ADOPTED
MAR 24, 2017

Resolution of the New Jersey Economic
Development Authority Regarding
Finding of Material Factor in Decision to
Make Capital Investment and Locate in Municipality for
Grow New Jersey Assistance Program Project
- NFI, L. P.

WHEREAS, the Members of the New Jersey Economic Development Authority have been presented with and considered a Project Summary for NFI, L. P. in the form attached hereto; and

WHEREAS, the Project Summary requested the Members make a factual finding that the provision of tax credits under Grow NJ is a material factor in the applicant's decision to make a capital investment and locate in a Garden State Growth Zone that qualifies under the Municipal Rehabilitation and Economic Recovery Act, as outlined and explained in said Project Summary;

WHEREAS, the Members heard testimony and comments on the factual finding at the March 16, 2017 meeting; and

WHEREAS, the Members have reviewed and considered de novo the Project Summary and the proposed factual finding set forth in Project Summary.

NOW, THEREFORE, BE IT RESOLVED by the Members of the New Jersey Economic Development Authority as follows:

1. The Members adopt the testimony and comments made at the March 16, 2017 meeting pertaining to the factual finding, as memorialized in the minutes of the March 16, 2017 meeting, attached hereto.

EXHIBIT 9

2. The factual finding set forth in the Project Summary regarding the determination that the provision of tax credits under Grow NJ is a material factor in the applicant's decision to make a capital investment and locate in a Garden State Growth Zone that qualifies under the Municipal Rehabilitation and Economic Recovery Act is hereby adopted de novo.

3. The Project Summary, attached hereto, is hereby incorporated and made a part of this resolution as though set forth at length herein.

4. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10-day period the Governor shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

DATED: March 24, 2017

ADOPTED
MAR 24, 2017

Attachments

Resolution of the New Jersey Economic
Development Authority Regarding Approval
of Grow New Jersey Assistance Program (Grow NJ) Project
NFI, L. P.

WHEREAS, the Members of the New Jersey Economic Development Authority have been presented with and considered a Project Summary in the form attached hereto; and

WHEREAS, the Project Summary requested the Members to adopt a resolution authorizing certain actions by the New Jersey Economic Development Authority, as outlined and explained in said Project Summary.

WHEREAS, the Members heard testimony and comments on the proposed actions at the March 16, 2017 meeting; and

WHEREAS, the Members have reviewed and considered de novo the Project Summary and the actions outlined and explained in the Project Summary.

NOW, THEREFORE, BE IT RESOLVED by the Members of the New Jersey Economic Development Authority as follows:

1. The Members adopt the testimony and comments made at the March 16, 2017 meeting pertaining to the actions, as memorialized in the minutes of the March 16, 2017 meeting, attached hereto.

2. The actions set forth in the Project Summary, attached hereto, are hereby approved de novo, subject to any conditions set forth as such in said Project Summary.

3. The Project Summary, attached hereto, is hereby incorporated and made a part of this resolution as though set forth at length herein.

EXHIBIT 10

4. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10-day period the Governor shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

DATED: March 24, 2017

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

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

APPLICANT: NFI, L.P. P43582

PROJECT LOCATION: Caruso Place, Unit C-1, Block 80.02 Lot: 1 Camden City Camden County

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

APPLICANT BACKGROUND:
NFI, L.P. ("NFI") is a fully integrated supply chain solutions provider. Privately held by the Brown family since its inception in 1932, NFI generates more than $1 billion in annual revenue and employs approximately 8,100 employees throughout the United State and Canada. NFI operates approximately 25 million square feet of warehouse and distribution space. Its company-owned fleet consists of over 2,000 tractors and 7,000 trailers, operated by more than 2,300 company drivers and 250 Owner Operators. Its business lines include transportation, warehousing, intermodal, brokerage, global, and real estate solutions. The applicant has demonstrated the financial ability to undertake the project.

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

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

Staff reviewed the project and finds support for management's assertion that the award of tax credits is a material factor in the company's decision to locate in Camden. If NFI chooses the Camden option, the company would establish a 121,862-square foot operation at Caruso Place on the waterfront in Camden. NFI would move into a new building to be constructed at this location. The alternative is to move the same operations to a 93,308-square foot facility in Philadelphia, PA.

This project represents a significant positive step forward for Camden's redevelopment efforts, bringing a significant portion of the NFI business to the city. It is estimated that the project would have a net benefit to the State of $53.2 million over the 35-year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 341 New Jersey jobs listed in the application are at risk of being located outside the State. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the award of the Grow New Jersey tax credits is a material factor in the applicant's decision to make a capital investment and locate in Camden.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

As a Non-Industrial/Warehouse/Logistics/R&D – New Construction Project for an other targeted industry in Camden County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$9,748,960	$79,380,000
New Jobs	19	0
Retained Jobs	27	341

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation. Projects located in Camden are eligible to receive per employee as a tax credit the total amount of capital investment for the project divided by the number of employees, subject to the following limits, provided that the project represents a net positive benefit to the State:

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

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

GRANT CALCULATION	
CAPITAL INVESTMENT:	$ 79,380,000
JOBS BASED TAX CREDIT LIMIT:	$ 350,000,000
GROSS BENEFIT TO THE STATE OVER 35 YEARS:	$ 132,611,189
THE APPLICANT IS ELIGIBLE FOR A TAX CREDIT EQUAL TO THE LOWEST OF THE THREE NUMBERS ABOVE (CONVERTED TO AN EVEN DOLLAR AMOUNT PER EMPLOYEE PER YEAR):	**$ 79,377,980**

PROJECT IS: (X) Expansion (X) Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: $ 79,380,000
EXPECTED PROJECT COMPLETION: May 31, 2019
SIZE OF PROJECT LOCATION: 121,862 sq. ft.
NEW BUILDING OR EXISTING LOCATION? New
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
CONSTRUCTION: (X) Yes ( ) No

NEW FULL-TIME JOBS:	0
RETAINED FULL-TIME JOBS:	341
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):	728
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	Cherry Hill, Voorhees
MEDIAN WAGES:	$ 54,928

NET BENEFIT MODEL:	2012
GROSS BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD):	$ 132,611,189
TOTAL AMOUNT OF AWARD:	$ 79,377,980
NET BENEFIT TO THE STATE (OVER 35 YEARS, NET OF AWARD):	$ 53,233,209
MAXIMUM AWARD PER NEW/RETAINED JOB:	$ 232,780
ELIGIBILITY PERIOD:	10 years

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval. Applicant has 3 years plus two six-month extensions to submit its CPA certification, but in no event can the tax credit be issued more than 4 years from the date of board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twenty-four months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: Christina Fuentes **APPROVAL OFFICER**: Mark Chierici

Camden Office Project – Caruso Place – Block 80.02 Lot 1

This construction project has three Grow NJ Applicants: 1 - Conner Strong & Buckelew, LLC, 2 - NFI, L.P., and 3 - The Michaels Organization LLC. Each company plans to move to the qualified business facility in Camden, NJ. A total of 884 employees are part of this Project.

The Property is identified as Unit C-1 on the Condominium Plan recorded by Liberty Property Trust ("LPT") on December 5, 2016 upon its acquisition of the Property. The project site is located in North Camden near the Benjamin Franklin Bridge. The entirety of the site is currently utilized as surface level parking lots.

The condominium unit encompassing Unit C-1 will be sold to Camden Partners Tower Equities, LLC ("Landlord"). Landlord will enter into a build-to-suit contract with Joseph Jingoli and Son Inc. for construction of the multi-tenant office building and parking garage upon the condominium unit site. Upon delivery of the office building and parking garage, Landlord will lease the building to Camden Partners Operating Company, LLC ("Operating Company"). Operating Company will sublease the office building and parking garage to the 3 tenants listed above.

The proposed office building will consist of a seven-floor garage and 11 floors of office and amenity space with 375,970 rentable square feet. The total estimated costs of the project are approximately $245,000,000, to be financed by a combination of debt from a syndicate of banks to be arranged by M&T Bank as agent, and owners' equity contributions from the tenants.

The Tenants will solely occupy a total of 313,183 sf in the office building. NFI will solely occupy 101,511sf, or 32.4 percent, Michaels will solely occupy 101,511 sf or 32.4 percent, and Conner Strong will solely occupy 110,161 sf or 35.2 percent. The remaining 62,787 sf of space is the lobby, mechanical, amenity and other common space within the building, the cost of which is shared pro rata. The proposed parking garage will be restricted to the exclusive use of the C-1 Tenants. (See attached schedule for greater detail of this square footage.)

Each Tenant's share of the Landlord's total estimated capital investment is: NFI - $79,380,000, Michaels - $79,380,000, and Conner Strong - $86,240,000.

Landlord and each Tenant have entered into a Letter of Intent ("LOI") for the construction and lease of the building. The total cost of construction of the core and shell including the garage will be approximately $151,000,000. The total cost of the Landlord's allowance for fit out and other costs included in the capital expense are estimated at approximately $45,000,000. Other Landlord costs eligible toward the Tenant's capital expense amount to approximately $49,000,000, for a total of approximately $245,000,000.

CAMDEN PARTNERS EQUITIES FLOOR PLAN

Floor 18	Conner Strong & Buckelew Conference	8,650
Floor 17	Conner Strong & Buckelew Office	33,837
Floor 16	Conner Strong & Buckelew Office	33,837
Floor 15	Conner Strong & Buckelew Office	33,837
Floor 14	The Michaels Organization Office	33,837
Floor 13	The Michaels Organization Office	33,837
Floor 12	The Michaels Organization Office	33,837
Floor 11	NFI Office	33,837
Floor 10	NFI Office	33,837
Floor 9	NFI Office	33,837
Floor 8	Fitness Center	10,000
	Dining Room	10,000
	Kitchen/Serving Area	5,000
	Core	3,600
	Mechanical	5,237
Floor 7	Mechanical	5,200
	Garage	41,800
Floor 6	Garage	47,000
Floor 5	Garage	47,000
Floor 4	Garage	47,000
Floor 3	Garage	47,000
Floor 2	Lobby	1,200
	Mechanical	1,950
	Garage	43,850
Floor 1	Lobby	6,300
	Amenity (Conf Room or Retail)	4,000
	Core/Support/Stairs/loading/dumpster	3,285
	Mechanical	7,015
	Garage	26,400

Conner Strong	Common Space Mechanical/Core
The Michaels Organization	Common Space Garage
NFI	
Common Space Amenity	