



# New Jersey Economic Development Authority 2013 Annual Report

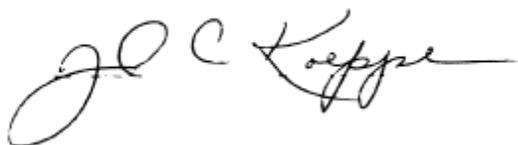
## Message from EDA Board Chairman Al Koeppe

As Chair of the Board of the New Jersey Economic Development Authority (EDA), I am pleased to report that 2013 was another year of extraordinary progress at the Authority as it worked to stimulate community investment and expand employment opportunities across the State. Through a year of transition, including the launch of new recovery and incentive programs, the EDA held firm to its business development goals and fiduciary responsibilities in administering new and existing initiatives.

The businesses represented in the pages that follow help to illustrate the EDA's reach into communities throughout New Jersey. From transformational redevelopment projects in our cities to "mom and pop" stores along the shore, the breadth of support translates to a healthier economy and quality of life for us all. With effective private sector partners, and in strict compliance with the statutes governing its programs, the Authority has continued to leverage its resources to maximize its impact.

I am proud to serve as Chair of an organization that boasts a highly dedicated Board of Directors and committed staff who share the central goal of growing New Jersey's economy. The EDA's ability to successfully advance Governor Christie's pro-growth agenda, including the rebuilding of our businesses and communities, is a testament to the good work of the entire EDA team.

I thank the Board for its service in 2013, and commend the Authority on its accomplishments of the last year.

A handwritten signature in black ink, appearing to read "Al Koeppe". The signature is written in a cursive style with a large, looping initial "A" and "K".

Al Koeppe  
EDA Board Chair

## **Message from CEO Michele Brown and President & COO Tim Lizura**

2013 was another exciting and busy year at the New Jersey Economic Development Authority (EDA) as we launched several new programs to address the State's recovery in the aftermath of Superstorm Sandy, and ushered in a new era of business development with the New Jersey Economic Opportunity Act of 2013 (EOA).

In total, the EDA finalized more than \$1.29 billion in financing assistance, business incentives and tax credits in 2013, leveraging over \$2.7 billion of investment in New Jersey's economy, generating more than 5,432 new, permanent jobs and 9,588 construction jobs, and retaining 5,262 Jersey jobs that were at risk of leaving the State.

Our various programs encourage entrepreneurial development, expand opportunities for small and mid-size businesses, promote the growth of the greater technology industry and help to advance transformational redevelopment projects across the State.

Among other highlights in 2013, the number of anticipated construction jobs resulting from EDA-assisted projects more than tripled compared to 2012, representing the creation of more than 9,500 short-term employment opportunities. This is largely a result of the considerable projects supported under the legacy Grow New Jersey program. The anticipated launch of the EOA late last year prompted a transition in other EDA incentive programs. For example, enhancements under the Business Retention and Relocation Assistance Grant (BRRAG) Program in early 2012 led to the execution of 20 grants that year; however, with a more powerful incentive tied to job retention expected through the EOA, only nine BRRAGs were finalized in 2013. This translated to a decrease in the number of retained "at risk" jobs in 2013.

With a focus on supporting the growth of New Jersey's small businesses, we are pleased that the EDA more than doubled its assistance through our lending programs – the Statewide Loan Pool Program, Main Street Business Assistance Program, New Jersey Business Growth Fund, and Small Business Fund. Through the EDA's partnership with UCEDC and other Community Development Financial Institutions (CDFIs), including the Cooperative Business Assistance Corporation in Camden and New Jersey Community Capital in New Brunswick, even more small businesses across the state were able to take advantage of low-cost financing and technical assistance to support their continued growth.

In addition, the EDA is supporting the recovery and rebuilding of hundreds of small businesses through the Stronger NJ Business programs, which are funded through New Jersey's Community Development Block Grant Disaster Recovery allocation. To further our reach, the EDA also provided grants to boost the lending capacity of five CDFIs offering disaster relief loans to small businesses in the nine counties most impacted by the storm.

In looking at EDA's total economic impact, it is clear that the Authority successfully helped New Jersey businesses and communities grow and prosper in 2013. The estimated number of new, permanent jobs increased from 4,822 to 5,432 over the last year and the total leveraged public/private investment jumped from \$1.46 billion to more than \$2.7 billion. With a continued

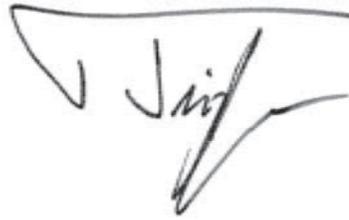
focus on small business support and an enhanced economic development toolkit, the EDA expects 2014 to be even more successful.

Looking ahead, the EDA will continue to carry out the bold agenda of the Christie Administration to spur job creation and economic growth, and ensure that our storm-impacted businesses and communities are able to rebuild stronger than before. The EDA remains committed to helping businesses of all sizes maintain and expand their operations in the state, strengthening communities and catalyzing investment throughout New Jersey.

It is our pleasure to report on the EDA's hard work during 2013 in the pages that follow. To learn more about opportunities for business growth throughout New Jersey, we invite you to visit [www.njeda.com](http://www.njeda.com) or [www.NewJerseyBusiness.gov](http://www.NewJerseyBusiness.gov).



Michele A. Brown  
EDA CEO



Timothy J. Lizura  
EDA President & COO

## 2013 Results

EDA Results 2013	
Projects Assisted	224
Total Assistance	\$1.29 billion
Public/Private Investment	\$2.71 billion
Estimated New Permanent Jobs	5,432
Estimated Construction Jobs	9,588
Estimated Retained "At Risk" Jobs	5,262

EDA Results 1974 - 2013	
Projects Assisted	11,529
Total Assistance	\$23.6 billion
Public/Private Investment	\$51.9 billion
Estimated New Permanent Jobs	333,136
Estimated Construction Jobs	345,377

### EDA Mission

The New Jersey Economic Development Authority (EDA) is an independent State agency that finances small and mid-sized businesses, administers tax incentives to retain and grow jobs, revitalizes communities through redevelopment initiatives, and supports entrepreneurial development by providing access to training and mentoring programs.

## **Supporting the Recovery and Rebuilding of New Jersey Businesses**

In October 2012, New Jersey experienced one of the most devastating storms in its history. Governor Christie called on the EDA to administer \$460 million of the State's Community Development Block Grant-Disaster Recovery (CDBG-DR) allocation to support the recovery of impacted communities and businesses in the aftermath of Superstorm Sandy. In 2013, the EDA introduced three programs to support this effort, including the Stronger NJ Business Grant Program, Stronger NJ Business Loan Program and the Stronger NJ Neighborhood and Community Revitalization (NCR) Program.

Storm-impacted small businesses were able to apply for grants of up to \$50,000 through the Stronger NJ Business Grant Program beginning May 1. The program launched just two days after the U.S. Department of Housing and Urban Development (HUD) approved New Jersey's Action Plan. The program was originally allocated \$260 million; in January 2014, HUD authorized the transfer of \$160 million to the New Jersey Department of Community Affairs for its residential programs. Eligible uses under the \$100 million grant program include costs related to rehabilitation, construction, equipment, inventory, mitigation, refinancing and working capital. The deadline for applications was December 31, 2013.

In recognition of stringent federal regulations and other program requirements, the EDA hosted more than 50 workshops in 2013, during which over 600 businesses met face-to-face with business advisors. In addition, business advisors were on hand at 45 mobile cabinets hosted by the Christie Administration to provide information and answer questions. Outreach also included collaboration with various small business advocacy and interest groups to educate their members on available assistance and support them through the application process.

Through early March 2014, 289 Stronger NJ Business Grants were approved totaling over \$14 million.

Launched on July 1, the \$100 million Stronger NJ Business Loan program supports businesses that were impacted by Superstorm Sandy, as well as businesses looking to expand within storm-impacted communities. To be eligible, businesses located within the nine most impacted counties must: 1) positively impact the economy of their community through either capital investment or the creation or retention of jobs; and/or 2) evidence a minimum of \$5,000 in physical damage to real property and/or loss or damage of non-perishable and non-consumable inventory; however, businesses located outside of the nine counties must meet the \$5,000 damage/loss requirement. Eligible small businesses and non-profits may apply for loans up to \$5 million per eligible location, with 0-percent interest for the first 24 months. Loans can be used for renovation, new construction, equipment, and working capital.

Through early March 2014, a total of 13 businesses have been approved for loans totaling over \$11.7 million. A portion of those approved by the EDA are required by federal regulations to undergo an environmental review by the New Jersey Department of Environmental Protection (DEP) before they close. Loans for working capital do not require that review.

In September 2013, the EDA launched the Stronger NJ NCR Program. The program offers: \$10 million for “Streetscape” projects; \$2.5 million for Community Development Financial Institutions (CDFIs) providing loans to impacted small businesses; and, \$52.5 million for development and public infrastructure (D&I) projects.

Of the \$10 million in grants for “Streetscape” projects, \$125,000 to \$1.5 million is available per project for improvements including streetscapes, lighting, sidewalks, façade enhancements, and code-related and other physical upgrades to commercial areas to support the recovery of economic activity in impacted communities throughout the State.

Four municipalities were selected by the EDA in February 2014 from the first round of applications for a total of \$5 million in grants. They include: Highlands, which will replace old and cracked sidewalks and curbs, install pedestrian-scale street lights, bike racks, benches and trash receptacles to support the community at large; Asbury Park, which will replace old conventional highway style poles and light fixtures with new energy efficient LED lights along its entire boardwalk, replace existing lighting and extend lighting on the boardwalk north of Convention Hall; Keansburg, which will revamp Main Street and Carr Avenue by reconstructing roadways, building sidewalks and making the downtown safer for pedestrians; and, Sea Isle City, which is developing the beach-to-bay corridor to help enhance its downtown business district.

The EDA awarded five grants of \$500,000 each to five CDFIs to fund small business loans in the nine most impacted counties, deploying the full \$2.5 million available to these organizations through the NCR program. Organizations that benefited include New Jersey Community Capital (NJCC), Cooperative Business Assistance Corporation (CBAC), Greater Newark Enterprises Corporation (GNEC), UCEDC, and Intersect Fund Corporation (IFC).

A total of \$52.5 million was allocated to advance D&I projects with grants and/or loans, up to a maximum of \$10 million per project. Under this program, \$5 million was provided to Seaside Park and Seaside Boro for demolition and debris removal following the devastating September 2013 boardwalk fire, leaving \$47.5 million for other D&I projects. Due to unanticipated demand for grant funding under the D&I component of the NCR program, which far exceeds the availability of funds, the EDA approved an objective review and scoring process in February 2014 to determine project approvals and funding levels. Through this process, priority will be given to applications from low-to-moderate income (LMI) areas that were submitted during the initial six-week application period.

In 2013, the EDA also managed the federally funded post-Sandy tourism campaign, Stronger than the Storm (STTS), which helped to drive tourist activity and offset the expectation that the summer season would see a drop in visitors. New Jersey was faced with combating the misperception that Sandy destroyed all tourism assets and was not a viable vacation destination. The annual Economic Impact of Tourism Report released by the Department of State in March 2014 showed that New Jersey's tourism industry set a new record in 2013, generating more than \$40 billion in overall tourism-related demand. Visitor spending, capital

investment and general government support of tourism tallied a record of \$40.4 billion, a 1.3 percent increase over 2012. Visitation in New Jersey also rose to 87.2 million in 2013, a 5.9 percent increase compared to 2012.

The success of STTS was achieved by utilizing a multitude of digital/social media in order to get the word out to potential visitors that the shore area was ready for summer. Through a comprehensive advertising campaign, STTS drove audiences to those digital assets, which included myriad information about events occurring and companies open for business in the impacted areas. These channels include the [strongerthanthestorm.com](http://strongerthanthestorm.com) website (which has had 397,803 visits), the STTS Facebook page (97,722 fans), Twitter (6,722 followers), Instagram (707 followers) and You Tube Channels (200,307 video views), as well as a newsletter (5,639 subscribers). The State worked closely with impacted communities to employ the various channels to help get their individualized message out, and will continue to do so going forward utilizing any additional State funding and HUD CDBG-DR funding that is approved for tourism marketing.

### ***Helping Businesses Get Back On Their Feet***



*"I am grateful to the state and the very helpful, compassionate staff who helped keep my dream alive...I'm so excited for this upcoming season!"*

*-Alison Bartolo, owner, Alison's Wonderland*

Alison Bartolo, owner of Alison's Wonderland in Beach Haven, reopened for the store's fifth season in early April 2013. The small business, which offers unique novelty and gift items, was flooded with four feet of storm water, causing complete loss of inventory and all office equipment. Alison received a \$47,303 grant through the Stronger NJ Business Grant Program.



*“I was determined to reopen Fisheads, as I was not going to let the storm win. I learned about the Stronger NJ Business Grant Program directly from Governor Christie when he visited Long Beach Island in May. I immediately applied and am so grateful for the support I have received.”*

*-Carol Townsley, owner, Fisheads*

Fisheads, a Surf City boutique offering clothing, gifts, jewelry and home furnishings, lost nearly all of its inventory, display equipment and furniture in the storm. The business received a \$50,000 Stronger NJ Business grant.



*“Thankfully, Beckman’s was open for business in time to take advantage of the busy summer season. We’re facing challenges this year that are very different from a typical summer, but fortunately, things are slowly but surely returning to normal. The Stronger NJ Business Grant is helping us to bridge the gap.”*

*-Jerome Beckman, owner, Beckman’s on the Beach*

Storm flooding led to severe damage for Beckman’s on the Beach, a Belmar-based convenience store and deli that lost its entire inventory in the storm. Beckman’s received a \$50,000 Stronger NJ Business grant.



*“The Stronger NJ Business Grant is the only help we’ve gotten and we are so thankful to the State for making the process as easy as possible for us.”*  
-Kristen Catlett, owner, Casa Comida

Family-owned Casa Comida has called Long Branch home for more than 30 years. The popular Mexican restaurant experienced severe flooding, which significantly damaged its property - from missing walls to damaged carpet. The restaurant received \$24,669 through the Stronger NJ Business Grant Program.



*“All of our equipment was destroyed. Fortunately, I was able to make some repairs on my own, but the financial gap created by the storm was pretty overwhelming. We are grateful for the support the State has provided.”*  
-Daniel Moran, owner, Custom Steel Contractors

Custom Steel Contractors, Inc., in business since 1986, is located in South Kearny. A storm surge from the Hackensack River swept in at high tide, causing five feet of flooding in the office and shop. Most of the equipment the company needed to function was destroyed. Custom Steel received a \$50,000 Stronger NJ Business grant.



*“Recovering after the storm was a tough challenge, but we were able to reopen in time to operate when tourism was getting back to normal. We worked hard to bring Berkeley Island Marine back to life, and we thank the State for providing a loan with great terms to help us recover in Trixies Landing.”*

*-Martin Tuohy, Service Manager, Berkeley Island Marine*

Ocean County-based Berkeley Island Marine, Inc. was approved for a \$230,400 working capital loan through the Stronger NJ Business Loan Program. The marine repair service business is located at Trixies Landing along the Barnegat Bay.



*“Juan came to us after his restaurant, just a block from the bay in Keyport, was irreparably damaged by flooding from Hurricane Sandy. With his livelihood gone in the blink of an eye, Juan found a new restaurant space with a willing landlord*

*and turned to The Intersect Fund for a \$6,000 loan to acquire the equipment needed to get his new restaurant, La Casa del Mariachi in Perth Amboy, up and running. We disbursed the loan — our 200th — within days.”*

*-The Intersect Fund*

The Intersect Fund was approved for \$500,000 through the CDFI component of the NCR Program. The organization is a rapidly growing, non-profit microlender that provides business training, coaching and microloans to low-income, minority and women-owned businesses throughout New Jersey. Loans range from \$100 to \$25,000. In the aftermath of Superstorm Sandy, The Intersect Fund expanded its lending to include Disaster Relief Loans of up to \$15,000 at reduced interest rates to businesses across New Jersey devastated by the storm.

### **Increasing Access to Capital to Fuel Economic Growth**

In 2011, EDA entered into a three year contract with not-for-profit economic development corporation UCEDC to expand the array of training, technical and financial assistance services available to entrepreneurs and small businesses throughout New Jersey. UCEDC offers various training workshops, including a series of courses that help develop financial and business literacy for business owners at all stages of maturation, and a comprehensive Entrepreneurial Training Initiative that walks entrepreneurs through all aspects of starting a business. Through its microloans, SBA 7(a) and 504 loans, UCEDC also offers a range of financing vehicles to address business needs at every stage of growth.

With EDA support, UCEDC established a satellite office in Atlantic City with Main Street Atlantic City last year and is also collaborating with other small business advocates, including Stand Up for Salem, the Latin American Economic Development Association and the Cumberland County One Stop Career Center. In 2013, UCEDC trained or mentored more than 1,500 entrepreneurs, held over 65 business training workshops across the State, and, provided close to \$2.9 million in loans to 96 small businesses, 30-percent of which were minority- or woman-owned enterprises.

In addition to its partnership with UCEDC, through the Loans to Lenders component of the Fund for Community Economic Development, EDA makes capital available to financial intermediary organizations who can effectively reach small businesses in local markets, including micro-lenders and CDFIs. These organizations have the ability to offer term loans and lines of credit to micro-enterprises and small businesses not qualified for traditional bank financing.

In 2013, the Cooperative Business Assistance Corporation (CBAC) in Camden and New Jersey Community Capital (NJCC) in New Brunswick each benefitted from \$500,000 under Loans to Lenders to enhance the capacity of their respective financing programs.

CBAC is a nonprofit organization providing business loans and technical assistance to small businesses located in or moving into the Southern New Jersey region. CBAC closed on approximately 60 loans over the last year for an average total of approximately \$1.5 million. An

estimated 65 percent of CBAC's loans go to women and minority-owned businesses. NJCC is a nonprofit organization whose primary mission is to revitalize neighborhoods through flexible financing, technical assistance and consulting services. NJCC has invested over \$300 million into underserved communities across New Jersey. This includes 272 loans that have created or preserved nearly 5,900 jobs.



**Rita's Ice - Newark**

*“Janell Robinson, a Newark police officer, opened her first Rita's Ice in Newark's Central Ward and used it to provide jobs and mentorship to dozens of area teens. A declining economy forced her to close, but two years later, Janell planned to open a new franchise in the heart of downtown. When no bank would provide her a loan, NJCC stepped in, allowing her to fulfill her ambitions and continue changing lives.”*

*-New Jersey Community Capital*

In addition to leveraging partnerships with local and not-for-profit economic development organizations, the EDA's efforts to stimulate economic growth and job creation are strengthened by its work with New Jersey's banking community. The EDA partners with more than 40 Premier Lender banks to offer low-cost financing opportunities through a variety of small business lending programs.

In 2013, EDA supported more than 50 projects through its small business lending programs – the Statewide Loan Pool Program, Main Street Business Assistance Program, New Jersey Business Growth Fund, and Small Business Fund. Assistance under these programs totaled over \$24.7 million in 2013 compared to \$12.2 million in 2012.



*“The talented professionals at the EDA and M&T Bank managed to assemble a detailed financing package in a very short time frame, which helped Forman Industries continue to grow in Old Bridge. We are extremely pleased to be able to maintain our growth in New Jersey, versus another State.”*

*- Scott Forman, founder, Forman Industries*

When Forman Industries wanted to refinance so that it could enhance its operations in Old Bridge, the retail construction services provider turned to the Statewide Loan Pool and Main Street Business Assistance programs. EDA Premier Lender M&T Bank approved the company for a loan that included a 50-percent EDA participation. Through the Main Street Business Assistance Program, M&T approved a line of credit backed by a 50-percent EDA guarantee. Founded in 1984, Forman Industries focuses on four lines of business, including surveys and permitting, fixture/display installation, general construction, and maintenance services. The company expects to substantially increase its staff at the New Jersey facility.

Also through the Statewide Loan Pool and Main Street Business Assistance programs, the EDA partnered with The Bank of Princeton to support Piscataway-based Logistic Solutions, Inc. The minority- and woman-owned IT consulting and staffing business sought help to refinance and restructure debt to ease cash flow and provide working capital. Logistic Solutions received a line of credit from the bank, backed by a 50-percent EDA guarantee, and also received a loan that included a 50-percent EDA participation. Logistic Solutions currently employs 65 and expects to create 50 new jobs within the next two years.

In Burlington Township, Double Dipped Donuts, Inc. (DDD) utilized the New Jersey Business Growth Fund, a program of the EDA and Premier Lender PNC Bank, to refinance its real estate. Established more than 60 years ago, DDD is a family-owned retail bakery known for its unique baked goods and diverse assortment of French and Italian pastries. The company plans to add two new employees to its existing staff of 13.



*“It was a pleasure working with the EDA and Capital Bank to learn about the financing resources available for our business to remain and grow in Pine Hill. We are extremely excited to be approved for the loan, which helps us improve and enhance our operations.”*

*- Surjit Parmar, owner, Pine Hill Laundromat and Dry Cleaners*

Through the Small Business Fund, Capital Bank approved a loan with a 25-percent EDA participation and a 25-percent EDA guarantee to allow Pine Hill Laundromat and Dry Cleaners to refinance its existing debt. The Camden County laundromat expects to retain its staff of two and create one new job. Established over 30 years ago, Ritschel’s Electronic Office Systems, Inc. is a premier office technology provider serving over 4,000 companies in the Northern and Central New Jersey regions, as well as the New York metro area. The company received a direct loan through the Small Business Fund, in conjunction with a loan provided by Sussex Bank, to refinance its existing commercial real estate in Fairfield. Ritschel’s employs a staff of 37 and expects to create seven new jobs.

### **Encouraging Business Development and Community Investment**

In September, Governor Christie signed into law the New Jersey Economic Opportunity Act of 2013 (EOA). Just two months following enactment, the EDA began accepting applications for the enhanced Grow NJ and Economic Redevelopment and Growth (ERG) programs. Grow NJ is now the state’s main job creation and retention incentive program, and ERG is New Jersey’s sole developer incentive program. The Act merged the state’s five legacy incentive programs, while expanding geographic boundaries and lowering eligibility thresholds to enhance the State’s ability to attract and retain businesses of all sizes.

The new law also builds on Governor Christie’s commitment to reclaiming New Jersey’s cities by placing extra emphasis on spurring development and private sector job growth in “Garden State Growth Zones,” identified in the legislation as the four lowest median family income cities in the state: Camden, Trenton, Passaic City, and Paterson. Under the EOA, projects in these cities have significantly lower eligibility thresholds and higher incentive levels.

The EDA closed out 2013 by approving the first projects under the new Grow NJ Program. Among those approved was Valeant Pharmaceuticals International, Inc., a multinational specialty pharmaceutical company which recently acquired Bausch & Lomb. Valeant is in the process of determining where to locate its combined U.S. headquarters, either in Rochester N.Y. or its current facility in Bridgewater. The New Jersey site is currently undergoing renovations and would ultimately house a combined work force of over 800 employees, with 274 retained positions and 550 new full-time jobs. The project also would involve the private investment of more than \$15.3 million.

Also in December, Marathon Data Operating Co., LLC was approved for a Grow NJ award to encourage the company to maintain its presence in New Jersey by locating 70 existing jobs in Neptune instead of its Boston facility. The company, which provides office management, automation software, and marketing services solutions to the pest control, HVAC and plumbing industries, also would create 35 new jobs and invest an estimated \$1.57 million.

While there is increased interest in the State's incentive programs as a result of the EOA, this recent success builds on the momentum of 2013.



*“This is an exciting day for Burlington Coat Factory. I would like to thank Governor Christie, Acting Governor Guadagno and the State of New Jersey for making it possible to maintain and grow our corporate headquarters within the state.”*

*-Thomas Kingsbury, Burlington Coat Factory's President and CEO*

April 2013 Groundbreaking

Founded in 1972, Burlington Coat Factory has a multi-department retail chain with more than 500 stores in 44 states and Puerto Rico. In April, the company broke ground on its new \$41 million headquarters in Florence Township. The 215,000 square-foot building will accommodate more than 800 employees, including 120 new full-time employees. A Grow NJ award finalized in January helped encourage the company to remain and invest in New Jersey.

BK Specialty Foods, Inc. was formed in 1986 as a wholesale food distributor in Philadelphia. The company distributes approximately 6,000 high-end products with a focus on frozen baked goods, hors d'oeuvres, non-alcoholic beverages, cheeses, oils, and specialty ingredients. A Business Employment Incentive Program (BEIP) grant executed last year helped encourage the company to relocate to Logan Township. The company also utilized the Statewide Loan Pool Program to acquire the facility, as well as new equipment and machinery. BK expects to create 56 new jobs.



*"The state made it extremely easy and advantageous for BK to make the move with guidance on finding a new facility and financing provided by the EDA."*

*-Brett Kratchman, Owner and President of BK Specialty Foods*

October 2013 Ribbon Cutting

To support Springfield Avenue Marketplace in Newark, EDA approved assistance through the Urban Transit Hub Tax Credit Program, as well as bond financing and an ERG. Spearheaded by Tucker Development, the \$91.75 million project will transform a vacant, blighted site into a 287,000-square-foot mixed-use development featuring an apartment complex, grocery store, restaurant and retail space. The Marketplace is expected to service the shopping needs of an estimated 280,000 Newark residents, 180,000 members of the city's workforce and 60,000 college students and faculty.



*"Today's groundbreaking for Springfield Avenue Marketplace is the direct result of the public and private sector partnering together to bring jobs and access to healthy foods to the residents of Newark."*

*-Governor Chris Christie  
October 2013 Groundbreaking*



*"As a pioneer in our industry, Glenmore is excited to call New Jersey home. The design studio in Edison is state-of-the-art and a great location for growing our company. We have made two job offers this month alone, and look forward to a successful year."*

*-Harold Lebwohl, president, Glenmore Industries  
April 2013 Tour of New Facility*

In March, Glenmore Industries relocated from Brooklyn to Edison. The home and industrial textile products company moved its operations to a new, state-of-the-art design and product development studio at the Raritan Center. Glenmore Industries was founded in 1946, and today, operates as a high-tech studio, employing highly skilled designers that make prototypes of home and industrial goods. To encourage Glenmore to choose New Jersey over a competing location in New York, the EDA executed a BEIP tied to the creation of 35 new, high-wage positions in New Jersey.

FlightSafety International is a professional aviation training company and supplier of flight simulators, visual systems and displays to commercial, government and military organizations. To keep up with growing client demand, FlightSafety was deciding whether to create a state-of-the-art expansion at its Moonachie-based Teterboro Center or to expand its Delaware facility. The EDA finalized a Grow NJ award in June to encourage the company to remain in New Jersey, investing an estimated \$24.7 million. The project involved the retention of 101 “at risk” jobs, as well as the creation of 12 new, permanent jobs and nearly 200 construction jobs.



*“The expansion and renovation of our Teterboro Learning Center is a clear demonstration of our commitment to continuously enhance the training and services we provide. FlightSafety is proud to have been a part of the New Jersey business community since 1975.”*

*-Bruce Whitman, FlightSafety President & CEO  
June 2013 Groundbreaking*

In September, Zoetis Inc. celebrated the company’s new world headquarters in Florham Park. Zoetis is the largest independent animal health company worldwide and completed its separation from Pfizer in June. Zoetis executed a BEIP grant in September tied to the creation of 385 new jobs at its new Morris County headquarters.



*“We are committed to growing our business in New Jersey where we have access to a highly educated and diverse workforce, which is essential to managing a global animal health company. We are proud to call New Jersey our home.”*

*-Sandra J. Beaty, Executive Vice President, Corporate Affairs at Zoetis*  
September 2013 Corporate Headquarters Tree Planting Ceremony

In 2013, EDA also approved over \$240 million in preliminary and final bond financing that supports the construction, expansion or enhancement of 13 charter schools in New Jersey. This assistance is estimated to lead to over 573,000 square feet of new or expanded space, serving over 7,700 students in the cities of Camden, Trenton and Newark.

### **Growing Innovation**

Signed into law by Governor Christie in January 2013, the Angel Investor Tax Credit program provides credits against New Jersey corporation business or gross income tax for 10 percent of a qualified investment in an emerging technology business with a physical presence in New Jersey and that conducts research, manufacturing, or technology commercialization in the state.

Since EDA began accepting applications to the program in July, 30 investments have been approved representing the injection of \$14.7 million of capital into New Jersey technology and life sciences companies. Businesses that benefited in 2013 include New Providence-based Edge Therapeutics, Inc. and Princeton Power Systems of Lawrenceville.

With an eye toward nurturing the next generation of technology pioneers, EDA entered into a partnership with TechLaunch, LLC in February 2012 to create New Jersey’s first Technology Accelerator. TechLaunch was founded by Mario Casabona, an Angel Investor and founder of Casabona Ventures, a New Jersey-based company providing management services, strategic planning, and private equity (Angel) financing to early-stage, technology driven companies. The LaunchPad program provides seed-stage technology companies funding, mentorship, business training, key services and exposure to qualified investors to increase the value of an enterprise

and the likelihood of follow-on funding. The program culminates in a demonstration and investor pitch from each company. To support this effort, EDA has agreed to make an annual investment of \$150,000 over three years. EDA's investment requires \$300,000 private sector matching funds annually.

TechLaunch held its inaugural, 12 week LaunchPad business boot-camp at Montclair State University in 2012 and "graduated" its first class of ten companies that November. Its second class was extended to 16 weeks and "graduated" nine companies in September 2013. TechLaunch is set to begin its third class at the end of March 2014.

Highlights from the 2013 class include Cactus, which recently landed \$200,000 in seed funding from Kima Ventures, a European venture capital company that invests in more than 100 hopeful startups per year. Cactus's hardware/software product is designed for consumers who want to be coached in staying properly hydrated. A flexible sensor called The Hug fits around any water bottle and is coupled with an app that can track drinking frequency and then push notifications about adequate water intake to users. Another graduate, Pervasive Group, recently announced it was partnering with Mobily to launch the first mobile parental control solution in Saudi Arabia. The company developed MMGuardian, a comprehensive mobile parental control software application.



*"Getting invaluable contacts through the program and the mentoring have been very important for us...TechLaunch has really accelerated both the business and product development, so we're way further with TechLaunch now than we would be otherwise."*

*-Panu Keski-Pukkila, Cactus Co-Founder*

The EDA helps increase available capital for emerging technology companies by investing as a limited partner in venture capital firms that invest in New Jersey-based companies. Funds in which the EDA invest in demonstrate an ability to leverage the Authority's investment with

other investment dollars at a minimum ratio of 3:1. Gains resulting from these investments are utilized to offer new funding opportunities to support New Jersey businesses.

In 2013, EDA invested a total of \$3.8 million in two venture funds that are expected to raise a combined \$87 million to invest in technology companies.

In August, EDA approved an investment of \$2.5 million in ff Rose Venture Capital Fund, which is expected to invest in approximately 40 angel-stage internet and technology companies. In September, Milestone Venture Partners IV was approved for a \$1.3 million investment. Milestone expects to raise approximately \$35 million to invest in technology companies, with a focus on the digital healthcare market.

In total, EDA has approved investments in 12 venture funds in excess of \$40 million; to date, these funds have leveraged the EDA's investment in New Jersey businesses by more than 62 times.

In May, the EDA visited healthcare IT company Premier Healthcare Exchange, Inc., which was able to expand its staff, sales, marketing and shareholder liquidity thanks to a \$4.4 million investment from Edison Ventures. The Bedminster-based company, which has grown from 57 to 120 employees in recent years, benefited from the Edison Venture Fund VII, a \$249 million fund that includes a \$2 million investment from EDA.



*“The monetary investment which Edison Ventures made in our company was certainly significant as it has enabled us to fulfill the commitment that we have to the building a strong, sustainable business in the state of New Jersey. And that’s important to us because we’re not just located in New Jersey; we are from New Jersey, about New Jersey and proud that our success was born and grows in New Jersey.”*

*-Todd Roberti, PHX Chief Executive Officer*

As companies progress beyond the venture funding stage, they have access to a full range of services provided by the EDA, including the competitive Technology Business Tax Certificate Transfer (NOL) Program. The program allows emerging technology and life sciences businesses to sell New Jersey tax losses and/or research and development tax credits to profitable businesses in order to raise cash to finance their growth and operations.

In December, 54 companies were approved to share the \$60 million allocation available through the NOL Program in Fiscal Year 2014. Each of the 54 applicants approved this year will receive an estimated \$1.1 million which is a 21 percent increase from last year.

Companies that benefited include: New Brunswick-based Connotate, Inc., a tech company focused on web data extraction and monitoring; Eagle Pharmaceuticals, a Woodcliff Lake-based pharmaceutical company which develops improved formulations of injectable products; and Agilence Inc. of Mount Laurel, an industry leader in the technology behind reporting solutions for retail loss prevention and operations.

Since the program was established in 1999, more than 490 different businesses have been approved for awards totaling \$770 million.

Created in 2011 to enhance support of early stage companies that have attracted funds through venture capital investors, the Edison Innovation VC Growth Fund provides a subordinated convertible note of up to \$1.5 million to help company's directly fund uses such as hiring key staff, product marketing and sales.

Phone.com, which moved to NJIT's Enterprise Development Center in Newark in June 2013, closed on a \$600,000 loan through the Edison VC Growth Fund last February. The business is a next-generation, cloud-based phone company focused on the needs of small business and entrepreneurs. Phone.com, which expects to add 18 new employees to its staff of six, has been recognized by INC500 as one of the fastest growing telecom companies in the United States.



*"With our offices in Newark, we will be able to build stronger ties with the technology community and will also have closer contact with the students and graduates of NJIT, who have an illustrious history of technology innovation."*

*-Phone.com CEO Ari Rabban*

In the heart of the state's bioscience cluster is the Technology Centre of New Jersey. The Centre offers young, growing firms, as well as large established companies, customizable laboratory and production facilities. The Centre complex sits on more than 50 acres, and consists of approximately 325,000 square feet of lab, production and office space. The Centre's proximity to prestigious institutions of higher learning and major research corporations provides occupants with access to a highly educated and skilled labor pool.

With the support of a BEIP executed in February 2012, Actavis (formerly Watson Pharmaceuticals) is establishing a new, 32,000-square-foot Global R&D Technology Center on the Tech Centre campus that will employ approximately 50 scientists, chemists, engineers and support staff. In 2013, Watson commenced the construction of phase II tenant improvements, which were completed in early 2014.

Merial, the animal health division of Sanofi-Aventis, announced it was expanding its footprint at the Tech Centre in 2013. The \$6 million, 15,500-square-foot expansion will support Merial's continued growth in New Jersey, including the addition of new products. The company currently has 105 employees working out of its 60,000-square-foot facility.



*Merial's employees will soon fill the company's expanded facility on the Tech Centre campus, currently under construction.*

With successful graduates like Amicus Therapeutics, Genewiz and Chromocell Corporation, which today boast over 100 employees each, the Commercialization Center for Innovation Technologies (CCIT) continues to be New Jersey's leading life sciences incubator. CCIT is part of the EDA's Technology Centre of New Jersey complex.

In August, EDA approved a lease with Orthobond Corporation for just over 7,050 square feet of generic wet lab space at the Biotechnology Development Center II on the Tech Centre campus,, following its graduation from CCIT. Since it moved to CCIT in 2009, Orthobond grew from two to four laboratories and expanded from a staff of three to 11. The company expects to add another eight jobs over the next few years. In February, the EDA visited Orthobond to laud its expansion in the State.

In 2013, CCIT welcomed 10 new tenants, including PDS Biotechnology, an early stage cancer immunotherapy biotechnology company, which was based in Indiana and looked at various locations in New Jersey and Pennsylvania before choosing to execute a lease at CCIT. In addition to Orthobond, four other growing biotechnology companies "graduated" from CCIT in 2013. This includes 3D Biotek, which announced the approval of a critical patent in August by the US Patent and Trade Mark Office. The company now has eight products on the market.

In January, CCIT was awarded its third consecutive Soft Landings International Incubator designation by the National Business Incubation Association, which recognizes incubators that are especially capable of helping nondomestic companies enter the domestic market with translation services, cutting through red tape, accessing capital, domestic market research, and other programs.



*“Our location at CCIT has provided us with a host of resources essential to a young company’s growth, including the opportunity to interact with our neighbors, share instrumentation, discuss technology and network.”*

*-Marc Burel, Orthobond Chief Operating Officer*

The Waterfront Technology Center at Camden is a 100,000-square-foot facility designed exclusively to accommodate the work of established businesses and startups in the biosciences, microelectronics, advanced materials, information technology and other high-tech and life sciences fields.

In 2013, Rutgers University finalized a 64-month lease at the Center, where approximately 12 faculty and graduate student researchers will utilize 5,193 square feet of pre-built lab space for special projects and biology-related research. ATS Group, which executed a lease in 2012 for 1,900 square feet of space, expanded with the addition of 1,000 square feet in 2013. The company provides a wide range of products and services to the US government, as well as to the public and the private sectors.



*The EDA’s Waterfront Technology Center at Camden*

Launched in 2011 as a program of the EDA and the New Jersey Board of Public Utilities, the Edison Innovation Green Growth Fund (EIGGF) offers loans of up to \$2 million to Class I renewable energy or energy efficient clean technology companies that are seeking funding to grow and support their technology business. In August, United Silicon Carbide Inc. closed on a \$2 million loan through the EIGGF. USCI was formed in 2009 to commercialize SiC technology that was initially developed by Rutgers University. USCI's technology is designed to replace Silicon in semiconductor applications to increase performance and improve efficiency.

The Large Scale CHP-Fuel Cells Program was a competitive grant program created to support combined heat and power (CHP) and standalone fuel cell projects serving commercial, institutional and industrial customers in New Jersey. Launched by the EDA and BPU, applications for the competitive solicitation were due in June 2012. In January 2013, EDA and BPU announced the second iteration of the program, which is administered as a rolling grant program.

Following the competitive solicitation, the EDA and BPU approved over \$11 million in funding to support six CHP projects for some of New Jersey's largest energy users, including medical centers, manufacturers and hospitals. In 2013, the EDA and BPU approved four additional projects totaling over \$7.5 million in assistance. Projects included Bristol-Myers Squibb in Pennington, Monmouth Medical Center in Long Branch, Barnabas Health in Dover, and UMM Energy Partners in Little Falls.

The UMM project involved the establishment of a 5.67 megawatt cogeneration plant to support Montclair State University. Under the 2009 New Jersey Economic Stimulus Act, the University awarded UMM the bid to develop the new system. The \$90 million Public-Private Partnership, approved by the EDA, was the third of its kind in New Jersey.



*"I cannot overstate the importance of this project...I am proud to say that the new project embodies the University's commitment to environmental stewardship by delivering clean, cost-effective and energy-efficient power and thermal services."*

*- Montclair State University President Susan A. Cole*

**By the Numbers**  
2013 Closed Projects

**Business Employment Incentive Program**

*\$61.2 million awarded*  
*\$259.5 million leveraged private investment*  
*Estimated 2,800 new, permanent jobs and*  
*over 900 construction jobs*

**Business Retention and Relocation  
Assistance Grant**

*\$7.5 million awarded*  
*\$14.2 million leveraged private investment*  
*Estimated 1,976 "at risk" retained jobs*

**Grow New Jersey**

*\$262 million awarded*  
*\$496 million leveraged private investment*  
*Estimated 1,237 new, permanent jobs, 2,472*  
*construction jobs and 3,286 "at risk"*  
*retained jobs*

**Bond Financing**

*\$837 million awarded*  
*\$1.5 billion leveraged private investment*  
*Estimated 500 new, permanent jobs and*  
*over 4,675 construction jobs*

**Small Business Lending**

*\$24.9 million awarded*  
*\$92 million leveraged private investment*  
*Estimated 440 new, permanent jobs and*  
*over 80 construction jobs*

**Technology**

*Over 70 technology companies received*  
*more than \$196 million in assistance*  
*\$444 million leveraged private investment*  
*Nearly 1,780 new, permanent jobs and*  
*1,860 "at risk" retained jobs*

## EDA Executive Team



**Michele Brown**  
*Chief Executive Officer*



**Timothy J. Lizura**  
*President & Chief Operating Officer*



**Maureen Hassett**  
*Senior Vice President,  
Finance & Development*



**Frederick J. Cole**  
*Senior Vice President,  
Operations*

## EDA Board Members

### **Chairman**

Alfred C. Koeppe  
President and CEO  
Newark Alliance

### **Vice Chairman**

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

### **Ex Officio Members**

Melissa Orsen  
Governor's Designee  
Chief of Staff, Lieutenant Governor's Office

Kenneth E. Kobylowski  
Commissioner  
New Jersey Department of Banking &  
Insurance

Bob Martin  
Commissioner  
New Jersey Department of Environmental  
Protection

Andrew P. Sidamon-Eristoff  
State Treasurer  
New Jersey Department of the Treasury

Harold J. Wirths  
Commissioner  
New Jersey Department of Labor &  
Workforce Development

### **Public Members**

Laurence M. Downes  
Chairman and CEO, New Jersey Resources

Brian M. Nelson, Esq.  
Partner, Archer & Greiner PC

Marjorie Perry  
President and CEO, MZM Construction &  
Management, Inc.

Charles H. Sarlo, Esq.  
Law Office/VP and General Counsel, DMR  
Architects

Fred. B. Dumont  
Business Manager, Heat & Frost Insulators  
and Asbestos Workers Local 89  
Vice President, New Jersey State Building and  
Construction Trades Council

Jerrold I. Langer  
Chief Commercial Officer, Langer Transport  
Corporation

### **Alternate Public Members**

Raymond M. Burke, III  
President, Burke Motor Group

Elliot M. Kosoffsky  
Chief Operating Officer, F. Greek  
Development

Harold Imperatore  
Proprietor, The Bernards Inn

### **Nonvoting Member**

Rodney Sadler  
Camden Economic Recovery Board

## Certifications Pursuant to E.O. 37

March 27, 2014

In accordance with Executive Order No. 37, the New Jersey Economic Development Authority's 2013 Annual Report also serves as the comprehensive report of the Authority's operations. This report highlights the significant action of the Authority for the year, including the degree of success the EDA had in promoting the State's economic growth strategies and other policies.

The report of independent auditors, Ernst & Young, dated March 21, 2014, is attached and completes the EDA's requirements concerning the preparation of a comprehensive report required by Executive Order No. 37.

I, Michele Brown, certify that during 2013, the Authority has, to the best of my knowledge, followed all of the Authority's standards, procedures and internal controls.

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



Michele A. Brown  
Chief Executive Officer

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



Richard LoCascio, CPA  
Controller