispanic Chamber of Commerce demonstrated the experience and expertise necessary to establish and operate the Program and Fund, in partnership with the Authority. It is the policy of the Authority that to be considered for an award, a Proposer must achieve or exceed an overall score of three (3) indicating a rating of "Good", on a scale of 1-5 with five (5) being the highest rating. The Statewide Hispanic Chamber of Commerce of New Jersey received an overall score of 3.50, and the African American Chamber of Commerce of New Jersey scored a 3.47.

African American Chamber of Commerce of New Jersey Proposal

The African American Chamber of Commerce of New Jersey (the “AACCNJ”) incorporated in 2007 as a 501(c)(3) nonprofit, nonpartisan, nonsectarian organization dedicated to the economic empowerment of Black communities. The intent of the AACCNJ is to eradicate the stain of exclusion in disenfranchised communities by providing education, training, and mentorship in life skills, business skills, and workplace skills, for not only Black Americans, but also other people who are similarly situated. Accordingly, the AACCNJ will represent all small business contractors that need a leg up to qualify for bonding. The AACCNJ exists to educate small business owners, with a focus on African American-owned small businesses, on the principles of running a successful enterprise, and how to procure resources and foster relationships that will help them compete and sustain their businesses.

Classes will be taught by subject matter experts, some of whom are AACCNJ staff, others are brought in as 1099 consultants to share their expertise with the participants. Classes will be taught to enhance business practices in the following subject areas: accounting and financial presentation, operational efficiency, marketing, surety bonding capacity, construction and contract law, certification, and financing. Personalized, one-on-one advisory services will be offered concurrently with the class curriculum in addition to technical assistance with coursework, and group tutorials on basic business principals suggested on a cohort-by-cohort basis.

It is estimated that at least sixty (60) small businesses will graduate from the bond readiness program within a 12-month period from the launch date of the program, approximately fifty (50) small businesses will receive tuition grants within a 12-month period from the launch date of the tuition fund, and at least two hundred (200) small businesses will benefit from accessing information and resources made publicly available by the AACCNJ without formally enrolling in the program.

Statewide Hispanic Chamber of Commerce of New Jersey Proposal

Founded in 1989, the Statewide Hispanic Chamber of Commerce of New Jersey (the “SHCCNJ”) is a not-for-profit organization that serves as the voice for the 120,000 Hispanic Owned businesses in New Jersey that contribute over \$20 Billion to the State’s economy. The mission of the SHCCNJ is to promote the continued growth and development of New Jersey businesses by expanding business opportunities, educating, and training entrepreneurs and business owners, encouraging mutually beneficial ties with the public and private sectors, serving as an active and visible advocate in the political process, and actively promoting trade between the business community of state, national and international counterparts.

Classes will be taught by subject matter experts, some of whom are SHCCNJ staff, others are brought in as 1099 consultants to share their expertise with the participants. Classes will be taught to enhance business practices in the following subject areas: accounting and financial presentation, operational efficiency, marketing, surety bonding capacity, construction and contract law, certification, and financing. Additionally, the SHCCNJ will provide a Proprietary Tracking Software or an online portal to as where entrepreneurs can upload documents and review online modules asynchronous at their own pace. The purpose of these online modules is to reinforce what was learned in the classroom and apply to their everyday businesses.

Personalized, one-on-one advisory services will be offered concurrently with the class curriculum. The one-on-one consultations will begin with an initial assessment of each contractor based upon detailed criteria. Once a baseline profile is established, subsequent advisory meetings will focus on a full review and assessment customized to the baseline profile.

Through the Fund, applicants that are accepted into the Program will be screened and recommended by SHCCNJ to the Authority for grants of \$1,666 to be applied to tuition for program participation, so that there is no cost to the small business to participate. A final

decision on any individual application for grant funding through the Fund will be subject to the review and approval of the Authority. It is estimated that a minimum of sixty (60) small businesses will graduate the Program within a twelve-month period from the launch date of the Program, defined as the date in which applications are made available to the public.

Process, Budget, and Payment

Each \$250,000 contract award will be expended incrementally over the contract term as services are performed and deliverables are met in accordance with timelines and budget outlined in the proposal.

Of the total contract award, based on the proposal submitted by the Statewide Hispanic Chamber of Commerce of New Jersey, \$24,975 will be utilized for the initial setup and development of the Program and Fund, approximately \$210,175 will be utilized for launch and implementation, and \$14,850 will be utilized for the monitoring and reporting of Program and Fund results to the Authority.

Of the total contract award, based on the proposal submitted by the African American Chamber of Commerce of New Jersey, \$214,725 will be utilized for the launch and implementation of the Program and the Fund, and \$35,275 will be utilized for the monitoring and reporting of Program and Fund results to the Authority.

Recommendation

The Members' approval is requested to enter into a two (2) year contract, with two (2), twelve (12) month extension options, to be exercised at the sole discretion of the Authority, at the same terms and conditions based on the Board-approved contract and subject to future funding appropriations, with the Statewide Hispanic Chamber of Commerce of New Jersey and the African American Chamber of Commerce of New Jersey, to establish and maintain the Small Business Bonding Readiness Assistance Program and Fund, pursuant to P.L.2016, c.84. The contract award is based on an operating budget of \$500,000 as appropriated through the Appropriations Act of Fiscal Year 2022, P.L.2021, c.133. The final contract will be subject to the approval of the Chief Executive Officer.



Tim Sullivan, CEO

Prepared by: Christina Fuentes

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: May 11, 2022

RE: Delegations of Authority – Relating to Credit Delegations for Loan and Grant Programs, Post-Closing Portfolio Management, Bond Financing, Non-discretionary Declinations for NJ Accelerate and NJ Ignite, and Non-discretionary Declinations for Pilot Programs

Summary

The Members are asked to approve updates to delegations of authority for Loan and Grant Programs, Post-Closing Portfolio Management, Bond Financing, Non-discretionary Declinations for NJ Accelerate and NJ Ignite, and Non-discretionary Declinations for Pilot Programs. Consistent with the Delegation Policy approved on March 9, 2022, all delegations are to the Chief Executive Officer unless specified otherwise.

Background

The Authority procured the services of a Board Governance consultant to improve overall Board functionality and governance, and to make recommendations to improve board practices, efficiency, and functionality. In November 2019, the Board approved the award of the Board Governance Consulting Services contract to Funston Advisory Services, LLC (Funston). Funston completed a thorough review of the Authority's board governance processes and practices. The Funston team solicited input from staff and Board Members. The Attorney General's Office was also consulted.

In its final written report dated October 9, 2020, Funston provided recommendations related to delegations of authority. Funston provided several specific recommendations for changes to the Authority's policies and processes surrounding delegations of authority:

1. The Board should continue to set policy, consistent with established New Jersey law and precedent but may delegate programmatic transactional approval/rejection decisions to the CEO, subject to any conditions the Board may desire and are necessary to ensure policy oversight, such as dollar thresholds and/or meeting defined criteria or minimum scoring thresholds. The Board may change, revoke, or add delegations at any point, and should review the efficacy of the delegation terms and conditions at least biennially.

2. The Board should, with input from the CEO and relevant committees, review the current thresholds for approval by the Board to determine whether more authority can be prudently delegated to staff.

Staff reviewed these recommendations and, in consultation with the Attorney General's Office, reviewed all existing delegations of authority and identified areas where it may be appropriate to delegate additional authority to staff. This review was performed consistent with the Delegation Policy approved by the Members on March 9, 2022. The intent was to identify areas where staff can handle more routine and non-discretionary decisions. These include areas where the Members have approved (or can set) specific, objective criteria that can be administered and implemented by staff.

Changes to delegations of authority are intended to improve the Authority's operating efficiency and responsiveness in program administration. These new and revised delegations will permit the Board to focus more time and attention on creation of new programs, program oversight and performance evaluation, and strategic planning, rather than reviewing routine individual transactions that do not involve setting policy or warrant consideration by the Board. Thus, as a general rule, Board approval will still be required for any decisions that involve setting policy (including but not limited to the creation of new programs), are not routine, have significant impact to the Authority or the State, or relate to the adoption of rules or changes to fee structures. In contrast, if staff can take action based on specific, objective criteria, or under dollar thresholds or specified circumstances, then delegation of authority is appropriate.

Updates to Delegations of Authority:

Members are asked to approve new delegations and revisions to existing delegations consistent with the Delegation Policy and the parameters outlined above. The memo describes those new delegations of authority and updates to existing delegations of authority, as recommended by staff. Existing delegations that will not be revised (other than by changing the delegation to the CEO) will remain in effect.

Recommendations to update to Delegation of Authority are generally based on the following reasons:

- 1. New Delegated Authority for Product Decisioning (Approvals and Declinations)**
The Members are asked to delegate authority for routine program approvals and for non-discretionary program declinations (and any ensuing final administrative decisions following an internal appeal) based on Board-approved program requirements, such as with NJ Ignite, NJ Accelerate, and for loan applications.
- 2. Increase Existing Delegated Authority Approval Thresholds**
The Members are asked to increase application approval thresholds for the Hazardous Discharge Site Remediation Fund (HDSRF) Program, Petroleum Underground Storage Tank (PUST) Program, and the Loan to Lenders Program for Community Development Financial Institutions (CDFI).
- 3. Streamlining Post-Closing Portfolio Management**
The Members are asked to expand delegated authority to streamline administration of various Board-approved programs and adjust post-closing requirements for all loan programs to streamline post-closing portfolio management.

4. **Legal Affairs**

The Members are asked to expand delegations for non-discretionary declinations and appeals from those declinations (previously approved for certain programs) to cover all pilot programs.

Proposed Revisions to and/or Proposed New Delegations of Authority

This memo includes 17 proposed revisions or new delegations of authority to the following areas listed below. The balance of the memo will list out each delegation of authority proposed for approval by including the existing delegation of authority as applicable, proposed new delegation of authority, and justification for the new or revised delegation of authority.

A. CREDIT DELEGATIONS

1. CDFI Loan to Lender Program - Expanded threshold for approval
2. HDSRF & PUST – Expanded approval threshold for grants
3. PUST – Expanded threshold for loans
4. Loan Programs – Declinations
5. Direct Loans – Approvals
6. Premier Lenders – Approvals

B. CREDIT DELEGATIONS – POST-CLOSING

7. Loan Programs – Post-Closing Collateral Changes
8. Loan Programs – Release of Guarantor
9. Loan Maturity Extensions
10. Short-Term Loan Maturity Extensions
11. Payment Moratoriums
12. Late Fee Waivers
13. Loan Modification Fee Waivers

C. BOND FINANCING DELEGATION – POST-CLOSING

14. Voluntary Closing Agreements

D. INNOVATION PROGRAMS

15. NJ Ignite – Non-Discretionary Declinations
16. NJ Accelerate – Non-Discretionary Declinations

E. LEGAL AFFAIRS – DECLINATIONS AND APPEALS

17. Non-Discretionary Declinations for Pilot Programs

A. CREDIT DELEGATIONS

Community Development Financial Institution Loan to Lender Loan Program

Community development financial institutions (CDFIs) are specialized financial institutions certified by the U.S. Department of the Treasury because they provide fair, responsible financing in low-income communities that mainstream finance traditionally does not reach. NJEDA provides financing to qualified CDFIs for the purposes of administering term loans or lines of credit to qualified micro-enterprises and small businesses, some of which may not be able to secure traditional bank financing.

1. **New proposed delegation:** Delegated authority is requested to approve new loan applications up to \$1.5 million to established CDFIs in accordance with program guidelines, as approved by the Board in July 2019.

Justification: This delegation would provide consistency with delegated authority for other loan programs, such as the Premier Lender Program and the Direct Loan Program. NJEDA staff has been underwriting loans under its numerous programs for many years, and as a result has fully developed the specialized skillset of credit analysis. All loan applications undergo a comprehensive credit analysis before reaching a credit decision.

NJ Department of Environmental Protection Grant Programs: Hazardous Discharge Site Remediation Fund (HDSRF) & Petroleum Underground Storage Tank (PUST)

The Hazardous Discharge Site Remediation Fund (HDSRF) program provides financing to businesses operating in New Jersey, individuals, or municipalities that are required to, or volunteered to, perform remediation and/or cleanup of contaminated and underutilized sites. The HDSRF program is administered through a partnership between the New Jersey Department of Environmental Protection (NJDEP) and the NJEDA. The NJDEP evaluates an applicant's preliminary eligibility, the technical merits of the proposed project, and the estimated project costs. Upon NJDEP approval, the NJEDA evaluates an applicant's financial status, determines grant and/or loan eligibility, and awards funding. Private entities can get up to \$500,000 in loans per calendar year. Public entities can receive up to \$2,000,000 in loans per calendar year plus up to an additional \$2,000,000 for remediation in a brownfield development area. Municipal, county and redevelopment authorities can get up to \$3 million in grants. A total of \$10,000,000 is available annually for 75% of remedial action costs for recreation/conservation and renewable energy and 50% of the costs for affordable housing projects.

The Petroleum Underground Storage Tank (PUST) program provides grants and loans for the removal/closure of a leaking residential underground storage tank and replacement with an above ground storage tank. An eligible owner or operator may receive financing for the eligible project costs in an amount consistent with the cost guidelines established by the NJDEP in effect at the time the removal/closure is performed. The NJDEP evaluates an applicant's preliminary eligibility, the technical merits of the proposed project, and the estimated project costs.

2. **Existing delegated authority:** Currently, staff have delegated authority to approve new and supplemental grants up to \$100,000 for PUST and up to \$500,000 for HDSRF if they meet program guidelines.

New proposed delegation: Members are asked to approve increased delegated authority to approve initial plus supplemental PUST and HDSRF grants up to \$1,500,000.

Justification: All grant applications under the PUST and HDSRF programs are subject to the same eligibility and review/evaluation requirements as prescribed under applicable statutes, regardless of funding amount. There is no increase in complexity based on the size of grant, therefore, a higher level of delegated authority for approval is warranted. As this delegation covers initial and supplemental grants, any additional supplemental grants for an applicant by project location that would put the total collective award amount above the \$1,500,000 threshold would require Board approval, given the multiple board approvals requested for a single project location.

All applications are subject to initial review and due diligence by NJDEP program staff for technical eligibility, prior to being approved for NJEDA underwriting review. The eligibility and financial review processes conducted by NJEDA staff do not vary or increase in complexity due to the dollar amount requested. Given the multiple levels of review by both NJDEP and NJEDA of these grants, approvals have become routine in nature and do not involve policy review or evaluation, consistent with criteria for delegation of authority.

Since the 1997 inception of the PUST program, the NJEDA has closed approximately 18,250 PUST grant applications. Out of these, 544 applications exceeded the current \$100,000 delegation. Since the 1993 inception of the HDSRF program, the NJEDA has closed approximately 1,886 commercial and municipal grant applications. Out of these, 131 applications exceeded the current \$500,000 delegation. If the \$1,500,000 delegation had been in place since the inception of both programs, no PUST grants and only 49 HDSRF grant applications would have required Board approval.

One of the primary goals of both programs is to promote the remediation of contaminated sites, residential and commercial, within the State. This delegation will support that effort by streamlining the processing of most applications received from NJDEP, ensuring the programs maximize the utilization of annual State appropriations.

- 3. New proposed delegation:** Delegated authority is requested to approve loan applications up to \$500,000 under the PUST program.

Justification: The purpose of this delegation is to match the \$500,000 delegation for loans requests under the HDSRF program as approved by the Members on June 9, 2021 given the programs have similar in-depth reviews and levels of scrutiny, and approvals by the Board have become routine in nature and do not involve policy review or evaluation, consistent with criteria for delegated authority. The credit analysis completed for a PUST loan is the same as the analysis performed for an HSDRF loan request, or loan request under NJEDA's conventional loan programs, and therefore the delegated authority across the two programs should be consistent. Currently, EDA staff may not approve PUST loan requests under delegated authority. All PUST loan applications must be approved by the Board. Since the 1997 inception of the program, the NJEDA Board has approved 141 loan applications, all of which were under \$500,000

Loan Programs

The NJEDA offers loans and guarantees in a variety of programs such as NJEDA Direct Loans, Small Business Fund Loan Program and Premier Lender Program. New Jersey businesses in need of financing and committed to job creation/retention may be eligible for direct loans through NJEDA when financing is not available under other NJEDA financing programs.

4. **New proposed delegation:** Delegated authority is requested to decline loan applications that for credit or financial reasons do not meet a required underwriting criterion of a loan program. All underwriting criteria is program specific as approved by the NJEDA Board. NJEDA staff will document the basis for the declination to the applicant's file the specific credit or financial reason(s) identified and describe in detail how it causes an underwriting requirement of a loan program to not be met. A declination memo will be sent to the applicant describing the reason(s) of the decline. The applicant will have the option to appeal NJEDA staff's credit decision to the Board. In the event a loan application does not meet one or more underwriting criteria, but NJEDA staff concludes that the loan request and project meet the mission of the Authority and has sufficient merit and mitigants from a credit perspective, staff will fully underwrite the application and present it to the Members for approval.

Justification: While specific underwriting criteria may differ in each program, the NJEDA has been underwriting loans for many years and has developed standard policies and practices. The Members make policy decisions regarding underwriting loans at the time a program is approved. Staff will implement those policy decisions when underwriting specific applications and approve or decline each application in accordance therewith, except as mentioned above when staff presents an application to the Board to seek an exception to underwriting criteria. Based on the aforementioned process, reviews of declinations for loan applications that do not meet required loan underwriting criterion are routine in nature and do not involve policy review or evaluation, consistent with criteria for delegation of authority.

5. **Existing delegated authority:** NJEDA staff may approve Direct Loans up to \$2 million if 50% or more of the project financing is from a financial institution. All other Direct Loan requests require Board approval.

New proposed delegation: Delegated authority is requested to approve any Direct Loan request up to \$2 million, subject to the following conditions:

- One new job must be created for every \$65,000 of NJEDA exposure within two years, except that the minimum requirement for manufacturers is the retention of jobs;
- Loans for working capital may not exceed \$750,000;
- Interest rate will be based on the applicable US treasury or floor of 1% whichever is higher with basis point additions for credit risk;
- The loan-to-value (LTV) ratio not to exceed 100% for financing secured by real estate;
- The LTV ratio not to exceed 90% for financing secured by equipment; and
- Minimum Global Debt Service Coverage Ratio (GDSCR) of 1.10x.

Justification: NJEDA staff has been underwriting loans under its numerous programs for many years and as a result has fully developed the specialized skillset of credit analysis. Loan applications whether leveraging the relationship of a Premier Lender or a non-Premier Lender in the case of the existing direct loan delegation, undergo a comprehensive credit analysis and decision independent of what the partner bank has completed. For instance,

the Premier Lender Program allows for a total loan approval of up to \$2.75 million. Despite having the bank's full credit analysis as reference, EDA staff completes its own credit analysis and makes its own credit decision independent from what the bank has completed. The same credit analysis EDA staff has completed for large loan requests under the Premier Lender Program, is the same credit analysis completed for Direct loans of any amount. NJEDA staff also has delegations already in place to approve loans up to \$500,000 independent of any bank involvement under the Small Business Fund Loan Program. Accordingly, based on staff's experience, the delegated authority amounts for loans with the majority of credit from private financial institutions, and NJEDA's lengthy history as a lender, staff has proposed the above criteria to delineate more routine and standard loans from loans that would require policy review or evaluation.

Premier Lenders – Program Administration

NJEDA partners with Premier Lender banks to provide small businesses with low-cost financing that includes NJEDA loan participation and/or guarantees. Businesses can use this financing for fixed assets, working capital to meet operating needs, and/or the refinancing of other bank debt. Originally known as the Preferred Lender Program, the Authority commenced granting Premier Lender status to banks on March 13, 2001. Today, the EDA has a total of 25 Premier Lenders.

- 6. New proposed delegation:** Delegated authority is requested to approve requests from lending institutions in good standing with the NJ Department of Banking and Insurance for Premier Lender partner status. Lending institutions must provide NJEDA staff with information regarding their background and description, experience in leading participation loans, lending criteria, financial statements, internal credit policy, sample loan approvals, biographies of key business development and credit decision officers including President and CEO and expected activity with the EDA.

Justification: Requests for Premier Lender status do not represent exposure for the Authority and allow the Authority to participate in bank loans to businesses at reduced costs/efficiencies. Authority staff completes its own independent analysis and does not rely on the bank's analysis to make credit decisions. This delegation request does not apply to specific loan requests participated with a Premier Lender. Such requests have separate existing credit delegations.

B. CREDIT DELEGATIONS – POST-CLOSING

Loan Programs – Post-Closing

7. **Existing delegated authority:** Post-closing collateral changes - Current delegated authority allows staff to consent to the release, substitution, or subordination of collateral when: (a) the aggregate current principal exposure does not exceed \$1,250,000 provided that the loan to value ratio (LTV) after the release is not greater than the LTV indicated in the original or most recent project approval; or (b) the collateral being released represents less than 10% of the current collateral value.

Proposed delegation: Delegated authority is requested to subordinate the Authority's liens on collateral, when required for new financing, provided the collateral requirements under the loan program approval guidelines continue to be met. Delegated authority is also requested to release collateral up to 10% of current collateral value.

Justification: The revised delegation replaces the LTV threshold used for direct loans and premier lender loans for collateral modifications with the collateral requirements for each program as approved by the Board. NJEDA has been modifying loans for many years and has developed standard policies and practices. NJEDA has found that modifying loans whether based on collateral requirements by program or by LTV are routine in nature and do not result in additional complexity or policy decisions that need to be considered by the Board, and a principal exposure threshold does not impact the decisioning. Additionally, the constraint that the new collateral must continue meeting the program guidelines ensures that the collateral decision under delegated authority remains within the policy parameters established by the Board for each program.

8. **Existing delegated authority:** Current delegated authority provides for release of a guarantor where the current aggregate principal exposure does not exceed \$500,000 and the guarantor is no longer affiliated with the business provided: (a) the value of the remaining collateral adequately secures the debt within the existing guidelines; or (b) the guarantor provides fair value for the release of the guaranty; or (c) the guaranty gives no significant support to the credit.

Proposed delegation: Delegated Authority is requested to release guarantors no longer affiliated with a borrower or a related entity *regardless of the current aggregate principal exposure*, provided: (a) the value of the remaining collateral adequately secures the debt within the existing guidelines; or (b) the guarantor pays a fair value towards the loan for the release of the guaranty; or (c) the guaranty provides no significant support.

Justification: This delegation as revised removes the threshold of financial exposure from the delegation, given the delegation as revised ensures that risk to the loan is secured appropriately, and a principal exposure threshold does not impact the decisioning to release a guarantor. as The NJEDA has been modifying loans for many years and has developed standard policies and practices and found that releasing guarantors no longer affiliated with the business on loan exposures above \$500,000 does not result in additional complexity or policy decisions that need to be considered by the Board.

9. **Existing delegated authority:** Loan Maturity Extensions: Current delegated authority permits extending the term on performing loans rated Special Mention or better with existing bank or substituted lender offering the same terms and conditions, provided maximum term does not exceed the original loan amortization, with debt service coverage of 1x and LTV of the lesser of LTV at original approval or 100%.

Proposed delegation: Loan Maturity Extensions: Delegated authority is requested to extend the maturity on performing loans providing the term does not exceed the original loan amortization, provided debt service coverage and the LTV are within the loan underwriting guidelines for each loan program.

Justification: This delegation is needed to allow borrowers additional time to repay on balloon loan maturities and aligns LTV criteria with that required under each loan program's requirements as approved by Board. Different loan programs have varying LTV requirements, and this change will align the post-closing LTV threshold with the LTV used at approval for the loan to be modified. By staying within the original underwriting guidelines, the new delegated authority remains within the original Board approved policy decisions and will not generate new underwriting policy decisions.

10. Existing delegated authority: Short-term Loan Maturity Extensions: Current delegated authority authorizes approval of one (1) six-month loan maturity extension on performing loans rated Watch or better with 24 months' satisfactory payment history.

Proposed delegation: Delegated authority is requested to approve up to two (2) 6-month loan maturity extensions on performing loans, regardless of rating.

Justification: Additional time beyond six (6) months is sometimes required by businesses to submit needed financial information or obtain a senior loan extension. An additional 6-month loan maturity extension will improve efficiency and provide timely support for businesses and reduce administrative delinquencies. Based on NJEDA's experience providing additional 6-month maturity extensions, there is little additional risk in granting short term maturity extensions, regardless of risk rating.

11. Existing delegated authority: Payment Moratoriums: Current delegated authority authorizes the approval of a 6-month moratorium at a borrower's or bank's request. Subsequent payment moratoria requests require Board approval.

Proposed delegation: Delegated authority is requested to approve up to two (2) 6-month moratoriums at a borrower's or bank's request.

Justification: Based on EDA's experience providing additional 6-month moratoriums for COVID-19 relief, this change will provide businesses needed payment relief and improve credit risk management in the loan portfolio by efficiently administering delinquencies. Providing a second payment moratorium for closed loans in the portfolio entails little additional credit risk to the Authority.

Late Fee Waivers - all loan programs

12. Existing delegated authority: Late Fee Waivers (all loan programs): Delegated authority exists for (a) unlimited late fee waivers for NJEDA billing errors; (b) to reimburse late fees up to \$3,000 for customers who request reimbursement for good cause and are in good standing at NJEDA (current pays for 24 months) limited to two (2) times in 24-month cycle. Good cause refers to the borrower making good faith efforts to meet the requirements but being unable to do so due to circumstances beyond the borrower's control.

Proposed delegation: Delegated authority is requested to waive late fees for good cause or when the cause for the late fee is beyond the control of the borrower.

Justification: The Authority's rules, specifically N.J.A.C. 19:30-6.7 (Fee Waiver), explicitly provide that the Members may delegate authority to "waive late fees when the cause for the late fee is beyond the control of the borrower." This delegation will remove dollar limit and thresholds for waiver of late fees and as waiver of late fees are routine in

nature, do not require policy review and evaluation by the Board, and do not create exposure or liability on the part of the Authority.

Loan Modification Fee Waivers - all loan programs

13. **Existing delegated authority:** Delegated authority exists for certain circumstances (financial hardship) to waive modification fees to restructure debt not to exceed \$1,000.

Proposed delegation: The Members are asked to modify the existing delegation to remove the dollar limit. Delegated authority is requested to waive modification fees upon demonstration by the applicant that the imposition of the fee would impose an undue financial hardship based on a review of the applicant's financial condition.

Justification: The Authority's rules, specifically N.J.A.C. 19:30-6.7 (Fee Waiver), provide that "The Chief Executive Officer may, with the approval of the members, may waive certain fees upon demonstration by the applicant that the imposition of the fee would impose an undue financial hardship." Waiver of fees do not warrant policy consideration by the Board as waiver of fees require a demonstrated hardship by the applicant and are routine in nature.

C. BOND FINANCING

Through a federally authorized program, the NJEDA issues conduit tax-exempt and taxable private activity bonds, the proceeds of which are used to provide long-term financing for credit-worthy manufacturing companies, 501(c)3 not-for-profit organizations and exempt facilities. A financial institution, typically a bank, will directly provide funding under a bond once it has performed its own independent credit review on the applicant and the project or the Bonds will be underwritten or placed by an underwriter. If the Bonds meet the criteria established in the Internal Revenue Code, interest income is tax exempt to the bondholder, which allows them to charge a lower interest rate than a taxable loan, benefitting the borrower. NJEDA also issues bonds on behalf of the State of New Jersey.

Bonds are essentially a loan between the bondholder (lender) and the business (borrower), and do not require the use of the EDA funds. Further, the borrower indemnifies the EDA and its representatives for any liability related to the Bonds. As such, bonds do not entail direct financial or credit exposure for the Authority.

Nonetheless, an NJEDA bond issue impacts NJEDA's reputation as an issuer. Additionally, as with all bond issuers, EDA has responsibility to ensure that its bonds are issued in accordance with the Internal Revenue Code provisions. Bond applications are approved by the Members after staff eligibility review and due diligence and receipt of an opinion by NJEDA's Bond Counsel (retained through the Office of the Attorney General). In addition, NJEDA monitors post-closing compliance activities such as project completion certifications, document retention, and arbitrage rebate monitoring, as well as conducting due diligence and approval of any post-closing modifications.

Tax-exempt bonds are regulated by the U.S. Internal Revenue Service (IRS) and are subject to audit. In the event of an audit, the IRS will contact NJEDA as the bond issuer for informational document requests, questions, and responses to preliminary audit determinations. In any such audit, Bond Counsel will be retained through the Office of the Attorney General to represent NJEDA (paid by the borrower). The Borrower is responsible for its own legal representation. Generally, the Borrower responds to the IRS following NJEDA's review and consent to the response. NJEDA is also required by the IRS to approve any post-closing agreements or settlements with IRS resulting from the audit.

Additionally, the IRS administers the Voluntary Closing Agreement Program (VCAP), which encourages parties involved in a tax-exempt bond transaction to exercise due diligence in complying with the tax code and applicable regulations and to correct violations as expeditiously as possible. VCAPs and other similar settlements with the IRS allow parties to remedy non-compliance issues, such as an adverse determination by the IRS (i.e., an audit finding), to restore bonds to good standing.

- 14. New proposed delegation:** Delegated authority is requested to approve any Voluntary Closing Agreements as well as settlements up to \$500,000, with the IRS for conduit bonds, where the borrower has agreed with the NJEDA to make the payment required and NJEDA staff has determined that the borrower has the financial wherewithal to make the payment, and all parties agree, including the bond holder, borrower, and IRS; provided bond counsel

and the Attorney General's Office concur and the remaining bonds, if any, will be in good standing.

Justification: These transactions entail no direct financial exposure to the NJEDA, are routine in nature, and do not present policy matters that would require consideration by the Members. Maximum settlement amount of \$500,000 aligns with other similar delegations to the CEO and is an appropriate measure of when a more significant review of the borrower's financial situation may be necessary and when the Board should assess any reputation impact to NJEDA. NJEDA approval, as issuer, is required to administer the bonds and is a party to the agreement; however, the NJEDA would have no reason to decline to approve a VCAP or other similar settlement agreement under the circumstances described in the proposed delegation to which the parties with financial interests have agreed, and by which outstanding bonds become compliant with the Internal Revenue Code.

D. INNOVATION PROGRAMS DELEGATIONS

NJ Ignite

NJ Ignite supports entrepreneurs by providing rent support grants. In addition, this program provides collaborative workspaces with a new tenant attraction tool.

15. **New proposed delegation:** Delegated authority is requested to decline Collaborative Workspace, Rent and Disbursement applications for non-discretionary reasons (e.g., when the application does not meet objective program requirements) and to issue final administrative decisions if applicants appeal from those declinations. Appeals must be submitted within the timeframe set in the declination letter. If a declination is upheld, the applicant will have the right to appeal to the Appellate Division of the Superior Court of New Jersey.

Justification: Staff already has authority to approve requests that meet program requirements, and this request is consistent with delegations in recent program approvals. This will allow staff the same authority to decline for non-discretionary reasons.

NJ Accelerate

NJ Accelerate encourages the participation of New Jersey entrepreneurs in high-quality accelerator programs, which supports the growth and expansion of innovative companies in the State.

16. **New proposed delegation:** Delegated authority is requested to decline Accelerator Program, event sponsorship, and rent applications for non-discretionary reasons (e.g., when the application does not meet objective program requirements) and to issue final administrative decisions if applicants appeal from those declinations. Appeals must be submitted within the timeframe set in the declination letter. If a declination is upheld, the applicant will have the right to appeal to the Appellate Division of the Superior Court of New Jersey.

Justification: Staff already has authority to approve requests that meet program requirements, and this request is consistent with delegations in recent program approvals. This will allow staff the same authority to decline for non-discretionary reasons.

E. LEGAL AFFAIRS

Declinations and Appeals

Over the past several years, the Members have approved a number of new pilot programs. Many have been structured in such a way to allow streamlined review and approval (or declination). Eligibility criteria are often objective, rendering a determination of eligibility straightforward, and the Board has delegated authority to decline applications if an applicant does not meet those objective eligibility criteria, i.e., for nondiscretionary reasons. Entities whose applications are declined have a legal right to appeal. Appeals must be filed within the timeframe set in the declination letter (which should be at least 10 business days unless the Board approves a shorter timeframe for a specific program). The Director of Legal Affairs designates Hearing Officers who review the applications, the appeals, and any other relevant documents or information. The Hearing Officer makes a recommendation, which is approved by the final decisionmaker. The applicant/appellant may appeal that final administrative decision to the Superior Court of New Jersey, pursuant to the New Jersey Rules of Court.

- 17. Expanded Delegated Authority:** The Members are asked to expand the delegated authority to decline applications for non-discretionary reasons to all other pilot programs. This delegation includes the authority to decline individual applications that do not comply with objective, Board-specified eligibility criteria as set forth in the product specifications. This delegated authority to decline based on nondiscretionary reasons also includes the authority to hear and decide appeals from those declinations and issue final administrative decisions.

Justification: The Members have delegated such authority for certain pilot programs. Staff have successfully handled many nondiscretionary declinations and appeals from those declinations. Accordingly, Members are requested to expand prior delegated authority to cover declinations for nondiscretionary reasons in all pilot programs, as well as handling appeals from those declinations and issuance of final administrative decisions. These types of decisions do not require analysis or discretion and therefore do not require Board involvement. Providing delegated authority will allow staff to apply objective criteria and decline applications that do not meet Board-specified eligibility requirements.

Recommendation

The Members are asked to approve updates to delegations of authority for Loan and Grant Programs, Post-Closing Portfolio Management, Bond Financing, Non-discretionary Declinations for NJ Accelerate and NJ Ignite, and Non-discretionary Declinations for Pilot Programs. Consistent with the Delegation Policy approved on March 9, 2022, all delegations are to the Chief Executive Officer unless specified otherwise.



Tim Sullivan, CEO

Prepared by:

Christine Baker, Chief Legal and Administrative Affairs Officer

Susan Mania, Vice President, Operations

Danielle Esser, Director of Governance and Strategic Initiatives

Daniel Weick, Managing Director, Post-Closing Financial Services

David Lawyer, Managing Director, Underwriting

Clark Smith, Director, Innovation Programs

Hector Serrano, Governance Officer



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: May 11, 2022

Subject: Fourth Amendment to the Memorandum of Understanding between the New Jersey Economic Development Authority and the New Jersey Commission on Science, Innovation and Technology

REQUEST:

Members of the Board are requested to approve a Fourth Amendment to the Memorandum of Understanding between the New Jersey Economic Development Authority (“Authority”) and the New Jersey Commission on Science, Innovation and Technology (“Commission” or “CSIT”) allowing for:

1. the extension of the MOU for a total of two (2) years effective upon execution of the Fourth Amendment; and
2. the option to extend the MOU for an additional two (2) year period upon the mutual written consent of the Parties.

BACKGROUND:

AUTHORITY-CSIT Memorandum of Understanding:

The Members approved the Memorandum of Understanding (the “MOU”) between the Authority and CSIT, effective in July 2019, for a period of two (2) years ending in July 2021, which laid out the parameters by which the Authority will provide support to CSIT in the areas of administrative and fiscal management.

The MOU was amended and re-stated by the Authority and CSIT, effective in September 2019 (the “First Amendment”), for a period of two (2) years, ending in September 2021, to allow for the Executive Director of the CSIT to be an employee of the Authority.

The Members approved a Second Amendment to the MOU, effective June 2021 with all of the terms, covenants, and conditions of the MOU and First Amendment in full force and effect, to allow for other personnel hires of CSIT to be Authority employees. The Second Amendment specified that the Authority would provide support to CSIT in recruiting and selecting other personnel. The Second Amendment also specified that all personnel hires would report solely to CSIT who would be

responsible for all salaries, fringe benefits, and expenses for these additional personnel to be paid out of CSIT's appropriated funds which are currently being managed by the Authority.

The Members approved a Third Amendment to the MOU, effective July 1, 2021, with all of the terms, covenants and conditions of the MOU, the First Amendment, and the Second Amendment in full force and effect, which revised the reimbursement mechanism by which CSIT would compensate Authority.

Since the approval of the MOU, Authority has provided CSIT with programmatic and administrative support in launching all of its current grant programs:

- **SBIR/STTR Direct Financial Assistance Grant Program:** launched three rounds, which have deployed a total of \$1.9 million in funding to 66 companies (Round 1-\$375,000, Round 2-\$450,000, and Round 3-\$1.075 million).
- **Clean Tech Seed Grant Program:** launched two rounds and deployed \$748,000 out of \$2.25 million in funding for 10 award recipients – early-stage clean tech startups in New Jersey (Round 2 applications ongoing).
- **Clean Tech R&D Voucher Program:** launched one round and deployed \$161,000 out of \$435 thousand in funding for 8 voucher recipients – early-stage clean tech startups in New Jersey.
- **Catalyst Seed Grant Program:** Round 1 launched with \$1.5 million funding budget

Additionally, CSIT is in the process of designing and launching three additional programs in 2022: a second round of the Clean Tech R&D Voucher Program, a Catalyst R&D Voucher Program, and an additional program to support the Clean Tech ecosystem. CSIT also transferred \$300,000 to the Authority to extend the Research with NJ (RwNJ) program in October 2021 and is in the process of issuing an RFP to continue the RwNJ program under their portfolio of programs starting in August 2022.

Given the successful working relationship, the Authority and CSIT have agreed that it would be in the best interest of the State to extend the MOU for two (2) years and allow for a future extension of the MOU by two (2) additional years for a total of four cumulative years.

RECOMMENDATION:

Members of the Board are requested to approve:

A Fourth Amendment to the MOU between the Authority and the New Jersey Commission on Science, Innovation and Technology (“Commission” or “CSIT”) allowing for:

1. the extension of the MOU and subsequent amendments for a period of two (2) years from the effective date of the Fourth Amendment; and
2. providing the option to extend the MOU and subsequent amendments for an additional two (2) years upon the written consent of the Authority and CSIT.



Tim Sullivan, CEO

Attachment:

Amended Memorandum of Understanding between the Authority and CSIT

**FOURTH AMENDMENT TO MEMORANDUM OF
UNDERSTANDING BETWEEN
THE NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY AND
THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**

This Fourth Amendment (“Fourth Amendment”) to the Memorandum of Understanding (Original MOU”) made by and between the NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY (“CSIT”) and the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY (“NJEDA”), instrumentalities of the State of New Jersey (“the “State”). The CSIT and the NJEDA may sometimes hereinafter be collectively referred to as the “Parties” and individually as a “Party.” Except as otherwise defined herein, all capitalized terms shall have their meaning as set forth in the Original MOU.

WHEREAS, the Parties entered into the a Memorandum of Understanding (the “MOU”) between the CSIT and NJEDA effective July 2, 2019 which committed to provide support services and staff to the CSIT and CSIT would reimburse the NJEDA for the cost of such services; and

WHEREAS, the Parties amended the MOU by way of a First Amendment and Restatement to the Memorandum of Understanding (“First Amendment”) effective on September 23, 2019 to allow the NJEDA to commence the hiring process for the CSIT Executive Director, for the CSIT to have ultimate approval over who was to be hired, and to allow for the CSIT Executive Director to be an employee of the NJEDA, and for CSIT to reimburse the NJEDA for actual costs to the NJEDA of the CSIT Executive Director’s employment; and

WHEREAS, the Parties amended the MOU by way of a Second Amendment effective on June 7, 2021 to allow CSIT to recruit and hire additional staff as NJEDA employees with compensation and hiring decisions made jointly by NJEDA and CSIT, for the CSIT personnel to report solely to CSIT and paid from State funds appropriated to the CSIT unless otherwise agreed upon among the Parties, and for NJEDA to provide office space and ancillary support and services to the CSIT personnel; and

WHEREAS, the Parties amended the MOU by way of a Third Amendment effective on July 1, 2021 which, based on the success and expansion of CSIT programming and increase in the support provided by NJEDA to CSIT for programmatic implementation in the two years since the signing of the MOU, revised the reimbursement mechanism by which CSIT would compensate NJEDA; and

WHEREAS, given the excellent working relationship that has developed between CSIT and NJEDA, the NJEDA and CSIT have agreed that it would be in the best interest of the State to extend the MOU for an additional two years.

NOW THEREFORE, in consideration of the foregoing the Parties hereby agree as follows:

1. Section 13 of the First Amendment is hereby amended to read as follows:

“The MOU shall not take effect unless approved by the Boards of the EDA and CSIT, and executed by the authorized representatives of CSIT and EDA. This MOU becomes effective immediately upon execution and shall remain in effect for two (2) years from the effective date of the Fourth Amendment, unless terminated sooner pursuant to section 14 below. This MOU may subsequently be extended for an additional two (2) years upon mutual written consent of the Parties.”

2. Except as otherwise provided in this Fourth Amendment, all of the terms, covenants and conditions of the MOU, the First Amendment, the Second Amendment, and the Third Amendments shall remain in full force and effect.

3. The Parties mutually consent to extend the MOU, First Amendment, Second Amendment, and Third Amendment for an additional two (2) years effective as of the date of the Fourth Amendment.

IN WITNESS WHEREOF, the Parties have executed and delivered this FOURTH AMENDMENT on the date set forth next to their respective signatures below. The Parties agree to accept electronic signatures.

New Jersey Commission on Science, Innovation and Technology

By: Judith Sheft, Executive Director

Date

New Jersey Economic Development Authority

By: Tim Sullivan, Chief Executive Officer

Date



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: May 11, 2022

RE: New Jersey Zero-emission Incentive Program (NJ ZIP) Pilot Adjustment

REQUEST

The Members of the Board are requested to approve a program adjustment to improve the efficacy of the current phase of the NJ ZIP pilot. The adjustment would increase the duration of extensions for vouchers by 6 months, to a total of up to a 12 month extension period and a total of 18 months from initial voucher approval, if the full extension is granted. This adjustment is in response to severe and on-going supply chain delays caused by the pandemic, ensuring that the Authority provides reasonable accommodations to the businesses participating in this pilot.

BACKGROUND

The Regional Greenhouse Gas Initiative (RGGI) and the New Jersey Zero-emission Incentive Program (NJ ZIP)

In January 2021, the Members of the Board approved a \$15,750,000 pilot program called NJ ZIP, the New Jersey Zero-emission Incentive Program, funded from New Jersey Economic Development Authority's (NJEDA) allocation of the Regional Greenhouse Gas Initiative (RGGI) auction proceeds. As a RGGI-funded program, a critical goal of the funding is to accelerate the reduction of emissions in the state. Launched in April 2021, the NJ ZIP pilot established a first-come, first-served voucher-style program to reduce the upfront cost to purchase zero-emission vehicles for eligible applicants, with a focus on the adoption and use of zero-emission medium-duty vehicles in the greater Newark and greater Camden areas. It has since been expanded twice to include the greater New Brunswick area and the greater Shore area, increasing the overall voucher pool for the current phase of the pilot to \$44,250,000.

NJ ZIP is administered in sequential steps. First, a zero-emission vehicle vendor must submit an application to become an approved vendor. Once approved, a vehicle purchaser may submit an application to receive an NJ ZIP voucher to purchase a qualified vehicle from their selected approved vendor. Once approved by NJEDA, a voucher is reserved for 6 months during which the vehicle must be purchased and registered. If the purchaser and vendor demonstrate good faith efforts to procure the vehicle but have delays in final delivery, they may receive under the current program design a 6 month extension on the voucher. Once the vehicle is delivered and registered to the purchaser, and satisfactory documentation of same is submitted to the NJEDA alongside any

other obligations outlined in the signed agreement, the NJEDA will disburse the voucher funding to the vendor.

To date, the program has received 202 applications, exceeding \$40,000,000 in value, with \$16,500,000 currently approved. More than 85% of the approved purchaser applicants are small businesses (receiving a 25% funding bonus) and over 50% are minority-, woman-, and/or veteran-owned (receiving an additional \$4,000 bonus per vehicle per qualifying certification); all applicants will operate and/or register their vehicles within the greater Camden (7 purchasers, \$3,638,000), Newark (19 purchasers, \$8,343,750), greater New Brunswick (6 purchasers, \$2,488,750), or greater Shore (16 purchasers, \$2,127,750) areas. The remaining applications received through the end of the first quarter of 2022 are currently under review by Staff. No approved vouchers have been redeemed as of the end of the first quarter of 2022 – as such, all applicants continue to be affected by supply chain variability.

COVID-19 Pandemic and Its Impacts

On March 9, 2020, Governor Phil Murphy issued Executive Order 103, declaring a State of Emergency and a Public Health Emergency to ramp up New Jersey’s efforts to contain the spread of COVID-19. Containing the COVID-19 pandemic necessitated restrictions on public gatherings and led to mandated closing for non-essential businesses. New Jersey businesses and residents faced significant economic challenges due to these public health measures. Even essential services that maintained operations through the public health shutdown faced additional financial strain due to increased sanitation protocols and reductions in customers. These impacts were mirrored world-wide, as businesses shuttered in response to the pandemic, with cascading impacts to supply chains, where demand for the most basic products could not be met.

Due to the on-going impacts of COVID-19, including material shortages, volatile pricing, and lack of staff, supply chains are struggling to recover to pre-pandemic levels^{1,2,3}. The pandemic exposed critical weaknesses in all of our supply chains, but the automotive industry has continued to experience significant challenges as, in many cases, there are only a handful of sources for critical raw materials and limited facilities and staff that have the resources and expertise to manufacture specialty components. As such, world-wide shortages of components and labor have keenly impacted the automotive industry’s ability to deliver complete vehicles. The component shortages include not only the microchip, semiconductor, and battery shortages that have made headlines, but range across the entire range of the tens of thousands of components that go into the making of a vehicle and even the very raw materials that are used across many industries, such as steel and resin.

While these crises have made international headlines, the impacts are felt locally – businesses,

¹ *Overcoming Supply Chain Issues: Automotive OEMs And Suppliers Must Work Together*, Forbes, Sept 22, 2021. <https://www.forbes.com/sites/forbesbusinesscouncil/2021/09/22/overcoming-supply-chain-issues-automotive-oems-and-suppliers-must-work-together/?sh=7f930c5b4a22>

² *The Next Supply Chain Crisis Is Hiding In Plain Sight*, Forbes, March 22, 2022. <https://www.forbes.com/sites/forbesbusinesscouncil/2022/03/22/the-next-supply-chain-crisis-is-hiding-in-plain-sight/?sh=4a20cbf8144e>

³ *Automakers' problems are much worse than we thought*, CNN Business, Sept 28, 2021. <https://edition.cnn.com/2021/09/28/business/auto-industry-supply-chain-problems/index.html>

especially small businesses that cannot order large enough quantities to be prioritized by suppliers or cannot afford the increased prices, are not able to access vehicles that service their operations in a timely manner. Authority staff has repeatedly received outreach from Vendors and Applicants, and would-be Applicants, that the vouchers will expire long before the vehicles are completed.

PROGRAM PURPOSE AND POLICY ALIGNMENT

The primary goals of this pilot program are to accelerate the adoption and use of medium-duty zero-emission vehicles within New Jersey; reduce emissions within the pilot overburdened communities; and to allow NJEDA to determine and stimulate market-readiness, assess effectiveness of funding levels and program design, and test methodology for measuring economic impact of such adoption. Through eligibility requirements for the Applicant, vehicle, and the Vendor and in the context of a broader strategy, the pilot is being used as a vehicle to support the growth of the NJ ZEV ecosystem, with accelerated adoption of ZEVs being the first step to attracting more jobs and investment, as other zero-emission MHDV programs and regulations roll out across multiple State agencies. Additionally, this pilot is designed to ensure small businesses have access to these funds and additional incentives to support their transition to ZEV.

During the initial run of the pilot, as intended, NJEDA has continued to gather feedback, receiving continuous and repeated outreach on a variety of topics that will help to improve the program. In recent weeks, the universal outreach from participants – both those already approved with vouchers and those considering participation – has been that vendor supply chains are not able to keep up with what seemed a certainty a year ago. These delivery delays, due to material shortages earlier in the supply chain, may push many approved applicants past their voucher expiration date. This would mean that early adopters, many who are small businesses, would lose access to the reserved funding after already putting out the deposits, scheduling the installation of chargers, and securing financing. This impacts more than half of our applicant pool today, based on the outreach we've received, and we anticipate that, without a significant and sudden shift in global conditions, will continue to impact all applicants who are just now being approved. Such situations would be due to conditions beyond their control, conditions that are freezing an entire industry. In fact, NJ ZIP has already had two applicants withdraw from the program after their Vendors informed them their vehicles might not be available until late 2023. Considering one of the primary goals of the pilot is acceleration of adoption, it may be fair to consider why funds should not simply be allowed to expire, accessible for others to secure. However, while the voucher's expiration has been the Authority's primary tool to hasten zero-emission vehicles' arrival onto our roads, the global nature of the supply chain crisis would push newer vehicle orders to the back of vendors' long queues, meaning that such an expiration of vouchers for already-committed applicants would delay, rather than accelerate this goal.

While this pilot cannot account for the myriad conditions that are impacting the automotive industry and supply chain, the extension of vouchers, allowing reasonable accommodations for a known and nearly universal problem caused by the COVID-19 pandemic, is critical. NJEDA, in being both a good steward of the RGGI funds and reasonable managers of this pilot program, must act to protect the small businesses that we made a commitment to, keeping the approved voucher funds available to communities that are disproportionately impacted by emissions.

PROPOSED PROGRAM STRUCTURE & DESIGN

Pilot Program Eligibility

Currently, a voucher reservation may be renewed for one six-month extension if requested prior to expiration and will be granted based on evidence by the Applicant and Vendor of good faith efforts to deliver and register vehicle within the additional time provided. For example, the Authority has accepted to-date documentation that demonstrates the vehicle was purchased in a timely manner and the delays are due to supply chain constraints, including but not limited to purchase orders, shipment documentation, VIN numbers, and company attestations. This memorandum proposes that the pilot provide an extended renewal for a total of up to 12 months for approved applicants that demonstrate that their vehicle delivery is delayed or impacted by supply chain challenges. This would allow currently approved applicants to have 6 more months added to their initial extensions, and for applicants approved moving forward up to 12 months in their extension.

The pilot program eligibility will remain otherwise unchanged for Vendors, vehicles, and Applicants from the initial pilot program design.

Pilot Program Voucher Funding Levels

Voucher funding amounts will remain as originally approved, with no changes made.

Pilot Program Structure and Process

The pilot program structure and process will remain as originally approved, with no changes made.

Appeals

Appeals process for Applicants and Vendors will remain as originally approved, with no changes made.

Post-eligibility audits

Post-eligibility audit requirements, will remain as originally approved, with no changes made

ESTIMATED BUDGET

No change to the existing pilot program budget is requested.

DELEGATED AUTHORITY

No change to the delegated authority granted in the original pilot program approval is requested, as no programmatic or process changes are proposed.

CONCLUSION

The Members of the Board are requested to approve a program adjustment to improve the efficacy of the current phase of the NJ ZIP pilot. The adjustment would increase the duration of extensions for vouchers by 6 months, to a total of up to a 12 month extension period and a total of 18 months from initial voucher approval, if the full extension is granted. This adjustment is in response to severe and on-going supply chain delays caused by the pandemic, ensuring that the Authority provides reasonable accommodations to the businesses participating in this pilot.



Tim Sullivan, CEO

Prepared by:
Victoria Carey
Clean Energy Manager

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: May 11, 2022

Subject: Second Amendment to Contract with Coalition for Green Capital for Consulting Services

Request

Members of the Board are requested to approve a Second Amendment to the Authority's existing contract with the Coalition for Green Capital (CGC) to extend the contract for up to an additional one (1) year to up to May 31, 2023 to complete its consulting services to the New Jersey Council on the Green Economy (the Council) for work defined in Governor Murphy's Executive Order No. 221, including support of Council activities, stakeholder engagement, conducting supplemental research, and supporting emerging pilots and commitments for a price of up to \$400,000. This extension of the existing contract will initially be funded by the Authority, with an anticipated full reimbursement from New Jersey Department of Environmental Protection (NJDEP), subject to appropriation and available funds.

Background

On November 13, 2020, the Board approved a contract with CGC to provide consulting services to support the design and implementation of a statewide green financing mechanism (the New Jersey Green Fund or the Fund). As approved by the Board in November 2020, the total approved value of the original contract was \$700,000, including a firm-fixed price of \$300,000 for Phase 1 (design) deliverables and \$400,000 for task order based requests to support Phase 2 (implementation) utilizing a fixed rate card. Refer to Appendix A for the details of the original contract. The initial term of the original contract was one (1) year from December 1, 2020 to November 30, 2021, with the option of one (1), six (6) month extension. Funding for the original contract was drawn wholly from appropriated RGGI funds, which are allocated to the Authority annually under the Global Warming Solutions Fund Act.

In February 2021 Governor Phil Murphy's Executive Order No. 221 established the New Jersey Office of Climate Action and the Green Economy (the Climate Office), which coordinates the policymaking processes of Executive Branch departments and agencies with respect to all climate change and green economy issues, coordinates climate policy and green economy advice to the Governor, ensures that climate and green economy policy decisions and programs are consistent with the Governor's stated goals and that those goals are being effectively pursued, and monitors implementation of the Governor's climate policy and green economic agenda.

Executive Order No. 221 also established the Council within the Climate Office, and under the auspices of the Governor's Jobs and Economic Opportunity Council (previously established by Executive Order No. 12). The Council's role is to develop a "Roadmap" to expand the green economy and help build a diverse workforce to support the Administration's clean energy and climate goals. The stakeholders and agencies represented on the Council span state leaders, non-profits focused on workforce development and environmental justice, and private sector members across the energy sector. The Authority's Chief Executive Officer, Tim Sullivan, sits on the Council and is also Co-Chair of the Jobs and Economic Opportunity Council (JEOC); the Council is a subset of JEOC. Authority staff members – Pallavi Madakasira, Director, Clean Energy Products, and Alex Hydrean, Senior Project Officer, Clean Energy Products – help the Governor's Office and provide staff support to the Council. Council members offer their input, expertise and time and are not compensated for their role on the Council. The Climate Office and the Council are key stakeholders in the development of the New Jersey Green Fund and CGC's scope of work under the original contract to develop the Green Fund needs to be in concert with the other policies developed by the Climate Office.

On April 14, 2021, the Board approved an amendment ("First Amendment") to the contract, expanding CGC's role to provide consulting services to the newly established Council for a firm-fixed price of \$680,000. This amendment to expand the original contract with CGC was made to allow CGC to align its efforts in the design and implementation of the Green Fund with the policy direction and mandates of the Climate Office and the Council under Executive Order No. 221. The Council's objectives were expected to align closely with the objectives of the New Jersey Green Fund which include stimulating and leveraging private sector investment in clean energy; rapidly reducing New Jersey's carbon footprint and the emission of harmful pollutants into the State's air and water; and providing direct economic benefits to the citizens of New Jersey, with a focus on environmental justice communities, including, but not limited to increasing job creation and local investment and the lowering of energy costs..

Current Progress Supporting the Council

Since approval of the First Amendment in April 2021, CGC has assisted the Council in developing a Roadmap, as detailed in the agreed-upon scope of work. Modeling and research analyses have been conducted to determine historical and current employment in New Jersey's green jobs sectors such as energy efficiency, renewable energy generation and clean fuels, alternative transportation (such as electric vehicles), grid infrastructure and storage and green infrastructure (such as water, waste, and wastewater treatment and management and stormwater resiliency infrastructure), to project occupational growth under current New Jersey decarbonization policies, and to crosswalk occupational data with modeled scenarios to predict employment patterns, and skills needed, in the future. Over 100 stakeholder interviews have been conducted, a large majority of who were also interviewed to develop a business case for the Green Fund, alongside several listening sessions with members of the clergy in Newark and surrounding areas, environmental leaders, union leaders and Trenton community stakeholders, to gather insights related to the unmet needs as it relates to workforce development, education, economic inclusion, business growth and innovation (especially small, minority and women-owned and veteran-owned businesses), and supply chain and manufacturing development within New Jersey. The findings from these interviews have been

used to inform proposals for pilot projects within the State to support up-skilling, re-skilling, and transition the workforce to support a clean energy economy in New Jersey. The products launched through the Green Fund will directly impact/support this workforce. A number of research initiatives have explored existing policies and programs of New Jersey, alongside other states. Finally, the expertise of the Council members has been maximized through ongoing engagement, and a series of in-depth topical meetings, tours, expert panels and discussions.

Alongside the development of this Roadmap, CGC has also supported members of the Council in exploring specific pilots and commitments that could serve as real-world proof points of how to strategically expand green jobs. This work is on-going and will continue to be developed before and beyond the release of the Roadmap.

Based on this work, CGC has put forth an initial draft of the Roadmap for the Council featuring a set of nine (9) strategic opportunities for the State of New Jersey to pursue, with seventy-one (71) draft recommendations, for how the State, the private sector, and others, can leverage and invest in this transformative moment to reach the State's vision for a thriving green economy. CGC, and its research partners, presented this draft to the Council in early March at an in-person meeting.

The response of the Council to this draft was positive, and Council members requested continued work on several elements from the previously approved scope of work under the First Amendment to the original contract that requires additional funds and time to complete, and which are detailed below.

Given that NJEDA has already executed the option for the one (1) six (6) month extension to the current contract with CGC which expires on May 31, 2022, a new amendment is required to continue and complete the work started under the existing contract.

Contract Extension Objectives and Deliverables

The proposed Second Amendment of this contract with CGC is to continue and complete the work for the Council as approved under the First Amendment. The work under the proposed Second Amendment is integral, but unanticipated, to the work currently being done by CGC. CGC has provided all deliverables required under the original contract directly related to supporting the design and implementation of a statewide green financing mechanism (the New Jersey Green Fund or the Fund). The proposed Second Amendment focuses on completing the work of supporting the Council and is comprised of four items:

1. Council Support: The Council has been an active presence throughout the development of the Roadmap. During the March 2022 meeting, they requested continued direct engagement to contribute to the State's policy strategy for the green economy. This includes a detailed survey of Council members and direct one-on-one interviews with Council members. Synthesis of this feedback will be integrated into a final draft of the Roadmap and supplemental supporting deliverables as will be defined by NJEDA in the Second Amendment. This continued work is in-line with Part 1 of the existing scope of work as detailed in the First Amendment for "Council Support" and "Direct Council Engagement".

2. Expanded Tactical Recommendations on Implementation Pathways: The existing scope of work requires CGC to support the development of a set of general and specific goals and recommendations for the State to maximize equitable job creation in the green economy. The stakeholder outreach, council engagement and research conducted have resulted in a comprehensive set of recommendations that was delivered to the Council. The Council was supportive of this first set of recommendations and requests that these recommendations be further targeted and aligned for new and emerging government policies and programs, and for additional research to maximize their near-term implementation. The additional time will allow for additional conversations with relevant experts and agency staff about new and emerging New Jersey policies, laws and requirements and for more targeted recommendations to be completed. This work is in-line with Part 2 of the existing scope of work as detailed in the First Amendment for “Stakeholder Engagement”.
3. Additional Developing Research and Analysis: New Federal and state policy developments require revisions to and expansions of the final policy and pathway recommendations included in the Roadmap supplemental supporting documents. Targeted research will update best practice policy approaches and present legislative and investment opportunities connected to the new Federal Infrastructure Investment and Jobs act, and new and emerging state workforce, environment, justice and other policies. Additionally, the research team will be finalizing a supplemental report of nineteen (19) detailed policy and program use cases from around the country that were presented to the Council in March 2022 as well as a 12-month workplan for Council next steps, as requested by the Council. All of the information and analysis gathered from this item, and the two previous items, will be integrated into deliverables supporting the State’s policy strategy for the green economy and as defined by NJEDA in the Second Amendment. This work is in-line with Part 3 of the existing scope of work as detailed in the First Amendment for “Research and Analysis”.
4. Developing Emerging Pilots and Commitments for Implementation. As part of the Implementation Pathways process, CGC has been working with members of the Council to support and move forward pilots proposed during the research process. These pilots and commitments serve as proof-points for the Roadmap and are a critical demonstration of work already taking place within the state in support of New Jersey’s green economy. Several of these pilots are in active states of development and require this additional time for further research to confirm feasibility, and capacity to move forward. This work is in-line with Part 4 of the existing scope of work as detailed in the First Amendment for “Implementation Pathway Development”.

If the Board approves this Second Amendment, it would extend the expiration of the current contract for up to one (1) year from May 31, 2022 to up to May 31, 2023. The NJEDA is seeking this Amendment to extend the current Contract to allow for continuity of support for the Council and to complete the work as outlined in the First Amendment and this memo. At that time, any additional consulting work will be transitioned to a new contract based on one or more RFPs that staff will develop based on the needs of the Council and the NJEDA.

The budget for completing this scope of work is \$400,000. This expansion of the existing contract will initially be funded by the Authority, with an anticipated full reimbursement, subject to appropriation and availability, from NJDEP. Staff anticipates that the Authority may be able to use the Authority's RGGI funds for this purpose.

Recommendation:

Members of the Board are requested to approve a Second Amendment to the Authority's existing contract with the Coalition for Green Capital (CGC) to extend the contract for up to an additional one (1) year to up to May 31, 2023 to complete consulting services to the New Jersey Council on the Green Economy (the Council) for work defined in Governor Murphy's Executive Order No. 221, including support of Council activities, stakeholder engagement, conducting supplemental research, and supporting emerging pilots and commitments for a price of up to \$400,000. This extension of the existing contract will initially be funded by the Authority, with an anticipated full reimbursement from New Jersey Department of Environmental Protection (NJDEP), subject to appropriation and available funds.



Tim Sullivan, CEO

Prepared by: Alex Hydrean

Attachments:

- Appendix A: November 13, 2020 Board Memo for Consulting Services for Creation of the New Jersey Green Fund
- Appendix B: April 14, 2021 Board Memo for Amendment to Contract with Coalition for Green Capital for Consulting Services

Appendix A



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: November 13, 2020
Subject: Consulting Services for Creation of the New Jersey Green Fund

Request

Members of the Board are asked to approve:

- i. The Authority entering a contract with the Coalition for Green Capital (CGC), a non-profit organization with offices in Washington, D.C. and New York City, to provide consulting services to support the design and implementation of a statewide green financing mechanism (the New Jersey Green Fund, or the Fund).; and
- ii. A not-to-exceed project budget of \$700,000 for the work to be performed under the contract. The amount includes a firm-fixed price of \$300,000 for a specifically identified set of deliverables during Phase 1 of the contract. It also includes up to \$400,000 for any and all work that we may request CGC to undertake during Phase 2 (implementation), together with any additional work we may request with respect to Phase 1. In all cases these work requests would be triggered via task orders utilizing a fixed rate card.

The initial term of the contract is one (1) year, with the option of one (1), six (6)-month extension. Funding for the contract will be drawn wholly from Regional Greenhouse Gas Initiative (RGGI) funds, which are allocated to the Authority annually under the Global Warming Solutions Fund Act.

Contractor selection was based on a publicly advertised procurement that resulted in three (3) proposals being scored by an Evaluation Committee according to technical criteria (Personnel, Experience of the Entity, and Technical Proposal) and the fixed-rate price, which is ranked in order from highest to lowest by IPM Procurement.



Background: Regional Greenhouse Gas Initiative (RGGI) and the creation of a New Jersey Green Fund

On January 29, 2018, Governor Murphy signed Executive Order 7 (EO 7), instructing state government agencies to return New Jersey to full participation in the Regional Greenhouse Gas Initiative (RGGI) as quickly as possible.¹ RGGI is a multi-state, market-based program that establishes a regional cap on carbon dioxide (CO₂) emissions from the electric power generation sector allowing for auctioning of emissions rights.

Based on its participation in the quarterly RGGI auctions, New Jersey plans to invest an estimated \$80 million each year in programs that reduce GHG, drive forward projects that boost clean energy and create jobs, protect the health of residents in environmental justice communities, and increase the resiliency of coastal communities. New Jersey's proceeds from the three (3) RGGI auctions held thus far in 2020 total approximately \$66 million, with full calendar-year proceeds estimated in the range of \$80 million.

RGGI funds allocation is governed by the Global Warming Solutions Fund Act (P.L. 2008, c. 340). By law, three state agencies (NJEDA, the New Jersey Department of Environmental Protection (NJDEP), and the New Jersey Board of Public Utilities (NJBPU)) are allocated RGGI proceeds, with NJEDA receiving 60 percent (focus area: commercial, institutional, and industrial entities), and NJBPU and DEP each receiving 20 percent (focus areas, respectively: low income and moderate income residential; and local government, forest, and tidal marshes).

Background: Stimulating the flow of private lending to support clean energy deployment and the New Jersey economy

NJEDA is open to considering a wide range of approaches to the establishment and operation of a Green Fund, provided that the approach selected meets the core requirements of stimulating and leveraging private sector investment in clean energy; rapidly reducing New Jersey's carbon footprint and the emission of harmful pollutants into the State's air and water; and providing direct economic benefits to the citizens of New Jersey, with a focus on environmental justice communities, including, but not limited to increasing job creation and local investment and the lowering of energy costs.

In light of the challenging fiscal situation caused by the COVID-19 pandemic, several objectives for the Green Fund's design and implementation have become even more critical in recent months. For example, the Authority will prioritize products that can be launched and experience strong uptake quickly, and can make a rapid, positive impact on job creation, investment and economic productivity in the state. To the extent feasible, it will seek to build upon existing offerings of other state agencies as well as programs that have already been deployed by green finance institutions in other states and localities.

¹ Executive Order 7 (EO 7) is available at: <https://nj.gov/infobank/eo/056murphy/pdf/EO-7.pdf>



Procurement Objectives & Deliverables

The proposed contract with the Coalition for Green Capital is comprised of two phases:

(i) During Phases 1A and 1B, which, together, will focus on the design and launch planning for the Green Fund, fixed deliverables shall be provided by CGC in exchange for a firm, fixed price amount of \$300,000. Phases 1A and 1B include the option of additional task orders with compensation to be determined based upon hourly rates.

(ii) During Phase 2, which will focus on implementation of the Green Fund design and launch plan determined during Phases 1A and 1B, any work to be performed under the contract will be based upon specific task orders, also with compensation to be determined based upon hourly rates provided in the Fee Schedule.

Through this contractual engagement, NJEDA is seeking to draw on outside, specialized expertise and US and global best practice for the purposes of the design, launch planning and implementation of the New Jersey Green Fund. More specifically, the consultant will:

During Phase 1A: Assess existing NJ clean energy financial support programs and conduct a market gap analysis; engage with clean energy and energy finance stakeholders, identify and assess potential funding sources to capitalize, as of launch and over the near-and long-term, the Fund; and evaluate potential combinations of legal-organizational and governance structures for the Fund and develop a preliminary recommendation on approach.

During Phase 1B: Finalize recommendations with regard to the Fund's organizational form, governance arrangements and capitalization strategy; develop a set of recommendations for programs and products to be offered by the Green Fund; prepare initial draft one-year and three-year business plans for Fund, together with pro forma financials; and prepare one or more pitch packs for use during a road show to be undertaken during Phase 2.

During Phase 2: Provide support for the launch plan developed during Phases 1A and 1B, if and when requested.

The not-to-exceed budget of \$700,00 that Staff is requesting for the overall funding of the project consists of (i) \$300,000 for the fixed deliverables during Phases 1A and 1B, and (ii) up to an additional \$400,000 to cover the cost of work that may be undertaken by CGC pursuant to specific task order requests during those Phases, or during Phase 2. As noted above, for Phase 2 fixed deliverables have not been defined yet, however examples of work could include: road show planning, drafting of the forms of documents used in the administration of a program, or advisory support in discussions with potential funding sources and strategic partners. Any work



performed by CGC pursuant to task order requests during the engagement would be at hourly rates no higher than what CGC proposed in its bid.

CGC's proposal contemplates that they will engage a subcontractor, the New York City Energy Efficiency Corporation (NYCEEC), to assist CGC in its completion of the Scope of Work, principally in regard to Phase 1B and Phase 2. NYCEEC is an independent, not-for-profit corporation based in New York City that has operated as an energy efficiency and renewable energy lender for approximately 10 years. Although its principal lending activities to date have focused on New York City, it also operates elsewhere in New York State as well as in other states in the region, and the District of Columbia.

Staff has consulted with the New Jersey Board of Public Utilities, the New Jersey Department of Environmental Protection and the New Jersey Infrastructure Bank in shaping the scope of this engagement, and plans to collaborate with these parties, as well as other New Jersey government agencies, on the design, planning and implementation of the Green Fund. In addition, earlier in the year, the Authority issued a Request for Information (RFI) to the public regarding the potential creation of a New Jersey Green Fund. Findings from the approximately two dozen parties who responded to the RFI informed the preparation of the RFQ/P and will be fed into the work of the consultant and the program design and planning process.

The consultant is anticipated to begin work in early December 2020, with the various written deliverables to be provided at agreed milestones over a 9-to-11-month period. The Authority will use these deliverables, together with its continuing engagement with governmental and public stakeholders, community, and other stakeholders, to design the Green Fund and plan its launch, including its initial set of proposed programs. Staff expects that any programs that are recommended would require separate approval by the Board prior to launch.

Procurement Process Utilized

Authority Staff are procuring services in accordance with public procurement laws and requirements and have followed the Authority's publicly advertised process.

The RFQ/P was posted publicly on September 1, 2020. It was advertised in three (3) newspapers – Courier Post, Trenton Times, and Star Ledger – for two (2) days, posted on the NJ State Business Portal, and posted on the Authority's website, and made available for more than ten (10) days for bidder submissions. An optional proposal conference was held telephonically on September 9, 2020, and a question period was open until September 14, 2020. NJEDA responses to all questions were shared in Addendum 1 to the RFP, posted on the Authority's website on September 17, 2020.



Prior to the publishing of the RFQ/P, an Evaluation Committee was established comprised of qualified Authority staff. Further, as part of its due diligence in its evaluation process, the Authority consulted with Subject Matter Experts from elsewhere in New Jersey State government. These Subject Matter Experts were non-voting members of the Evaluation Committee.

Bids closed on October 5, 2020, and the Committee formally convened for the first time on October 7, 2020 to review the evaluation criteria and scoring timelines. They reconvened on October 14, 2020 to discuss the strengths and weaknesses of the proposals and requested that IPM Procurement check references for and seek clarifications from the Coalition for Green Capital. Once the information was received and communicated, the Committee members submitted independently scored proposals for three of the four scoring categories, Personnel, Experience of the Entity and Technical Proposal. IPM Procurement independently ranked and scored the fourth category, fixed-rate price from highest to lowest. Hourly rates were submitted for any additional work that may be required in the future, but weren't used in evaluating price. Weights were assigned to each scoring category prior to the bid opening date and time, but weren't revealed in the RFQ/P.

The four scoring categories and their respective assigned percentage scoring weights, were as follows

- Personnel's individual relevant qualifications for team roles and the Scope (20%);
- Experience of entity, demonstrated through reference projects of similar size and scope to the RFQ/P Scope (20%); and
- Ability to complete the Scope of Work based on the proposer's Technical Proposal (40%).
- Pricing (20%)

Procurement Process Results and Justification for Award Recommendation

Three (3) vendors submitted proposals by the October 5, 2020 deadline, with all deemed responsive by the Sr. Procurement Officer. The vendors who submitted Proposals were as follows:

- Guidehouse, Inc.
- McKinsey & Company
- Coalition for Green Capital

Based on the independent scoring by Evaluation Committee members, the Coalition for Green Capital was the highest ranked proposal, based on Personnel, Experience of Entity, and Technical Proposal, and inclusive of the results of the sealed Fee Schedule ranking. The total scores for the vendors are as follows (out of a maximum score of 5):



- Guidehouse, Inc. – 3.0
- McKinsey & Company– 2.85
- Coalition for Green Capital – 4.75

Recommendation

Members of the Board are asked to approve the Authority entering a contract with the Coalition for Green Capital to provide consulting services to the Authority in connection with the design, launch planning and implementation of the New Jersey Green Fund, and a not-to-exceed project budget of \$700,000.

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

Tim Sullivan, CEO

Prepared by: Office of Economic Transformation (OET)



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: April 14, 2021
Subject: Amendment to Contract with Coalition for Green Capital for Consulting Services

Request

Members of the Board are asked to approve an expansion of the Authority’s existing contract with the Coalition for Green Capital (CGC) to provide consulting services to the newly established New Jersey Council on the Green Economy (the Council) for work defined in Governor Murphy’s Executive Order No. 221, including conducting a Green Economy analysis, gathering stakeholder input, and delivering an advisory report to the Governor for a firm-fixed price of \$680,000.

Background

Staff propose the expansion of the existing contract the Authority has with CGC. The contract was procured through a publicly advertised Request for Qualifications/Proposals, which was posted on September 1, 2020. After an evaluation process, staff recommended the contract be awarded to CGC and the Board approved on November 13, 2020. The contract was signed on December 8, 2020 and requires CGC to provide consulting services to support the design and implementation of a statewide green financing mechanism (the New Jersey Green Fund or the Fund). As approved by the Board in November 2020, the total approved value of the current contract is \$700,000, including a firm-fixed price of \$300,000 for Phase 1 (design) deliverables and \$400,000 for task-order based requests to support Phase 2 (implementation) utilizing a fixed rate card. Refer to Appendix A for the details of the existing contract. The initial term of the existing contract is one (1) year, with the option of one (1), six (6)-month extension. Funding for the existing contract will be drawn wholly from Regional Greenhouse Gas Initiative (RGGI) funds, which are allocated to the Authority annually under the Global Warming Solutions Fund Act.

New Jersey Council on the Green Economy

In February 2021 Governor Phil Murphy’s Executive Order #221 established the Office of Climate Action and the Green Economy (“Climate Office”), which shall coordinate the policymaking processes of Executive Branch departments and agencies with respect to all climate change and green economy issues, coordinate climate policy and green economy advice to the Governor, ensure that climate and green economy policy decisions and programs are consistent with the Governor’s stated goals and that those goals are being effectively pursued, and monitor implementation of the Governor’s climate policy and green economic agenda. The Climate Office will be a key stakeholder in the development of the New Jersey Green Fund, the scope of the original CGC contract, and the Green Fund will need to be developed in concert with the other policies developed by the Climate Office.

Executive Order #221 also established the New Jersey Council on the Green Economy (“Council”) within the Climate Office, and under the auspices of the Governor’s Jobs and Economic Opportunity Council (previously established by Executive Order #12). The Council’s role is to develop a blueprint to expand the green economy and help build a diverse workforce to support the Administration’s clean energy and climate goals. The Authority’s Chief Executive Officer, Tim Sullivan, sits on the Council and is also Co-Chair of the Jobs and Economic Opportunity Council (JEOC); the Council is a subset of JEOC. Authority staff member – Pallavi Madakasira, Director, Clean Energy Products – will help the Governor’s Office and provide staff support to the Council. Council members will offer their input, expertise and time and are not compensated for their role on the Council.

Alignment between the Original Scope of Work and the Proposed Contract Amendment

As stated in the original procurement for the Green Fund, the primary objective of the Fund is to assist in the mobilization of private capital to finance the deployment of commercially proven clean energy technologies by the State’s businesses, including for energy efficiency measures and renewable power generation projects. In addition, the Authority is considering a wide range of approaches to the establishment and operation of a the Fund, provided that the approach selected meets the core requirements of rapidly reducing New Jersey’s carbon footprint and the emission of harmful pollutants into the State’s air and water; and providing direct economic benefits to the citizens of New Jersey, with a focus on environmental justice communities, including, but not limited to increasing job creation and local investment and the lowering of energy costs.

Given the recent announcement of EO 221, it is now clear that the efforts of the Green Fund will need to be aligned with the policy direction of the Council and the Climate Office.

The existing Green Fund contract is comprised of two phases: (i) Phase 1, which will focus on the design and launch planning for the Fund; and (ii) Phase 2, which will focus on implementation of the Fund design and launch plan. Phase 1 of this work involves analyzing the history of green projects in the State and what would be necessary to expand them, engagement with the following list key stakeholders in order to conduct a market gap analysis, identify and assess potential funding sources to capitalize and develop a set of recommendations for programs to be offered by the Green Fund:

- Policymakers and key program managers at the various government agencies
- Environmental justice organizations
- Clean energy project developers and contractors in the State
- Clean energy lenders

- Energy utilities
- Clean energy businesses and technology companies
- Private sector investors in clean energy
- Vehicle fleet owners

The original contract permits the Authority to obtain additional related consulting services for Phase I or consulting services for Phase II on a requirements basis, per the hourly rates provided on the Fee Schedule. Additionally, the contract contains an additional services provision, which provides “During the term of the Contract, the Authority may possibly request additional consulting services from the Contractor on a requirement basis.”

The work performed under the original contract will dovetail with the work required in connection with the Council’s charge under EO 221. A detailed understanding of the State’s clean energy landscape of what is, and how it can be expanded will inform the work for the next phase where the Council will be looking to broadly define green jobs, which necessarily requires an understanding of clean energy/green projects and the industry. While the existing contract for the Authority concerns building a financial Fund, the work performed and the understanding developed from that work will give CGC the ability to deliver on the additional scope of work with significant cost savings and informational synergies for the Authority and the State because:

- a) There is a significant overlap in the types of stakeholders and the engagement process to support the deliverables listed in Phase 1 of the existing contract with CGC and the stakeholder engagement needed for the Council (see “Procurement Objectives and Deliverables” below);
- b) The types of questions that need to be asked of these stakeholders also overlaps considerably, leading to more consistent and comprehensive answers when done at the same time;
- c) Coordinating these two efforts will reduce stakeholder fatigue and results in better input across the two scopes;
- d) The analysis done across the two projects will be complementary and support the finding from both efforts; and
- e) The Green Fund work will need to utilize and conform to the outputs of the Council work – finance projects that enable sustainable economic growth and development, accelerate the growth of green jobs and prioritize environmental and economic justice – in order to get support from the Administration to move forward and to be aligned with the State’s broader Green Economy and Jobs Strategy.

In accordance with the existing contract, staff requested and CGC provided a proposal to complete this additional work. NJEDA’s enabling act makes it clear that one of the Authority’s missions is to protect and enhance the State’s natural environment. N.J.S.A. 34:1B-2(a) recognizes that “there is an urgent need to protect and enhance the quality of the natural environment and to reduce, abate and prevent environmental pollution derived from operation of the industry, utilities and commerce within the State. CGC proposes to deliver the Council work in collaboration with two partner subcontractors – Gabel Associates and BW Research Partnership (collectively the “Project Team”). Gabel is an energy, environmental and public utility consulting firm, with decades of experience in New Jersey. BW Research is a full-service applied research firm that provides economic & workforce research, including clean energy jobs surveying and workforce gaps assessments in several neighboring states to NJ. While CGC will lead the scope of work in Parts 1, 2 and 4 (see below), Gabel and BW will collaborate on Part 3 (see below). The Project Team

will support the Council’s delivery of the required advisory report to the Governor, which will lay out a pathway for:

- A rapid transition to clean energy sources to reduce GHG emissions;
- Creation of thousands of new, good-paying jobs to support the necessary investment, technology, deployment, and construction of a new clean economy;
- Ensuring that historically underserved communities receive a proportionate share of the benefits of this transition, which include lower energy costs, more efficient homes, improved health from lower air pollution, access to job and new wealth formation opportunities; and
- Assisting workers in legacy energy industries transition to new careers in the green economy.

Contract Amendment Procurement Objectives & Deliverables

The proposed scope of the contract amendment with the Coalition for Green Capital is comprised of four parts:

- Part 1 – Council Support – The Project Team will produce essential research and background materials, and regularly seek direct input from individual Council members. The Team will also present the final advisory report for feedback and final approval from the Council. Specific tasks include:
 - Strategic goal definition setting – EO 221 requires the Council to “develop a more expansive and inclusive definition of a “green job” that includes the full variety of green infrastructure jobs.” The Project Team will guide the Council through the process of developing this definition based upon the stated goals of the Governor, the input of stakeholders, and precedents seen in other jurisdictions.
 - Council preparation & regular reporting – Council members will all come to the process with different levels of expertise and familiarity with the policy and green economy conditions in New Jersey. The Project Team will produce background materials, one-pagers, and summary analyses early in the process to help Council members establish a shared baseline understanding of the situation and the mandate of the Council so productive work can follow. The Project Team will also regularly produce reports that synthesize the findings of the project to date, so the Council can provide strategic direction to the project.
 - Direct engagement – The Project Team will directly engage with Council members one-on-one or in small groups to solicit input for the work product and ensure buy-in to the process. Council members will also be critical to guiding the strategic stakeholder engagement.
- Part 2 – Stakeholder Engagement – The work to be produced by the Council needs to take into account the needs and input of a wide set of stakeholders. The Project Team will work with the Council to map the stakeholder landscape, identify specific individuals to interview and/or meet with groups, conduct interviews, and gather and synthesize the findings from this outreach. Expected target groups for outreach include:

- Labor organizations for clean energy and fossil fuel energy industries, among others
 - Environmental justice organizations
 - Job training program managers
 - Clean energy technology and manufacturing firms
 - Clean energy project developers and contractors
 - Energy utilities
 - Environmental advocacy organizations
 - Investors, lenders, and other private sector capital providers
 - Energy service companies
 - Policymakers, state agencies, and other government officials
- Part 3 – Research & Analysis – The Project Team will produce research and analysis for the Council, taking into account the findings of the stakeholder engagement process, that evaluates the current conditions and needs of the State’s green economy. This work includes mapping government agencies and their relevant role to the climate transition and a coordinated policy assessment. This also includes defining and counting green jobs in the state, evaluating job creation opportunities and economic impacts, assessing workforce training needs, and mapping a pathway to a just transition delivers good, high-paying jobs in NJ. And finally, the work will include careful assessment of the investment and job creation pathway to ensure the state’s policies deliver on environmental justice needs, and create a diverse workforce open to all New Jerseyans.
 - Part 4 - Implementation Pathway Development – The Project Team will deliver a final report to the Council that incorporates Council guidance and direct input, stakeholder input, and the outcomes the Project Team’s research and analysis. The report will provide pathways to optimize the myriad of clean energy and green economy policies, and make recommendations related to job training, re-training and other worker-oriented programs so the state can create the jobs it needs to meet its clean energy goals, and do so with a diverse and well-paid workforce. This will include both general goals and recommendations to guide the direction of future policy and initiatives, as well as specific details and recommendations such as funding levels, incentives and other state actions and approaches required to reach the stated outcomes.

If the Board approves the amendment, the consultant is anticipated to begin work in April 2021. CGC proposes that the Project Team will deliver this additional scope of work for a budget of \$680,000, based upon the rates provided in the original contract, with work to be completed no later than February 16, 2022 (prior to the end of the option period under the original contract).

This expansion of the existing contract will initially be funded by the Authority via RGGI proceeds, with an anticipated \$500,000 of funding reimbursement, subject to appropriation, in the Governor’s proposed Fiscal 2022 budget.

Recommendation

Members of the Board are asked to approve an expansion of the Authority's existing contract with the Coalition for Green Capital to provide consulting services to the newly established New Jersey Council on the Green Economy for work defined in Governor Murphy's Executive Order No. 221, including conducting a Green Economy analysis, gathering stakeholder input, and delivering an advisory report to the Governor for a firm-fixed price of \$680,000.



Timothy Sullivan
Chief Executive Officer

Prepared by: Pallavi Madakasira



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: May 11, 2022

SUBJECT: **Pollaro Custom Furniture, Inc.**
Grow New Jersey Assistance Program (“Grow NJ”) –
COVID-Related Termination
P #39849 (PROD- 00184546)

Request:

Approve Pollaro Custom Furniture, Inc.’s (“Pollaro”) request to terminate its Grow NJ Incentive Agreement pursuant to the COVID-Related Relief provisions of the New Jersey Economic Recovery Act of 2020 (ERA), P.L.2020, c. 156.

Background:

Pollaro is a producer of luxury art furniture. On October 14, 2014, the Members approved a \$2,600,000 10-year Grow NJ award to incent the creation of 20 new and 25 retained Grow-eligible employees with an estimated capital investment of \$3,485,000 to relocate to an existing 87,515 square foot industrial facility as its Qualified Business Facility (“QBF”), located at 1239 Central Avenue, Hillside.

In December 2014 the Members approved a request to change the project location to a 54,000 square foot industrial building at 480 Mundet Place, Hillside with an updated estimated capital investment of \$3,700,000. This resulted in a decreased award of \$2,518,750.

In September 2017, Pollaro certified project completion with 17 new and 25 retained Grow-eligible jobs. As a result, the Grow NJ award was decreased at project certification to \$2,212,500 due to the reduction from estimated in new jobs and the Grow Incentive Agreement was amended.

Pollaro maintained the required jobs from 2017-2020 and was issued Annual Tax Credit Certificates for \$221,250, \$221,250, \$206,250, and \$168,750, respectively, for a total of \$817,500. Since Pollaro’s request for termination was submitted in 2021, it is not obligated to file an annual report for that year.

On December 30, 2021, Pollaro requested a termination of its Grow NJ Incentive Agreement citing COVID-Related impacts.

COVID Relief

On January 7, 2021, the ERA amended the Grow NJ statute to afford Grow NJ businesses several relief measures in recognition of the negative effects that the COVID-19 pandemic and Health Emergency restrictions may have on the businesses. To qualify for the relief, a Grow NJ business must demonstrate COVID-related impacts to the business that are the basis for the request for relief. Requests may be based on negative financial impacts to a business, as well as other changes including a decrease in workforce, a conversion of workforce to remote, real estate decisioning, and changes to business model that no longer enable the company to participate in the Grow NJ program. These measures are intended to provide flexibility to Grow NJ businesses and to ensure that they are not penalized due to the safety measures needed to respond to the COVID-19 Health Emergency.

Specifically, Section 108(g) of P.L. 2020, c. 156 amended the Grow NJ law to allow businesses to terminate Grow NJ Incentive Agreements “provided that the business shall submit a certification from the business's chief executive officer or equivalent officer stating that the termination is due to the public health emergency and describing the impact of the public health emergency on the business.” A termination under this provision results in the forfeiture of all tax credits for the tax period in which the termination occurs and all subsequent tax periods. Tax credits issued for previous years may be retained by the business without recapture while the business is relieved of all ongoing reporting obligations. To guard against misrepresentation by businesses, termination letters executed under the COVID-Related Relief provisions will include a provision allowing EDA to seek recapture of any tax credits issued should it be determined that the Grow NJ business decisioning was made without consideration of the impact of the COVID-19 Health Emergency on the business.

Pollaro COVID-19 Impacts and Decisioning

Prior to the onset of the COVID-19 public health emergency, Pollaro had 46 full-time employees working at the QBF. Due to a 75% reduction in order volume with many clients canceling projects, Pollaro terminated 19 jobs resulting in 27 full-time employees by the end of 2021.

Pollaro indicates that it intends to remain at the QBF, though it does not expect to meet the minimum job threshold for Grow-eligible employees for the foreseeable future due to the reduction in order volume cause by the COVID-19 public health emergency. Staff has determined that Pollaro has met the requirements for a COVID-related termination. Pursuant to the Board Memo dated February 10, 2021, all COVID-related terminations must be presented to the Members for approval.

Recommendation:

Approve Pollaro Custom Furniture, Inc.’s request to terminate its Grow NJ Incentive Agreement pursuant to the COVID-Related Relief provisions of the New Jersey Economic Recovery Act of 2020 (ERA), P.L.2020, c. 156.



Tim Sullivan, CEO



MEMORANDUM

To: Members of the Authority

From: Timothy Sullivan, CEO

Date: May 11, 2022

Subject: Grow New Jersey – Appeal – Greener Cleaner, Inc

Pursuant to the Program's enabling legislation, Grow New Jersey incentive grant recipients are required to certify that they have met or exceeded the Program's minimum capital investment requirements to qualify for a Grow New Jersey tax credit certificate. Applicants who are deemed as ineligible for a Grow New Jersey tax credit certificate have twenty (20) days from the date of notification of ineligibility to submit appeals, which are reviewed by an independent Hearing Officer.

I reviewed the attached Hearing Officer's report along with Greener Cleaner, Inc's appeal and I concur with the recommendation that Greener Cleaner, Inc is ineligible for a Grow New Jersey tax credit certificate because Greener Cleaner, Inc has failed to demonstrate that it has met or exceeded the Program's minimum capital investment requirements.

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Tim Sullivan, CEO



MEMORANDUM

To: Timothy Sullivan, CEO

From: Nicholas Falci, Hearing Officer

Date: May 11, 2022

Subject: Hearing Officer's Recommendation, Appeal of Greener Cleaner, Inc – Grow New Jersey Incentive Award

Request:

Consent of the members to the Hearing Officer's recommendation, upholding New Jersey Economic Development Authority Staff's determination that Greener Cleaner, Inc is not eligible for a Grow New Jersey tax credit certificate.

Background:

Pursuant to the enabling legislation, the New Jersey Economic Development Authority ("Authority" or "EDA") administers the Grow New Jersey Assistance Program ("Program"), including the review of each application and compliance monitoring to ensure applicants continue to meet the requirements of the Program. As requested by the CEO, I am fulfilling the role of Hearing Officer to independently review this appeal and have completed that review with legal guidance from the Attorney General's Office.

Previous Action:

Greener Cleaner, Inc ("the Company" or "Applicant") applied on April 26, 2016 for a Grow New Jersey tax credit award. The Company was thereafter approved by the EDA Board on June 14, 2016 for receipt of a ten (10) year Grow New Jersey award not to exceed \$4,180,000. The award called for the retention of 44 eligible jobs at an existing 15,600¹ sq ft non-industrial premises located at South 10th Street in Camden City ("Qualified Business Facility" or "QBF"). The Company executed an approval letter on July 28, 2017, followed by an Incentive Agreement dated February 26, 2020.

¹Although the September 1, 2020 EDA declination letter states that Greener Cleaner, Inc was approved for a 16,500 sq. ft. non-industrial premises, the incentive agreement between the Company and the Authority specifies that the approval was amended on January 22, 2020 to adjust the size of the QBF from 16,500 sq ft to 15,600 sq ft. The \$416,052 minimum required capital investment amount referenced in the declination letter is based on 15,600 sq ft (the minimum required capital investment is calculated at \$26 2/3 per sq ft).

Per the Program's rules governing Certification² prior to the issuance of tax credits, the Company was required to submit various documentation certifying to its compliance under the Program – and to do so by the project completion deadline of June 14, 2020.³ On March 13, 2020, the Company submitted its certification of project completion, claiming the retention of 57 full-time jobs in addition to an eligible amount of capital investment of \$1,737,238.

In a letter dated September 1, 2020, EDA staff advised the Company that following staff review of its certification, the Company did not satisfy the Program's eligible capital investment threshold because several of the expenses contained in the certification did not satisfy Program requirements. Specifically, EDA staff noted the following expenses as ineligible:

1. Acquisition Cost [of the Qualified Business Facility] – \$1,050,000;
2. Castellano Dry Cleaning Business Purchase – \$67,519;
3. South Jersey Cleaners Business Purchase – \$8,000;
4. South Jersey Laundry Company Business Purchase – \$160,499; and
5. Professional Services (Interest & Down payments from business purchases) – \$222,477.

Consequently, EDA staff notified the Company that because the expenses listed above were deemed as ineligible, the potential eligible capital investment for its project only totaled \$414,761, which is below the required minimum eligible capital investment of \$416,052. Accordingly, EDA staff determined that the Company was ineligible to receive a Grow New Jersey tax credit certificate.

The Company was notified of its right to file a timely appeal to this decision, and did so through a letter from its consultant, Robert Monaco of Garden State Incentives Group. A discussion and analysis of the arguments presented on appeal can be found further herein.

This Hearing Officer subsequently reviewed the breakdown of the expenses rejected in the September 1, 2020 declination letter and determined that the breakdown was incorrect, as it showed only \$228,743 of expenses as potentially eligible capital investment, rather than the \$414,761 noted in the letter. Accordingly, this Hearing Officer requested EDA staff provide clarification as to which expenses were rejected. On February 11, 2022, John J. Rosenfeld, EDA's Director of Audit & Compliance, clarified that the \$414,761 potentially eligible capital investment figure contained in the declination letter is correct, and noted that the following expenses were rejected as ineligible:

1. Building [Qualified Business Facility] Acquisition – \$1,050,000;
2. Interest & Down Payment from Business Purchases – \$222,477;
3. Equipment at Purchased Businesses – \$50,000.

This clarified breakdown was thereafter provided to the Company, who was invited to respond to it. The Company did so on March 8, 2022 through a letter from Paul Kang, the Company's President, attached to an email from Mike McCann of Garden State Incentives Group.

²N.J.A.C. 19:31-18.7.

³Pursuant to N.J.A.C. 19:31-18.7, the Company was approved for two six-month certification extensions, which resulted in the June 14, 2020 deadline.

Record Assembled:

For purposes of this appeal, a record was assembled over the preceding months consisting of the following submissions:

March 15, 2022 – Memorandum from John J. Rosenfeld to the Hearing Officer informing of the recommendation to uphold the declination as to the expenses for “equipment at purchased businesses.”

March 8, 2022 – Letter from Paul Kang to the Hearing Officer, Email from Mike McCann to the Hearing Officer and the exhibits attached thereto.

February 16, 2022 – Email from the Hearing Officer to Mike McCann and Robert Monaco providing clarification as to the September 1, 2020 declination letter’s breakdown of the certified capital investment expenses rejected.

February 15, 2022 – Email from John J. Rosenfeld to the Hearing Officer explaining why the \$50,000 for “Equipment at Purchased Businesses” was not accepted as an eligible capital investment.

February 11, 2022 – Email from the Hearing Officer to Robert Monaco providing clarification as to the September 1, 2020 declination letter’s breakdown of the certified capital investment expenses rejected.

February 11, 2022 – Email from John J. Rosenfeld to the Hearing Officer clarifying the September 1, 2020 declination letter’s breakdown of the certified capital investment expenses rejected.

February 10, 2022 – Email from the Hearing Officer to Lisa Petrizzi requesting clarification as to the September 1, 2020 declination letter’s breakdown of the certified capital investment expenses rejected.

December 6, 2021 – Memorandum from John J. Rosenfeld to the Hearing Officer informing of the recommendation to uphold the declination as to the QBF acquisition.

September 11, 2020 – Appeal of the Company’s Grow New Jersey Program Declination, and exhibits attached to the Appeal.

September 1, 2020 – EDA’s initial letter to the Company notifying them of their ineligibility for a Grow New Jersey tax credit certificate.

February 26, 2020 – Incentive Agreement between EDA and Greener Cleaner, Inc.

June 18, 2018 – Deed between NLJ Holding Company LLC, Grantor and KIK Holdings LLC, Grantee conveying property located in the City of Camden, Block 1450, Lots 8 and 18; commonly known as 215 South 10th Street, City of Camden, New Jersey.

March 15, 2018 – Commitment Letter from Capital One Bank to Paul Kang, KIK Holdings LLC (attached to the Company’s September 11, 2020 Appeal).

April 26, 2016 – The Company’s Grow New Jersey Program application.

Hearing Officer’s Discussion and Analysis:

The Company states in its September 11, 2020 appeal letter that it is only appealing the issue of “the allowance of the Acquisition Cost of the property.” The Company further provides in its March 8, 2022 letter in response to the clarified breakdown of rejected costs that it is also appealing the “denial of the \$50,000 investment in the equipment also as part of the capital investment.” A discussion and analysis of these two issues can be found below.

I. The Company’s Appeal is Procedurally Improper

N.J.A.C. 19:31-18.18(b) stipulates that “[a]n [Grow New Jersey Program] applicant may appeal the Board’s action by submitting in writing to the Authority, within 20 calendar days from the date of the Board’s action, **an explanation as to how the applicant has met the program criteria.**” (emphasis added). While the Company’s appeal was submitted within the prescribed time period, it is procedurally deficient as it fails to provide an explanation as to how the applicant has met the Program’s criteria. Rather, the Company’s appeal letter merely states that “at this time” it seeks to address KIK Holdings LLC’s affiliate status and whether the QBF was timely acquired without detailing how it meets the program requirements. The Company also requests a meeting to discuss additional issues and present documents which allegedly prove compliance with Program requirements. Therefore, the Company’s appeal should be rejected as being procedurally improper.

Nonetheless, this Hearing Officer has considered the following issues on the merits: (1) whether the costs for “Equipment at Purchased Businesses” should have been accepted; (2) KIK Holdings LLC’s affiliate status; and (3) whether the QBF was timely acquired, because the Company stated its intention to appeal these issues in either its September 11, 2020 appeal letter or its March 8, 2022 letter in response to the clarified breakdown of costs rejected. However, the Company is foreclosed from appealing at a later date any additional issues which are presently ripe for appeal. Separately, the Company’s request for an in-person meeting to discuss its appeal is denied. Pursuant to N.J.A.C. 19:31-18.18(c)(1), the decision to hold an in-person hearing is at the discretion of the hearing officer. This Hearing Officer believes that the written record is sufficient as is to decide this appeal on the merits.

Notwithstanding the above, following review and analysis of the assembled record, the applicable statutes and regulations, and the custom and practice of the Authority, the Company’s appeal should be denied for the reasons discussed below. In essence, the Company (1) failed to sufficiently support its claim that its costs for “Equipment at Businesses Purchased” meets the requirements as an eligible capital investment; and (2) failed to acquire the QBF within the twenty-four month statutorily prescribed time period for such expenses to be considered as an eligible capital investment.

II. The Company Failed to Sufficiently Demonstrate that the Costs for Equipment at Purchased Businesses Qualifies as an Eligible Capital Investment

The Company's appeal should be denied because it failed to sufficiently demonstrate that its costs for "Equipment at Businesses Purchased" meets the requirements as an eligible capital investment. On or about January 7, 2020, the Company provided to EDA staff a "bill of sale" purportedly for \$50,000 worth of equipment located at one of the businesses the Company purchased in order to claim these expenses as an eligible capital investment. Following review of the "bill of sale" provided, EDA staff subsequently determined that these expenses are not an eligible capital investment. In an email to this Hearing Officer dated February 15, 2022, Mr. Rosenfeld explained that EDA staff rejected these expenses because (1) the bill of sale was not executed; (2) no evidence of payment thereon was provided; (3) there was no indication/description of what the equipment was; and (4) there was no indication as to where the equipment was located. This Hearing Officer independently reviewed this "bill of sale" and confirmed EDA staff's observations as correct. The Company was provided with Mr. Rosenfeld's email explaining the reasons for declination as to these costs and was thereafter allowed an opportunity to respond to it as part of this Appeals process.

On March 8, 2022, the Company provided a response to Mr. Rosenfeld's email. In its response, the Company submitted a letter attaching an "executed" bill of sale as well as other documentation in an attempt to mitigate EDA staff's reasons for declination. However, the materials submitted are still deficient and fail to prove that these costs are an eligible capital investment. First, the Company's letter fails to provide an explanation as to how these costs qualify as an eligible capital investment. Rather, it merely attaches documents in support of its claim without providing any context or analysis. Secondly, while the purported "executed" bill of sale contains exhibits describing the equipment that was allegedly purchased, the submitted materials are otherwise defective. The purported "executed" bill of sale provided was only executed by the seller of the equipment, rather than by both the seller and the buyer. Additionally, while the Company attempted to show proof of payment for this equipment in the form of a \$50,000 check made out to the seller, South Jersey Laundry Co, Inc, from the Company's attorney's trust account, it is unknown whether it was actually cashed because a copy of the back of the check was not provided. Moreover, the purported "executed" bill of sale did not indicate where the equipment was located or otherwise provide any indication that the equipment was intended to be used at the QBF. Accordingly, the Company has failed to show that the \$50,000 in costs for "Equipment at Businesses Purchased" qualifies as an eligible capital investment.

III. The Company Failed to Acquire the Qualified Business Facility within the Period of Time Prescribed by the Program's Enabling Statute

The Company's appeal should additionally be rejected because the QBF acquisition costs are ineligible as a capital investment because the QBF was not acquired within twenty-four months of the date of application as is required under the Program's enabling statute. As discussed in greater detail below, the Company submitted their Program Application on April 26, 2016, but did not acquire the QBF until June 18, 2018. N.J.S.A. 34:1B-243 provides that

[i]n a Garden State Growth Zone, the following qualify as a capital investment: **any development, redevelopment, and relocation costs, including, but not limited to, site acquisition if made within 24 months of application to the authority**, engineering, legal, accounting, and other professional services required; and relocation, environmental remediation, and infrastructure improvements for the project area, including, but not limited to, on- and off- site utility, road, pier, wharf, bulkhead, or sidewalk construction or repair. (emphasis added).

The Company focuses on two points pertaining to the rejection of the QBF acquisition costs as an eligible capital investment – (1) the approval of a proposed affiliate, KIK Holdings LLC; and (2) the time frame for the purchase of the QBF. With regard to the first issue, the affiliate status of KIK Holdings LLC, it is immaterial to the outcome of the Company’s Appeal. This issue has no bearing on the date of acquisition of the QBF, which is what is dispositive here under the law.

As to the second point, the time frame for the purchase of the QBF, the Company notes that the “date for acquisition” would have been June 2018 and “the agreement to purchase property” was signed in March 2018. The Company explains that the delay in QBF acquisition primarily stemmed from ownership changes requiring the completion of a separation agreement prior to moving forward with the purchase of the QBF. Moreover, the Company asserts that on two occasions it paid a fee to extend the deadline to acquire the QBF.

The Company, in its March 8, 2022 letter, further contends that because the EDA accepted its two applications made in late 2017 and early 2018, respectively, to extend the project completion deadline, the date of application for these extensions should be controlling as to when the 24-month period to acquire the QBF begins.

a. The Company was Required to Acquire the Qualified Business Facility within Twenty-Four Months of its Application in order for the Acquisition Costs to be Considered as an Eligible Capital Investment

As noted above, the Company was required to acquire the QBF within twenty-four months of its application for the QBF acquisition costs to be considered as an eligible capital investment. The Authority considers acquisition to have occurred when title to the property is transferred. The rationale behind this practice is because it would make “no sense” for the Authority to consider an applicant having acquired a facility prior to owning it, considering that purchase agreements to acquire property frequently fall through. Under New Jersey law, the deed is the document that transfers ownership of real property from a grantor (seller) to a grantee (buyer).⁴

⁴N.J.S.A. 46:15-5(a) (defining “Deed” as “a written instrument entitled to be recorded in the office of a county recording officer which purports to convey or transfer title to a freehold interest in any lands, tenements or other realty in this State by way of grant or bargain and sale thereof from the named grantor to the named grantee”); see also Micheve LLC v. Wyndham Place at Freehold Condominium Ass’n, 370 N.J. Super. 524, 534 (App. Div. 2004) (“[P]laintiff’s lack of control over the deed’s date does not change the nature or function of the deed as the instrument that actually conveyed title to [P]laintiff”).

This Hearing Officer's review of the assembled record revealed that the date of the Company's Program application was April 26, 2016 and the deed conveying the QBF to the Applicant's proposed affiliate, KIK Holdings LLC, was executed and effective as of June 18, 2018. Accordingly, the deed conveying the QBF was executed approximately twenty-six (26) months after the date of application; outside of the twenty-four month timeframe prescribed by the Legislature.

Concurrently, the Company's discussion regarding the agreement to purchase the QBF being signed in March 2018 is irrelevant. Upon further examination, the purported March 2018 agreement to purchase the QBF referenced in the Company's appeal letter is merely a non-binding loan commitment letter, dated March 15, 2018, between Paul Kang of KIK Holdings LLC and Capital One Bank. Accordingly, this document is insufficient to establish transfer of title, which is the standard employed by EDA to establish the date of acquisition of the QBF.

b. The Company is Incorrect in its Assertions that it Successfully Applied to the EDA to Extend the Statutory Deadline to Acquire the Qualified Business Facility

The Company's arguments that it paid a fee to the EDA to extend the twenty-four month statutory deadline to acquire the QBF should also be rejected. Neither the Program's enabling statute nor its rules provide the Authority with any latitude to extend the 24-month deadline from the date of application to acquire the QBF, which is the deadline at issue in this Appeal. The extension fee the Company refers to was in fact paid to grant it extensions of the deadline to submit its certification to EDA with respect to the Program's capital investment and employment requirements, pursuant to N.J.A.C. 19:31-18.7(f). **This fee paid is separate from the issue at hand**, which is whether the Applicant acquired the QBF within the statutorily specified timeframe for its acquisition costs to be considered an eligible capital investment. In fact, the Company references this fee in its March 8, 2022 letter to this Hearing Officer by noting that the Company applied twice (in late 2017 and early 2018, respectively) to the Authority to extend the project completion deadline, and that the checks submitted for the fees for this extension were cashed by the Authority.

Moreover, contrary to the Company's contentions in its March 8, 2022 letter, the fact that the Company applied for these two extensions does not modify the date of the Company's Program application to the date of application for the second certification extension. N.J.S.A. 34:1B-243 defines "Capital Investment" as expenses by a business or any affiliate of the business **incurred after application.**" (emphasis added). Thus, the reference to the term "application" can reasonably be understood to refer to the Company's initial Program application.

In sum, for the reasons stated previously herein, the acquisition costs for the QBF does not qualify as an eligible capital investment under the Program's requirements because title to the QBF was transferred to the Company's proposed affiliate outside of the statutorily prescribed time period. Because the Company's total capital investment without the costs for either the "Equipment at Purchased Businesses" or the QBF site acquisition is below the minimum threshold specified in the Program's statute and rules, EDA staff's decision that the Company is ineligible for a Grow New Jersey tax credit certificate should be upheld, and the Company's appeal should be rejected.

Conclusion:

In considering the assembled record, applicable statutes and regulations, and based upon the above analysis, I have concluded that staff had demonstrated a sufficient basis for their decision that Greener Cleaner, Inc is ineligible for a Grow New Jersey Tax Credit Certificate.

Recommendation:

As a result of careful consideration of the above appeal, I am recommending the Board uphold staff's determination that Greener Cleaner, Inc is ineligible for a Grow New Jersey Tax Credit Certificate.

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Date: 2022.05.02
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Nicholas Falci
Hearing Officer

MEMORANDUM

To: Members of the Authority

From: Tim Sullivan, Chief Executive Officer

Date: May 11, 2022

Subject: State House Renovations Lease Revenue Bonds
2017 Tax-Exempt Series B Modification
PROD-00128451

Summary

I request the Members approve amendments (the “Amendment”) to the insurance clause sections of the sublease for the State House Project to align the sublease insurance requirements with the State’s current insurance program.

Background

On May 11, 2017, the Members approved a lease/sublease bond financing transaction for the renovation of the State House to:

- (i) rehabilitate, renovate, and improve the Executive Branch Facility (also commonly known as the "Executive State House") and Legislative Branch Facility (also commonly known as the "Legislative State House");
- (ii) refund all or a portion of bonds of the New Jersey Building Authority ("NJBA") that financed or refinanced projects at the State House Complex; and
- (iii) pay the costs of issuance of the 2017 Bonds.

For purposes of this Board memo, the Executive Branch Facility and the Legislative Branch Facility are collectively referred to as the “State House”.

The bond financing, not to exceed \$375 million, was authorized in two series which are listed below:

- Series A (taxable) State Lease Revenue Refunding Bonds not to exceed \$75 million.
- Series B (tax-exempt) State Lease Revenue Bonds not to exceed \$300 million

The bond documents included two leases for the State House as follows:

- Lease: The State Capitol Joint Management Commission (“JMC”) leased the State House to the Authority pursuant to a Lease between the JMC, as Lessor, and the Authority, as Lessee (the “Lease”).
- Sublease: The Authority subleased the State House to the JMC pursuant to an Agreement and Sublease between the Authority, as Sublessor, and the JMC, as Sublessee (the “Sublease”).

Pursuant to Section 5.5(a) of the Sublease, the Division of Property Management and Construction (“DPMC”) in the New Jersey Department of the Treasury (“Treasury”) maintains or causes to be maintained, Builder’s Risk Insurance for the benefit of DPMC, JMC, the Trustee and the Authority subject to a maximum limit of \$750 million for the Improvements being rehabilitated.

Pursuant to Section 5.5(b) of the Sublease, DPMC retains the responsibility to provide property insurance for the Project Facilities, subject to a maximum limit of \$750 million per occurrence for each project facility with a \$500,000 deductible.

In January 2021, as part of renewing the annual insurance certificate filing with U.S. Bank, bond trustee, the Division of Risk Management (“DRM”) within Treasury advised Authority staff that effective August 1, 2020, the State’s current property insurance coverage for the Project Facilities was reduced to \$200 million per occurrence and was no longer per location. Thereafter, effective August 1, 2021, the State’s current property insurance coverage for this project was further reduced to \$25 million per occurrence. DRM also has in effect, a Builder’s Risk Policy in the amount of \$199.498 million for this project, bringing the total coverage to \$224.498 million. The following coverage limits and deductibles have changed:

Insurance Item	Previous	Current
Deductible	\$500,000	\$1,000,000
Coverage Limit – Blanket Building and Personal Property	\$750,000,000	\$25,000,000
Earthquake	\$250,000,000	\$10,000,000
Flood	\$25,000,000	\$10,000,000
Newly Acquired property	\$0	\$10,000,000
Extra Expense	\$0	\$5,000,000
Builder’s Risk	\$750,000,000	Value of Construction Contract

Note: Earthquake, Flood, Newly Acquired Property and Extra Expense all currently have a \$1,000,000 deductible.

The changes made to the State’s insurance coverage was due to an increase in insurance costs across the board because of the uptick in catastrophic weather events on the East Coast.

The Members are being asked to approve the Amendment to Section 5.5(a) and (b) of the Sublease to align with the State’s insurance coverage. The Authority, in consultation with Chiesa Shahinian & Giantomasi PC (“Bond Counsel”) and the Office of the State Attorney General, has prepared the Amendment to the Sublease attached hereto, in substantially final form, as Exhibit A and made a part hereof. The Amendment will be subject to final review and approval in consultation with

Bond Counsel and the Office of the State Attorney General. In connection with the execution of the Amendment, Bond Counsel will prepare the necessary certificates and will issue all required opinions.

Recommendation

After careful consideration, the recommendation is to approve the Amendment to Section 5.5(a) and (b) of the Sublease for the State House Project.



Tim Sullivan, CEO

Prepared by: Bonny Serratelli and Lori Zagarella
Attached: Exhibit A

AGREEMENT AND SUBLEASE AMENDMENT NO. 1

(STATE HOUSE PROJECT)

BETWEEN

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY,

as Sublessor

and

STATE CAPITAL JOINT MANAGEMENT COMMISSION,

as Sublessee

Dated as of June 1, 2022

THIS AGREEMENT AND SUBLEASE AMENDMENT NO. 1 (this “Sublease Amendment No. 1”) entered into as of the 1st day of June, 2022, by the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY (the “Authority”), a public body corporate and politic organized and subsisting under the Act hereinafter mentioned, as sublessor (the “Sublessor”), and the STATE CAPITAL JOINT MANAGEMENT COMMISSION (the “JMC”), as sublessee (the “Sublessee”).

Capitalized terms used and not otherwise defined herein shall have the meanings given such terms in Section 1.2 hereof.

BACKGROUND

A. Pursuant to the Act and the General Resolution, the Authority issued the 2017 Series Lease Revenue Bonds to finance costs of the rehabilitation, renovation and improvement of the State House.

B. In connection with the issuance of the 2017 Series Lease Revenue Bonds, the JMC leased the Leased Premises to the Authority pursuant to the Lease, and the Authority subleased the Leased Premises to the JMC pursuant to the Sublease.

C. The parties have now determined to amend Section 5.5(b) of the Sublease as further set forth herein.

NOW, THEREFORE, the parties hereto, in consideration of the premises and covenants herein set forth, and for other good and valuable consideration, receipt of which is hereby acknowledged, each intending to be legally bound, HEREBY AGREE AS FOLLOWS:

ARTICLE I

AUTHORITY AND DEFINITIONS

SECTION 1.1. Authority. This Sublease Amendment No. 1 is executed in accordance with Article X of the General Resolution, Article II of the First Supplemental Resolution, Section 11.4 of the Sublease, and pursuant to the provisions of the Act.

SECTION 1.2. Definitions. Capitalized terms used and not otherwise defined in this Sublease Amendment No. 1 shall have the meanings given to them in the Resolution. In addition, the terms set forth in this section shall have the meanings ascribed to them for all purposes of this Sublease Amendment No. 1 unless the context clearly indicates some other meaning. Words in the singular shall include the plural and words in the plural shall include the singular where the context so requires.

“Act” shall mean the New Jersey Economic Development Authority Act, L. 1974, c. 80, as heretofore or hereafter from time to time amended and supplemented.

“First Supplemental Resolution” shall mean the “First Supplemental State Lease Revenue Bond Resolution (State House Project)” adopted by the Authority on May 11, 2022.

“General Resolution” shall mean the “State Lease Revenue Bond Resolution (State House Project)” adopted by the Authority on May 11, 2017.

“Lease” shall mean the Lease dated May 11, 2017, by and between the JMC, as lessor, and the Authority, as lessee, with respect to the Leased Premises.

“Leased Premises” shall have the meaning given such term in the Sublease.

“Resolution” shall mean the General Resolution, as amended and supplemented, including by the First Supplemental Resolution.

“Sublease” shall mean the Agreement and Sublease (State House Project) dated as of May 11, 2017, by and between the Authority, as sublessor, and JMC, as sublessee, and any and all modifications, alterations, amendments and supplements thereto made in accordance with the provisions thereof and of the Resolution.

“2017 Series Lease Revenue Bonds” shall mean the Authority’s State Lease Revenue Bonds (State House Project), 2017 Series B, issued May 11, 2017, pursuant to the General Resolution.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. The word “person” or “persons” shall include firms, corporations, associations, natural persons and public bodies unless the context shall otherwise indicate, and the singular and plural forms of words shall be deemed interchangeable whenever appropriate. Reference to a person other than a natural person shall include its successors.

SECTION 1.3. Incorporation of Recitals. The recitals in the Background section of this Sublease Amendment No. 1 are incorporated herein by reference as if set forth in full herein and shall be binding on the parties to this Sublease Amendment No. 1.

ARTICLE II

AMENDMENTS TO SUBLEASE

SECTION 2.1. Amendments to Sublease.

(a) Section 1.1 of the Sublease is hereby amended to add the following definition:

““Contract Sum” shall mean the value of the design consultant contract plus the value of the construction contract(s) for the Project.”

(b) Section 5.5(a) of the Sublease is hereby amended in its entirety to be and read as follows:

“(a) During the Rehabilitation and Renovation Phase, DPMC, on behalf of the JMC, as a Cost of the Project, shall maintain or cause to be maintained, including, without limitation, by any contractors, consultants or suppliers, with responsible insurers Builder's Risk Insurance for the benefit of the DPMC, JMC, the Trustee and the Authority which will protect against all risk of direct physical loss or damage, including flood and earthquake, resulting from any external cause; except as excluded under the standard all risk policy form, with a loss limit in the amount of the Contract Sum for the Improvements being rehabilitated and renovated, including items of labor and materials connected therewith whether in or adjacent to the structure insured, or while in transit and while temporarily located away from the Project Facilities and materials in place or to be used as part of the rehabilitation and renovation. The net proceeds of any insurance recovery for a loss shall be deposited in the Project Fund and applied to pay for the Cost of the Project.”

(c) Section 5.5(b) of the Sublease is hereby amended in its entirety to be and read as follows:

“(b) During the Sublease Term, the DPMC on behalf of JMC agrees to provide, without cost or expense to the Authority, either with responsible insurers or through self-insurance, Property Insurance subject to a maximum limit of \$200 million per occurrence for the Project Facilities and to provide for all risk protection, including flood and earthquake, with a deductible amount of \$1,000,000. All such policies required by this subparagraph shall name the DPMC, JMC, the Authority, and the Trustee, as their respective interests may appear, and shall contain standard clauses which provide for the net proceeds of any loss which is \$250,000 or less to be made payable directly to the DPMC and the net proceeds of any loss which is in excess of \$250,000 to be made payable directly to the Trustee or the Authority, as their interests may appear. Any coinsurance requirement in the policy shall be eliminated.”

ARTICLE III
MISCELLANEOUS

SECTION 3.1. Lease to Remain in Full Force and Effect. Save and except as amended by this Sublease Amendment No. 1, the Lease (including all supplements and amendments thereto whether in effect or to become effective in the future in accordance with their terms) shall remain in full force and effect.

SECTION 3.2. Execution of Counterparts. This Sublease Amendment No. 1 may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 3.3. Headings. The Article and Section headings in this Sublease Amendment No. 1 are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Sublease Amendment No. 1.

SECTION 3.4. Applicable Law. This Sublease Amendment No. 1 shall be governed by and interpreted in accordance with the laws of the State.

[SIGNATURES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have executed this Sublease Amendment No. 1, all as of the day and year first above written.

SUBLESSOR:
NEW JERSEY ECONOMIC DEVELOPMENT
AUTHORITY

By: _____
David A. Lawyer
Director of Underwriting

SUBLESSEE:
STATE CAPITOL JOINT MANAGEMENT
COMMISSION

By: _____
Christopher Chianese
Member

APPROVED AS TO FORM ONLY:
Matthew J. Platkin
Acting Attorney General of New Jersey

By: _____
Kavin K. Mistry
Assistant Attorney General and
Deputy Director, Division of Law

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: May 11, 2022

SUBJECT: Adoption of Written Post-Issuance Compliance Procedures with Respect to the Authority's Municipal Rehabilitation Refunding Bonds, 2019 Series A
PROD-00187516

APPROVAL REQUEST

The Members of the Authority are asked to (i) adopt written post-issuance compliance procedures (the "Written Procedures") with respect to the Authority's Municipal Rehabilitation Refunding Bonds, 2019 Series A (the "2019 Bonds") and any Refunding Bonds (as such term is defined in the hereinafter defined Resolution) issued pursuant to the Resolution (the "Refunding Bonds" and, together with the 2019 Bonds, "Tax-Exempt Bonds"), (ii) appoint one or more Tax Compliance Officers to carry out the Written Procedures and (iii) approve the use of professionals and authorize Authority staff to take all necessary actions incidental to the foregoing.

BACKGROUND

The 2019 Bonds were issued pursuant to the New Jersey Economic Development Authority Act, constituting Chapter 80 of the Laws of 1974 of the State, the Municipal Rehabilitation and Economic Recovery Act, constituting Chapter 43 of the Law of 2002 of the State of New Jersey, N.J.S.A. 52:27BBB-1, et seq. (the "Municipal Rehabilitation and Economic Recovery Act") and a resolution of the Authority adopted on December 20, 2002 entitled "Municipal Rehabilitation and Economic Recovery Bond Resolution" (the "Original Resolution") as amended and supplemented by the First Supplemental Municipal Rehabilitation and Economic Recovery Bond Resolution, adopted on December 20, 2002 (the "First Supplemental Resolution"), and as further supplemented by the Second Supplemental Municipal Rehabilitation and Economic Recovery Bond Resolution, adopted on April 9, 2019 (the "Second Supplemental Resolution") and a Series Certificate dated as of May 3, 2019, executed by an authorized officer of the Authority (the "Series Certificate;" the Original Resolution, the First Supplemental Resolution, the Second Supplemental Resolution and the Series Certificate shall be referred to collectively herein as the "Resolution"). The 2019 Series Bonds are special, limited obligations of the Authority and will be payable primarily from certain 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"). Simultaneously with the issuance of the 2019 Bonds, the Authority issued its \$5,290,000 Municipal Rehabilitation Refunding Bonds, 2019 Series B (Federally Taxable) (the "2019B Bonds"). The Written Procedures apply to the 2019 Bonds, and any Refunding Bonds. As federally taxable bonds, the 2019B Bonds are not governed by the Written Procedures. The Bond Resolution provides that no Additional Bonds (as such term is defined in the Resolution) may be issued except for Refunding Bonds.

In accordance with the provisions of the Tax Certificate, and as is required pursuant to the Internal Revenue Code of 1986, as amended, and the related regulations promulgated thereunder, since the issuance of the 2019 Bonds, the Authority has been undertaking arbitrage compliance with respect to the 2019 Bonds. The Authority now desires to memorialize those on-going tax compliance procedures in writing pursuant to and as described in the Written Procedures.

Currently, the Members of the Authority are asked to adopt a Resolution authorizing the Written Procedures and the appointment of one or more Tax Compliance Officers (as such term is defined in the Written Procedures). The Members of the Authority also are asked to authorize an Authorized Officer of the Authority to take any and all actions necessary in connection with the foregoing.

Through a competitive RFQ/RFP process performed by the Attorney General's Office on behalf of Treasury for State appropriation-backed bonds, and in compliance with Executive Order No. 26 (Whitman 1994), Eckert Seamans Cherin & Mellott, LLC ("Eckert") was selected as Bond Counsel ("Bond Counsel") in connection with the issuance of the 2019 Bonds and the preparation of the Written Procedures. The Members are asked to approve the use of Eckert as Bond Counsel and authorize Authority staff to take all necessary actions incidental to the adoption of the Written Procedures, subject to review by the Attorney General's Office and Bond Counsel.

RECOMMENDATION

Based upon the above description, the Members are requested to approve the adoption of the resolution entitled "RESOLUTION AUTHORIZING ADOPTION OF WRITTEN POST-ISSUANCE COMPLIANCE PROCEDURES AND OTHER MATTERS WITH RESPECT TO THE AUTHORITY'S MUNICIPAL REHABILITATION REFUNDING BONDS" authorizing, among other things, the adoption of the Written Procedures and the appointment of Tax Compliance Officers. The Members are also asked to authorize the use of Eckert as Bond Counsel and authorize the Authorized Officers of Authority to take any and all necessary actions incidental to the adoption and implementation of the Written Procedures, subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General's Office.



Tim Sullivan, CEO

Prepared By: Lori Zagarella

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: May 11, 2022

SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

The following municipal projects have been approved by the Department of Environmental Protection to perform site investigation and remedial action activities. The scope of work is described on the attached product summaries:

HDSRF Municipal Grants:

Product 300903	Perth Amboy City (Second Street Park)	\$201,295.60
Product 302200	Perth Amboy City (Second Street Park)	\$1,112,815.13
Total HDSRF Funding –April 2022		\$1314,110.73



Tim Sullivan, CEO

Prepared by: Kathy Junghans

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Hazardous Discharge Site Remediation

APPLICANT: City of Perth Amboy - Second Street Park

PROD-00300903

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 1 Second Street Perth Amboy City Middlesex County

APPLICANT BACKGROUND:

Between May 2019 and October 2021, the City of Perth Amboy received an initial grant in the amount of \$1,799,986 under P43881 and supplemental grants in the amount of \$718,869 under P44542 and \$88,288.60 under Product 288708. The project site identified as Block 10, Lots 1.01, 1.02 and 1-12; Block 11, Lot 1.01; Block 16 Lots 1.01, 1-14 and 15.01 is a former industrial site which has potential environmental areas of concern (AOCs). The City of Perth Amboy intends to acquire the project site and has satisfied proof of site control. It is the City's intent upon completion of the environmental remediation activities to redevelop the project site for recreational use.

NJDEP has approved this request for Site Investigation (SI) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A. The City of Perth Amboy has a concurrent project for remedial action (RA) in the amount of \$1,112,815.13 under Product 302200 pending approval.

OTHER NJEDA SERVICES:

\$1,799,986, P43881; \$718,869, P44542; \$88,288.60, Product 288708

APPROVAL REQUEST:

City of Perth Amboy is requesting aggregate supplemental grant funding to perform SI in the amount of \$201,295.60 at the Second Street Park project site. Total grant funding including this approval is \$3,921,254.33.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$201,295.60

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Site Investigation	\$201,295.60	EDA Administrative Cost	\$500.00
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TOTAL COSTS: \$201,795.60

DATE: 5/2/2022

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Hazardous Discharge Site Remediation

APPLICANT: City of Perth Amboy - Second Street Park

PROD-00302200

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 1 Second Street Perth Amboy City Middlesex County

APPLICANT BACKGROUND:

Between May 2019 and October 2021, City of Perth Amboy, received an initial grant in the amount of \$1,799,986 under P43881 and supplemental grants in the amount of \$718,869 under P44542. and \$88,288.60 under Product 288707 to perform site investigation. The project site identified as Block 10, Lots 1.01, 1.02 and 1-12, Block 11, Lot 1.01 and Block 16, Lots 1.01, 1-14 and 15.01 is a former industrial facility which has potential environmental areas of concern (AOC). The City of Peth Amboy owns the project site and has satisfied proof of site control. It is the City's intent upon completion of the environmental remediation activities to redevelop the project site for recreational use.

NJDEP has approved this supplemental request for Remedial Action (RA) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A. The City of Perth Amboy has a concurrent project for site investigation (SI) in the amount of \$201,295.60 under Product 300903 pending approval.

According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects involving the redevelopment of contaminated property for recreation and conservation purposes, provided that the use of the property for recreation and conservation purposes is included in the redevelopment plan and is conveyed by a development easement, deed restriction for development or conservation easement for recreation and conservation purposes.

OTHER NJEDA SERVICES:

\$1,799,986, P43881; \$718,869, P44542; \$88,288.60, Product 288707; \$201,295.60, Product 300903

APPROVAL REQUEST:

City of Perth Amboy is requesting aggregate supplemental grant funding to perform RA in the amount of \$1,112,815.13 at the Second Street Park project site. Total grant funding including this approval and the site investigation approval is \$3,921,254.33.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$1,112,815.13

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	\$1,112,815.13	EDA Administrative Cost	\$500.00
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TOTAL COSTS: \$1,113,315.13

DATE: 5/2/2022

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: May 11, 2022

RE: Sale of Property to Atlantic Realty Development Co., Inc.
Block 252, Lots 1.06 and 1.03, North Brunswick, Middlesex County
PROD-00303075

Summary

I request the Members approve:

- The selection of Atlantic Realty Development Co., Inc. (the “Purchaser”) as the most qualified respondent to the Request for Proposals to Purchase or Ground Lease Block 252, Lots 1.06 and 1.03, in North Brunswick, Middlesex County (the “Property”).
- The purchase price of \$13.1 million for the Property.
- The execution of an Agreement for Sale (“Agreement”) and Promissory Note with the Purchaser for the Property.
- The execution of any and all documents necessary to effectuate the Property’s sale with terms acceptable to the Chief Executive Officer

Background

1. NJEDA’s Acquisition of the Property

In 2003, NJEDA purchased the Property for \$3.7 million, which consists of approximately 25 acres in 2 parcels on the north side of US Route One. The Property is directly across from the New Jersey Bioscience Center and, at the time of purchase, it was contemplated that the Property would be used for future expansion of the New Jersey Bioscience Center (f/k/a Technology Centre of New Jersey). At this time, NJEDA desires to sell the Property for redevelopment purposes and it is in NJEDA’s best interest to approve the proposed development as part of the conditions of sale. An aerial photo of the Property is included as Exhibit A to this memo.

2. The RFP and Evaluation Committee Selection

As required by the Real Estate Disposition Procedures, staff engaged an appraiser, who provided a current fair market value of the Property . In December 2021, the Authority issued a Request for Offers to Purchase or Ground Lease with Purchase at the End of the Lease Term (“RFP”). As noted in the RFP, the Property is being sold “as is, where is.” In response to the RFP, two firms, Atlantic Realty Development Company and SL Management Group, LLC, submitted offers to purchase the Property.

The Evaluation Committee members independently reviewed and ranked the proposals using the RFP's evaluation criteria, listed below:

- Purchase Price
- Proposed Use Does Not Require a Use Variance
- Estimated Number of Bulk Variances for the Proposed Use
- Total Number of Business Days Until Initial Closing Date (from Execution of Agreement Until Initial Closing Date)
- Estimated Number of Full-Time Permanent Jobs on the Property.

The Purchaser received the highest averaged score on the above criteria and also submitted the highest priced offer of \$13.1 million. The Purchaser's offer exceeds the current appraised value.

3. Form Agreement and Closing

Attached as Exhibit B to this memo is the form Agreement and related Promissory Note which is in substantially final form. The final Agreement may be subject to revisions, although the basic terms and conditions will remain consistent with the current form Agreement. The final terms of the Agreement will be subject to the approval of the Chief Executive Officer.

Closing on the Property will be scheduled upon completion of the Purchaser's due diligence and satisfaction of any contingencies and compliance requirements. Subject to the Purchaser's due diligence, the closing is estimated to occur within thirty (30) days of Agreement's execution.

Recommendation

In summary, I request the Members approve:

- The selection of Atlantic Realty Development Co., Inc. (the "Purchaser") as the most qualified respondent to the Request for Proposals to Purchase or Lease Block 252, Lots 1.06 and 1.03, in New Brunswick, Middlesex County (the "Property").
- The purchase price of \$13.1 million for the Property.
- The execution of an Agreement for Sale and Promissory Note with the Purchaser for the Property.
- The execution of any and all documents necessary to effectuate the Property's sale on final terms acceptable to the Chief Executive Officer.



Tim Sullivan, CEO

Prepared by: Cathleen A. Hamilton
Juan Burgos

EXIT 9 -
NJ TURNPIKE

COOK COLLEGE

BRISTOL MEYERS
SQUIBB

PERMAGEL

DEVRY

TECH CENTRE
EXPANSION

TECHNOLOGY
CENTRE OF NJ

ROUTE ONE

MILLTOWN ROAD



EXHIBIT H-1

SPECIMEN AGREEMENT FOR SALE OF PROPERTY

THIS AGREEMENT FOR SALE OF PROPERTY (“Agreement”) made this ____ day of _____, 20__, (“Effective Date”) by and between the **NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**, an instrumentality of the State of New Jersey, whose address is 36 West State Street, P.O. Box 990, Trenton, New Jersey, 08625 (“**Seller**” or “**Authority**”), and _____, a _____, whose address is _____ (“**Purchaser**”). In this Agreement, Seller and Purchaser are collectively referred to as the “**Parties.**”

WHEREAS, in furtherance of its statutory mandate to create jobs and tax ratables, Seller’s Board has authorized the sale of property located at US Highway One, North Brunswick Township, Middlesex County, New Jersey and also known as Block 252, Lots 1.03 and 1.06 on the North Brunswick Township Tax Map (“**Property**”) which consists of approximately 25.974 acres of vacant land;

WHEREAS, Seller is the owner of the Property;

WHEREAS, Purchaser was the successful respondent to a Request for Offers to Purchase/Ground Lease Property dated _____ (“**RFP**”). and

WHEREAS, Seller and Purchaser have reached an agreement for the sale of the Property.

NOW, THEREFORE, for and in consideration of the sum of _____ (\$ _____ .00) the Seller agrees to convey to the Purchaser, free from all encumbrances, except as this Agreement may otherwise provide, the Property described in Section 1.

1. Property to be Conveyed. Seller hereby sells to Purchaser and Purchaser hereby purchases from Seller the Property, which Property is more particularly described by the metes and bounds description attached to this Agreement as **Exhibit A**. The Property includes any improvements thereon contained and appurtenances thereto.
2. Purchase Price. The purchase price is _____ dollars (\$_____.00) which shall be paid by Purchaser to Seller as follows:
 - 2.1. upon execution of this Agreement, the sum of _____ dollars (\$_____.00) (the “**Deposit**”) to be held by _____ (the “**Escrow Agent**”) in an interest bearing account, with interest following principal, and disbursed, together with accrued interest, in accordance with the terms of this Agreement;
 - 2.2. at Closing, Purchaser shall deliver the balance of the purchase price, subject to the adjustments as set forth in Section 11 below.
3. Purchaser’s Use of the Property. The Purchaser shall use the Property to construct an approximately _____ (_____) square foot _____ building (“**Purchaser’s Use**” or the “**Project**”). The Purchaser will seek to obtain the necessary State, County and municipal permits and approvals needed to develop the Property for Purchaser’s Use, including but not limited to unappealable site plan approval and satisfaction of the requirements of Section 8.4 and Section 8.5 of this Agreement (collectively, the “**Permits and Approvals**”). Purchaser represents that the Purchaser’s Use is a permitted use under the North Brunswick Township land use ordinances.
 - 3.1. Purchaser represents and covenants that it is purchasing the Property in order to construct the Project thereon. The Project is further described and depicted in the RFP and Purchaser’s proposal in response to the RFP as modified, if applicable is attached hereto as **Exhibit C**. The provisions of Section 3 and this Section 3.1 shall survive the termination or Closing under this Agreement.

4. Investigation Period.

4.1 Purchaser shall, at Purchaser's sole cost and expense, have a period of thirty (30) business days (as defined in the RFP) from the Effective Date of this Agreement (the "**Investigation Period**") to examine, inspect and investigate the Property to determine, in Purchaser's sole and absolute judgment and discretion, whether the Property is acceptable to Purchaser. Purchaser shall work diligently to complete its investigation of the Property within the Investigation Period. Prior to any access or entry for any purposes, Purchaser must obtain and maintain, and provide to Seller proof of insurance as required pursuant to Section 4.6, below.

4.2 Subject to Section 4.3 below, the Seller hereby grants to Purchaser and its duly authorized agents and representatives' access to the Property to examine, survey and undertake any tests necessary concerning the Property, including but not limited to geotechnical soil borings, engineering studies and environmental studies at any reasonable time during the Investigation Period. Purchaser acknowledges that permission to use the Property has been granted by Seller: (i) to _____ from _____ through _____; and (ii) to _____ from _____ through _____ for their annual fund raising events (collectively, "Fund Raising Events"). Accordingly, access to the Property by Purchaser during the aforesaid time periods is subject to these scheduled Fund Raising Events, and Purchaser shall not undertake any testing during the aforesaid time periods that would interfere with any of the Fund Raising Events, as determined by Seller in its sole discretion.

4.3 Within three (3) business days of when received by Purchaser, but in no event later than on or before the end of the Investigation Period, Purchaser shall provide to Seller, at no cost to Seller, copies of any and all site investigation reports obtained by Purchaser including but not limited to geotechnical engineering reports and environmental reports and testing results. Purchaser hereby acknowledges and confirms receipt from Seller of the following documents which relate to the environmental condition of the Property: (i) letter from Ransom Environmental to Mr. Bruce Martin of Avery Dennison dated March 27, 2015 along with Table 1 and Figure 1 of said letter; (ii) Table 6 – summary of Metals Analytical results in Groundwater Monitoring Well Samples Former Permacel Facility (Oct 22, 2013 through January 29, 2014); (iii) Table 7 – summary of Metals Analytical results in Groundwater Monitoring Well Samples Former Permacel Facility (June 25, 2014); (iv) NJ Department of Environmental Protection Unrestricted Use No Further Action Letter and Covenant Not to Sue dated May 24, 2004 relative to Block 252, Lot 1.01 (now known as Lot 1.04 and Lot 1.06);(v) NJ Department of Environmental Protection Unrestricted Use No Further Action Letter and Covenant Not to Sue dated October 19, 2004 relative to Block 252, Lot 1.3; and (vi) all environmental information and documents set forth in the RFP.

4.4 Within five (5) business days of the Effective Date of this Agreement, Seller shall deliver to Purchaser a copy of the documents in Seller's possession related to the Property as outlined in **Exhibit B ("Property and Assumed Documents")** Purchaser acknowledges that it is purchasing the Property subject to the Property and Assumed Documents and that it is required to enter into certain contracts in recordable form to

assume the obligations of the Property and Assumed Documents, as set forth in Sections 8.4 and 8.5 of this Agreement.

4.5 Purchaser may terminate this Agreement in its sole, absolute and unfettered discretion prior to 5 p.m. local time on the last day of the Investigation Period, time being of the essence. Upon termination of this Agreement during the Investigation Period, the entire Deposit and any interest accrued thereon shall be promptly returned to Purchaser. Any such termination by Purchaser shall be in writing to Seller. If Purchaser does not terminate this Agreement during the Investigation Period, this Agreement shall remain in full force and effect in accordance with its terms and conditions.

4.6 To the extent that the Purchaser damages or disturbs the Property in connection with any such inspections or investigations, the Purchaser shall return the Property to the same condition that it was in immediately prior to such damage or disturbance. The Purchaser shall indemnify, defend and hold harmless Seller from and against any and all liabilities, losses, claims, demands, costs, expenses (including reasonable attorneys' fees and litigation costs), liens and judgments of any nature arising from or in connection with any injury to, or death of, any person, or loss or damage to property caused by Purchaser's entry onto the Property or any activities conducted on the Property by Purchaser's representatives, agents or contractors. During the Investigation Period and thereafter until the Closing or the earlier termination of this Agreement, at a minimum, the Purchaser shall maintain the following insurance coverage, which shall be subject to Seller's prior written approval before Purchaser commences any activities under this Agreement: (a) Commercial

General Liability insurance insuring against any liability arising out of entry on to or inspections of the Property by Purchaser or its representatives, agents or contractors, which insurance shall (i) be in the amount of One Million Dollars (\$1,000,000.00) combined single limit for injury to or death of one or more persons in an occurrence, and for damage to tangible property (including loss of use) in an occurrence; and (ii) name Seller as additional insured; (b) automobile liability and, if necessary, excess liability insurance with a limit of not less than one million dollars (\$1,000,000) each accident, which insurance shall (i) cover liability arising out of any auto, including owned vehicles if and when Purchaser acquires an owned vehicle, hired vehicles and non-owned vehicles; and (ii) name Seller as an additional insured; and (c) workers' compensation and employers' liability covering all employees of Purchaser who enter the Property during Purchaser's investigation of the Property, which insurance shall: (i) be in accordance with applicable statutes of the State of New Jersey and endorsed to include coverage for any federal or other state law that may be found to have legal jurisdiction, as applicable; (ii) not be less than one million dollars (\$1,000,000) each accident for bodily injury by accident or each employee for bodily injury by disease; and (iii) apply as primary coverage with respect to claims made against Purchaser by Purchaser's employees. To the extent any investigation of the Property on behalf of Purchaser is to be carried out by a subcontractor of Purchaser, Purchaser shall be responsible for subcontractors maintaining insurance as specified in this Section 4.6, including naming the Seller as an additional insured. Prior to Purchaser commencing any activities under this Agreement, Purchaser shall obtain Seller's written approval that the insurance certificates, along with any additional information requested by

Seller, evidencing the insurance required under this Section 4.6, are acceptable. The provisions of this Section 4.6 shall survive the termination or Closing under this Agreement.

5. Permit and Approval Period.

5.1 The Purchaser shall have one hundred thirty (130) business days, commencing with the end of the Investigation Period, to receive all Permits and Approvals (the “**Permit and Approval Period**”). Purchaser shall work diligently to obtain the Permits and Approvals at its sole cost and expense. For a non-refundable payment of Twenty-Five Thousand Dollars (\$25,000.00) (“**Approval Period Extension Payments**”) for each twenty-five (25) business day extension of the Permit and Approval Period, upon five (5) business days advance written notice to the Seller prior to the expiration of the then applicable Permit and Approval Period, and provided that Purchaser continues to work diligently to obtain such Permits and Approvals, the Seller may grant up to three (3) extensions, for twenty-five (25) business days each, of the Permit and Approval Period. Approval Period Extension Payment(s) shall be made payable to and delivered directly to the Seller. If Closing occurs, Approval Period Extension Payment(s) paid to Seller by Purchaser will be credited against the Purchase Price. If Seller determines that the approval process is not progressing in a commercially reasonable fashion, Seller may deny any further extension(s) of the Permit and Approval Period at any time by written notice to Purchaser.

5.2 During the Permit and Approval Period, Seller shall provide its consent only to Purchaser’s efforts to obtain Permits and Approvals.

5.3 If the Purchaser does not obtain all the necessary Permits and Approvals within the Permit and Approval Period (including any applicable extensions of the Permit and Approval Period) (and so long as the Purchaser has made application for the Permits and Approvals), or if Seller denies any further extension of the Permit and Approval Period as set forth in Section 5.1 hereof, the Seller or the Purchaser may terminate this Agreement and, in such event, the Seller shall return to the Purchaser the Deposit and any interest accrued thereon. Upon such termination by Seller or Purchaser, neither party shall have any rights nor obligations hereunder, except pursuant to any provisions which by their terms survive any termination of this Agreement. Purchaser shall promptly notify the Seller in writing when Purchaser obtains all the necessary Permits and Approvals.

6. Financing Period. Purchaser hereby represents and warrants to Seller that the Purchaser is an _____. Purchaser will provide Seller proof of Purchaser's financial ability to purchase the Property as an _____ on or before five (5) business days following the end of the Investigation Period.

7. Title to Property.

7.1 Seller shall give good and marketable record title, insurable at regular rates, subject only to Permitted Encumbrances (as hereinafter defined) and other encumbrances, restrictions and conditions of title acceptable to Purchaser. If the Seller is unable to give such title to the Purchaser, Purchaser shall have the right to terminate this Agreement pursuant to this Section 7. Any such termination pursuant to this Section 7 shall be effective upon the delivery of a Notice of Termination to the Seller

by Purchaser and shall not entitle the Seller to any claim for damage, restitution or other relief against the Purchaser.

7.2 Within thirty (30) business days after the Effective Date, Purchaser shall, at Purchaser's sole cost and expense, deliver to Seller a preliminary title report and title insurance commitment (the "**Title Binder**") issued by a title insurance company (the "**Title Company**") licensed in the State of New Jersey. The Title Binder shall include true and complete copies of all documents noted as exceptions therein.

7.3 "Permitted Encumbrances" means any and all (a) matters of public record as of the effective date of the Title Binder, other than such mortgages and other monetary liens as Seller may satisfy at the Closing; (b) matters that would be revealed by a physical inspection, or a complete and accurate survey of the Property; (c) rights-of-way and easements that do not materially interfere with Purchaser's Use of the Property as set forth in Section 3 of this Agreement; (d) rights of the public and adjoining owners in highways, streets, roads and lanes bounding the Property; (e) retaining walls and other walls, bushes, trees, hedges, fences and the like extending from or onto the Property, and any portion of the Property lying in the bed of any public street; (f) rights and easements relating to the construction, operation, and maintenance of utility lines, wires, cables, pipes, poles, distribution boxes and other such equipment in, on, over, or under the Property; (g) zoning and other governmental restrictions; (h) matters common to any plat or subdivision in which the Property is located; (i) taxes, assessments and other public charges not due as of the Closing Date; (j) Standard conditions and exceptions to title insurance contained in the currently effective ALTA Owner's Standard Form B Title Insurance Policy; (k) unrecorded waterline easement

on Lot 1.06, Block 252, of the Property, which was originally installed by Johnson and Johnson, predecessor in title to Seller (“**Unrecorded Waterline Easement**”). The waterline runs across the Property from east to west and the location of the waterline is estimated on the survey posted in Exhibit B to the RFP. The waterline is currently active and the land owner of the adjoining property, Block 252, Lot 6.03, asserts that it is the dominant estate of the Unrecorded Waterline Easement; (l) storm water easement for retention basin located on Lot 1.03, Block 252, of the Property, which serves other properties, including, but not limited to, the adjoining DeVry University property and possibly serves Lot 1.06, Block 252, of the Property, all as more fully set forth in the easement posted as Exhibit C-1 to the RFP; (m) PSE&G easement for blow out of powerlines on the eastern border of Lot 1.03, Block 252, of the Property, all as more fully set forth in the easement posted as Exhibit C-2 to the RFP; (n) all information and documentation, including all environmental matters related to the Property, Seller obtained during the Investigation Period or at any other time; (o) all information and documentation, including all environmental matters related to the Property, disclosed in this Agreement and/or the RFP; and (p) the title search dated September 8, 2019 for the Property provided by Seller to Purchaser during the Investigation Period.

7.4 If anything in the Title Binder reveals a title issue other than the Permitted Encumbrances (“**Title Defect(s)**”), then Purchaser shall give notice thereof to Seller, specifying in detail such Title Defect(s), before 5 p.m. local time on the date which shall be thirty (30) business days following the Effective Date (time being of the essence with respect to said time and date) or Purchaser shall be deemed to have waived all objections based upon such Title Defect(s). Seller shall have the option, in its sole

discretion, to either cure, satisfy and/or discharge such Title Defect(s), or not cure, satisfy and/or discharge same. If Seller elects not to cure, satisfy or discharge same, Purchaser's sole right shall be to terminate this Agreement on written notice to Seller within five (5) business days after Seller shall notify Purchaser that it is unable or does not elect to cure, satisfy or discharge same, in which event this Agreement shall terminate and neither party shall have any further rights or liabilities hereunder thereafter (except for return of the Deposit and any interest accrued thereon to Purchaser and provisions that expressly survive termination of this Agreement); provided, however, that if Purchaser does not so terminate this Agreement, Purchaser shall accept title subject to such Title Defect(s) without reduction or abatement of the Purchase Price. It is distinctly understood and agreed that Seller shall not be required to bring any action or proceeding, take any steps, or otherwise incur any expense to remove or cure any Title Defect(s) or otherwise render title to the Property marketable.

7.5 If Seller, in its absolute discretion, decides to cure, satisfy and/or discharge any Title Defect(s), Seller shall be entitled to a reasonable adjournment of the Closing to do so. Without limiting the foregoing, if Seller, in its absolute discretion, decides to cure one or more liens or encumbrances, then, Seller may use any portion of the Purchase Price to satisfy same, or Seller may deposit with the Title Company sufficient monies or other assurances acceptable to the Title Company to ensure the issuance of title insurance to Purchaser either free of any such liens or encumbrances, or with insurance against enforcement of same out of the Property, provided, that there is no additional premium cost to Purchaser as a result thereof, or if there is an additional cost, Seller agrees to pay same. In addition to the foregoing, the existence of any judgments

against Seller shall not be deemed Title Defects if the Title Company insures against enforcement of same out of the Property.

7.6 Purchaser, at Purchaser's sole cost and expense, shall obtain a land survey with updated metes and bounds description of the Property. If Purchaser elects to obtain title insurance for the property, such survey and title insurance shall be obtained at Purchaser's sole cost and expense.

8. The Closing. The consummation of the transaction contemplated by this Agreement (the "**Closing**") shall take place at the offices of Seller, at 10 a.m. local time, on or before the tenth (10th) business day after the expiration of the Permit and Approval Period and any applicable extension(s) of the Permit and Approval Period (the "**Closing Date**"). The following shall take place at the Closing:

8.1 Seller shall deliver to Purchaser a Bargain and Sale Deed with Covenants against Grantor's Acts (the "**Deed**") for the Property in proper form for recording, such Deed to be made subject to the title and other matters as to which conveyance is to be accepted by Purchaser hereunder and all other matters of public record;

8.2 Seller shall deliver an Incumbency Certificate and F.I.R.P.T.A to the Purchaser and the Title Company reasonably satisfactory in form and content to the Title Company;

8.3 Purchaser shall deliver the balance of the purchase price, subject to the adjustments as set forth in Section 11 below;

8.4 The parties shall execute and deliver, in proper form for recording, a mutually satisfactory form of Assignment, Assumption and Modification of the

Developer Agreement between NJDOT and DKM Properties, Inc. dated February 2, 1995 as modified and amended;

8.5 The parties shall execute and deliver, in proper form for recording, a mutually satisfactory form of Assignment and Assumption of the Consent Agreement between DKM Properties, Corp, and Artken Realty. L.L.C. dated March 7, 1995 as modified and amended;

8.6 The parties shall execute and deliver to each other a Closing Statement;

8.7 The parties shall execute and deliver to each other any other instruments required to be delivered under any provision of this Agreement, or reasonably requested by the attorney for either party or the Title Company in connection with this transaction; and

8.8 Seller shall give possession of the Property to the Purchaser.

9. Job Creation.

9.1 Purchaser covenants that, subject to the receipt of all Permits and Approvals and closing of title with Seller, Purchaser is responsible for creating and/or relocating a minimum of _____ jobs at the Property within three (3) years of the issuance of a certificate of occupancy, or if no certificate of occupancy is obtained, within three (3) years of the Closing Date. The Purchaser will notify the Seller in writing on a monthly basis commencing on the issuance of a certificate of occupancy for the Project with the number of jobs created at the Property in the past month.

9.2 To the extent the Purchaser fails to achieve, either directly or indirectly through Purchaser's tenants, the creation and/or relocation of a minimum of ____ jobs total

on the Property within three (3) years of the Closing, then on that date it shall be liable to pay to the Seller \$1,500.00 for each job not created. It is agreed and understood that Purchaser's obligation to create ____ jobs within three (3) years of the Closing is a one-time obligation and that "jobs" created shall be "full time jobs" as defined in the RFP. Payment shall be due to Seller within twenty-five (25) business days of Seller's delivery of notice of Purchaser's failure to comply with this Section. Purchaser's total obligation for not creating any new jobs shall not exceed \$ _____ (i.e. \$1,500.00 multiplied by the number of jobs).

9.3 At the Closing, Purchaser shall secure its obligation to create a minimum of ____ new or relocated jobs at the Property or pay up to \$ _____ (i.e. \$1,500.00 multiplied by the number of jobs), through the granting of a promissory note from the principals of the Purchaser in the form substantially similar to **Exhibit D**. It is agreed and understood that upon verification by the Seller of Purchaser's creation of ____ jobs at the Property or the payment of any monies for jobs not created, then Seller shall, within twenty-five (25) business days of notice of creation or payment, cancel or otherwise discharge the Note which shall no longer be in force or effect.

9.4 Each and every one of the foregoing representations and covenants contained in this Section 9 shall survive the Closing, shall run with the land, and shall be a continuing obligation.

10. Condition of Property/Environmental Matters.

10.1 Purchaser shall accept the Property in its "as is, where is" condition as of the Closing Date. Seller makes no representation or warranty whatsoever, whether express, implied or statutory, of any kind, with respect to the Property and hereby

disclaims any such warranty, including but not limited to, merchantability and fitness for a particular purpose. This Section 10.1 shall survive the Closing or any termination of this Agreement.

10.2 Purchaser hereby, for all purposes and forever, releases Seller from any and all claims that presently exist or might arise in the future relative to the condition of the Property, including but not limited to environmental matters and underground storage tanks. Purchaser shall not, under any circumstances, bring or implead, cross-claim or otherwise interpose any claim, action or lawsuit against Seller or any of its parents, subsidiaries, affiliates, shareholders, officers, directors, partners, members, other principals, agents or employees if such claim, action or lawsuit arises out of, is the result of, or is in any way connected to: (i) the existence of any underground or above-ground storage tanks at the Property or the registration or lack of registration thereof; (ii) the presence of any hazardous substances, hazardous wastes, petroleum or petroleum by-products (collectively "Hazardous Materials") at the Property; or (iii) the exposure of any person or persons to such Hazardous Materials, whether such claim, action or lawsuit arises under common law or by virtue of any local, state or federal statute, rule, ordinance, regulation and/or the like including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. section 9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. section 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. section 2601 et seq.), the Federal Insecticide Fungicide and Rodenticide Control Act (7 U.S.C. section 136 et seq.), the Occupational Safety and Health Act of 1970 (29 U.S.C. section 651 et seq.), the Emergency Planning and Community Right to Know Act of 1986 (42 U.S.C.

section 11001 et seq.), the Clean Water Act (33 U.S.C. section 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. section 300f et seq.), the Hazardous and Solid Waste Amendments of 1984 (Public Law 86-616, Nov. 9, 1984), the Hazardous Materials Transportation Act (49 U.S.C. section 1801 et seq.), the Federal Clean Air Act (42 U.S.C. section 7401 et seq.), the Federal Water Pollution Control Act, 33 U.S.C. § 1321, the Industrial Site Recovery Act (N.J.S.A. 13:1K-6, et seq.), the Underground Storage of Hazardous Substances Act (N.J.S.A. 58:10A-21, et seq.), the Spill Compensation and Control Act (N.J.S.A. 58:10-23.11 et seq.), and the Water Pollution Control Act (N.J.S.A. 58:10A-1 et seq.), as now or hereafter amended. This Section 10.2 shall survive the Closing or any termination of this Agreement.

10.3 Purchaser shall indemnify and hold Seller harmless from and against any and all costs or damages, including, without limitation, reasonable attorneys' fees and experts' fees, incurred or suffered by Seller as a result of Purchaser's purchase, use, sale or lease of the Property, or as a result of the exposure to Hazardous Materials of any of the following: Purchaser; any of Purchaser's tenants, employees, agents, servants, licensees, invitees, contractors, sub-contractors, concessionaires; or any third party whose exposure occurs as a result of or in connection with Purchaser's purchase, use, sale or lease of the Property. This Section 10.3 shall survive the Closing or any termination of this Agreement.

10.4 Purchaser acknowledges and agrees that Seller has made no representations with respect to the present or prior existence of underground storage tanks at the Property and Purchaser agrees to take the Property with such underground storage tanks as may exist as of the date hereof in their "as is, where is" condition, and Purchaser, at

its sole cost and expense, shall comply with all laws and regulations relating to the ownership, operation, maintenance and registration of such tanks, including, but not limited to, any required soil and/or ground water remediation. This Section 10.4 shall survive the Closing or any termination of this Agreement.

11. Adjustments at Closing. Seller and Purchaser acknowledge that the Property is currently exempt from local real estate taxes. The following adjustments are to be made at the Closing as of the close of business on the Closing Date:

11.1 any other items which shall be appropriate for adjustment.

12. Representations and Warranties of Purchaser. For the purpose of inducing Seller to enter into this Agreement and to consummate the transactions contemplated hereby pursuant to the terms and conditions hereof, Purchaser represents and warrants to Seller as follows:

12.1 Purchaser warrants that no person has been employed, directly or indirectly to solicit or secure this Agreement in violation of N.J.S.A. 52:34-15 et seq.

12.2 Purchaser acknowledges that all legal, environmental and/or due diligence work undertaken by Purchaser in preparation for or completion of this transaction shall be performed by Purchaser's attorneys and/or consultants at Purchaser's sole cost and expense.

12.3 Purchaser represents that Purchaser has sufficient cash on hand to complete its purchase of the Property.

12.4 Each person executing and delivering this Agreement and all documents to be executed and delivered in regard to the consummation of the transaction contemplated hereby on behalf of Purchaser has due and proper authority to execute and deliver same.

Purchaser has the full right, power and authority to purchase the Property as provided herein and to carry out its obligations hereunder without the joinder or consent of any other person or entity and Purchaser has due and proper authority to execute and deliver all documents related to the consummation of the transactions.

12.5 Purchaser shall be solely responsible for paying Purchaser's legal fees and costs in connection with its purchase of the Property.

12.6 Purchaser hereby reaffirms, as true and correct, all of the certifications Purchaser signed and included in its response to the RFP. This Section 12.6 shall survive the Closing or any termination of this Agreement.

13. Representations and Warranties of Seller. For the purpose of inducing Purchaser to enter into this Agreement and to consummate the transactions contemplated hereby pursuant to the terms and conditions hereof, Seller represents and warrants to Purchaser as follows:

13.1 each person executing and delivering this Agreement and all documents to be executed and delivered in regard to the consummation of the transaction contemplated hereby on behalf of Seller has due and proper authority to execute and deliver same. Seller has the full right, power and authority to sell and convey the Property to Purchaser as provided herein and to carry out its obligations hereunder without the joinder or consent of any other person or entity and Seller has due and proper authority to execute and deliver all documents related to the consummation of the transactions.

13.2 Seller shall be solely responsible for paying Seller's legal fees and costs in connection with its sale of the Property.

14. Risk of Loss. The risk of loss or damage to the Property by fire or otherwise until Closing of title is assumed by Seller.
15. Condemnation. In the event that the entire Property or a substantial part thereof shall have been taken by eminent domain or shall be in the process of being so taken, on the Closing Date, either party shall have the option to terminate this Agreement on written notice to the other party, whereupon this Agreement shall terminate and neither party shall have any further rights or liabilities hereunder thereafter (except for return of the Deposit and any interest accrued thereon to Purchaser and provisions that expressly survive termination of this Agreement). In the event any such taking shall not include a substantial part of the Property or in the event that neither party shall terminate this Agreement pursuant to the preceding sentence, Purchaser shall accept the Property in the condition in which it is left following such taking, with an abatement of the purchase price measured by the proceeds of any condemnation award allowed. In the event the award has not been made or collected by Seller at the time of Closing, Seller shall assign to Purchaser at Closing all rights of Seller in the collection of such award and Purchaser shall accept the Property without abatement of the purchase price. As employed herein, the term "a substantial part of the Property" shall be deemed to mean a part of the Property consisting of 10% or more of the total area of the Property.
16. Assignment. It is expressly understood that this Agreement may not be assigned by Purchaser and any purported assignment shall be void. Notwithstanding the foregoing but subject to Section 25, Political Campaign Contributions, of this Agreement, Purchaser shall have the right to assign this Agreement without the consent of Seller to an entity that is owned or controlled by Purchaser.

17. Brokerage. Purchaser and Seller each represents to the other that it did not deal with any real estate broker or salesman in connection with this transaction. This representation shall survive the Closing or any termination of this Agreement.

18. Counterparts. This Agreement may be simultaneously executed in several counterparts, or with counterpart signature pages, and may be delivered by electronic mail, it being understood that all such counterparts or counterpart signature pages, taken together shall constitute one and the same instrument.

19. Default or Breach by Seller. If the Purchaser discovers prior to Closing that the Seller shall have made any representation herein that is untrue or misleading in any material respect, or if the Seller shall fail to perform any of the material covenants and agreements contained herein to be performed by the Seller at or prior to the Closing, the Purchaser may, as its sole and exclusive remedy terminate this Agreement and receive a refund of the Deposit only and any interest accrued thereon.

20. Default or Breach by Purchaser. If the Seller discovers prior to the Closing that the Purchaser shall have made any representation herein that is untrue or misleading in any material respect, or if the Purchaser shall fail to perform any of the material covenants and agreements contained herein to be performed by the Purchaser at or prior to the Closing, the Seller, as its sole and exclusive remedy, may terminate this Agreement, whereupon the Seller shall be entitled to retain the Deposit and any interest accrued thereon as liquidated damages and not as a penalty.

21. Binding Agreement. This Agreement shall bind not only the Seller and Purchaser but also their heirs, executors, administrators, successors and assigns.

22. Entire Agreement. It is understood and agreed that all understandings and agreements between the parties are merged in this Agreement which alone fully and completely expresses their agreement. This Agreement may not be changed, altered or canceled orally, but only in writing signed by the parties.

23. Notices. All notices which must be given under this Agreement shall be in writing and are to be given either by:

23.1 personal service;

23.2 certified mail, return receipt requested, addressed to the other party at its address specified above;

23.3 overnight delivery service (e.g., UPS, FedEx, USPS Next Day Mail); or

23.4 e-mail transmission of copy of signed letter, with original to follow by one of the methods specified in Sections 23.1, 23.2 or 23.3:

If to Purchaser [**insert e-mail address**], Attention: [**insert name and title**].

If to Seller at JBurgos@njeda.com, Attention: Juan Burgos, Director of Finance and Development, Real Estate Division.

Notice by email shall be deemed to have been given on the date of the email, however, notice by email is in addition to the other methods for such notices hereunder and may not be used as the sole method for such notices required under this Section 23.

24. Miscellaneous.

24.1 New Jersey Law. This Agreement will be governed by and construed under the laws of the State of New Jersey. Any and all claims against the Seller based on contract law shall be made in accordance with and subject to the provisions of the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.). Any and all claims against the

Seller based on tort law shall be made in accordance with and subject to the provisions of the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.).

24.2 Severability. If any of the provisions of this Agreement will be deemed invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement will not be affected thereby, and every provision of this Agreement will be valid and enforceable to the fullest extent permitted by law.

24.3 Interpretive Presumptions. Seller and Purchaser waive any statutory or common law presumption which would serve to have this document construed in favor of and/or against either party as the drafter.

24.4 Registration and/or Recordation. Purchaser agrees that it will not register, record or file this Agreement or any memorandum thereof. Seller shall have the option to declare this Agreement null and void if this Agreement shall be registered, recorded or filed without Seller's consent.

24.5 Effectiveness of Agreement. The submission of this Agreement for examination does not constitute an offer or option to purchase the Property and this Agreement shall become effective as an Agreement only upon execution and delivery thereof by both the Seller and Purchaser.

24.6 Title and Headings. Titles and headings are included for convenience only and shall not be used to interpret this Agreement.

25. Political Campaign Contributions.

25.1 For the purpose of this Section 25, the following shall be defined as follows:

a) "Contribution" means a contribution reportable as a recipient under "The New Jersey Campaign Contributions and Expenditures Reporting Act" P.L. 1973, c.

83 (C.10:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq., a contribution made to a legislative leadership committee, a contribution made to a municipal political party committee or a contribution made to a candidate committee or election fund of any candidate for or holder of the office of Lieutenant Governor. Currently, contributions in excess of \$300.00 during a reporting period are deemed “reportable” under these laws.

b) “Business Entity” means:

i. a for-profit entity as follows:

A. in the case of a corporation: the corporation, any officer of the corporation, and any person or business entity that owns or controls 10% or more of the stock of such corporation;

B. in the case of a general partnership: the partnership and any partner;

C. in the case of a limited partnership: the limited partnership and any partner;

D. in the case of a professional corporation: the professional corporation and any shareholder or officer;

E. in the case of a limited liability company: the limited liability company and any member;

F. in the case of a limited liability partnership: the limited liability partnership and any partner;

G. in the case of a sole proprietorship: the proprietor; and

H. in the case of any other form of entity organized under the laws of the State of New Jersey or other state or foreign jurisdiction: the entity and any principal, officer, or partner thereof;

ii. any subsidiary directly or indirectly controlled by the business entity;

iii. any political organization organized under section 527 of the Internal Revenue Code is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and

iv. with respect to an individual who is included within the definition of business entity the individual's spouse or civil union partner, and any child residing with the individual, provided, however, that, PL 2005, c.51 shall not apply to a contribution made by such spouse, civil union partner, or child to a candidate for whom the contributor is entitled to vote or to a political party committee within whose jurisdiction the contributor resides unless such contribution is in violation of section 9 of P.L. 2005, c. 51 (C.19:44A-20.1 et seq.) ("Chapter 51").

c) PL 2005, c.51 – means Public Law 2005, chapter 51 (C. 19:44A-20.13 through C. 19:44A-20.25, inclusive) as expanded by Executive Order 117 (Gov. Corzine, September 24, 2008).

25.2 The terms, restrictions, requirements and prohibitions set forth in P.L. 2005, c. 51 are incorporated into this Agreement by reference as material terms of this Agreement with the same force and effect as if P.L. 2005, c. 51 were stated here in its entirety. Compliance with P.L. 2005, c. 51 by Purchaser shall be a material term of this Agreement.

25.3 Purchaser hereby certifies to the Authority that commencing on and after October 15, 2004, Purchaser (and each of its principals, subsidiaries and political organizations included within the definition of Business Entity) has not solicited or made any Contribution of money, pledge of Contribution, including in-kind Contributions, that would bar a contract agreement between Purchaser and the Authority pursuant to P.L. 2005, c. 51. Purchaser hereby further certifies to the Authority that any and all certifications and disclosures delivered to the Authority by Purchaser (and each of its principals, subsidiaries and political organizations included within the definition of Business Entity) are accurate, complete and reliable. The certifications made herein are intended to and shall be a material term of this Agreement and if the Treasurer of the State of New Jersey determines that any Contribution has been made in violation of P.L. 2005, c. 51, the Authority shall have the right to declare this Agreement to be in default.

25.4 Purchaser hereby covenants that Purchaser (and each of its principals, subsidiaries and political organizations included within the definition of Business Entity) shall not knowingly solicit or make any contributions of money, or pledge of a contribution, including in-kind contributions, to a candidate committee or election fund of any candidate or holder of the public office of Governor of New Jersey or to any New Jersey state or county political party committee prior to the termination of this Agreement. The provisions of this Section 25.4 are intended to and shall be a material term of this Agreement and if the Treasurer of the State of New Jersey determines that any Contribution has been made by Purchaser (and each of its principals, subsidiaries and political organizations included within the definition of Business Entity) in violation of P.L. 2005, c. 51, the Authority shall have the right to declare this Agreement to be in default.

25.5 In addition to any other default specified in the Contract Documents, the Authority shall have the right to declare an event of default under this Agreement if: (i) Purchaser (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) makes or solicits a Contribution in violation of P.L. 2005, c. 51, (ii) Purchaser (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) knowingly conceals or misrepresents a Contribution given or received; (iii) Purchaser (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) makes or solicits Contributions through intermediaries for the purpose of concealing or misrepresenting the source of the Contribution; (iv) Purchaser (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) makes or solicits any Contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or to any State or county party committee; (v) Purchaser (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) engages or employs a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any Contribution, which if made or solicited by Purchaser (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) directly would violate the restrictions of P.L. 2005, c. 51; (vi) Purchaser (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) funds Contributions made by third parties, including consultants, attorneys, family members, and employees; (vii) Purchaser (or any of its principals, subsidiaries and political organizations included within the definition of

Business Entity) engages in any exchange of Contributions to circumvent the intent of P.L. 2005, c. 51; (viii) Purchaser (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) directly or indirectly through or by any other person or means, does any act which would violate the restrictions of P.L. 2005, c. 51; or (ix) any material misrepresentation exists in any Political Campaign Contribution Certification and Disclosure which was delivered by Purchaser to the Authority in connection with this Agreement.

25.6 Purchaser hereby acknowledges and agrees that pursuant to P.L. 2005, c. 51, Purchaser shall have a continuing obligation to report to the Office of the State Treasurer, Political Campaign Contribution Review Unit of any Contributions it makes during the term of this Agreement. If after the effective date of this Agreement and before the entire Contract Price is paid by the Purchaser, any Contribution is made by Purchaser and the Treasurer of the State of New Jersey determines such Contribution to be a conflict of interest in violation of P.L. 2005, c. 51, the Authority shall have the right to declare this Agreement to be in default.

25.7 If at any time prior to the Closing there is a proposed change or change in any of the entities or persons having an ownership interest in the Purchaser (including but not limited to changes in ownership interests among existing owners, or the deletion of a current owner, or the addition of a new owner), Purchaser shall provide the Seller with written notice thereof within twenty-five (25) business days of the occurrence of any of the foregoing events. Should Purchaser fail to provide such notice, the Seller shall give Purchaser twenty-five (25) business days' notice to effect a cure to the full satisfaction of the Seller. In the event the Purchaser fails to effect said cure, the Seller may immediately

thereafter terminate this Agreement without liability and without Purchaser being afforded any further opportunity to cure. Upon such termination, Seller shall retain all payments made by Purchaser under this Agreement including, but not limited to, the Deposit and accrued interest thereon, and any Approval Period Extension Payments.

25.8 In the event the Seller receives notice from the Purchaser of a change in ownership or interest, at any time prior to the Closing and the Seller determines that the change in ownership or interest, requires the Seller to continue to do business with the principals of an ownership or interest who is of known moral or financial disrepute or is a party suspended or debarred from doing business with the State of New Jersey, the Seller agrees to give the Purchaser twenty-five (25) business days' notice to effect a cure to the full satisfaction of the Seller. In the event the Purchaser fails to effect said cure, the Seller may immediately thereafter terminate this Agreement without liability and without Purchaser being afforded any further opportunity to cure. Upon such termination, Seller shall retain all payments made by Purchaser under this Agreement including, but not limited to, the Deposit and accrued interest thereon, and any Approval Period Extension Payments.

26. New Jersey Prevailing Wage Act.

26.1 Purchaser acknowledges that the New Jersey Prevailing Wage Act, N.J.S.A. 34:11-56.25 et seq. ("Prevailing Wage Act"), applies to the sale of the Property to the extent that a project includes "public work", as that term is defined in the Prevailing Wage Act, or if Purchaser receives financial assistance from Seller, the State of New Jersey or any other State of New Jersey entity. Additionally, Purchaser

acknowledges that any infrastructure improvements installed by Purchaser within public rights of way shall be subject to the Prevailing Wage Act.

[SIGNATURE PAGE TO FOLLOW]

The Seller and Purchaser have signed this Agreement for Sale of Property as of the date first written above.

Attest:

**NEW JERSEY ECONOMIC
DEVELOPMENT AUTHORITY,
Seller**

Name:
Title:

Tim Sullivan
Chief Executive Officer

Attest:

_____,
Purchaser

Name:
Title:

[insert name]
[insert title]

EXHIBIT A
LEGAL DESCRIPTION

Property Description

ALL that certain lot, parcel or tract of land, situate and lying in the Township of North Brunswick, County of Middlesex, State of New Jersey, and being more particularly described as follows:

TRACT I:

BEGINNING at a point, said point being the intersection of the common line between Lots 1.02 and 1.03, Block 252, with the Southeasterly line of Lot 6.01, Block 252, and from said beginning point running;

(1) Along said Southeasterly line of Lot 6.01, Block 252, North 70 degrees 04 minutes 18 seconds East, a distance of 76.52 feet to a point in the Southwesterly line of Lot 6.01, Block 252; thence

(2) Along said Southwesterly line of Lot 6.01, Block 252, South 33 degrees 43 minutes 18 seconds East, a distance of 576.05 feet to a point in the Northwesterly line of Lot 6.01, Block 252; thence

(3) Along said Northwesterly line of Lot 6.01, Block 252, South 31 degrees 11 minutes 40 seconds West, a distance of 274.70 feet to a point in the aforementioned common line with Lot 1.02, Block 252; thence

(4) Along said common line with Lot 1.02, Block 252, North 19 degrees 55 minutes 46 seconds West, a distance of 731.85 feet to the point and place of BEGINNING.

Said description of Lot 1.03 in Block 252 having been drawn in accordance with a certain map entitled "Survey & Subdivision of Lot 1.04, Block 252, N/F DKM Properties Corp., prepared for Middlesex County Improvement Authority, situated in the Township of North Brunswick, Middlesex County, New Jersey, sheet 1 of 1, prepared by CME Associates, dated May 1, 2003 and revised through June 30, 2004.

BEING Lot 1.03 in Block 252 on the Township of North Brunswick Tax Map.

TRACT II:

BEGINNING at a point, said point being the intersection of the common line between Lots 1.02 and 1.04, Block 252, with the Southeasterly line of Lot 5.01, Block 252, and from said beginning point running;

(1) Along said common line with Lot 1.02, Block 252, South 19 degrees 55 minutes 41 seconds East, a distance of 1,137.57 feet to a point in the Northwesterly line of Lot 7, Block 252, N/F PSE&G; thence

(2) Along said Northwesterly line of Lot 7, Block 252, South 40 degrees 15 minutes 39 seconds West, a distance of 92.78 feet to a point; thence

Through Lot 1.04, Block 252, along the proposed subdivision lines, the following three (3) courses:

(3) North 80 degrees 66 minutes 57 seconds West, a distance of 933.17 feet to a point; thence

(4) North 58 degrees 48 minutes 39 seconds West, a distance of 453.56 feet to a point; thence

(5) North 17 degrees 59 minutes 41 seconds West, a distance of 487.88 feet to a point in the Southerly Right-of-Way line of U.S. Route 1; thence

Along said Southerly Right-of-Way line of U.S. Route No. 1, the following three (3) courses:

(6) North 70 degrees 08 minutes 02 seconds East, a distance of 319.88 feet to a point, said point being witnessed by a concrete monument found; thence

(7) North 68 degrees 59 minutes 50 seconds East, a distance of 50.02 feet to a point, said point being witnessed by a concrete monument found; thence

(8) North 70 degrees 08 minutes 00 seconds East, a distance of 195.30 feet to a point in the Southerly line of Lot 6.01, Block 252; thence

Along said Southerly and Southeasterly line of Lot 6.01, Block 252, the following four (4) courses:

(9) South 75 degrees 18 minutes 05 seconds East, a distance of 349.83 feet to a point; thence

(10) North 74 degrees 50 minutes 58 seconds East, a distance of 99.79 feet to a point; thence

(11) North 44 degrees 28 minutes 35 seconds East, a distance of 180.00 feet to a point; thence

(12) North 55 degrees 02 minutes 28 seconds East, a distance of 39.10 feet to the point and place of BEGINNING.

Said description of Lot 1.06 in Block 252 having been drawn in accordance with a certain map entitled "Survey & Subdivision of Lot 1.04, Block 252, N/F DKM Properties Corp., prepared for Middlesex County Improvement Authority, situated in the Township of North Brunswick, Middlesex County, New Jersey", sheet 1 of 1, prepared by CME Associates, dated May 12, 2003 and revised through June 30, 2004.

EXHIBIT B
PROPERTY AND ASSUMED DOCUMENTS

PROPERTY DOCUMENTS:

- Surveys
- Environmental Assessments
- Leases
- Service Contracts
- Technical Studies
- The Owner's Title Policy
- Other Property Records
- All information and documents set forth in the RFP

ASSUMED DOCUMENTS:

- Developer Agreement between NJDOT and DKM Properties, Inc. dated February 2, 1995 as modified and amended, which is posted as Exhibit F-1 to the RFP
- Consent Agreement between DKM Properties, Corp, and Artken Realty. L.L.C. dated March 7, 1995 as modified and amended, which is posted as Exhibit F-2 to the RFP.
- Assignment And Assumption of Access Agreement, which is posted as Exhibit _____ to the RFP.

EXHIBIT C
PURCHASER'S PROPOSAL IN RESPONSE TO RFP (AS
MODIFIED IF APPLICABLE)

EXHIBIT D
PROMISSORY NOTE

Up to \$ _____ Middlesex County, New Jersey
_____, 20__

FOR VALUE RECEIVED, _____, whose address is _____, NJ _____ (the "Maker"), promises to pay to NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic constituted as an independent authority and instrumentality of the State of New Jersey, pursuant to and having the powers conferred by the New Jersey Economic Development Authority Act, L. 1974, c. 80, as amended and supplemented, N.J.S.A. 34:1B-1 et seq. (the "Act"), whose address is 36 West State Street, Trenton, New Jersey 08625 (the "Holder"), in legal tender of the United States of America, the principal sum of UP TO _____ (\$ _____ .00) Dollars, (the "Obligations"), within the time required pursuant to Section 9 of the Purchase and Sale Agreement dated _____, 20__ between the Maker, as Purchaser, and the Holder, as Seller (the "Agreement"). Any terms not defined herein shall have the meaning ascribed to them in the Agreement;

This Note between the Maker and Holder herein survives the expiration or earlier termination of the Agreement and Closing under the Agreement, shall run with the land, and shall be a continuing obligation.

Failure to repay the Obligations within the time required pursuant to Section 9 of the Agreement shall constitute a default hereunder (the "Event of Default"), and shall, with written notice (the "Notice"), at the option of the Holder hereof, cause all the unpaid Obligations to become immediately due and payable. The Maker shall then have an

opportunity to cure the Event of Default by paying the Obligations to Holder within ten (10) calendar days following the date of the Notice (the "Payment Deadline"). If the Obligations are not fully paid by the Payment Deadline, the following shall be immediately due and payable: i) all the unpaid Obligations; ii) simple interest at the yearly rate of six (6%) on that part of the Obligations not paid from the date of this Promissory Note to the date all Obligations have been paid; and iii) Holder's costs of collection and reasonable attorneys' fees.

As set forth in Section 9.3 of the Agreement, it is specifically understood that Maker shall be released from payment of the Obligations upon verification by Purchaser of Purchaser's creation of ____ jobs at the Property or the payment of any monies for jobs not created, and then Seller shall, within twenty-five (25) business days of notice of such creation or payment, cancel or otherwise discharge this Promissory Note which shall no longer be in force or effect.

"Force Majeure " means any of the following events that prevents, delays, retards or hinders a party's performance: act of God; fire; earthquake; flood; explosion; war; invasion; insurrection; riot; mob violence; sabotage; vandalism; inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market; failure of transportation; strikes; lockouts; condemnation; requisition; acts of governmental, civil, military or naval authorities; or any other cause, whether similar or dissimilar to the foregoing, not within a party's control. This Promissory Note is a payment obligation to which Force Majeure does not apply.

This Note shall be construed and enforced in accordance with the laws of the State of New Jersey. The Maker agrees that the Holder shall have the rights and remedies

available to a creditor under the laws of the State of New Jersey, in addition to any other rights hereunder.

Witness:

Maker:

President/Managing Member



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: May 11, 2022

SUBJECT: Economic Transformation Products – Delegated Authority Approvals Q1 2022
For Informational Purposes Only

Angel Investor Tax Credit Program

On January 31, 2013, the New Jersey Angel Investor Tax Credit Act was signed into law with Regulations approved by the Members of the Board in June 2013. The New Jersey Angel Investor Tax Credit Program (ATC) establishes credits against corporate business tax or New Jersey gross income tax. When the program was originally approved, the amount of the tax credit was 10%. In 2019, Governor Murphy approved an increase to the amount of the tax credit from 10% to 20%, with a 5% bonus for investors in either NJ certified women- or minority-owned businesses, or businesses located in a state-designated Opportunity Zone or New Markets Tax Credit census tract. Starting with the 2021 program year, the Angel Tax Credit program cap was increased from \$25 million to \$35 million.

Angel Investor Tax Credit Program – Q1 2022 Review

In the first quarter of 2022, the Authority approved 221 applications, the highest number per quarter in the history of the program, for a total of \$7,797,658 in tax credits. These approvals represented \$41,639,079 in private investments into NJ technology and life sciences companies.

These approvals derived from a wide array of diverse businesses in the state, representing investments in 32 different companies – a significantly larger number than usual. Eight of these were new companies to the program (noted below), also evidencing significant expansion in the reach of this program as well as the value of the investments. Of particular note, in this quarter four companies qualified for the bonus to state-certified Minority/Women Business Enterprises, and three qualified for the bonus to businesses located in an Opportunity Zone (noted below).

For the applications approved in the first quarter of 2022, approximately half came from the life science sector and half from the technology and clean technology sectors combined. The investment value was also nearly evenly split between life science and technology for approvals in this quarter

Angel Investor Tax Credit Program Q1 2022 Approval Results

Sector	Investment Amount	Applications	# of Companies	% of Total Invested	% of Total Applications
Life Sciences	\$21,486,266	152	14	51.6%	68.8%
Technology	\$19,197,813	59	17	46.1%	26.7%
Clean Technology	\$955,000	10	1	2.3%	4.5%
TOTAL	\$41,639,079	221	32		

The following 32 companies were participants for the first quarter of 2022:

- Acuitive Technologies, Inc.: Based in Allendale, NJ. Acuitive Technologies pursues the development of novel biomaterial technologies to improve the repair and regeneration of musculoskeletal tissue.
- Anax Holdings LLC: Based in Morris, NJ. Anax Holdings commercializes the Anax Power Turbo Expander (ATE), a carbon footprint reduction technology, which uses natural gas to generate non-carbon emitting electricity for industrial users without combustion (qualifies for Opportunity Zone bonus).
- Aspargo Laboratories, Inc.: Based in Englewood Cliffs, NJ. Aspargo Labs Inc. is a life science corporation that commercializes a therapeutic approach to addressing a clinical need for drugs that treat erectile dysfunction.
- Bark Biome LLC/Fetch Enterprise LLC: Based in Princeton, NJ. Bark Biome is a vertically integrated, individualized pet health-technology life sciences platform that also markets, manufactures, and sells personalized canine supplements (qualifies for Minority/Women Business Enterprise bonus).
- BeAble Education, Inc (new company): Based in Lakewood, NJ. BeAble publishes educational software that identifies and closes the literacy and opportunity gap through the proprietary BeAble IQEngine, using machine learning, automation, and data science to customize an individualized learning path for each child (qualifies for Minority/Women Business Enterprise bonus).
- BioAegis Therapeutics Inc.: Based in North Brunswick, NJ. BioAegis is a private company commercializing groundbreaking discoveries in inflammation and infection.
- Bloqcube Inc. (new company): Based in Piscataway, NJ. Bloqcube is a healthcare technology company that is streamlining the clinical trial and pharmaceutical research process by leveraging blockchain technology. They have developed software that enables clinical trials to be done remotely while preserving data integrity and security (qualifies for Minority/Women Business Enterprise bonus).

- Calamu Technologies (new company): Based in Franklin Township, NJ. Calamu is an information technology company that has produced a scalable, automated data protection platform to prevent security breaches by using a multi-patented data engine that fragments and auto-heals data.
- Ceptur Therapeutics Inc. (new company): Based in Hillsborough Township, NJ. Formerly known as SilaGene, Ceptur is developing unique, differentiated genetic medicines for patients with rare diseases.
- Covellus, LLC: Based in Belmar, NJ. Covellus is a medical device company that is developing a unique Modular Catheter System, a new paradigm to construct and use catheters in peripheral vascular percutaneous transluminal angioplasty (PTA) procedures.
- Elucida Oncology, Inc.: Based in Bound Brook, NJ. Elucida Oncology is a biotechnology company focused on clinical research, development and subsequent commercialization of life-changing products based on the “Target or Clear” technology of the novel, ultra-small nanoparticle delivery platform.
- Endomedix, Inc.: Based in Montclair, NJ. Endomedix, Inc is a manufacturing company that has developed a unique polysaccharide chemistry platform used to create a series of biosurgical devices. Endomedix’s patented technology is intended for use in brain and spinal surgery. Their first device, “PlexiClot” Absorbable Hemistate, will help surgeons control bleeding during surgeries.
- Fidelis Pharmaceuticals: Based in North Brunswick, NJ. Fidelis Pharmaceuticals is a life sciences company that offers expertise in the acquisition, development, and marketing of unique pharmaceutical formulations to meet specialized veterinary needs. The Fidelis team applies specialized product development and manufacturing expertise to formulate reliable, cGMP-quality products. The company is based at the NJ Bioscience Center Incubator.
- GABI Solutions, Inc. (new company): Based in Fairfield, NJ. GABI is a provider of cybersecurity and technological services that protect consumer health data.
- Genomic Prediction: Based in North Brunswick, NJ. Genomic Prediction, Inc provides advanced genetic testing for in-vitro fertilization. The company has developed a novel, genome-wide molecular genotyping methodology for pre-implantation genetic testing for embryos. Their Preimplantation Genetic Testing (PGT) is a clinical treatment for infertility, but is increasingly used to reduce disease risk.
- Halcyon Still Water, LLC (new company): Based in Red Bank, NJ. Halcyon has developed a platform that leverages unique technology to aggregate a taxpayer’s complete financial landscape to prepare tax returns and provide tax expertise by crowdsourcing CPA services.

- Hope Portal Services, Inc.: Based in Holmdel, NJ. Hope Portal Services is health-tech/fintech startup that provides planning, concierge, and fiduciary services to the special needs community.
- ImageProVision, Inc. (new company): Based in Franklin Township, NJ. ImageProVision focuses on the automation of microscope image data analysis for the pharmaceutical industry (qualifies for Minority/Women Business Enterprise bonus).
- Lambent Data, Inc.: Based in Princeton, NJ. Lambent Data is developing ‘OurVisit™’, a research-based collaboration software platform and application focused on impacting early childhood development and behavioral health. The software is designed to improve the communication between social service agency heads, social workers, and families, with shared communication, goal setting, resources and data analytics to improve child outcomes and agency costs.
- Macrotope, Inc.: Based in Princeton, NJ. Macrotope is a start-up company conducting research in “unique antigens” for new, more efficacious vaccines and human protein antigens for the discovery and development of novel biotherapeutic antibodies.
- MEMX LLC: Based in Jersey City, NJ. MEMX’s innovative platform promises to disrupt the conventional stock exchange business model by improving the quality of electronic financial markets through modern technology and by offering features that will benefit both retail and institutional investors.
- Myos Corp: Based in Hanover, NJ. Myos is a bio-nutrition and bio-therapeutics company focused on the discovery, development, and commercialization of nutritional products to maintain and enhance the performance of muscle tissue, and to address degenerative muscle conditions.
- Nevakar Inc.: Based in Bridgewater, NJ. Nevakar is a specialty pharmaceutical company focused on developing innovative products in the injectable and ophthalmic space.
- Notitia Biotechnologies (new company): Based in Princeton, NJ. Notitia, with three drugs in the clinical pipeline stage, has developed its proprietary Foundational Guild Microbiome Research and Development Platform, which is leveraged to develop products to address diseases associated with gut microbiome composition.
- POM Partners, Inc: Based in Newark, NJ. POM Partners provides an emergency communications portal solution for the higher education, healthcare, and enterprise industries (qualifies for Opportunity Zone bonus).
- Princeton Identity: Based in Hamilton Township, NJ. Princeton Identity provides identity management solutions for security and access control for business and infrastructure using iris/facial recognition and other biometric technology.

- SplitByte, Inc.: Based in Princeton, NJ. SplitByte is a digital “safe-harbor” platform for decentralized data protection, which randomizes and geo-disperses data, offering a higher level of data protection than traditional encryption. The SplitByte "cyber vaccine" protects against the cyber pandemic of system breaches, ransomware, quantum attacks and insider threats.
- SunRay Scientific Inc.: Based in Eatontown, NJ. SunRay is a global technology company providing novel adhesive conductive solutions for advanced electronic packaging, including semiconductors.
- United Silicon Carbide, Inc.: Based in Monmouth Junction, NJ. United Silicon Carbide was spun out of Rutgers University in 2000 to develop high power transistors and diodes in the silicon carbide materials system.
- Vaneltix Pharma Inc.: Based in Bound Brook, NJ, Vaneltix Pharma Inc. (FKA Urigen Pharmaceuticals) is a New Jersey based biopharmaceutical company that is developing treatments for urological disorders (qualifies for Opportunity Zone bonus).
- Wedeo, Inc. (new company): Based in Allendale, NJ. Wedeo is a video intelligence technology platform that integrates fixed security cameras with mobile devices and uses both human and artificial intelligence to analyze video data metrics.
- XLink LLC: Based in Morristown, NJ. XLink is researching, developing, testing, and building computer-controlled automated machines, robots, and systems to be used in the warehouse, distribution, ecommerce, and retail industries.

From program inception in 2013 through Q1 of 2022, the Authority has approved 2,251 applications for tax credits representing nearly \$750 million invested in 118 New Jersey-based businesses.

Please find a detailed list of all ATC applications that were approved under delegated authority during the first quarter of 2022 in Exhibit A.

NJ Ignite Program

NJ Ignite offers grants to support the rent of early stage technology and life science companies located in an NJ Ignite approved collaborative workspace. Grants vary in amount. The start-up must commit to work for a specified time at the collaborative space under established agreements in which the workspace will partner to forego an element of the rent to support the business. As of December 31st, 2021, there were 22 approved collaborative spaces in New Jersey, some of which have multiple locations.

As of January 7, 2021, the Governor signed into law the Economic Recovery Act of 2020 (ERA) which results in the creation of the NJ Ignite Statutory Program. To ensure continuous NJ Ignite program operations, specific changes were approved by the Board on May 12, 2021 so that the NJ Ignite Pilot Program conforms to the NJ Ignite Legislative Program as outlined in the ERA. These updates included moving the annual reporting deadline to the calendar year end from one year anniversary date, increasing the maximum benefit from \$15,000 to \$25,000, expanding the eligible industries to align with current NJEDA targeted industries, extending the earliest formation date from application date to seven years, and adding two more stackable bonuses for M/WBEs and foreign companies. Updated Regulations for the NJ Ignite Legislative Program created by the ERA are anticipated to be presented to the Board in 2022.

NJ Ignite Program – Q1 2022 Review

While many workspaces were hopeful for new tenants, demand for space from companies which could be program eligible remains low. These work managers believe the continuous uncertainty caused by spiking cases of Covid-19 throughout the region is impacting the decisions of new businesses to take on physical spaces.

In the first quarter of 2022, staff started conducting the required annual review of all approved workspaces. The review includes verification each workspace held at least eight eco-system building events throughout the year. Each workspace will also be required to submit a current certificate of liability insurance and tax clearance. Upon request for year-end reports, of the 22 workspaces, 4 withdrew from the program, 5 completed and submitted all documents, 5 have partially submitted the required docs, and 8 have been unresponsive. Follow-up with the outstanding workspaces will continue throughout the second quarter. Explanations for NJ Ignite site withdrawals include executive decisions to not forego rent, the difficulty of holding events in spaces, and worksite closures. NJ Ignite had 18 collaborative workspaces approved to participate at the end of the first quarter.

NJ Ignite Workspace Withdrawals

Workspace Name	Workspace Location
En Masse	Morristown, NJ
Incutate	Sewell, NJ
Industrious at Short Hills Mall	Short Hills, NJ
Worksocial	Jersey City, NJ

There was one new Tenant Application Approval and no new Workspace Approvals in the first quarter. There were also no NJ Ignite benefit disbursements made.

NJ Ignite Program Tenant Approvals

Tenant Name	Workspace Name	EDA Grant	Number of Employees	Approval Date
SingletO2 Therapeutics LLC	VentureLink at NJIT	\$7,200.00	6	3/3/2022

NJ Entrepreneur Support Program (NJESP) Covid Relief Program

On March 26, 2020, the NJEDA Board approved the NJ Startup Entrepreneur Support Program (NJESP) to support New Jersey entrepreneurial businesses with limited funding navigate COVID-19 related cashflow constraints by providing financial support to their existing investors. Through NJESP, investors in NJ entrepreneurial businesses (operating in Innovation Economy sectors) could receive a guarantee (up to 80%, not to exceed \$200,000 per company) for new, qualified bridge loans/convertible notes into NJ entrepreneurial business. The guarantee matures in one year having an expiration date one year from the underlying note’s issue date. If certain financial conditions are met by the company within this one-year term, the note investor could submit a claim to the NJEDA for payment of the guarantee. The total program budget was \$5 million.

Applications for the program opened on April 22, 2020. No applications were accepted after February 12, 2021. A total 97 applications were submitted, from which 47 applications were approved by the Authority staff under delegated authority. The guarantee amount in total was \$2.036 million for \$2.545 million of promissory note investment. This represents investments in 13 unique businesses with a total 85 full-time NJ employees. Additionally, 28 applications were withdrawn, and 22 applications were declined.

To date, investors in two companies (POM Partners, Inc. and Ricovr Healthcare, Inc.) converted their promissory notes into equity within the one-year term of the guarantee. The Authority has received warrants in each company for the equity conversion as specified by the NJESP.

NJ Entrepreneur Support Program – Q1 2022 Review

For the first quarter of 2022, investor note guarantees for the final remaining company reached the one-year maturity and also reached the expiration of the 90-day window to claim payment. The term and claim period is now expired for all investors and companies participating in the NJESP.

Two actions are still in process for the NJESP currently. Investors in one company (Sunray Scientific LLC) have informed Staff that their promissory notes converted into equity. As such, the NJEDA will receive a warrant in the company which the closing is in process. Also, one investor (NAP IV LLC) in one company (Sweetberry Holdings LLC) submitted a request for guarantee payment. The request is currently under review.

NJ Accelerate Program

On February 11th, 2020, the NJEDA Board approved the pilot program NJ Accelerate. The total program budget is \$2.5 million. Through NJ Accelerate, the NJEDA seeks to provide early-stage businesses access to best-in-class Accelerator programs, enabling the tools and support to grow their businesses in the Garden State. The program provides up to \$250,000 of direct loan funding and up to six months of free rent to Approved Accelerator Graduates located in New Jersey. Graduates certified as women- or minority-owned can receive an additional 5% bonus to the direct loan amount, as well as one additional month of rent. Approved Accelerators may also receive sponsorship of up to \$100,000 to produce events in NJ to encourage their on-the-ground engagement in the State. Also, a sponsorship bonus of 5% is available for Approved Accelerators demonstrating meaningful written policies and practices for attracting and promoting companies owned by women and minority persons.

The Authority began accepting applications to become an approved accelerator during Q4, 2020. On November 12th, 2020, Morgan Stanley Multicultural Innovation Lab became the first approved accelerator. The Authority approved Cleantech Open Northeast on April 13th, 2021 becoming the second approved accelerator, followed by VentureWell's Aspire program which was approved on May 14th, 2021. In the third quarter 2021, University City Science Center's Launch Lane Accelerator was approved to participate in the Program on September 1st, 2021.

NJ Accelerate Program Approved Accelerators

Accelerator Name	Accelerator Location
Morgan Stanley Multicultural Innovation Lab	New York City, NY
Cleantech Open Northeast	Boston, MA
VentureWell - Aspire Program	Hadley, MA
University City Science Center - Launch Lane Accelerator	Philadelphia, PA

Morgan Stanley Multicultural Innovation Lab was created in 2017 to drive positive economic outcomes for multicultural and women-led companies in the post-seed to Series B funding rounds by providing content, visibility, technical support, and connectivity with important stakeholders who can accelerate the growth of participants' businesses. The accelerator is built around tailored support and expertise entrepreneurs receive from a dedicated Morgan Stanley team. To date, 32 tech or tech-enabled companies have participated in the Lab, with many going on to successful acquisitions and additional funding rounds.

Cleantech Open Northeast is part of Cleantech Open, a cleantech accelerator managed by the Boston-based Northeast Clean Energy Council (NECEC) as the on-the-ground affiliate. Cleantech Open finds, funds, and fosters entrepreneurs with big ideas that address urgent energy, environmental, and economic challenges. Cleantech Open provides the infrastructure, expertise and strategic relationships that turn ideas into successful global cleantech companies. In 15 years, Cleantech Open Northeast has supported 414 startups. The 68% active alumni companies employ approximately 3,300 people, have generated over \$279 million in revenue, and raised over \$653 million in funds.

VentureWell is a Massachusetts-based nonprofit that supports early-stage science- and technology-based inventors. Its E-Team Grant Program supports early-stage innovators (science- and engineering-based student teams) from across the nation with early funding and targeted training to commercialize their high-impact innovations. During ASPIRE, VentureWell's third and final phase of the E-Team Grant Program, startup companies participate in an intensive program that prepares them for the investments and partnerships necessary to launch their ventures. Since its inception in 2015, 117 startups have participated in ASPIRE and have raised over \$190 million in follow-on funding since participating in the program. The E-Team Grant program overall, with its three stages, has supported 652 teams that have raised a total of \$645 million.

Launch Lane is an accelerator program powered by the University City Science Center, a Philadelphia-based nonprofit innovation hub. Launch Lane helps tech and tech-enabled startups transition from prototype to sales and customer acquisition. The accelerator utilizes an anonymous application to de-bias the selection process. In the history of the program, including the former Digital Health Accelerator, Launch Lane has supported 35 companies and invested \$1.4 million. Those companies combined have gone on to raise more than \$100 million in funding, generate \$50 million in revenue, and create 300 jobs.

NJ Accelerate Program – Q1 2022 Review

Reviews and discussions with accelerators continued in the first quarter, but no new programs were approved to participate in NJ Accelerate.

An application submission for the rent benefit from one graduate company of an approved accelerator was received and is under review.

One new application submission was received for the loan benefit from a graduate company of approved accelerator programs. The loan benefit for NJ Accelerate does not have Delegated Approval Authority. Application recommendations are submitted to the NJEDA Board of Directors for final approval. In first quarter Board meetings, all three outstanding loan benefit applications were approved for graduate companies. Those were ABF Creative Inc. (graduate of Morgan Stanley Multicultural Innovation Lab), Arke Aeronautics LLC (graduate of Launch Lane), and EnvoyatHome Inc. (graduate of Launch Lane).

New Jersey Zero-emission Incentive Program (NJ ZIP)

In January 2021, the Members of the Board approved a \$15,750,000 pilot program called NJ ZIP, the New Jersey Zero-emission Incentive Program, funded from New Jersey Economic Development Authority's (NJEDA) allocation of the Regional Greenhouse Gas Initiative (RGGI) auction proceeds. Launched in April 2021, the NJ ZIP pilot established a first-come, first-served voucher-style program to reduce the upfront cost to purchase zero-emission

vehicles for eligible applicants, with a focus on the adoption and use of zero-emission medium-duty vehicles in the greater Newark and greater Camden areas.

The primary goals of this pilot program are to:

- Accelerate the adoption and use of medium duty zero-emission vehicles in New Jersey;
- Reduce emissions within the pilot communities, greater Newark and greater Camden;
- Allow NJEDA to determine and stimulate market-readiness, assess effectiveness of funding levels and program design, and test methodologies for measuring economic impact of such adoption.

Based on the results of the pilot program (e.g., program uptake, efficacy, and continued market need), and assuming continued availability of RGGI funds allocated to this program, a longer-term program with expanded eligibility may be proposed after the pilot funds are fully reserved.

In addition to delegated authority to approve and decline applicants to the program, the Members of the Board also approved in January 2021 delegated authority to “the CEO to, based upon program demand reviewed at 3-month intervals, (i) shift funding allocations, (ii) adjust voucher amounts, (iii) select additional eligible communities, and (iv) expand the pilot program to a maximum of \$25 million.” After a program review, and as outlined in the Q3 Delegations Memorandum, the NJEDA CEO approved on September 28, 2021 the expansion of the pilot program to a total of \$25,000,000 and add the greater New Brunswick area as an additional eligible community. Finally, at the November Board, a further expansion of the NJ ZIP pilot was approved, adding an additional \$20,000,000 of voucher funding and expanding eligibility to the greater Shore area.

New Jersey Zero-emission Incentive Program – Q1 2022 Review

NJ ZIP is administered in sequential steps. First, a zero-emission vehicle vendor must submit an application to become an approved vendor. Once approved, a vehicle purchaser may submit an application to receive an NJ ZIP voucher to purchase a qualified vehicle from their selected approved vendor. This voucher that may be redeemed for a specific dollar amount after completion of the total vehicle purchase. The value of the voucher ranges from \$25,000 to \$100,000 per vehicle depending on the vehicle’s weight class. Additional bonus amounts can be added to the voucher if certain conditions are met by the purchaser, such as by being a small or micro-business, or by the vendor, such as by manufacturing 25% or more of the vehicle in NJ. For the purposes of this Program, a small business is defined as having 25 or fewer full-time employees in total or less than \$5M in annual revenue.

In the first quarter of 2022, no new zero-emission vehicle vendors were approved to participate in NJ ZIP, maintaining the total approved vendors at seventeen (17). In Q1 2022, sixteen (16) new purchaser applications were submitted to the Program, bringing the total submitted purchaser applications to two-hundred two (202). Of these, twenty-five (25) purchaser applications were approved in Q1 2022 for a total of \$5,916,250 across 61 vouchers. These 25 purchasers’ 60 vouchers support the addition of 60 zero-emission medium-duty vehicles on New Jersey roads once the vouchers are redeemed, supplied by 4 different vendors. In Q1, more than 90% of the approved purchaser applicants are small businesses (receiving a 25% funding bonus) and over

45% are minority-,woman-, and/or veteran-owned (receiving an additional \$4,000 bonus per vehicle per qualifying certification); all applicants will operate and/or register their vehicles within the greater Newark (4 purchasers), greater New Brunswick (5 purchasers), or greater Shore (16 purchasers) areas. Four applicants withdrew from the program in Q1, including one who was approved this quarter, either at their own request or due to non-responsiveness after the submission of an incomplete application. The remaining applications received through the end of the first quarter are currently under review by Staff. No approved vouchers have been redeemed as of the end of the first quarter. The Program is currently considering pursuit of Board action to extend certain voucher deadlines due to the on-going supply chain crisis caused by COVID-19.

The program has received continuous application flow from the eligible communities, and repeated interest for expansion to more parts of the state and for longer-term funding. In support of this, since the program opened for applications, the total value of the applications submitted by the end of the first quarter, excluding withdrawn applications, totaled nearly \$40M in value. Based on the results of and feedback on the pilot program to-date, inclusive of prior expansions, NJEDA is considering further pilots to expand to more areas in the state and to more vehicle classes.

New Jersey Zero-emission Incentive Program Q1 2022 Results

Purchaser Applicant	Vendor	Purchaser Location	SBE	MBE	WBE	VOB	# of Vehicles	Total Voucher \$
Strange Trip Trucking Inc.	Sea Electric	Greater New Brunswick	Yes				14	\$1,487,500
Frank's Truck Center, Inc.	Sea Electric	Greater Newark					1	\$85,000
Kingbee EV Corp	Adomani Inc	Greater Newark					15	\$1,125,000
Office Penny, LLC	GreenPower Motor Company, Inc.	Greater New Brunswick	Yes	Yes			3	\$293,250
Riverside Rhymes LLC	GreenPower Motor Company, Inc.	Greater Shore	Yes		Yes		1	\$97,750
Patsez LLC	Adomani Inc	Greater New Brunswick	Yes	Yes	Yes		2	\$203,500
Abulala Husain	Endera Motors, LLC*	Greater Shore	Yes	Yes			1	\$116,500
Amigo Transit LLC	GreenPower Motor Company, Inc.	Greater Newark	Yes				2	\$191,500
Ace and Ace LLC	Endera Motors, LLC*	Greater Shore	Yes				2	\$225,000
Arigirios Karavasilis	Endera Motors, LLC*	Greater Shore	Yes				1	\$112,500
Peter M. Crook	Endera Motors, LLC*	Greater Shore	Yes				1	\$112,500

Shawn O'Connor	Endera Motors, LLC*	Greater Shore	Yes				1	\$112,500
Dennis Transportation LLC	Endera Motors, LLC*	Greater Shore	Yes				1	\$112,500
Peter Arsenis	Endera Motors, LLC*	Greater Shore	Yes				1	\$112,500
Louis Wright Jr	Endera Motors, LLC*	Greater Shore	Yes				1	\$116,500
Pai Gong Jiang	Endera Motors, LLC*	Greater Shore	Yes	Yes			1	\$116,500
Stephanos Papastephanou	Endera Motors, LLC*	Greater Shore	Yes				2	\$225,000
Steven Fein	Endera Motors, LLC*	Greater Shore	Yes				1	\$112,500
Abdulmanan Abdulfath	Endera Motors, LLC*	Greater Shore	Yes	Yes			2	\$233,000
Chris Mitoulis	Endera Motors, LLC*	Greater Shore	Yes				1	\$112,500
Jose Castillo	Endera Motors, LLC*	Greater Shore	Yes	Yes			1	\$116,500
Asset Appraisals Inc	GreenPower Motor Company, Inc.	Greater Shore	Yes				1	\$93,500
iRevive LLC	GreenPower Motor Company, Inc.	Greater New Brunswick	Yes	Yes			1	\$97,500
Eden Farm Fresh LLC	GreenPower Motor Company, Inc.	Greater New Brunswick	Yes	Yes	Yes		1	\$101,750
Old Village Farm LLC	GreenPower Motor Company, Inc.	Greater Newark	Yes	Yes	Yes		2	\$203,500
Quarterly TOTAL	25						60	\$5,916,250

*Note: Asterisk indicates vendor qualification for NJ Manufacturing bonus.

Small Business Emergency Assistance Loan Program (Phase 2)

On June 9, 2021, the NJEDA Board approved the Small Business Emergency Assistance Loan Program (Phase2) to provide low-cost capital to New Jersey businesses and not-for-profits to assist them with recovery and resiliency as a result of COVID-19. This program is funded by an \$11 million USED award (\$10 million for the revolving loan fund and \$1 million for administrative support), to do the following: focus funding on entities that have started a new business and taken on new space, transitioned from a home-based business or smaller space into a larger space or acquired an owner-occupied commercial space. Applications opened on August 3, 2021 and closed on August 13, 2021. A total 1,019 applications were submitted, of which, 55 applications were approved by the Authority staff under delegated authority for \$3,228,619.42 in the fourth quarter of 2021. In the first quarter of 2022, 60 applications were approved by the Authority staff under the delegated authority for \$3,180,567.00. Since

inception through the first quarter of 2022, 142 applications were approved for a total amount of \$8,260,558.86.

Small Business Emergency Assistance Loan Program (Phase 2) Q1 2022 Results

Total Approved Application Amount	Total Loan Amount
60	\$3,180,567

Please find a detailed list of all applications that were approved under delegated authority during the first quarter of 2022 on Exhibit B.



Tim Sullivan, CEO

Angel Investor Tax Credit Prepared by:

Kerri Lack

NJ Ignite Prepared by:

Jerrel Burney

NJ Entrepreneur Support Program Prepared by:

Clark Smith

NJ Accelerate Prepared by:

Clark Smith

New Jersey Zero-emission Incentive Program Prepared by:

Victoria Carey

Small Business Emergency Assistance Loan Program (Phase 2) Prepared by:

Paul Ceppi

Memo Prepared by:

Clark Smith

EXHIBIT A

Q1 2022 Delegated Approvals - Angel Investor Tax Credit

Investor(s)	Employees in NJ	Company	Investment	Tax Credit
Alex Khowaylo		Acuitive Technologies, Inc.	\$185,000	\$37,000
1	NJ: 19 Total: 19	Acuitive Technologies, Inc.	\$185,000	\$37,000
Bryan McShane		Anax Holdings LLC	\$70,000	\$17,500
Charles P Higgins		Anax Holdings LLC	\$17,500	\$4,375
John D. Shlesinger		Anax Holdings LLC	\$250,000	\$62,500
Winstead Capital LLC		Anax Holdings LLC	\$125,000	\$31,250
Andrew Cooper Higgins		Anax Holdings LLC	\$17,500	\$4,375
Joseph Bateman and Christine Law		Anax Holdings LLC	\$150,000	\$37,500
Alias Holdings LLC		Anax Holdings LLC	\$150,000	\$37,500
Anthony J Grant		Anax Holdings LLC	\$50,000	\$12,500
Thomas and Marylyn McLaughlin		Anax Holdings LLC	\$50,000	\$12,500
Albert E Heacox		Anax Holdings LLC	\$75,000	\$18,750
10	NJ: 2 Total: 2	Anax Holdings LLC	\$955,000	\$238,750
Kenneth Alexander Grinspun		Aspargo Laboratories, Inc.	\$10,000	\$2,000
John Niforatos		Aspargo Laboratories, Inc.	\$20,000	\$4,000
David Michael Sukoff		Aspargo Laboratories, Inc.	\$10,000	\$2,000
Robert Belluscio		Aspargo Laboratories, Inc.	\$10,000	\$2,000
Vasilios Koutsoubis		Aspargo Laboratories, Inc.	\$10,000	\$2,000
Kevin Nebbia		Aspargo Laboratories, Inc.	\$10,000	\$2,000
Bradley S. Daniels Roth IRA		Aspargo Laboratories, Inc.	\$30,000	\$6,000
Eric Charles Salzman		Aspargo Laboratories, Inc.	\$25,000	\$5,000
Bradley S. Daniels Roth IRA		Aspargo Laboratories, Inc.	\$50,000	\$10,000
Darren Bozan		Aspargo Laboratories, Inc.	\$10,000	\$2,000
Quinton Larry Powell		Aspargo Laboratories, Inc.	\$10,000	\$2,000
Mark Steinfield		Aspargo Laboratories, Inc.	\$50,000	\$10,000

John Archer Dorsey		Aspargo Laboratories, Inc.	\$10,000	\$2,000
13	NJ: 2 Total: 2	Aspargo Laboratories, Inc.	\$255,000	\$51,000
Canine Funds, A series of Assure Labs 2020, LLC		Bark Biome LLC	\$45,000	\$11,250
1	NJ: 3 Total: 4	Bark Biome LLC	\$45,000	\$11,250
Daniel Lemberg		Beable Education, Inc.	\$135,000	\$33,750
GHO Ventures		Beable Education, Inc.	\$1,350,000	\$337,500
GHO Ventures		Beable Education, Inc.	\$1,350,000	\$337,500
Alan Wayne Tamarelli		Beable Education, Inc.	\$225,000	\$56,250
Susan Gertler		Beable Education, Inc.	\$111,960	\$27,990
The Susan Gertler 2014 Family Trust		Beable Education, Inc.	\$45,540	\$11,385
Susan Gertler		Beable Education, Inc.	\$111,960	\$27,990
The Susan Gertler 2014 Family Trust		Beable Education, Inc.	\$45,540	\$11,385
8	NJ: 32 Total: 40	Beable Education, Inc.	\$3,375,000	\$843,750
Paulus Balthazar De Winter		BioAegis Therapeutics Inc.	\$20,426	\$4,085
Wim Marissen		BioAegis Therapeutics Inc.	\$20,438	\$4,088
Louis Bellekens		BioAegis Therapeutics Inc.	\$20,438	\$4,088
Anton Verlaan		BioAegis Therapeutics Inc.	\$8,175	\$1,635
Johan Victor Dehem		BioAegis Therapeutics Inc.	\$61,313	\$12,263
Chr. J. H. Westerhof		BioAegis Therapeutics Inc.	\$20,415	\$4,083
Tobias P. van Dormael		BioAegis Therapeutics Inc.	\$32,700	\$6,540
Libby Heller		BioAegis Therapeutics Inc.	\$9,810	\$1,962
Edwin Smets		BioAegis Therapeutics Inc.	\$20,438	\$4,088
Filip Maes		BioAegis Therapeutics Inc.	\$52,500	\$10,500
Maarten Almekinders		BioAegis Therapeutics Inc.	\$20,438	\$4,088
Henri Herbots		BioAegis Therapeutics Inc.	\$24,525	\$4,905
Chris Segers		BioAegis Therapeutics Inc.	\$20,438	\$4,088
Jose Manuel de Arriba Escola		BioAegis Therapeutics Inc.	\$49,050	\$9,810
Jan Beelen		BioAegis Therapeutics Inc.	\$40,868	\$8,174
Thibault De Rudder		BioAegis Therapeutics Inc.	\$20,438	\$4,088
Pieter Bellekens		BioAegis Therapeutics Inc.	\$20,438	\$4,088
Donna Lee Lista		BioAegis Therapeutics Inc.	\$12,263	\$2,453

Patrick D'Eer		BioAegis Therapeutics Inc.	\$20,438	\$4,088
Alain Vancleef		BioAegis Therapeutics Inc.	\$20,410	\$4,082
Stefaan Bouillon		BioAegis Therapeutics Inc.	\$9,000	\$1,800
Etienne van den Berghe		BioAegis Therapeutics Inc.	\$61,313	\$12,263
V.G.B. van Gellicum den Hartog		BioAegis Therapeutics Inc.	\$20,625	\$4,125
Rita Vansteenkiste		BioAegis Therapeutics Inc.	\$33,375	\$6,675
Equity Trust Company Custodian FBO Leslie A. Halpern 401 K		BioAegis Therapeutics Inc.	\$24,525	\$4,905
Ivo Heijster		BioAegis Therapeutics Inc.	\$20,438	\$4,088
Jan A. Dekker		BioAegis Therapeutics Inc.	\$40,858	\$8,172
Peter Verduyn Lunel		BioAegis Therapeutics Inc.	\$20,438	\$4,088
Robert Neyens		BioAegis Therapeutics Inc.	\$20,438	\$4,088
Geert Sinnesael		BioAegis Therapeutics Inc.	\$20,438	\$4,088
DIRK VAN AELST		BioAegis Therapeutics Inc.	\$20,438	\$4,088
Anne Voshel GRANTOR OF VOSHEL FAMILY TRUST		BioAegis Therapeutics Inc.	\$347,438	\$69,488
Guido Bellings		BioAegis Therapeutics Inc.	\$20,415	\$4,083
Johan Smets		BioAegis Therapeutics Inc.	\$12,000	\$2,400
Franky Vanhulle		BioAegis Therapeutics Inc.	\$20,438	\$4,088
Pascal De Vos		BioAegis Therapeutics Inc.	\$20,438	\$4,088
Frank Bosmans		BioAegis Therapeutics Inc.	\$22,500	\$4,500
Sander Willem Van Ginkel		BioAegis Therapeutics Inc.	\$40,853	\$8,171
Frank Eduard Volmer		BioAegis Therapeutics Inc.	\$10,215	\$2,043
Christiane Buyle		BioAegis Therapeutics Inc.	\$9,750	\$1,950
40	NJ: 10 Total: 11	BioAegis Therapeutics Inc.	\$1,311,892	\$262,387
SATYA SURYA SHANKAR LANKE		Bloqcube Inc.	\$21,000	\$4,200
Dushyant Pandit		Bloqcube Inc.	\$10,500	\$2,625
2	NJ: 1 Total: 1	Bloqcube Inc.	\$31,500	\$6,825
Steven Y. Raz		Calamu Technologies Corporation	\$100,000	\$20,000

Peter Kestenbaum		Calamu Technologies Corporation	\$15,000	\$3,000
Thomas J. Langella		Calamu Technologies Corporation	\$50,000	\$10,000
Louis Ryan Jr.		Calamu Technologies Corporation	\$200,000	\$40,000
Joseph Merces		Calamu Technologies Corporation	\$10,000	\$2,000
5	NJ: 3 Total: 4	Calamu Technologies Corporation	\$375,000	\$75,000
Daniel Heller		SilaGene, Inc	\$25,000	\$5,000
Patrick Nosker		SilaGene, Inc	\$25,000	\$5,000
2	NJ: 3 Total: 4	SilaGene, Inc	\$50,000	\$10,000
Bradley L Beach and Kathryn A Beach		COVELLUS LLC	\$50,000	\$10,000
1	NJ: 1 Total: 1	COVELLUS LLC	\$50,000	\$10,000
Jerry Don Reeves		Elucida Oncology, Inc.	\$50,000	\$10,000
Kevin White		Elucida Oncology, Inc.	\$50,000	\$10,000
Asier De Felipe Garate		Elucida Oncology, Inc.	\$120,000	\$24,000
Craig Allen Geers		Elucida Oncology, Inc.	\$50,000	\$10,000
The Bahr Family Limited		Elucida Oncology, Inc.	\$76,000	\$15,200
Windrock Enterprises LLC		Elucida Oncology, Inc.	\$500,000	\$100,000
George I. Stoeckert		Elucida Oncology, Inc.	\$150,000	\$30,000
Stephen B. Connor		Elucida Oncology, Inc.	\$25,000	\$5,000
The Kenneth M. Sutin, MD. Revocable Trust UAD 01/21/12		Elucida Oncology, Inc.	\$100,000	\$20,000
Nora W Wong 2012 Descendants Trust		Elucida Oncology, Inc.	\$100,000	\$20,000
Henry Herzing Revocable Living Trust		Elucida Oncology, Inc.	\$247,000	\$49,400
Paul Francis		Elucida Oncology, Inc.	\$350,000	\$70,000
CymbaX, LLC		Elucida Oncology, Inc.	\$25,000	\$5,000
Rasesh H. Shah Irrevocable Trust UAD 12-10-12		Elucida Oncology, Inc.	\$200,000	\$40,000

Shilpa R. Shah TTEE				
George Magrath		Elucida Oncology, Inc.	\$50,000	\$10,000
Robert Gray Edmiston Revocable Trust		Elucida Oncology, Inc.	\$150,000	\$30,000
Al Brothers Family Trust UAD 12/12/14 Alfred Brothers TTEE		Elucida Oncology, Inc.	\$100,000	\$20,000
Roger Bozarth		Elucida Oncology, Inc.	\$25,000	\$5,000
Robert Semmens Susan Semmens JT TEN		Elucida Oncology, Inc.	\$49,999	\$10,000
Douglas Edward Hansen		Elucida Oncology, Inc.	\$25,000	\$5,000
Richard A. Handelman		Elucida Oncology, Inc.	\$50,000	\$10,000
Michael D. Miller		Elucida Oncology, Inc.	\$50,000	\$10,000
3487938 Canada Inc.		Elucida Oncology, Inc.	\$50,000	\$10,000
Trust U/W Renee Weiss DTD 05-09- 90 Peter H Weiss TTEE		Elucida Oncology, Inc.	\$100,000	\$20,000
Moshe Wolff Judy Jozefovic JT Ten		Elucida Oncology, Inc.	\$100,000	\$20,000
Mezei GST Trust U/A/D 03/19/2010 Leonard Mezei Trustee		Elucida Oncology, Inc.	\$125,000	\$25,000
Rodion Cantacuzene Jr.		Elucida Oncology, Inc.	\$25,000	\$5,000
Stephen Mut		Elucida Oncology, Inc.	\$25,000	\$5,000
Rick Mace		Elucida Oncology, Inc.	\$75,000	\$15,000
Shield Street Capital LLC		Elucida Oncology, Inc.	\$50,000	\$10,000
M & K Bhatt Trust		Elucida Oncology, Inc.	\$125,000	\$25,000
Kamran Moghtaderi		Elucida Oncology, Inc.	\$250,000	\$50,000
Puranik Revocable Trust UAD 09/27/00 Rajiv Puranik &		Elucida Oncology, Inc.	\$50,000	\$10,000

Manisha Puranik TTEES				
Howard Arnold Chester		Elucida Oncology, Inc.	\$25,000	\$5,000
Scott Handelman		Elucida Oncology, Inc.	\$25,000	\$5,000
Sharen J Turney Charles A Turney JT TEN		Elucida Oncology, Inc.	\$250,000	\$50,000
Ron Rosenstraus		Elucida Oncology, Inc.	\$50,000	\$10,000
Corey Lee Grossman		Elucida Oncology, Inc.	\$150,000	\$30,000
Elena Manso Gallastegui		Elucida Oncology, Inc.	\$49,970	\$9,994
The James Momtazee Revocable Trust		Elucida Oncology, Inc.	\$200,000	\$40,000
PASE Trust, dtd 6/4/2001		Elucida Oncology, Inc.	\$350,000	\$70,000
Rohit Khanna		Elucida Oncology, Inc.	\$36,500	\$7,300
The Kingdom Trust Company, Custodian FBO Geoffrey Williams		Elucida Oncology, Inc.	\$75,000	\$15,000
Philip Thebault		Elucida Oncology, Inc.	\$50,000	\$10,000
THE STEVEN H. ORAM 2012 DESCENDANTS TRUST		Elucida Oncology, Inc.	\$50,000	\$10,000
Arnold T. Hagler Separate Property Trust U/A/D 9/17/97, Arnold T. Hagler, Trustee		Elucida Oncology, Inc.	\$28,350	\$5,670
The Ravel Family Revocable Tr		Elucida Oncology, Inc.	\$250,800	\$50,160
The Wendy Lou Yarno Revocable Trust		Elucida Oncology, Inc.	\$50,000	\$10,000
Jan Filakovsky		Elucida Oncology, Inc.	\$50,000	\$10,000
Lisa Lyman Thebault		Elucida Oncology, Inc.	\$25,000	\$5,000
Michael E. Sherman		Elucida Oncology, Inc.	\$50,002	\$10,000
AMEND & RESTATE TR		Elucida Oncology, Inc.	\$200,000	\$40,000

AGREE ANNE ROMANOFF ILYINSKY UAD 05/20/92 ANNE ROMANOFF ILYINSKY TTEE AMD 03/28/14				
Thomas Andrew Farrell		Elucida Oncology, Inc.	\$20,000	\$4,000
Stephen Kaufer		Elucida Oncology, Inc.	\$1,000,000	\$200,000
Cavan M. Redmond		Elucida Oncology, Inc.	\$49,400	\$9,880
55	NJ: 17 Total: 20	Elucida Oncology, Inc.	\$6,553,021	\$1,310,604
Richard A Olson & Sara H Olson		Endomedix, Inc	\$100,000	\$20,000
Gaetan Moise		Endomedix, Inc	\$150,000	\$30,000
2	NJ: 2 Total: 2	Endomedix, Inc	\$250,000	\$50,000
Mark D Steele Revocable Trust		Fidelis Animal Health Inc.	\$88,391	\$17,678
Clay S. Wilson		Fidelis Animal Health Inc.	\$72,500	\$14,500
2	NJ: 2 Total: 2	Fidelis Animal Health Inc.	\$160,891	\$32,178
OMBAASHI OPPORTUNITIES, LLC		Gabi Solutions, Inc.	\$500,000	\$100,000
IRV55, LLC.		Gabi Solutions, Inc.	\$500,000	\$100,000
2	NJ: 5 Total: 6	Gabi Solutions, Inc.	\$1,000,000	\$200,000
Metaplanet Holdings OÜ		Genomic Prediction Inc	\$1,499,998	\$300,000
1	NJ: 12 Total: 13	Genomic Prediction Inc	\$1,499,998	\$300,000
Paul Maguire		Halcyon Still Water, LLC	\$100,000	\$20,000
Thomas Sanzone		Halcyon Still Water, LLC	\$250,000	\$50,000
2	NJ: 3 Total: 3	Halcyon Still Water, LLC	\$350,000	\$75,000
Vincent Tizzio		Hope Portal Services, Inc	\$100,000	\$20,000
H. Edward Wilkin III		Hope Portal Services, Inc	\$50,000	\$10,000
Vincent Tizzio		Hope Portal Services, Inc	\$200,000	\$40,000
3	NJ: 7 Total: 8	Hope Portal Services, Inc	\$350,000	\$70,000
Shankar Ram Mahadevan & Uma Shankar Ram		ImageProVision, Inc.	\$50,000	\$12,500
Veerag Mehta & Meera Mehta		ImageProVision, Inc.	\$25,000	\$6,250

Saripalli Family Living Trust		ImageProVision, Inc.	\$50,000	\$12,500
PURNA CR SUNKARA		ImageProVision, Inc.	\$50,000	\$12,500
Vijay Venkatesh Kannan		ImageProVision, Inc.	\$25,000	\$6,250
Srinath Geedipalli		ImageProVision, Inc.	\$25,000	\$6,250
Lakshmiraghavan Srinivasan and Chandrika Srinivasan		ImageProVision, Inc.	\$25,000	\$6,250
7	NJ: 1 Total: 1	ImageProVision, Inc.	\$250,000	\$62,500
John Seel		Lambent Data Inc.	\$5,000	\$1,000
1	NJ: 2 Total: 2	Lambent Data Inc.	\$5,000	\$1,000
Yellow Mintu, LLC		Macrotope, Inc.	\$35,484	\$7,097
Yellow Mintu, LLC		Macrotope, Inc.	\$50,000	\$10,000
2	NJ: 1 Total: 1	Macrotope, Inc.	\$85,484	\$17,097
Wells Fargo Central Pacific Holdings Inc		MEMX Holdings, LLC	\$2,500,000	\$500,000
Strategic Investments I, Inc		MEMX Holdings, LLC	\$1,080,350	\$216,070
2	NJ: 50 Total: 52	MEMX Holdings, LLC	\$3,580,350	\$716,070
Edward Robert Roskind		Myos Corp	\$100,000	\$20,000
Steven Maide		Myos Corp	\$25,000	\$5,000
Nicholas San Filippo		Myos Corp	\$50,000	\$10,000
Eric Robert Fishman		Myos Corp	\$100,000	\$20,000
Kenneth Schapiro		Myos Corp	\$40,000	\$8,000
David J Matlin		Myos Corp	\$250,000	\$50,000
Andrew J Ponte		Myos Corp	\$100,000	\$20,000
7	NJ: 12 Total: 14	Myos Corp	\$665,000	\$133,000
George Zorich		Nevakar Inc.	\$500,000	\$100,000
Arvind and Leena Jindia		Nevakar Inc.	\$100,000	\$20,000
David and Tripti Burt		Nevakar Inc.	\$300,000	\$60,000
Muggio Holding SL		Nevakar Inc.	\$1,000,000	\$200,000
Seema H. Nayyar		Nevakar Inc.	\$250,000	\$50,000
Navdeep Sandhu		Nevakar Inc.	\$250,000	\$50,000
Avtar S. Parhar		Nevakar Inc.	\$250,000	\$50,000

Puri Family Charitable Lead Trust		Nevakar Inc.	\$500,000	\$100,000
DANA Partnership LLP		Nevakar Inc.	\$600,000	\$120,000
Sagri V. Acharya		Nevakar Inc.	\$250,000	\$50,000
Neena Will		Nevakar Inc.	\$100,000	\$20,000
Sukhjender S. Goraya		Nevakar Inc.	\$250,000	\$50,000
PFVI Management, LLC		Nevakar Inc.	\$100,000	\$20,000
Kenneth Alan Somberg		Nevakar Inc.	\$100,000	\$20,000
Alan M. Pollack		Nevakar Inc.	\$300,000	\$60,000
W&G Consulting LLC		Nevakar Inc.	\$625,000	\$125,000
Anjali Mody		Nevakar Inc.	\$150,000	\$30,000
Marshall H. Woodworth		Nevakar Inc.	\$100,000	\$20,000
Puri Family LLC		Nevakar Inc.	\$1,500,000	\$300,000
19	NJ: 65 Total: 65	Nevakar Inc.	\$7,225,000	\$1,445,000
Toong Yeuan International Limited		Notitia Biotechnologies	\$1,500,000	\$300,000
1	NJ: 3 Total: 3	Notitia Biotechnologies	\$1,500,000	\$300,000
Samuel Maltbie		POM Partners, Inc.	\$50,000	\$12,500
Clifford Emilio Bone		POM Partners, Inc.	\$50,000	\$12,500
Daniel D. Park		POM Partners, Inc.	\$59,998	\$15,000
Scott Patrick Jones		POM Partners, Inc.	\$45,000	\$11,250
CVF IV Innovate NY Fund, LP		POM Partners, Inc.	\$200,000	\$50,000
Hawthorne II Investment LP		POM Partners, Inc.	\$55,000	\$13,750
6	NJ: 5 Total: 6	POM Partners, Inc.	\$459,998	\$115,000
Tech Council Ventures II LP		Princeton Identity	\$571,395	\$114,279
Tech Council Ventures II-AI LP		Princeton Identity	\$142,686	\$28,537
2	NJ: 11 Total: 11	Princeton Identity	\$714,081	\$142,816
Raunaq Malhotra		Splitbyte Inc	\$20,000	\$4,000
1	NJ: 1 Total: 1	Splitbyte Inc	\$20,000	\$4,000

Shivam Advisors LLC		SunRay Scientific, Inc.	\$25,000	\$6,250
Joseph Spivack		SunRay Scientific, Inc.	\$10,000	\$2,500
Imran Chaudhri Living Trust Dated May 19, 2017		SunRay Scientific, Inc.	\$100,000	\$25,000
Harry C. Sangree		SunRay Scientific, Inc.	\$25,000	\$6,250
Mary Ann Elliott		SunRay Scientific, Inc.	\$125,000	\$31,250
William Hanlon		SunRay Scientific, Inc.	\$30,000	\$7,500
Mark Leslie Baum		SunRay Scientific, Inc.	\$25,000	\$6,250
Eric Buckman		SunRay Scientific, Inc.	\$10,000	\$2,500
Sharon E. Hensley		SunRay Scientific, Inc.	\$100,000	\$25,000
Harry C. Sangree		SunRay Scientific, Inc.	\$40,000	\$10,000
Alexander Pavliv		SunRay Scientific, Inc.	\$50,000	\$12,500
11	NJ: 8 Total: 8	SunRay Scientific, Inc.	\$540,000	\$135,000
Analog Devices, Inc		United Silicon Carbide Inc	\$5,997,204	\$500,000
1	NJ: 21 Total: 25	United Silicon Carbide Inc	\$5,997,204	\$500,000
Robert J. Evans		Vaneltix Pharma Inc	\$10,000	\$2,500
Edward Stanford		Vaneltix Pharma Inc	\$25,000	\$6,250
Platinum Montaur Life Sciences LLC		Vaneltix Pharma Inc	\$3,000,000	\$500,000
Tyrol Russell		Vaneltix Pharma Inc	\$5,000	\$1,250
Alfred James Vickery		Vaneltix Pharma Inc	\$29,980	\$7,495
Bradley Hossack		Vaneltix Pharma Inc	\$80,000	\$20,000
6	NJ: 2 Total: 2	Vaneltix Pharma Inc	\$3,149,980	\$537,495
Matthew Hurlock		Wedeo, Inc.	\$200,000	\$40,000
Carol DeVito		Wedeo, Inc.	\$200,000	\$40,000
2	NJ: 3 Total: 4	Wedeo, Inc.	\$400,000	\$80,000
Jay and Anne Jablonski		XLINK LLC	\$100,000	\$10,000
Stephen Sclafani		XLINK LLC	\$100,000	\$10,000
Andrew Scott Eckstut		XLINK LLC	\$49,680	\$9,936
3	NJ: 3 Total: 3	XLINK LLC	\$249,680	\$29,936
221			\$41,639,079.25	\$7,797,658.00

EXHIBIT B

Q1 2022 Delegated Approvals - Small Business Emergency Assistance Loan Program (Phase 2)

Approval Date	Applicant	Loan Amount
02/04/22	GEMROCK, LLC	\$60,000.00
02/04/22	Pro-Tek Truck Body Repair LLC	\$65,000.00
02/04/22	The Glow Room LLC	\$4,620.00
02/04/22	Barson Business Solutions LLC	\$50,000.00
02/04/22	Essex Suites Companies LLC	\$75,000.00
02/07/22	Aronson Enterprises LLC	\$35,000.00
02/07/22	The Kink Centre LLC	\$40,168.00
02/07/22	Good Boy Good Girl LLC	\$50,000.00
02/08/22	RDC Wine Inc	\$75,000.00
02/08/22	NB Home Improvements LLC	\$71,398.00
02/08/22	Geoponica Greens	\$12,000.00
02/08/22	Julia K LLC	\$97,000.00
02/08/22	Flooring Bazaar, LLC	\$32,000.00
02/09/22	Alexia Tsakiris LLC	\$18,894.00
02/09/22	SB Peramanent Makeup & Cosmetology LLC	\$25,350.00
02/09/22	Kurly Kurtosh LLC	\$85,596.00
02/09/22	Jiti LLC	\$2,000.00
02/09/22	JKMAK Solutions LLC	\$25,200.00
02/09/22	Central 15 Cheff LLC	\$100,000.00
02/09/22	Amarje LLC	\$100,000.00
02/09/22	Seickel & Sons, Inc	\$75,000.00
02/09/22	Sheas Taekwondo 7 Fitness Center, LLP	\$5,000.00
02/10/22	Fabulous Events by LaRebe's Creations LLC	\$20,000.00
02/14/22	Adorbs Inc	\$92,500.00
02/14/22	Opal and Olive LLC	\$49,700.00
02/14/22	Mexico Magico Inc	\$39,200.00
02/14/22	Brow Fix Studio and Spa LLC	\$5,077.00
02/14/22	Apparel Solutions Inc.	\$100,000.00
02/14/22	PB Ventures I, LLC	\$97,344.00
02/17/22	Aktep Behavioral, LLC	\$55,916.00
02/17/22	Rexmonte Manager LLC	\$45,000.00
02/17/22	The Beauty Supply Authority	\$50,000.00
02/17/22	Dragonfly Health Turnersville, LLC	\$100,000.00
02/18/22	Morph Mentoring LLC	\$59,230.00
02/18/22	Jack Potatoes Inc.	\$41,438.00

02/18/22	A.A.N Accounting & Multi-Service LLC	\$34,176.00
02/18/22	Tropical Ventures, LLC	\$13,000.00
02/28/22	The Therapy Gym LLC	\$50,000.00
02/28/22	Laura Kellett Realty Limited Liability Company	\$42,175.00
02/28/22	Nail Plus SC Inc	\$50,000.00
02/28/22	Booze Table Inc	\$57,750.00
03/01/22	Santas Dominican Beauty Salon LLC	\$50,000.00
03/01/22	Sai Nath Dollar LLC	\$75,000.00
03/01/22	Provenance Organic Farm LLC	\$50,000.00
03/01/22	Club Bulldog LLC	\$79,306.00
03/03/22	Bright Start Nursery & Preschool LLC	\$35,000.00
03/03/22	Howell EWC LLC	\$100,000.00
03/03/22	Gracious Services, Inc	\$50,000.00
03/03/22	Styled by Shon	\$26,000.00
03/11/22	Velocity Maintenance Solutions LLC	\$75,000.00
03/11/22	Highland Treatment Center	\$90,000.00
03/11/22	Gaea LLC	\$100,000.00
03/11/22	Rightchoice Financial Services Limited Liability	\$32,500.00
03/11/22	Creative Collab Ltd	\$36,639.00
03/18/22	Puff & Pipe 36, LLC	\$50,000.00
03/18/22	Gigi's City Kitchen LLC	\$16,500.00
03/18/22	The TenBrook Corporation, PC	\$50,000.00
03/18/22	Smoke Shack BBQ & Burgers & Ribs & Tacos LLC	\$50,000.00
03/18/22	Big Lights LLC	\$9,180.00
03/23/22	Perinatal Health Equity Fondation	\$98,710.00
		<hr/>
		\$3,180,567.00



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: May 11, 2022
SUBJECT: Bond Modifications – 1st Quarter 2022
(For Informational Purposes Only)

The following Post-Closing Bond action was approved under delegated authority in the 1st quarter ending March 31, 2022:

Stand Alone and Refunding Bonds - (EDA has no Credit Exposure)

Applicant	Product Number	Modification Action	Bond Amount
690 Union Blvd. Assoc., L.L.C.	PROD-00148672	Consent to change in guarantor and financial statement reporting covenant.	\$7,768,654.09
52 Green Pond Road, LLC	PROD-00179896	Consent to change in guarantor and financial statement reporting covenant.	\$7,561,439.47

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

Tim Sullivan, CEO

Prepared by: S. Foresta



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: May 11, 2022

SUBJECT: Post Closing Credit Delegated Authority Approvals for 1Q Quarter 2022
For Informational Purposes Only

The following post-closing action was approved under delegated authority during the first quarter of 2022:

Name	EDA Credit Exposure	Action
Shore Clubhouse, Inc.	\$95,104 CVSB	Approve a four-month payment moratorium to provide cashflow relief.

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

Tim Sullivan, CEO

Prepared by: Sandra Foresta and Mansi Naik



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: May 11 , 2022
SUBJECT: Incentives Modifications – 1st Quarter 2022
(For Informational Purposes Only)

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

Attached is a list of the Incentive Modifications that were approved in the 1st quarter ending March 31, 2022.

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

Tim Sullivan, CEO

Prepared by: F. Saturne

ACTIONS APPROVED UNDER DELEGATED AUTHORITY

FOURTH QUARTER ENDING March 31, 2022

GROW NEW JERSEY ASSISTANCE PROGRAM

Applicant	Modification Action	Approved Award
CareKinesis, Inc.	Consent to change the company name from Carekinesis, Inc. to Tabula Rasa HealthCare Group, Inc.	\$7,440,000
Chelten House, Inc.	Consent to change the GROW NJ recipient name from Chelten House Products, Inc. to Chelten House Products, LLC.	\$22,880,000
Corcentric, LLC	Consent to approve the second six-month extension of the Corcentric submission deadline from March 13, 2022 to September 13, 2022 to certify project completion	\$1,387,440
Lockheed Martin Corporation	Consent to reset the Statewide workforce number from 5,385 to 5,258 full time jobs.	\$40,000,000
Newell Brands, Inc.	Consent to add affiliates Newell Rubbermaid Development LLC and Newell Sales & Marketing Group Inc. effective August 1, 2017.	\$27,000,000
The RealReal, Inc.	Consent to approve the first six-month extension of the RealReal submission deadline from September 13, 2021 to March 13, 2022 to certify project completion.	\$38,850,000
Singer NY, LLC	Approve the first six-months certification extension from March 12, 2022 to September 12, 2022 to certify project completion.	\$6,475,000

BUSINESS EMPLOYMENT INCENTIVE GRANT PROGRAM

Applicant	Modification Action	Approved Award
The Thomas Colace Company, LLC	Consent to Remove Ultra Fresh Food Processing, LLC and Change the name of grantee from The Thomas Colace Company, LLC to The Thomas Colace Company, Inc	\$1,285,200

SALEM/UEZ ENERGY SALES TAX EXEMPTION RENEWALS

Applicant	Extend to date	Location	#/% of employees	Benefit
Ardagh Glass, Inc.	March 13, 2023	Bridgeton, NJ	259/96%	\$589,364

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: May 11, 2022

RE: Sale of Property to Atlantic Realty Development Co., Inc.
Block 252, Lots 1.06 and 1.03, North Brunswick, Middlesex County
PROD-00303075

Summary

I request the Members approve:

- The selection of Atlantic Realty Development Co., Inc. (the “Purchaser”) as the most qualified respondent to the Request for Proposals to Purchase or Ground Lease Block 252, Lots 1.06 and 1.03, in North Brunswick, Middlesex County (the “Property”).
- The purchase price of \$13.1 million for the Property.
- The execution of an Agreement for Sale (“Agreement”) and Promissory Note with the Purchaser for the Property.
- The execution of any and all documents necessary to effectuate the Property’s sale with terms acceptable to the Chief Executive Officer

Background

1. NJEDA’s Acquisition of the Property

In 2003, NJEDA purchased the Property for \$3.7 million, which consists of approximately 25 acres in 2 parcels on the north side of US Route One. The Property is directly across from the New Jersey Bioscience Center and, at the time of purchase, it was contemplated that the Property would be used for future expansion of the New Jersey Bioscience Center (f/k/a Technology Centre of New Jersey). At this time, NJEDA desires to sell the Property for redevelopment purposes and it is in NJEDA’s best interest to approve the proposed development as part of the conditions of sale. An aerial photo of the Property is included as Exhibit A to this memo.

2. The RFP and Evaluation Committee Selection

As required by the Real Estate Disposition Procedures, staff engaged an appraiser, who provided a current fair market value of the Property . In December 2021, the Authority issued a Request for Offers to Purchase or Ground Lease with Purchase at the End of the Lease Term (“RFP”). As noted in the RFP, the Property is being sold “as is, where is.” In response to the RFP, two firms, Atlantic Realty Development Company and SL Management Group, LLC, submitted offers to purchase the Property.

The Evaluation Committee members independently reviewed and ranked the proposals using the RFP's evaluation criteria, listed below:

- Purchase Price
- Proposed Use Does Not Require a Use Variance
- Estimated Number of Bulk Variances for the Proposed Use
- Total Number of Business Days Until Initial Closing Date (from Execution of Agreement Until Initial Closing Date)
- Estimated Number of Full-Time Permanent Jobs on the Property.

The Purchaser received the highest averaged score on the above criteria and also submitted the highest priced offer of \$13.1 million. The Purchaser's offer exceeds the current appraised value.

3. Form Agreement and Closing

Attached as Exhibit B to this memo is the form Agreement and related Promissory Note which is in substantially final form. The final Agreement may be subject to revisions, although the basic terms and conditions will remain consistent with the current form Agreement. The final terms of the Agreement will be subject to the approval of the Chief Executive Officer.

Closing on the Property will be scheduled upon completion of the Purchaser's due diligence and satisfaction of any contingencies and compliance requirements. Subject to the Purchaser's due diligence, the closing is estimated to occur within thirty (30) days of Agreement's execution.

Recommendation

In summary, I request the Members approve:

- The selection of Atlantic Realty Development Co., Inc. (the "Purchaser") as the most qualified respondent to the Request for Proposals to Purchase or Lease Block 252, Lots 1.06 and 1.03, in New Brunswick, Middlesex County (the "Property").
- The purchase price of \$13.1 million for the Property.
- The execution of an Agreement for Sale and Promissory Note with the Purchaser for the Property.
- The execution of any and all documents necessary to effectuate the Property's sale on final terms acceptable to the Chief Executive Officer.



Tim Sullivan, CEO

Prepared by: Cathleen A. Hamilton
Juan Burgos

EXIT 9
NJ TURNPIKE

COOK COLLEGE

BRISTOL MEYERS
SQUIBB

PERMAGEL

DEVRY

TECH CENTRE
EXPANSION

TECHNOLOGY
CENTRE OF NJ

ROUTE ONE

MILLTOWN ROAD



EXHIBIT H-1

SPECIMEN AGREEMENT FOR SALE OF PROPERTY

THIS AGREEMENT FOR SALE OF PROPERTY (“Agreement”) made this ____ day of _____, 20__, (“Effective Date”) by and between the **NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**, an instrumentality of the State of New Jersey, whose address is 36 West State Street, P.O. Box 990, Trenton, New Jersey, 08625 (“**Seller**” or “**Authority**”), and _____, a _____, whose address is _____ (“**Purchaser**”). In this Agreement, Seller and Purchaser are collectively referred to as the “**Parties.**”

WHEREAS, in furtherance of its statutory mandate to create jobs and tax ratables, Seller’s Board has authorized the sale of property located at US Highway One, North Brunswick Township, Middlesex County, New Jersey and also known as Block 252, Lots 1.03 and 1.06 on the North Brunswick Township Tax Map (“**Property**”) which consists of approximately 25.974 acres of vacant land;

WHEREAS, Seller is the owner of the Property;

WHEREAS, Purchaser was the successful respondent to a Request for Offers to Purchase/Ground Lease Property dated _____ (“**RFP**”). and

WHEREAS, Seller and Purchaser have reached an agreement for the sale of the Property.

NOW, THEREFORE, for and in consideration of the sum of _____ (\$ _____ .00) the Seller agrees to convey to the Purchaser, free from all encumbrances, except as this Agreement may otherwise provide, the Property described in Section 1.

1. Property to be Conveyed. Seller hereby sells to Purchaser and Purchaser hereby purchases from Seller the Property, which Property is more particularly described by the metes and bounds description attached to this Agreement as **Exhibit A**. The Property includes any improvements thereon contained and appurtenances thereto.
2. Purchase Price. The purchase price is _____ dollars (\$_____.00) which shall be paid by Purchaser to Seller as follows:
 - 2.1. upon execution of this Agreement, the sum of _____ dollars (\$_____.00) (the “**Deposit**”) to be held by _____ (the “**Escrow Agent**”) in an interest bearing account, with interest following principal, and disbursed, together with accrued interest, in accordance with the terms of this Agreement;
 - 2.2. at Closing, Purchaser shall deliver the balance of the purchase price, subject to the adjustments as set forth in Section 11 below.
3. Purchaser’s Use of the Property. The Purchaser shall use the Property to construct an approximately _____ (_____) square foot _____ building (“**Purchaser’s Use**” or the “**Project**”). The Purchaser will seek to obtain the necessary State, County and municipal permits and approvals needed to develop the Property for Purchaser’s Use, including but not limited to unappealable site plan approval and satisfaction of the requirements of Section 8.4 and Section 8.5 of this Agreement (collectively, the “**Permits and Approvals**”). Purchaser represents that the Purchaser’s Use is a permitted use under the North Brunswick Township land use ordinances.
 - 3.1. Purchaser represents and covenants that it is purchasing the Property in order to construct the Project thereon. The Project is further described and depicted in the RFP and Purchaser’s proposal in response to the RFP as modified, if applicable is attached hereto as **Exhibit C**. The provisions of Section 3 and this Section 3.1 shall survive the termination or Closing under this Agreement.

4. Investigation Period.

4.1 Purchaser shall, at Purchaser's sole cost and expense, have a period of thirty (30) business days (as defined in the RFP) from the Effective Date of this Agreement (the "**Investigation Period**") to examine, inspect and investigate the Property to determine, in Purchaser's sole and absolute judgment and discretion, whether the Property is acceptable to Purchaser. Purchaser shall work diligently to complete its investigation of the Property within the Investigation Period. Prior to any access or entry for any purposes, Purchaser must obtain and maintain, and provide to Seller proof of insurance as required pursuant to Section 4.6, below.

4.2 Subject to Section 4.3 below, the Seller hereby grants to Purchaser and its duly authorized agents and representatives' access to the Property to examine, survey and undertake any tests necessary concerning the Property, including but not limited to geotechnical soil borings, engineering studies and environmental studies at any reasonable time during the Investigation Period. Purchaser acknowledges that permission to use the Property has been granted by Seller: (i) to _____ from _____ through _____; and (ii) to _____ from _____ through _____ for their annual fund raising events (collectively, "Fund Raising Events"). Accordingly, access to the Property by Purchaser during the aforesaid time periods is subject to these scheduled Fund Raising Events, and Purchaser shall not undertake any testing during the aforesaid time periods that would interfere with any of the Fund Raising Events, as determined by Seller in its sole discretion.

4.3 Within three (3) business days of when received by Purchaser, but in no event later than on or before the end of the Investigation Period, Purchaser shall provide to Seller, at no cost to Seller, copies of any and all site investigation reports obtained by Purchaser including but not limited to geotechnical engineering reports and environmental reports and testing results. Purchaser hereby acknowledges and confirms receipt from Seller of the following documents which relate to the environmental condition of the Property: (i) letter from Ransom Environmental to Mr. Bruce Martin of Avery Dennison dated March 27, 2015 along with Table 1 and Figure 1 of said letter; (ii) Table 6 – summary of Metals Analytical results in Groundwater Monitoring Well Samples Former Permacel Facility (Oct 22, 2013 through January 29, 2014); (iii) Table 7 – summary of Metals Analytical results in Groundwater Monitoring Well Samples Former Permacel Facility (June 25, 2014); (iv) NJ Department of Environmental Protection Unrestricted Use No Further Action Letter and Covenant Not to Sue dated May 24, 2004 relative to Block 252, Lot 1.01 (now known as Lot 1.04 and Lot 1.06);(v) NJ Department of Environmental Protection Unrestricted Use No Further Action Letter and Covenant Not to Sue dated October 19, 2004 relative to Block 252, Lot 1.3; and (vi) all environmental information and documents set forth in the RFP.

4.4 Within five (5) business days of the Effective Date of this Agreement, Seller shall deliver to Purchaser a copy of the documents in Seller's possession related to the Property as outlined in **Exhibit B ("Property and Assumed Documents")** Purchaser acknowledges that it is purchasing the Property subject to the Property and Assumed Documents and that it is required to enter into certain contracts in recordable form to

assume the obligations of the Property and Assumed Documents, as set forth in Sections 8.4 and 8.5 of this Agreement.

4.5 Purchaser may terminate this Agreement in its sole, absolute and unfettered discretion prior to 5 p.m. local time on the last day of the Investigation Period, time being of the essence. Upon termination of this Agreement during the Investigation Period, the entire Deposit and any interest accrued thereon shall be promptly returned to Purchaser. Any such termination by Purchaser shall be in writing to Seller. If Purchaser does not terminate this Agreement during the Investigation Period, this Agreement shall remain in full force and effect in accordance with its terms and conditions.

4.6 To the extent that the Purchaser damages or disturbs the Property in connection with any such inspections or investigations, the Purchaser shall return the Property to the same condition that it was in immediately prior to such damage or disturbance. The Purchaser shall indemnify, defend and hold harmless Seller from and against any and all liabilities, losses, claims, demands, costs, expenses (including reasonable attorneys' fees and litigation costs), liens and judgments of any nature arising from or in connection with any injury to, or death of, any person, or loss or damage to property caused by Purchaser's entry onto the Property or any activities conducted on the Property by Purchaser's representatives, agents or contractors. During the Investigation Period and thereafter until the Closing or the earlier termination of this Agreement, at a minimum, the Purchaser shall maintain the following insurance coverage, which shall be subject to Seller's prior written approval before Purchaser commences any activities under this Agreement: (a) Commercial

General Liability insurance insuring against any liability arising out of entry on to or inspections of the Property by Purchaser or its representatives, agents or contractors, which insurance shall (i) be in the amount of One Million Dollars (\$1,000,000.00) combined single limit for injury to or death of one or more persons in an occurrence, and for damage to tangible property (including loss of use) in an occurrence; and (ii) name Seller as additional insured; (b) automobile liability and, if necessary, excess liability insurance with a limit of not less than one million dollars (\$1,000,000) each accident, which insurance shall (i) cover liability arising out of any auto, including owned vehicles if and when Purchaser acquires an owned vehicle, hired vehicles and non-owned vehicles; and (ii) name Seller as an additional insured; and (c) workers' compensation and employers' liability covering all employees of Purchaser who enter the Property during Purchaser's investigation of the Property, which insurance shall: (i) be in accordance with applicable statutes of the State of New Jersey and endorsed to include coverage for any federal or other state law that may be found to have legal jurisdiction, as applicable; (ii) not be less than one million dollars (\$1,000,000) each accident for bodily injury by accident or each employee for bodily injury by disease; and (iii) apply as primary coverage with respect to claims made against Purchaser by Purchaser's employees. To the extent any investigation of the Property on behalf of Purchaser is to be carried out by a subcontractor of Purchaser, Purchaser shall be responsible for subcontractors maintaining insurance as specified in this Section 4.6, including naming the Seller as an additional insured. Prior to Purchaser commencing any activities under this Agreement, Purchaser shall obtain Seller's written approval that the insurance certificates, along with any additional information requested by

Seller, evidencing the insurance required under this Section 4.6, are acceptable. The provisions of this Section 4.6 shall survive the termination or Closing under this Agreement.

5. Permit and Approval Period.

5.1 The Purchaser shall have one hundred thirty (130) business days, commencing with the end of the Investigation Period, to receive all Permits and Approvals (the “**Permit and Approval Period**”). Purchaser shall work diligently to obtain the Permits and Approvals at its sole cost and expense. For a non-refundable payment of Twenty-Five Thousand Dollars (\$25,000.00) (“**Approval Period Extension Payments**”) for each twenty-five (25) business day extension of the Permit and Approval Period, upon five (5) business days advance written notice to the Seller prior to the expiration of the then applicable Permit and Approval Period, and provided that Purchaser continues to work diligently to obtain such Permits and Approvals, the Seller may grant up to three (3) extensions, for twenty-five (25) business days each, of the Permit and Approval Period. Approval Period Extension Payment(s) shall be made payable to and delivered directly to the Seller. If Closing occurs, Approval Period Extension Payment(s) paid to Seller by Purchaser will be credited against the Purchase Price. If Seller determines that the approval process is not progressing in a commercially reasonable fashion, Seller may deny any further extension(s) of the Permit and Approval Period at any time by written notice to Purchaser.

5.2 During the Permit and Approval Period, Seller shall provide its consent only to Purchaser’s efforts to obtain Permits and Approvals.

5.3 If the Purchaser does not obtain all the necessary Permits and Approvals within the Permit and Approval Period (including any applicable extensions of the Permit and Approval Period) (and so long as the Purchaser has made application for the Permits and Approvals), or if Seller denies any further extension of the Permit and Approval Period as set forth in Section 5.1 hereof, the Seller or the Purchaser may terminate this Agreement and, in such event, the Seller shall return to the Purchaser the Deposit and any interest accrued thereon. Upon such termination by Seller or Purchaser, neither party shall have any rights nor obligations hereunder, except pursuant to any provisions which by their terms survive any termination of this Agreement. Purchaser shall promptly notify the Seller in writing when Purchaser obtains all the necessary Permits and Approvals.

6. Financing Period. Purchaser hereby represents and warrants to Seller that the Purchaser is an _____. Purchaser will provide Seller proof of Purchaser's financial ability to purchase the Property as an _____ on or before five (5) business days following the end of the Investigation Period.

7. Title to Property.

7.1 Seller shall give good and marketable record title, insurable at regular rates, subject only to Permitted Encumbrances (as hereinafter defined) and other encumbrances, restrictions and conditions of title acceptable to Purchaser. If the Seller is unable to give such title to the Purchaser, Purchaser shall have the right to terminate this Agreement pursuant to this Section 7. Any such termination pursuant to this Section 7 shall be effective upon the delivery of a Notice of Termination to the Seller

by Purchaser and shall not entitle the Seller to any claim for damage, restitution or other relief against the Purchaser.

7.2 Within thirty (30) business days after the Effective Date, Purchaser shall, at Purchaser's sole cost and expense, deliver to Seller a preliminary title report and title insurance commitment (the "**Title Binder**") issued by a title insurance company (the "**Title Company**") licensed in the State of New Jersey. The Title Binder shall include true and complete copies of all documents noted as exceptions therein.

7.3 "Permitted Encumbrances" means any and all (a) matters of public record as of the effective date of the Title Binder, other than such mortgages and other monetary liens as Seller may satisfy at the Closing; (b) matters that would be revealed by a physical inspection, or a complete and accurate survey of the Property; (c) rights-of-way and easements that do not materially interfere with Purchaser's Use of the Property as set forth in Section 3 of this Agreement; (d) rights of the public and adjoining owners in highways, streets, roads and lanes bounding the Property; (e) retaining walls and other walls, bushes, trees, hedges, fences and the like extending from or onto the Property, and any portion of the Property lying in the bed of any public street; (f) rights and easements relating to the construction, operation, and maintenance of utility lines, wires, cables, pipes, poles, distribution boxes and other such equipment in, on, over, or under the Property; (g) zoning and other governmental restrictions; (h) matters common to any plat or subdivision in which the Property is located; (i) taxes, assessments and other public charges not due as of the Closing Date; (j) Standard conditions and exceptions to title insurance contained in the currently effective ALTA Owner's Standard Form B Title Insurance Policy; (k) unrecorded waterline easement

on Lot 1.06, Block 252, of the Property, which was originally installed by Johnson and Johnson, predecessor in title to Seller (“**Unrecorded Waterline Easement**”). The waterline runs across the Property from east to west and the location of the waterline is estimated on the survey posted in Exhibit B to the RFP. The waterline is currently active and the land owner of the adjoining property, Block 252, Lot 6.03, asserts that it is the dominant estate of the Unrecorded Waterline Easement; (l) storm water easement for retention basin located on Lot 1.03, Block 252, of the Property, which serves other properties, including, but not limited to, the adjoining DeVry University property and possibly serves Lot 1.06, Block 252, of the Property, all as more fully set forth in the easement posted as Exhibit C-1 to the RFP; (m) PSE&G easement for blow out of powerlines on the eastern border of Lot 1.03, Block 252, of the Property, all as more fully set forth in the easement posted as Exhibit C-2 to the RFP; (n) all information and documentation, including all environmental matters related to the Property, Seller obtained during the Investigation Period or at any other time; (o) all information and documentation, including all environmental matters related to the Property, disclosed in this Agreement and/or the RFP; and (p) the title search dated September 8, 2019 for the Property provided by Seller to Purchaser during the Investigation Period.

7.4 If anything in the Title Binder reveals a title issue other than the Permitted Encumbrances (“**Title Defect(s)**”), then Purchaser shall give notice thereof to Seller, specifying in detail such Title Defect(s), before 5 p.m. local time on the date which shall be thirty (30) business days following the Effective Date (time being of the essence with respect to said time and date) or Purchaser shall be deemed to have waived all objections based upon such Title Defect(s). Seller shall have the option, in its sole

discretion, to either cure, satisfy and/or discharge such Title Defect(s), or not cure, satisfy and/or discharge same. If Seller elects not to cure, satisfy or discharge same, Purchaser's sole right shall be to terminate this Agreement on written notice to Seller within five (5) business days after Seller shall notify Purchaser that it is unable or does not elect to cure, satisfy or discharge same, in which event this Agreement shall terminate and neither party shall have any further rights or liabilities hereunder thereafter (except for return of the Deposit and any interest accrued thereon to Purchaser and provisions that expressly survive termination of this Agreement); provided, however, that if Purchaser does not so terminate this Agreement, Purchaser shall accept title subject to such Title Defect(s) without reduction or abatement of the Purchase Price. It is distinctly understood and agreed that Seller shall not be required to bring any action or proceeding, take any steps, or otherwise incur any expense to remove or cure any Title Defect(s) or otherwise render title to the Property marketable.

7.5 If Seller, in its absolute discretion, decides to cure, satisfy and/or discharge any Title Defect(s), Seller shall be entitled to a reasonable adjournment of the Closing to do so. Without limiting the foregoing, if Seller, in its absolute discretion, decides to cure one or more liens or encumbrances, then, Seller may use any portion of the Purchase Price to satisfy same, or Seller may deposit with the Title Company sufficient monies or other assurances acceptable to the Title Company to ensure the issuance of title insurance to Purchaser either free of any such liens or encumbrances, or with insurance against enforcement of same out of the Property, provided, that there is no additional premium cost to Purchaser as a result thereof, or if there is an additional cost, Seller agrees to pay same. In addition to the foregoing, the existence of any judgments

against Seller shall not be deemed Title Defects if the Title Company insures against enforcement of same out of the Property.

7.6 Purchaser, at Purchaser's sole cost and expense, shall obtain a land survey with updated metes and bounds description of the Property. If Purchaser elects to obtain title insurance for the property, such survey and title insurance shall be obtained at Purchaser's sole cost and expense.

8. The Closing. The consummation of the transaction contemplated by this Agreement (the "**Closing**") shall take place at the offices of Seller, at 10 a.m. local time, on or before the tenth (10th) business day after the expiration of the Permit and Approval Period and any applicable extension(s) of the Permit and Approval Period (the "**Closing Date**"). The following shall take place at the Closing:

8.1 Seller shall deliver to Purchaser a Bargain and Sale Deed with Covenants against Grantor's Acts (the "**Deed**") for the Property in proper form for recording, such Deed to be made subject to the title and other matters as to which conveyance is to be accepted by Purchaser hereunder and all other matters of public record;

8.2 Seller shall deliver an Incumbency Certificate and F.I.R.P.T.A to the Purchaser and the Title Company reasonably satisfactory in form and content to the Title Company;

8.3 Purchaser shall deliver the balance of the purchase price, subject to the adjustments as set forth in Section 11 below;

8.4 The parties shall execute and deliver, in proper form for recording, a mutually satisfactory form of Assignment, Assumption and Modification of the

Developer Agreement between NJDOT and DKM Properties, Inc. dated February 2, 1995 as modified and amended;

8.5 The parties shall execute and deliver, in proper form for recording, a mutually satisfactory form of Assignment and Assumption of the Consent Agreement between DKM Properties, Corp, and Artken Realty. L.L.C. dated March 7, 1995 as modified and amended;

8.6 The parties shall execute and deliver to each other a Closing Statement;

8.7 The parties shall execute and deliver to each other any other instruments required to be delivered under any provision of this Agreement, or reasonably requested by the attorney for either party or the Title Company in connection with this transaction; and

8.8 Seller shall give possession of the Property to the Purchaser.

9. Job Creation.

9.1 Purchaser covenants that, subject to the receipt of all Permits and Approvals and closing of title with Seller, Purchaser is responsible for creating and/or relocating a minimum of _____ jobs at the Property within three (3) years of the issuance of a certificate of occupancy, or if no certificate of occupancy is obtained, within three (3) years of the Closing Date. The Purchaser will notify the Seller in writing on a monthly basis commencing on the issuance of a certificate of occupancy for the Project with the number of jobs created at the Property in the past month.

9.2 To the extent the Purchaser fails to achieve, either directly or indirectly through Purchaser's tenants, the creation and/or relocation of a minimum of ____ jobs total

on the Property within three (3) years of the Closing, then on that date it shall be liable to pay to the Seller \$1,500.00 for each job not created. It is agreed and understood that Purchaser's obligation to create ____ jobs within three (3) years of the Closing is a one-time obligation and that "jobs" created shall be "full time jobs" as defined in the RFP. Payment shall be due to Seller within twenty-five (25) business days of Seller's delivery of notice of Purchaser's failure to comply with this Section. Purchaser's total obligation for not creating any new jobs shall not exceed \$ _____ (i.e. \$1,500.00 multiplied by the number of jobs).

9.3 At the Closing, Purchaser shall secure its obligation to create a minimum of ____ new or relocated jobs at the Property or pay up to \$ _____ (i.e. \$1,500.00 multiplied by the number of jobs), through the granting of a promissory note from the principals of the Purchaser in the form substantially similar to **Exhibit D**. It is agreed and understood that upon verification by the Seller of Purchaser's creation of ____ jobs at the Property or the payment of any monies for jobs not created, then Seller shall, within twenty-five (25) business days of notice of creation or payment, cancel or otherwise discharge the Note which shall no longer be in force or effect.

9.4 Each and every one of the foregoing representations and covenants contained in this Section 9 shall survive the Closing, shall run with the land, and shall be a continuing obligation.

10. Condition of Property/Environmental Matters.

10.1 Purchaser shall accept the Property in its "as is, where is" condition as of the Closing Date. Seller makes no representation or warranty whatsoever, whether express, implied or statutory, of any kind, with respect to the Property and hereby

disclaims any such warranty, including but not limited to, merchantability and fitness for a particular purpose. This Section 10.1 shall survive the Closing or any termination of this Agreement.

10.2 Purchaser hereby, for all purposes and forever, releases Seller from any and all claims that presently exist or might arise in the future relative to the condition of the Property, including but not limited to environmental matters and underground storage tanks. Purchaser shall not, under any circumstances, bring or implead, cross-claim or otherwise interpose any claim, action or lawsuit against Seller or any of its parents, subsidiaries, affiliates, shareholders, officers, directors, partners, members, other principals, agents or employees if such claim, action or lawsuit arises out of, is the result of, or is in any way connected to: (i) the existence of any underground or above-ground storage tanks at the Property or the registration or lack of registration thereof; (ii) the presence of any hazardous substances, hazardous wastes, petroleum or petroleum by-products (collectively "Hazardous Materials") at the Property; or (iii) the exposure of any person or persons to such Hazardous Materials, whether such claim, action or lawsuit arises under common law or by virtue of any local, state or federal statute, rule, ordinance, regulation and/or the like including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. section 9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. section 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. section 2601 et seq.), the Federal Insecticide Fungicide and Rodenticide Control Act (7 U.S.C. section 136 et seq.), the Occupational Safety and Health Act of 1970 (29 U.S.C. section 651 et seq.), the Emergency Planning and Community Right to Know Act of 1986 (42 U.S.C.

section 11001 et seq.), the Clean Water Act (33 U.S.C. section 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. section 300f et seq.), the Hazardous and Solid Waste Amendments of 1984 (Public Law 86-616, Nov. 9, 1984), the Hazardous Materials Transportation Act (49 U.S.C. section 1801 et seq.), the Federal Clean Air Act (42 U.S.C. section 7401 et seq.), the Federal Water Pollution Control Act, 33 U.S.C. § 1321, the Industrial Site Recovery Act (N.J.S.A. 13:1K-6, et seq.), the Underground Storage of Hazardous Substances Act (N.J.S.A. 58:10A-21, et seq.), the Spill Compensation and Control Act (N.J.S.A. 58:10-23.11 et seq.), and the Water Pollution Control Act (N.J.S.A. 58:10A-1 et seq.), as now or hereafter amended. This Section 10.2 shall survive the Closing or any termination of this Agreement.

10.3 Purchaser shall indemnify and hold Seller harmless from and against any and all costs or damages, including, without limitation, reasonable attorneys' fees and experts' fees, incurred or suffered by Seller as a result of Purchaser's purchase, use, sale or lease of the Property, or as a result of the exposure to Hazardous Materials of any of the following: Purchaser; any of Purchaser's tenants, employees, agents, servants, licensees, invitees, contractors, sub-contractors, concessionaires; or any third party whose exposure occurs as a result of or in connection with Purchaser's purchase, use, sale or lease of the Property. This Section 10.3 shall survive the Closing or any termination of this Agreement.

10.4 Purchaser acknowledges and agrees that Seller has made no representations with respect to the present or prior existence of underground storage tanks at the Property and Purchaser agrees to take the Property with such underground storage tanks as may exist as of the date hereof in their "as is, where is" condition, and Purchaser, at

its sole cost and expense, shall comply with all laws and regulations relating to the ownership, operation, maintenance and registration of such tanks, including, but not limited to, any required soil and/or ground water remediation. This Section 10.4 shall survive the Closing or any termination of this Agreement.

11. Adjustments at Closing. Seller and Purchaser acknowledge that the Property is currently exempt from local real estate taxes. The following adjustments are to be made at the Closing as of the close of business on the Closing Date:

11.1 any other items which shall be appropriate for adjustment.

12. Representations and Warranties of Purchaser. For the purpose of inducing Seller to enter into this Agreement and to consummate the transactions contemplated hereby pursuant to the terms and conditions hereof, Purchaser represents and warrants to Seller as follows:

12.1 Purchaser warrants that no person has been employed, directly or indirectly to solicit or secure this Agreement in violation of N.J.S.A. 52:34-15 et seq.

12.2 Purchaser acknowledges that all legal, environmental and/or due diligence work undertaken by Purchaser in preparation for or completion of this transaction shall be performed by Purchaser's attorneys and/or consultants at Purchaser's sole cost and expense.

12.3 Purchaser represents that Purchaser has sufficient cash on hand to complete its purchase of the Property.

12.4 Each person executing and delivering this Agreement and all documents to be executed and delivered in regard to the consummation of the transaction contemplated hereby on behalf of Purchaser has due and proper authority to execute and deliver same.

Purchaser has the full right, power and authority to purchase the Property as provided herein and to carry out its obligations hereunder without the joinder or consent of any other person or entity and Purchaser has due and proper authority to execute and deliver all documents related to the consummation of the transactions.

12.5 Purchaser shall be solely responsible for paying Purchaser's legal fees and costs in connection with its purchase of the Property.

12.6 Purchaser hereby reaffirms, as true and correct, all of the certifications Purchaser signed and included in its response to the RFP. This Section 12.6 shall survive the Closing or any termination of this Agreement.

13. Representations and Warranties of Seller. For the purpose of inducing Purchaser to enter into this Agreement and to consummate the transactions contemplated hereby pursuant to the terms and conditions hereof, Seller represents and warrants to Purchaser as follows:

13.1 each person executing and delivering this Agreement and all documents to be executed and delivered in regard to the consummation of the transaction contemplated hereby on behalf of Seller has due and proper authority to execute and deliver same. Seller has the full right, power and authority to sell and convey the Property to Purchaser as provided herein and to carry out its obligations hereunder without the joinder or consent of any other person or entity and Seller has due and proper authority to execute and deliver all documents related to the consummation of the transactions.

13.2 Seller shall be solely responsible for paying Seller's legal fees and costs in connection with its sale of the Property.

14. Risk of Loss. The risk of loss or damage to the Property by fire or otherwise until Closing of title is assumed by Seller.
15. Condemnation. In the event that the entire Property or a substantial part thereof shall have been taken by eminent domain or shall be in the process of being so taken, on the Closing Date, either party shall have the option to terminate this Agreement on written notice to the other party, whereupon this Agreement shall terminate and neither party shall have any further rights or liabilities hereunder thereafter (except for return of the Deposit and any interest accrued thereon to Purchaser and provisions that expressly survive termination of this Agreement). In the event any such taking shall not include a substantial part of the Property or in the event that neither party shall terminate this Agreement pursuant to the preceding sentence, Purchaser shall accept the Property in the condition in which it is left following such taking, with an abatement of the purchase price measured by the proceeds of any condemnation award allowed. In the event the award has not been made or collected by Seller at the time of Closing, Seller shall assign to Purchaser at Closing all rights of Seller in the collection of such award and Purchaser shall accept the Property without abatement of the purchase price. As employed herein, the term "a substantial part of the Property" shall be deemed to mean a part of the Property consisting of 10% or more of the total area of the Property.
16. Assignment. It is expressly understood that this Agreement may not be assigned by Purchaser and any purported assignment shall be void. Notwithstanding the foregoing but subject to Section 25, Political Campaign Contributions, of this Agreement, Purchaser shall have the right to assign this Agreement without the consent of Seller to an entity that is owned or controlled by Purchaser.

17. Brokerage. Purchaser and Seller each represents to the other that it did not deal with any real estate broker or salesman in connection with this transaction. This representation shall survive the Closing or any termination of this Agreement.

18. Counterparts. This Agreement may be simultaneously executed in several counterparts, or with counterpart signature pages, and may be delivered by electronic mail, it being understood that all such counterparts or counterpart signature pages, taken together shall constitute one and the same instrument.

19. Default or Breach by Seller. If the Purchaser discovers prior to Closing that the Seller shall have made any representation herein that is untrue or misleading in any material respect, or if the Seller shall fail to perform any of the material covenants and agreements contained herein to be performed by the Seller at or prior to the Closing, the Purchaser may, as its sole and exclusive remedy terminate this Agreement and receive a refund of the Deposit only and any interest accrued thereon.

20. Default or Breach by Purchaser. If the Seller discovers prior to the Closing that the Purchaser shall have made any representation herein that is untrue or misleading in any material respect, or if the Purchaser shall fail to perform any of the material covenants and agreements contained herein to be performed by the Purchaser at or prior to the Closing, the Seller, as its sole and exclusive remedy, may terminate this Agreement, whereupon the Seller shall be entitled to retain the Deposit and any interest accrued thereon as liquidated damages and not as a penalty.

21. Binding Agreement. This Agreement shall bind not only the Seller and Purchaser but also their heirs, executors, administrators, successors and assigns.

22. Entire Agreement. It is understood and agreed that all understandings and agreements between the parties are merged in this Agreement which alone fully and completely expresses their agreement. This Agreement may not be changed, altered or canceled orally, but only in writing signed by the parties.

23. Notices. All notices which must be given under this Agreement shall be in writing and are to be given either by:

23.1 personal service;

23.2 certified mail, return receipt requested, addressed to the other party at its address specified above;

23.3 overnight delivery service (e.g., UPS, FedEx, USPS Next Day Mail); or

23.4 e-mail transmission of copy of signed letter, with original to follow by one of the methods specified in Sections 23.1, 23.2 or 23.3:

If to Purchaser [**insert e-mail address**], Attention: [**insert name and title**].

If to Seller at JBurgos@njeda.com, Attention: Juan Burgos, Director of Finance and Development, Real Estate Division.

Notice by email shall be deemed to have been given on the date of the email, however, notice by email is in addition to the other methods for such notices hereunder and may not be used as the sole method for such notices required under this Section 23.

24. Miscellaneous.

24.1 New Jersey Law. This Agreement will be governed by and construed under the laws of the State of New Jersey. Any and all claims against the Seller based on contract law shall be made in accordance with and subject to the provisions of the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.). Any and all claims against the

Seller based on tort law shall be made in accordance with and subject to the provisions of the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.).

24.2 Severability. If any of the provisions of this Agreement will be deemed invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement will not be affected thereby, and every provision of this Agreement will be valid and enforceable to the fullest extent permitted by law.

24.3 Interpretive Presumptions. Seller and Purchaser waive any statutory or common law presumption which would serve to have this document construed in favor of and/or against either party as the drafter.

24.4 Registration and/or Recordation. Purchaser agrees that it will not register, record or file this Agreement or any memorandum thereof. Seller shall have the option to declare this Agreement null and void if this Agreement shall be registered, recorded or filed without Seller's consent.

24.5 Effectiveness of Agreement. The submission of this Agreement for examination does not constitute an offer or option to purchase the Property and this Agreement shall become effective as an Agreement only upon execution and delivery thereof by both the Seller and Purchaser.

24.6 Title and Headings. Titles and headings are included for convenience only and shall not be used to interpret this Agreement.

25. Political Campaign Contributions.

25.1 For the purpose of this Section 25, the following shall be defined as follows:

a) "Contribution" means a contribution reportable as a recipient under "The New Jersey Campaign Contributions and Expenditures Reporting Act" P.L. 1973, c.

83 (C.10:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq., a contribution made to a legislative leadership committee, a contribution made to a municipal political party committee or a contribution made to a candidate committee or election fund of any candidate for or holder of the office of Lieutenant Governor. Currently, contributions in excess of \$300.00 during a reporting period are deemed “reportable” under these laws.

b) “Business Entity” means:

i. a for-profit entity as follows:

A. in the case of a corporation: the corporation, any officer of the corporation, and any person or business entity that owns or controls 10% or more of the stock of such corporation;

B. in the case of a general partnership: the partnership and any partner;

C. in the case of a limited partnership: the limited partnership and any partner;

D. in the case of a professional corporation: the professional corporation and any shareholder or officer;

E. in the case of a limited liability company: the limited liability company and any member;

F. in the case of a limited liability partnership: the limited liability partnership and any partner;

G. in the case of a sole proprietorship: the proprietor; and

H. in the case of any other form of entity organized under the laws of the State of New Jersey or other state or foreign jurisdiction: the entity and any principal, officer, or partner thereof;

ii. any subsidiary directly or indirectly controlled by the business entity;

iii. any political organization organized under section 527 of the Internal Revenue Code is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and

iv. with respect to an individual who is included within the definition of business entity the individual's spouse or civil union partner, and any child residing with the individual, provided, however, that, PL 2005, c.51 shall not apply to a contribution made by such spouse, civil union partner, or child to a candidate for whom the contributor is entitled to vote or to a political party committee within whose jurisdiction the contributor resides unless such contribution is in violation of section 9 of P.L. 2005, c. 51 (C.19:44A-20.1 et seq.) ("Chapter 51").

c) PL 2005, c.51 – means Public Law 2005, chapter 51 (C. 19:44A-20.13 through C. 19:44A-20.25, inclusive) as expanded by Executive Order 117 (Gov. Corzine, September 24, 2008).

25.2 The terms, restrictions, requirements and prohibitions set forth in P.L. 2005, c. 51 are incorporated into this Agreement by reference as material terms of this Agreement with the same force and effect as if P.L. 2005, c. 51 were stated here in its entirety. Compliance with P.L. 2005, c. 51 by Purchaser shall be a material term of this Agreement.

25.3 Purchaser hereby certifies to the Authority that commencing on and after October 15, 2004, Purchaser (and each of its principals, subsidiaries and political organizations included within the definition of Business Entity) has not solicited or made any Contribution of money, pledge of Contribution, including in-kind Contributions, that would bar a contract agreement between Purchaser and the Authority pursuant to P.L. 2005, c. 51. Purchaser hereby further certifies to the Authority that any and all certifications and disclosures delivered to the Authority by Purchaser (and each of its principals, subsidiaries and political organizations included within the definition of Business Entity) are accurate, complete and reliable. The certifications made herein are intended to and shall be a material term of this Agreement and if the Treasurer of the State of New Jersey determines that any Contribution has been made in violation of P.L. 2005, c. 51, the Authority shall have the right to declare this Agreement to be in default.

25.4 Purchaser hereby covenants that Purchaser (and each of its principals, subsidiaries and political organizations included within the definition of Business Entity) shall not knowingly solicit or make any contributions of money, or pledge of a contribution, including in-kind contributions, to a candidate committee or election fund of any candidate or holder of the public office of Governor of New Jersey or to any New Jersey state or county political party committee prior to the termination of this Agreement. The provisions of this Section 25.4 are intended to and shall be a material term of this Agreement and if the Treasurer of the State of New Jersey determines that any Contribution has been made by Purchaser (and each of its principals, subsidiaries and political organizations included within the definition of Business Entity) in violation of P.L. 2005, c. 51, the Authority shall have the right to declare this Agreement to be in default.

25.5 In addition to any other default specified in the Contract Documents, the Authority shall have the right to declare an event of default under this Agreement if: (i) Purchaser (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) makes or solicits a Contribution in violation of P.L. 2005, c. 51, (ii) Purchaser (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) knowingly conceals or misrepresents a Contribution given or received; (iii) Purchaser (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) makes or solicits Contributions through intermediaries for the purpose of concealing or misrepresenting the source of the Contribution; (iv) Purchaser (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) makes or solicits any Contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or to any State or county party committee; (v) Purchaser (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) engages or employs a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any Contribution, which if made or solicited by Purchaser (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) directly would violate the restrictions of P.L. 2005, c. 51; (vi) Purchaser (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) funds Contributions made by third parties, including consultants, attorneys, family members, and employees; (vii) Purchaser (or any of its principals, subsidiaries and political organizations included within the definition of

Business Entity) engages in any exchange of Contributions to circumvent the intent of P.L. 2005, c. 51; (viii) Purchaser (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) directly or indirectly through or by any other person or means, does any act which would violate the restrictions of P.L. 2005, c. 51; or (ix) any material misrepresentation exists in any Political Campaign Contribution Certification and Disclosure which was delivered by Purchaser to the Authority in connection with this Agreement.

25.6 Purchaser hereby acknowledges and agrees that pursuant to P.L. 2005, c. 51, Purchaser shall have a continuing obligation to report to the Office of the State Treasurer, Political Campaign Contribution Review Unit of any Contributions it makes during the term of this Agreement. If after the effective date of this Agreement and before the entire Contract Price is paid by the Purchaser, any Contribution is made by Purchaser and the Treasurer of the State of New Jersey determines such Contribution to be a conflict of interest in violation of P.L. 2005, c. 51, the Authority shall have the right to declare this Agreement to be in default.

25.7 If at any time prior to the Closing there is a proposed change or change in any of the entities or persons having an ownership interest in the Purchaser (including but not limited to changes in ownership interests among existing owners, or the deletion of a current owner, or the addition of a new owner), Purchaser shall provide the Seller with written notice thereof within twenty-five (25) business days of the occurrence of any of the foregoing events. Should Purchaser fail to provide such notice, the Seller shall give Purchaser twenty-five (25) business days' notice to effect a cure to the full satisfaction of the Seller. In the event the Purchaser fails to effect said cure, the Seller may immediately

thereafter terminate this Agreement without liability and without Purchaser being afforded any further opportunity to cure. Upon such termination, Seller shall retain all payments made by Purchaser under this Agreement including, but not limited to, the Deposit and accrued interest thereon, and any Approval Period Extension Payments.

25.8 In the event the Seller receives notice from the Purchaser of a change in ownership or interest, at any time prior to the Closing and the Seller determines that the change in ownership or interest, requires the Seller to continue to do business with the principals of an ownership or interest who is of known moral or financial disrepute or is a party suspended or debarred from doing business with the State of New Jersey, the Seller agrees to give the Purchaser twenty-five (25) business days' notice to effect a cure to the full satisfaction of the Seller. In the event the Purchaser fails to effect said cure, the Seller may immediately thereafter terminate this Agreement without liability and without Purchaser being afforded any further opportunity to cure. Upon such termination, Seller shall retain all payments made by Purchaser under this Agreement including, but not limited to, the Deposit and accrued interest thereon, and any Approval Period Extension Payments.

26. New Jersey Prevailing Wage Act.

26.1 Purchaser acknowledges that the New Jersey Prevailing Wage Act, N.J.S.A. 34:11-56.25 et seq. ("Prevailing Wage Act"), applies to the sale of the Property to the extent that a project includes "public work", as that term is defined in the Prevailing Wage Act, or if Purchaser receives financial assistance from Seller, the State of New Jersey or any other State of New Jersey entity. Additionally, Purchaser

acknowledges that any infrastructure improvements installed by Purchaser within public rights of way shall be subject to the Prevailing Wage Act.

[SIGNATURE PAGE TO FOLLOW]

The Seller and Purchaser have signed this Agreement for Sale of Property as of the date first written above.

Attest:

**NEW JERSEY ECONOMIC
DEVELOPMENT AUTHORITY,
Seller**

Name:
Title:

Tim Sullivan
Chief Executive Officer

Attest:

_____,
Purchaser

Name:
Title:

[insert name]
[insert title]

EXHIBIT A
LEGAL DESCRIPTION

Property Description

ALL that certain lot, parcel or tract of land, situate and lying in the Township of North Brunswick, County of Middlesex, State of New Jersey, and being more particularly described as follows:

TRACT I:

BEGINNING at a point, said point being the intersection of the common line between Lots 1.02 and 1.03, Block 252, with the Southeasterly line of Lot 6.01, Block 252, and from said beginning point running;

(1) Along said Southeasterly line of Lot 6.01, Block 252, North 70 degrees 04 minutes 18 seconds East, a distance of 76.52 feet to a point in the Southwesterly line of Lot 6.01, Block 252; thence

(2) Along said Southwesterly line of Lot 6.01, Block 252, South 33 degrees 43 minutes 18 seconds East, a distance of 576.05 feet to a point in the Northwesterly line of Lot 6.01, Block 252; thence

(3) Along said Northwesterly line of Lot 6.01, Block 252, South 31 degrees 11 minutes 40 seconds West, a distance of 274.70 feet to a point in the aforementioned common line with Lot 1.02, Block 252; thence

(4) Along said common line with Lot 1.02, Block 252, North 19 degrees 55 minutes 46 seconds West, a distance of 731.85 feet to the point and place of BEGINNING.

Said description of Lot 1.03 in Block 252 having been drawn in accordance with a certain map entitled "Survey & Subdivision of Lot 1.04, Block 252, N/F DKM Properties Corp., prepared for Middlesex County Improvement Authority, situated in the Township of North Brunswick, Middlesex County, New Jersey, sheet 1 of 1, prepared by CME Associates, dated May 1, 2003 and revised through June 30, 2004.

BEING Lot 1.03 in Block 252 on the Township of North Brunswick Tax Map.

TRACT II:

BEGINNING at a point, said point being the intersection of the common line between Lots 1.02 and 1.04, Block 252, with the Southeasterly line of Lot 5.01, Block 252, and from said beginning point running;

(1) Along said common line with Lot 1.02, Block 252, South 19 degrees 55 minutes 41 seconds East, a distance of 1,137.57 feet to a point in the Northwesterly line of Lot 7, Block 252, N/F PSE&G; thence

(2) Along said Northwesterly line of Lot 7, Block 252, South 40 degrees 15 minutes 39 seconds West, a distance of 92.78 feet to a point; thence

Through Lot 1.04, Block 252, along the proposed subdivision lines, the following three (3) courses:

(3) North 80 degrees 66 minutes 57 seconds West, a distance of 933.17 feet to a point; thence

(4) North 58 degrees 48 minutes 39 seconds West, a distance of 453.56 feet to a point; thence

(5) North 17 degrees 59 minutes 41 seconds West, a distance of 487.88 feet to a point in the Southerly Right-of-Way line of U.S. Route 1; thence

Along said Southerly Right-of-Way line of U.S. Route No. 1, the following three (3) courses:

(6) North 70 degrees 08 minutes 02 seconds East, a distance of 319.88 feet to a point, said point being witnessed by a concrete monument found; thence

(7) North 68 degrees 59 minutes 50 seconds East, a distance of 50.02 feet to a point, said point being witnessed by a concrete monument found; thence

(8) North 70 degrees 08 minutes 00 seconds East, a distance of 195.30 feet to a point in the Southerly line of Lot 6.01, Block 252; thence

Along said Southerly and Southeasterly line of Lot 6.01, Block 252, the following four (4) courses:

(9) South 75 degrees 18 minutes 05 seconds East, a distance of 349.83 feet to a point; thence

(10) North 74 degrees 50 minutes 58 seconds East, a distance of 99.79 feet to a point; thence

(11) North 44 degrees 28 minutes 35 seconds East, a distance of 180.00 feet to a point; thence

(12) North 55 degrees 02 minutes 28 seconds East, a distance of 39.10 feet to the point and place of BEGINNING.

Said description of Lot 1.06 in Block 252 having been drawn in accordance with a certain map entitled "Survey & Subdivision of Lot 1.04, Block 252, N/F DKM Properties Corp., prepared for Middlesex County Improvement Authority, situated in the Township of North Brunswick, Middlesex County, New Jersey", sheet 1 of 1, prepared by CME Associates, dated May 12, 2003 and revised through June 30, 2004.

EXHIBIT B

PROPERTY AND ASSUMED DOCUMENTS

PROPERTY DOCUMENTS:

- Surveys
- Environmental Assessments
- Leases
- Service Contracts
- Technical Studies
- The Owner's Title Policy
- Other Property Records
- All information and documents set forth in the RFP

ASSUMED DOCUMENTS:

- Developer Agreement between NJDOT and DKM Properties, Inc. dated February 2, 1995 as modified and amended, which is posted as Exhibit F-1 to the RFP
- Consent Agreement between DKM Properties, Corp, and Artken Realty. L.L.C. dated March 7, 1995 as modified and amended, which is posted as Exhibit F-2 to the RFP.
- Assignment And Assumption of Access Agreement, which is posted as Exhibit _____ to the RFP.

EXHIBIT C
PURCHASER'S PROPOSAL IN RESPONSE TO RFP (AS
MODIFIED IF APPLICABLE)

EXHIBIT D
PROMISSORY NOTE

Up to \$ _____ Middlesex County, New Jersey
_____, 20__

FOR VALUE RECEIVED, _____, whose address is _____, NJ _____ (the "Maker"), promises to pay to NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic constituted as an independent authority and instrumentality of the State of New Jersey, pursuant to and having the powers conferred by the New Jersey Economic Development Authority Act, L. 1974, c. 80, as amended and supplemented, N.J.S.A. 34:1B-1 et seq. (the "Act"), whose address is 36 West State Street, Trenton, New Jersey 08625 (the "Holder"), in legal tender of the United States of America, the principal sum of UP TO _____ (\$ _____ .00) Dollars, (the "Obligations"), within the time required pursuant to Section 9 of the Purchase and Sale Agreement dated _____, 20__ between the Maker, as Purchaser, and the Holder, as Seller (the "Agreement"). Any terms not defined herein shall have the meaning ascribed to them in the Agreement;

This Note between the Maker and Holder herein survives the expiration or earlier termination of the Agreement and Closing under the Agreement, shall run with the land, and shall be a continuing obligation.

Failure to repay the Obligations within the time required pursuant to Section 9 of the Agreement shall constitute a default hereunder (the "Event of Default"), and shall, with written notice (the "Notice"), at the option of the Holder hereof, cause all the unpaid Obligations to become immediately due and payable. The Maker shall then have an

opportunity to cure the Event of Default by paying the Obligations to Holder within ten (10) calendar days following the date of the Notice (the "Payment Deadline"). If the Obligations are not fully paid by the Payment Deadline, the following shall be immediately due and payable: i) all the unpaid Obligations; ii) simple interest at the yearly rate of six (6%) on that part of the Obligations not paid from the date of this Promissory Note to the date all Obligations have been paid; and iii) Holder's costs of collection and reasonable attorneys' fees.

As set forth in Section 9.3 of the Agreement, it is specifically understood that Maker shall be released from payment of the Obligations upon verification by Purchaser of Purchaser's creation of ____ jobs at the Property or the payment of any monies for jobs not created, and then Seller shall, within twenty-five (25) business days of notice of such creation or payment, cancel or otherwise discharge this Promissory Note which shall no longer be in force or effect.

"Force Majeure " means any of the following events that prevents, delays, retards or hinders a party's performance: act of God; fire; earthquake; flood; explosion; war; invasion; insurrection; riot; mob violence; sabotage; vandalism; inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market; failure of transportation; strikes; lockouts; condemnation; requisition; acts of governmental, civil, military or naval authorities; or any other cause, whether similar or dissimilar to the foregoing, not within a party's control. This Promissory Note is a payment obligation to which Force Majeure does not apply.

This Note shall be construed and enforced in accordance with the laws of the State of New Jersey. The Maker agrees that the Holder shall have the rights and remedies

available to a creditor under the laws of the State of New Jersey, in addition to any other rights hereunder.

Witness:

Maker:

President/Managing Member