

Summary of "Grow NJ" Business Attraction & Retention Incentive Program

Step 1: Determine if Business Meets Minimum Eligibility Requirements:

A. Will Build-Out of the Premises Meet the Minimum "Capital Investment" Requirement? Dollar amount depends on type of premises and nature of construction:

Warehouse/Industrial/Logistics/R&D -- Rehabilitation (\$/SF)	\$20	Note: Minimum Capital Investment amounts are 1/3 lower in "GSGZ Cities" and in "Southern Counties"
Warehouse/Industrial/Logistics/R&D -- New Construction (\$/SF)	\$60	
Office Premises -- Rehabilitation (\$/SF)	\$40	
Office Premises -- New Construction (\$/SF)	\$120	

B. Does the Business Meet the Minimum Number of Jobs? Y/N

Minimum Full-Time Employment -- by category	New Job Minimum	At-Risk Job Minimum	Note: Minimum employment numbers are 1/4 lower in "GSGZ Cities" and in "Southern Counties"
"Technology Startup Companies" & Manufacturing Businesses	10	25	
Businesses in "Targeted Industries" (other than tech startups & mf)	25	35	
All Other Businesses/Industries	35	50	

Step 2: If Business is Eligible under Step 1, Determine Project Category and Applicable Base and Maximum Award Amounts:

<u>Project Category</u>	<u>Base Amt per Full-Time Employee*</u> <u>Amt per New Job/Amt per Retained Job</u> (assumes 10-year max. award)	<u>Max Amt per Full-Time Employee*</u> <u>Amt per New Job/Amt per Retained Job</u> (assumes 10-year max. award)	<u>Max Award Per Project (Aggregate)**</u> (assumes 10-year max. award)
"Mega" Project" **	50,000/25,000^	150,000/75,000^	300,000,000
"GSGZ City" location	50,000/25,000^	150,000/75,000^	300,000,000
"UTHTC City" location	50,000/25,000^	120,000/60,000^	100,000,000
"Distressed Municipality" location (unless covered above)	40,000/20,000^	110,000/55,000^	80,000,000
"Other Priority Areas" location	30,000/15,000^	100,500/50,250^	40,000,000^^
"Other Eligible Areas" location	5,000/2,500^	60,000/30,000^	25,000,000^^

* Per employee award and per business award may be higher if project located in a GSGZ City, especially Atlantic City or Camden City.

** To qualify, business must: (1) (a) locate in "Port District" and be in logistics, manufacturing, energy, defense or maritime industries, or (b) locate in "Aviation District" and be in aviation industry, or (c) locate in a "GSGZ City", or (d) locate in any qualifying area and primarily engage in R&D/manufacture of drug or device or clinical lab and (2) (a) employ 250+ FT positions and make a capital investment of >\$20MM or (b) employ 1,000+ FT positions. A business not otherwise eligible as a mega project can nevertheless qualify by locating in: (i) an "Urban Transit Hub" in a "UTHTC City", employing 250+ FT positions, and making a \$50MM+ capital investment, or (ii) a redev. area in a "Southern County," employing 150+ FT positions, and making a \$20MM+ capital investment.

^ Annual amount per existing (i.e., retained at-risk) job is capped, in each of the 10 applicable years, at 1/10th total capital investment divided by total jobs (new & existing) per year.

^^ Aggregate annual amount received by business is capped at 90% of employer withholding taxes. May result in significant reduction of incentive amount if low-paying jobs.

If maximum award exceeds \$4MM annually, the total award shall equal the lesser of the maximum award calculated per this chart or an amount determined by NJEDA as "necessary to complete the project." (Note: This cap does not apply to projects in parts of Atlantic City or in Camden City.)

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Step 3: Determine Eligible Bonuses:

	<u>Rate per employee (new/existing)</u> (assumes 10-year max award)	<u>Maximum Bonus per employee</u> (assumes 10-year max award)	
Located in a "Deep Poverty Pocket" or Choice Neighborhood (HUD)	15,000/7,500	n/a	
Located in a redevelopment area w/in 1/4-mile of 1 US Hwy & 2 State Hwys	15,000/7,500	n/a	
Located in a "Qualified Incubator Facility"	5,000/2,500	n/a	
Located in a project that includes workforce housing for 20%+ of employees	5,000/2,500	n/a	
Located within a "Transit Oriented Development" - See Schedule D	20,000/10,000	n/a	
Located within 1/2 Mile to light rail station constructed after Sept. 18, 2013	10,000/5,000	n/a	
Located in a marine terminal in S. Jersey Port District outside GSGZ Cities	15,000/7,500	n/a	
Located in certain municipalities within Southern Counties	10,000/5,000	n/a	
Located in building w/ more than 1MM square feet of office/lab space vacant for more than 1 year	10,000/5,000	n/a	
Add'l Capital Investment for "Manufacturing Facilities" \$10k/\$5k 20% over Min. Capital Invest Req't		30,000/15,000	(50k/25k if Mega Project or GSGZ City)
High Median-Average Salary Job Bonus - See Schedule C \$2,500/\$1,250 per 35% over County/GSGZ City Median Average		15,000/ 7,500	
Super Jobs (>250 to 400)	5,000/2,500	n/a	
Super Jobs (401 to 600)	7,500/3,750	n/a	
Super Jobs (601-800)	10,000/5,000	n/a	
Super Jobs (801-1,000)	12,500/6,250	n/a	
Super Jobs (1,001+)	15,000/7,500	n/a	
Targeted Industry	5,000/2,500	n/a	
Greater Greening (LEED Gold+) or Substantial Environmental Site Remediation	2,500/1,250	n/a	
Project Generates On-Site Solar Energy Exceeding 50% of Electrical Needs	2,500/1,250	n/a	

Step 4: Determine "Gross" Amount of Grow NJ Award:

Add Applicable Bonuses in Step 3 to Applicable Base Amount in Step 2 (keeping in mind that the total incentive amount per existing employee equals 50% of the amount applicable to a new job).

Step 5: Determine Maximum "Net" Amount of Grow NJ Award:

- A. In the case of existing (i.e., retained at-risk) jobs, the per job amount is capped in each of the 10 years at 1/10th total capital investment divided by total jobs (new & existing) per year.
- B. If project located in "Other Priority Areas" or "Other Eligible Areas," the annual 1/10th total incentive amount is capped at 90% of actual employer withholding taxes paid for such year.
- C. If max. award exceeds \$4MM annually, the total award shall equal the lesser of the maximum award calculated per the formula or an amount determined by NJEDA as "necessary to complete the project."
- D. The total Grow NJ award amount, after the foregoing adjustments, must yield a 110% positive net benefit to the State over 20 years (up to 30 years for Mega Projects & projects in GSGZ Cities, with relaxed standards for projects in Camden City), failing which the total Grow NJ award amount may be reduced to so achieve the required yield.

Key Program Details:

> For each year of incentives (up to maximum of 10 years) , the business must commit to maintaining the project with the minimum number of FT job positions for 1.5x the length of the incentive award period.

Key Program Deadlines:

> "Mega Project" applicants must apply by September 18, 2017. All other GrowNJ applications must be submitted by July 1, 2019.

> Approved applicants must satisfy job and capital investment requirements within 3 years from date of approval by the NJEDA (with 2 possible 6-month extensions).

Brief Summary of key definitions used in this chart and/or the GrowNJ program:

"Aviation District" - Area within one-mile radius of Atlantic City International Airport.

"Capital Investment" - Expenses incurred by a business or its landlord towards site prep, remediation, fit-out, relocation, FF&E (20% may be soft costs). Note: Site acquisition costs may be included for projects located in a GSGZ City. Further note: Costs incurred within 24 months prior to application may also be included in certain circumstances.

"Deep Poverty Pocket" - A population census tract having a poverty level of 20% or more.

"Disaster Recovery Project" - A project located on property substantially damaged by a federally-declared disaster.

"Distressed Municipality(ies)" - See Schedule A of this Summary for a List of Distressed Municipalities.

"Full-time employee" (job) - Position must be filled by one person for not less than 35 hours per week, of which at least 80% of such time must be spent at the facility (or fewer hours/percentage of time considered full-time in particular industry custom/practice).

"GSGZ Cities"- The following 5 cities: Atlantic City, Passaic, Paterson, Trenton & Camden. (Note: With the exception of Atlantic City & Passaic, all other cities are also "UTHTC cities.")

"Manufacturing Facility" - Premises in which at least 51% of GLA is used for the assembling, processing, and/or manufacturing (or the breaking or demolishing) of finished or partially finished products from materials or fabricated parts (including a warehouse if used as part of chain of distribution for such products so assembled, processed or manufactured at the premises).

"Office Premises" - Premises that do not qualify as "Industrial Premises."

"Other Eligible Areas" - Aviation District; Planning Area 3; certain portions of Meadowlands, Pinelands & Highlands; certain portions of Planning Areas 4A, 4B & 5.

"Other Priority Areas" - Planning Areas 1 & 2; "Designated Centers" & "Designated Growth Centers" under the current State Plan; "Port Districts"; "Deep Poverty Pockets"; "Disaster Recovery Projects"; "Transit Oriented Developments"; "Qualified Incubator Facilities"; "Large Empty Buildings"; closed federal military bases

"Port District" - Area within approx. 25-mile radius of the Statue of Liberty in northern NJ and area within 15-mile radius of each marine terminal facility in South Jersey.
See Schedule B of this Summary for a Map of the northern NJ "Port District"

"Qualified Incubator Facility" - 50,000 sq ft or larger office, lab or industrial space located near research institute, teaching hospital, college or university, with 50% of space restricted for use by "Technology Startup Companies"

"Southern County(ies)" - The following 8 counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean & Salem.

"Targeted Industries" - Transportation, defense, energy, logistics, life sciences, technology, health, finance, manufacturing ("excluding a primarily warehouse, distribution or fulfillment center business").

"Technology Startup Company" - A business in operation for fewer than 5 years, developing or possessing a proprietary technology or business method of a high-tech or life-sciences related product, process or service which the business intends to move towards commercialization.

"Transit Oriented Development" - Facility located within 1/2-mile (1 mile if in a GSGZ city) of a commuter rail (including light rail), bus or ferry station. See also Schedule D.

"Urban Transit Hub" - Area within 1/2-mile of commuter rail stations, including light rail, in the UTHTC cities (1 mile in Camden) or property adjacent to freight rail and using a rail spur w/in one mile for freight rail purposes.

"UTHTC City(ies)" - The following 13 cities: Newark, Elizabeth, East Orange, Paterson, Jersey City, Hoboken, West New York, New Brunswick, Trenton, Bridgeton, Mt. Holly, Salem & Camden.
(Note: Paterson, Trenton & Camden are also GSGZ cities.)

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Schedule A -- List of "Distressed Municipalities" under the GrowNJ program:

Asbury Park City (Monmouth)
Atlantic City (Atlantic) ^
Bayonne City (Hudson)
Belleville Township (Essex)
Beverly City (Burlington)
Bloomfield Township (Essex)
Brick Township (Ocean)
Bridgeton City (Cumberland) *
Burlington City (Burlington)
Camden City (Camden) * ^
Carteret Borough (Middlesex)
Clifton City (Passaic)
East Orange City (Essex) *
Elizabeth City (Union) *
Garfield City (Bergen)
Glassboro Borough (Gloucester)
Gloucester City (Camden)
Gloucester Township (Camden)
Hackensack City (Bergen)
Harrison Town (Hudson)
Hillside Township (Union)
Hoboken City (Hudson) *
Irvington Township (Essex)
Jersey City (Hudson) *
Keansburg Borough (Monmouth)
Kearny Town (Hudson)
Lakewood Township (Ocean)
Lindenwold Borough (Camden)
Lodi Borough (Bergen)
Long Branch City (Monmouth)
Millville City (Cumberland)
Monroe Township (Gloucester)
Montclair Township (Essex)
Mount Holly Township (Burlington) *
Neptune City Borough (Monmouth)
Neptune Township (Monmouth)

New Brunswick City (Middlesex) *
Newark City (Essex) *
North Bergen Township (Hudson)
Old Bridge Township (Middlesex)
Orange City (Essex)
Passaic City (Passaic) ^
Paterson City (Passaic) * ^
Pemberton Township (Burlington)
Penns Grove Borough (Salem)
Pennsauken Township (Camden)
Perth Amboy City (Middlesex)
Phillipsburg Town (Warren)
Plainfield City (Union)
Pleasantville City (Atlantic)
Rahway City (Union)
Roselle Borough (Union)
Salem City (Salem) *
Secaucus Town (Hudson)
Trenton City (Mercer) * ^
Union City (Hudson)
Vineland City (Cumberland)
Weehawken Township (Hudson)
West New York Town (Hudson) *
Willingboro Township (Burlington)
Winslow Township (Camden)
Woodbridge Township (Middlesex)
Woodbury City (Gloucester)

* also a UTHTC city

^ also a GSGZ city

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11/6/2013

MEDIAN ANNUAL SALARIES of RESIDENTS

COUNTY	Census ACS 2012 Full Time Only
ATLANTIC	\$41,930
BERGEN	\$59,121
BURLINGTON	\$55,155
CAMDEN	\$48,596
CAPE MAY	\$46,042
CUMBERLAND	\$42,721
ESSEX	\$48,539
GLOUCESTER	\$57,952
HUDSON	\$50,006
HUNTERDON	\$67,414
MERCER	\$56,048
MIDDLESEX	\$57,919
MONMOUTH	\$61,457
MORRIS	\$65,053
OCEAN	\$52,025
PASSAIC	\$45,182
SALEM	\$47,453
SOMERSET	\$68,408
SUSSEX	\$59,127
UNION	\$47,604
WARREN	\$50,526
Camden City (Camden County)	\$29,375
Passaic City (Passaic County)	\$27,382
Paterson City (Passaic County)	\$28,823
Trenton City (Mercer County)	\$33,007

Schedule C-Median Annual Salaries of Residents

Schedule D-List of Eligible Bus/Rail/Ferry Commuter Stations for TOD Bonus

“Transit oriented development” means a qualified business facility located within a 1/2-mile radius, or one-mile radius for projects located in a Garden State Growth Zone, surrounding the mid-point of a New Jersey Transit Corporation, Port Authority Transit Corporation, or Port Authority Trans-Hudson Corporation rail, bus, or ferry station platform area, including all light rail stations. For the purposes of determining the transit project bonus pursuant to N.J.A.C. 19:31-8.8(c)4, a bus station platform is a terminal as listed on the EDA's website at www.njeda.com.

In addition to rail and ferry stations, the bus stations listed below are eligible according to the definition above. Most are already rail stations.

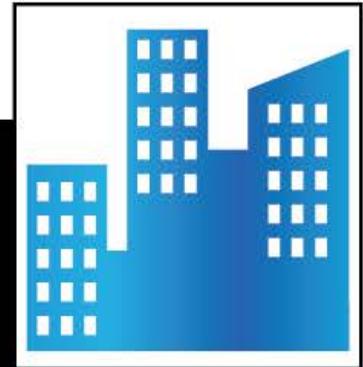
Eligible Bus Terminals	
Municipality	Bus Terminal Name
Asbury Park	Transportation Center
Atlantic City	Convention Center Rail Terminal
Bloomfield	Grove Street Station
Camden	Walter Rand Transportation Center
Cape May	Cape May Transportation Center
Cranford	Rail Station
East Brunswick	East Brunswick Transportation Center
Freehold	Freehold Bus Terminal
Hackensack	Hackensack Bus Terminal
Hamilton	Hamilton Rail Station
Hoboken	Hoboken Terminal
Irvington	Irvington Terminal
Jersey City	Journal Square Transportation Center
Jersey City	Liberty State Park Light Rail Station
Lakewood	Lakewood Terminal
Morristown	Morristown Railroad Station
New Providence	Murray Hill Rail Station
New Providence	New Providence Rail Station
Newark	Light Rail Station
Newark	Newark Airport
Newark	Penn Station
North Bergen	Terminal Building Bus Stops
Ocean City	Transportation Center

Paterson	Broadway Terminal
Pennsauken	36th Street Station/Pennsauken Transit Center/Pennsauken Station
Point Pleasant Beach	Rail Station Lot
Red Bank	Red Bank Rail Station
Secaucus	Secaucus Junction
Somerville	Somerville Railroad Station
Toms River	Toms River Terminal
Union	Hudson-Bergen Light Rail Station
Vineland	Vineland Transportation Center
Wayne	Transit Center
Weehawken	Hudson-Bergen Light Rail Station
West Windsor	Princeton Junction Rail Station
Wildwood	Wildwood Bus Terminal
Woodbridge	Metro Park Station

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