RUTGERS UNIVERSITY

RESOLUTION
AUTHORIZING RUTGERS UNIVERSITY'S PARTICIPATION IN BUILDING H-3 OF "THE HELIX" REDEVELOPMENT PROJECT FOR RUTGERS STUDENT HOUSING SPACE AND THE NEGOTIATION, EXECUTION, AND PERFORMANCE OF THE NECESSARY PROJECT AGREEMENTS

WHEREAS, for nearly 10 years the City of New Brunswick ("City") has been planning a redevelopment project on the approximately 3.5-acre parcel adjacent to the New Brunswick Train Station bound by French Street, Spring Street, Paterson Street and Kirkpatrick Street ("Project Site"); and

WHEREAS, New Jersey Governor Phil Murphy pledged to elevate New Jersey's innovation economy and envisioned the project idea known as The Health + Life Sciences Exchange ("HELIX") at the Project Site; and

WHEREAS, the City adopted a redevelopment plan for the Project Site and designated NJ Innovation Associates Urban Renewal LLC ("NJIA"), which is owned and controlled by New Brunswick Development Corporation ("Devco"), as the redeveloper for the Project Site; and

WHEREAS, the overall HELIX project will include three separate buildings: H-1 (which has significant Rutgers participation), H-2 (which will be Nokia's new headquarters), and H-3 (which will be a mixed-use high-rise); and

WHEREAS, on February 20, 2023 the Board of Governors approved Rutgers' participation in building H-1 of the HELIX project; and

WHEREAS, the third and final building of the HELIX (currently known as "H-3" and which is the subject matter of this Resolution) will be a 40-story, approximately 554,000 square foot building with three major components: (i) new commercial and office spaces on the first seven floors; (ii) Rutgers' medical and/or graduate student housing on the three floors above the commercial and office spaces (the "Rutgers Portion"); and (iii) market rate and affordable housing above the Rutgers Portion; and

WHEREAS, the total current estimated cost for H-3 is $491 million with the Rutgers Portion of H-3 estimated to cost $35.7 million of that total amount; and

WHEREAS, H-3 is eligible for enhanced tax credits under the NJEDA's Aspire Tax Credit program (as amended in January 2025) and consequently NJIA, Devco, and Rutgers expect H-3 to be awarded Aspire Tax Credits that will offset a portion of the capital cost through a sale of the tax credits at a discounted rate based on the market; and

WHEREAS, Rutgers expects its share of the tax credits for the Rutgers Portion to be $27.1 million gross (i.e., prior to the discounted sale); and

WHEREAS, the $35.7 million project cost associated with the Rutgers Portion will be financed through the issuance of taxable or tax-exempt bonds through any combination of the following financing options: Rutgers tax-exempt and taxable commercial paper, Rutgers tax-exempt and taxable bonds, or tax-exempt and taxable bonds issued by a third party as a conduit issuer on behalf of Rutgers with the debt service of whichever options used being covered through the Aspire Tax Credit revenues and/or rental income; and

WHEREAS, the Aspire Tax Credit program and the City's designation of NJIA as the redeveloper for the Project Site require that Rutgers initially lease the Rutgers Portion (which will be separate legal estates from other portions of H-3) through a Master Lease Agreement with NJIA; and

WHEREAS, the Master Lease Agreement provides that Rutgers will obtain fee simple title to the Rutgers Portion for $1.00 after certain prerequisite events have occurred, including expiration of the Aspire Tax Credit compliance period and full satisfaction of any long term debt issued by a third party conduit either by payment in full at the end of such debt's term, or, by an earlier refunding of such debt; and

WHEREAS, Rutgers expects to enter certain other key documents related to the H-3 project including financial instruments needed in connection with the debt issued to finance the Rutgers Portion as described above; and

WHEREAS, additional details about the University's participation in the H-3 project are more particularly set forth in the "Project Summary" document, attached hereto, which was presented to the Committee on Finance and Facilities on March 11, 2025; and

WHEREAS, the University's participation in this signature project at the Project Site, adjacent to a major transportation center and major health science and clinical facilities in downtown New Brunswick, which will be substantially aided by the Aspire Tax Credits, will provide critical enhancements to Rutgers' medical education and graduate student housing programs and aligns with the University's long-term strategic plans; and

WHEREAS, on March 11, 2025, the Committee on Finance and Facilities recommended for approval to the Board of Governors of Rutgers, The State University of New Jersey, that Rutgers be authorized to proceed with the H-3 project as described herein and further set forth in the Project Summary document, subject to the conditions and parameters set forth below, including the consent of the Board of Trustees to the issuance of debt for the H-3 project.

NOW, THEREFORE, **BE IT RESOLVED** by the Board of Governors of Rutgers, The State University of New Jersey, as follows:

Section 1: The foregoing recitals are hereby incorporated by reference into this Section 1 as if fully restated herein and are hereby ratified and confirmed.

Section 2: Rutgers participation in the H-3 project with spending authority for the Rutgers Portion capped at $35.7 million and with the issuance of debt issued either by a third party conduit, Rutgers, or a combination, in one or more series and with a total amount not to exceed $35.7 million, is hereby approved, contingent upon (i) the Rutgers Portion of the H-3 project's receipt of at least $27.1 million Aspire Tax Credit award netting at least $24.3 million available for debt service payments; (ii) the consent of the Board of Trustees to the issuance of the debt described above; and (iii) the Executive Vice President–Chief Financial Officer and University Treasurer's ("CFO") satisfaction that financing for the other portions of H-3 not financed by Rutgers will be in place so as to achieve complete construction and start-up of H-3.

Section 3: The Board of Governors reasonably expects to reimburse the expenditure of H-3 project costs paid prior to the issuance of the debt described above, with proceeds of such debt, and this Resolution is intended to be, and hereby is, a declaration of the official intent to reimburse the expenditure of such project costs paid prior to the issuance of the debt, with proceeds of such debt, in accordance with Treasury Regulations Section 1.150-2.

Section 4: All potential development agreements, leasing agreements, guarantee agreements or other applicable contracts, forms, documents or instruments that are necessary for the successful execution of the H-3 project, subject to the satisfaction of the Executive Vice President and Chief Operating Officer ("COO"), CFO, and the Senior Vice President and General Counsel or designee ("GC"), are hereby approved.

Section 5: The University Administration, acting through the COO or CFO, on behalf of Rutgers, with advice from the GC, is hereby authorized and directed to negotiate, approve, execute, and perform or cause to be performed, the H-3 project documents on behalf of Rutgers.

Section 6: The CFO, COO, the GC, the Secretary of the University, the Associate Secretary of the University, and all other officers of Rutgers are each hereby authorized and directed to take any and all other actions necessary or desirable in order to carry out the purpose and intent of this Resolution and to effectuate the transactions contemplated hereby, and the actions heretofore taken by the aforementioned officers in furtherance of the H-3 project or the intent of this Resolution are hereby ratified and confirmed.

Section 7: This Resolution shall take effect immediately upon the consent of the Board of Trustees, of Rutgers, The State University of New Jersey.

Attachment: Project Summary

Board of Governors
Rutgers, The State University
of New Jersey
April 24, 2025

PROJECT SUMMARY

Rutgers Housing in Building H3 at the
New Jersey Health + Life Science Exchange (HELIX)

New Brunswick, New Jersey

April 24, 2025

Introduction

Rutgers University has been working with New Brunswick Development Corporation on a transformational P3 (public private partnership) program in the heart of downtown New Brunswick for approximately eight years. Initially envisioned as a major aspect of Governor Phil Murphy's strategy to foster growth of the innovation economy, and previously known as The New Jersey Innovation Hub, the NJ Innovation and Technology Hub, or just "The Hub". The project has been strengthened and redefined and is now developed as the New Jersey Health + Life Science Exchange (HELIX), the three-building development that has the first building currently under construction.

The project supports the Governor's goal of jumpstarting the state's innovation economy, which was identified as a priority at his first inauguration. As Rutgers examined its role in the project, and with the need for translational research underscored by the COVID-19 pandemic, it became evident that a combination of innovation and incubator space, medical education space, and translational research facilities would create a unique facility housing functions that would create broad impact on the region's and state's economy. As the physical plans came together funding opportunities also materialized, creating an opportunity for Rutgers. The Rutgers Board of Governors approved Rutgers' participation in the H-1 building at the HELIX in February 2023.

Rutgers Health at the HELIX (H-1) is the first of three buildings on the site and it is under construction. Located on an approximately 3.5 acre redevelopment site across the street from the New Brunswick Train Station, Rutgers Health will share the site with a private research and office building for Nokia (H-2) and a high-rise mixed use / residential tower (H-3).

In January 2025 Governor Murphy signed a law to expand the Aspire tax credit program for developers, and as a result the HELIX H-3 project is eligible for enhanced subsidies under the Aspire program. These enhanced subsides create a significant opportunity for Rutgers to develop new medical student/graduate housing units in the building, for a fraction of the cost of development in an on-campus building.

H-3 is a new 554,000 square foot 40-story (including mechanical penthouse) building that will have housing units over office and commercial floors. The dedicated Rutgers space, totaling 48,325 square feet, is on floors 8-10.

Once complete, the three (3) new buildings will have a significant operational and economic impact within the city and bolster Rutgers role as a research and economic innovation leader in the region.

Program

The H-3 building of the HELIX will contain a variety of spaces, mostly for non-Rutgers functions. There will be three (3) dedicated Rutgers housing floors, located at the bottom of the residential portion of the tower.

The total Rutgers space is 48,325 square feet over three (3) dedicated floors, with breakdown as follows:

Floor	Unit Count	Beds	
8	Two 3BR, Six 4BR, One 2BR, One 1BR	33	
9	Two 3BR, Six 4BR, One 2BR, One 1BR	33	
10	Two 3BR, Six 4BR, One 2BR, Laundry	32	
RU TOTAL	6-3BR, 18-4BR, 3-2BR, 2-1BR	98	48,325 Square Feet

The unit types are reflective of those currently used by Rutgers medical students at 180 West Market at the Rutgers Health campus in Newark. The apartment-style units have individual bedrooms around a shared living space that includes a kitchen. These types of apartments are preferred by medical students and graduate students alike.

Scope

The H-3 portion of the HELIX project entails the development of a new forty-story (including mechanical penthouses) 554,000 square foot building on the site of the former/demolished Ferren Deck, in the heart of downtown New Brunswick. The design of the building is intentionally distinct – striking, modern, streamlined – intended to stand out as a beacon of innovation in the downtown. Located on an approximately 3.5 acre redevelopment parcel with all local approvals issued, construction is ready to begin in the first quarter of CY2026, and the Rutgers units would be ready for occupancy in time for the summer of CY2029.

The last of a three-building development, the H-3 building will have Rutgers as an occupant with a small footprint, taking less than 9% of the gross square footage of the building. Rutgers would ultimately own its units.

Benefits

The benefits of H-3 are programmatic and financial. On the program side- for the newly merged Rutgers Medical School this project provides medical and/or graduate students housing in a building immediately adjacent to its medical school space and within walking distance of the healthcare core of New Brunswick. The benefit for reputation, student recruitment, and student satisfaction are obvious. On the financial side, given the enhanced tax credits, the project is cash positive in the first year of occupancy.

The opportunity for Rutgers at the HELIX engagement created by housing students, researchers, entrepreneurs, faculty, and core partners all in one development, and providing social and meeting spaces to foster the engagement, perhaps is the most unique benefit to the large P-3 project.

Financial

The anticipated project cost for the Rutgers share of H-3 capital expenses is $35.7 million. The tax credit award is estimated to be approximately $27.1 million, which means that Rutgers will net approximately $24.3 million over the ten (10) year tax credit term. Rutgers is required to contribute a minimum of ten percent equity into the project. The project will result in positive cash flow in year one.