

## APPENDIX

Talking Points for Mike Wallace

Join Committee on Economic Justice and Equal Employment Opportunity

December 18, 2017

- Good morning Chairmen and members of the Committee, my name is Mike Wallace from the New Jersey Business and Industry Association and it is honor to speak before you today.
- Today's meeting regarding the State's economy with an emphasis on the McKinsey report is extremely important and NJBIA appreciates the invitation to be a part of the discussion.
- The McKinsey report identified four major factors that have limited economic growth in New Jersey:
  - The first being that the State has relatively few young companies that have grown into major employers (more than 500 employees).
  - The second factor is its aging infrastructure, which exacts a toll on productivity, raises the cost of doing business, and diverts public funds from uses that might generate more growth.
  - Third, is the State's efforts to spur growth through tax breaks and other incentives for employers to locate or remain in the state have not been as effective as similar programs in other states; although New Jersey has been good at retaining existing employers other states do more to attract fast-growth companies.

- Finally, and this is where I'm going to focus the remainder of my comments, is that New Jersey has a significant labor-market mismatch between demand for middle-skill workers and the supply of workers with appropriate skills.
- Middle skill workers are those with advanced skills that are typically achieved by post secondary training or education but not necessarily a four-year degree. Although the McKinsey report refers to them as middle skill I'm going to refer to them as advance skill workers.
- According to the National Skills Coalition, an estimated 53 percent of all jobs in New Jersey in 2015 were appropriate for advance-skill workers. Furthermore, 50 percent of all job openings between 2014 and 2024 are expected to be advance-skill jobs. Advance skill work, however, represents only 37 percent of the labor force in New Jersey.
- To address the gap between the demand for workers with advance skills and the supply of workers with appropriate skills NJBIA supports workforce development and job training programs that will ensure that New Jersey's future workers are workforce ready with technical and employability skills. We also support emphasizing skill building among New Jersey's current workforce especially among low wage positions in order to raise skills that will in turn raise salaries.
- This should be done by promoting quality career and technical education opportunities that prepare students for careers as well as college.

- Improving standards and hands-on learning opportunities for students to help them develop the necessary employability and technical skills.
- Establishing a list of career pathways in growth industries and indicate the skills/education/certification required for each along with a clear direction for individuals interested in pursuing them.
- Ensuring workforce training programs are efficient and employer centric
- Incentivizing workforce training programs through grants or tax credits
- And ensuring collaboration among academia, business, and government to advance workforce readiness.
- In closing, I want to thank the committee for allowing NJBIA to have a seat at the table and look forward to working with you on these issues.

Let me begin by Thanking you, for the opportunity to share a few thoughts of how we can work together to improve the competitiveness of New Jersey. Many of you in this room have provided support, guidance and advocated on behalf of the mission of AACCNJ, and as a result, we have continued to grow by leveraging our relationships to direct resources, opportunities, and information to position African American youth, adults and businesses for equitable participation in New Jersey's economy. Like many of you in this room, I too, read the McKinsey Report, much of which that was shared, I and my colleagues discuss all the time. The report cited a number of areas of underperformance in New Jersey's economy due to the following; Regulation, duplication of services, cost, overspending on incentives without accountability or sanctions, and lack of alignment of resources to growth sectors and skills development opportunities to name a few.

However, what the report did not address was New Jersey's diversity and its potential value proposition if

utilized as a means to strengthen the state's competitiveness.

**African American's have the highest level of poverty, unemployment, high school dropout rate and lowest business capacity in New Jersey.**

**Missed Opportunity-** Given that the Economic Opportunity Act, targeted Camden, Trenton, Newark and Paterson, if hiring and capacity building strategies were aligned with incentives and measured by metrics and sanctions for non-compliance this would provide a greater assurance that New Jersey would have the potential to realize a greater return on its investment through newly established pathways for individual self-sufficiency and small business growth.

**Workforce Training-** Recently New Jersey increased workforce training dollars by \$3 million, clearly a step in the right direction based on the McKinsey Report, however, we have not changed or added more players that have stewardship over the **Program** funds. If the statistics that I stated are accurate concerning the economic standing of African Americans in New Jersey, then the previous level of resources allocated has had a

minimal impact and therefore, we should perhaps consider introducing others who can lend value and work to reduce the level of adverse systemic outcomes. For example, a few years ago, I introduce an African American Firm to a community college for the purpose of having their employees access State Training resources. My plan was to have some of the training companies that are members of the chamber participate in this opportunity, unfortunately, after our introduction, the college chose to dismiss my suggestion, and proceed with providing the training without including any of our trainers. This was a New Jersey employer that has been in business for over 15 years.

The Mckinsey Report also, did not cite the benefits of having diversity goals as a strategy to improve innovation, cost savings, operational efficiencies and a means to improve worker skill levels and small business capacity. The state of New York recently increased its minority and women goals from 20-30%.

The Port Authority of New York and New Jersey spends approximately \$4 billion dollars annually on infrastructure projects. A few projects in the pipeline are

the Terminal A expansion in Newark Airport \$2.2 Billion Dollars and the proposed Gateway Tunnel project at a cost of \$25 Billion Dollars over 10 years, again, although they have Disadvantaged Business goals (Federal), there is no resources allocated to the monitoring of inclusion with sanctions, or coalescence of minority owned businesses to form relationships with larger firms to ensure increased participation and potentially provide greater economic impact on local communities.

Cost of doing business in New Jersey was another area cited in the Mckinsey Report. I would attribute a significant amount of the cost stems from Project Labor Agreements which give Union firms a preference in Public Contracts. When former Governor McGreevey, introduced PLA's as his first Executive Order, he wanted it to apply to all public construction, notwithstanding the cost of the project. I along with NJBIA, ABC, The Regional Alliance and a few others were able to negotiate a threshold of \$5 million dollars which would allow smaller firms with limited capacity to compete for opportunities. The introduction of PLA's was on the heels of the proposed multi- billion dollar school construction

program, this change enable our chamber to introduce an African American firm that was awarded a \$5 million contract to perform work at a middle school in Trenton, the largest public contract awarded at that time for an African American firm in Trenton, the firm went on to receive additional contracts. However today, we have seen PLA's listed in a number of public contract opportunities below \$5 million, thus eliminating a number of non-union firms from participating in projects in the communities where they are located. (Again Monitoring)

Lastly, we have a number of Urban Cities in New Jersey wherein the population is majority African American, the leadership whom have oversight of governance and contracts are African American and they too have done very little to put processes in place to level the playing field for minority and women firms. Specifically, transparency, accountability and oversight for procurement in many instances is non- existent, improvement in this area could also mitigate the underperformance of the African American demographic in New Jersey.

I must applaud Essex and Hudson Counties for recently implementing set aside programs as step to improve contracting opportunities for Minorities and Women, and asked that the State of New Jersey move aggressively to establish the same.

Inclosing, the AACCNJ is very interested in doing its part to assist the state in improving its level of competitiveness.

We believe by providing an annual allocation of resources for educational and workforce training programs, and monitoring of New Jersey Economic Development Project, Business Cultivation and Capacity building strategies to support minority and women owned business on Publically Funded projects; we could help to improve the economic standing in underperforming sectors in New Jersey.

Thank you,

# THE AFRICAN AMERICAN CHAMBER OF COMMERCE OF NEW JERSEY



EST.  
JUNE  
2007



STRENGTHENING  
NEW JERSEY'S  
COMPETITIVENESS



# 10 Years of Excellence

## Time Capsule

*Within the following pages are historical organizational milestones, accounts, observations, opportunities and relationships. The collection of information and achievements of this Chamber of Commerce is reflected by the commitment and fortitude of its leadership and members.*

*The African American Chamber of Commerce of New Jersey is proud to showcase years of excellence in the making.*



Booker T. Washington organized the National Negro Business League in 1900 to promote the commercial and financial development of the Negro.

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# Letter from the Chairman of the Board

Dear AACCNJ Supporters,

In 2007, the African American Chamber of Commerce was created and began operations in a small two room, second floor office on State Street in Trenton, New Jersey. This year marks the completion of the Tenth Year Anniversary Celebration. This organization could not have survived nor thrived without the hard work of our staff and the team of dedicated volunteers.

We are also grateful to our clients and members who entrusted us with the challenge of providing you with immaculate services and products that helps to promote your company and improve the economic status of our communities. You have all contributed to the success of the African American Chamber of Commerce, and I want to express my sincere gratitude for your support.

The significant disparity on issues such as incarceration rates, education levels, and employment rates that exist in New Jersey clearly requires a significant level of effort to address these differences. New Jersey has one of the largest income gaps in the country and these disparities likely contribute to the divide in earnings. These issues can only be addressed when the citizens of our state, region and nation come together to transform our national politics and priorities. This organization will continue to stand with you in facing the challenges to improve the quality of life for all New Jersey citizens.

I would like to thank our sponsors for their generous support. We cannot host events as we do without you. The African American Chamber of Commerce of New Jersey wants to help your business grow and obtain success. Start your path to success by becoming a member. I wish all of you peace, hope and joy in the coming new year.

Cordially,

Hosea Johnson

HJ:jb

## Letter from the Founder, President & CEO

Dear Friends:

Let me start by saying thank you. As I reflect over the last ten years, I can recall the countless number of people who attempted to sway me from moving forward on the formation of the AACCNJ with their broken promises and lack of follow through.

However, given the systemic challenges of high poverty, unemployment, limited skills development, and low capacity for the 1.2 million African American residents and over 66,000 businesses in New Jersey, there was a void that some group had to fulfill if New Jersey was to get on a path to improve its level of competitiveness.

In my opinion, the African American community and New Jersey's mainstream, where all of the resources, opportunities, and information are prevalent, were traveling on separate axes. Unless there is an intersection, the probability of fostering relations are minimal, thus creating the void which AACCNJ chose to bridge through its mission. Since then, we have been able to advance public policy through engagement of both republicans and democrats, while accomplishing similar goals with various chambers and business associates. Moreover, our most rewarding advocacy has been our ability to engage traditional African American community organizations and faith-based leaders around the table talking candidly about the state of the African American community.

Although we pause to celebrate this historical milestone, there remains plenty of work to be done. We are encouraged to see the recent set aside procurement ordinances in Essex and Hudson counties and a coalescence of African American groups on a platform of economic and social justice issues, which, if implemented, would improve conditions for African Americans in New Jersey while strengthening our state.

I am proud to lead an organization whose success of its mission has favorable implications for New Jersey. Lastly, I owe a debt of gratitude to the staff, board members, and to those who invested their time and treasure to help build the AACCNJ of today. Nelson Mandela said, "It always seems impossible, until it is done."

Thank you,

John E. Harmon, Sr., IOM  
Founder, President & CEO  
Former Chairman, NBCC

## Letter from the Foundation Chairman of the Board

Dear Friends,

On behalf of the African American Chamber of Commerce of New Jersey (“AACCNJ”) Foundation Board, I would like to thank you for all of the support you have given us this year – 2017 was another banner year for the AACCNJ. While I cannot list all of our achievements here, I would like to highlight a few. We established countless new relationships with the leaders of some of the most influential companies in the U.S. in both the for-profit and nonprofit sectors. We forged new significant friendships with individuals serving in key roles at all levels of government. We occupied an important seat at the table of numerous momentous legislative discussions on matters effecting businesses in this state. These accomplishments would not have been possible without you and your support.

As I reflect on 2017, I would like to recognize my colleagues on the AACCNJ’s operating and foundation boards for your tremendous sacrifice and hard work, our members for your unparalleled collegiality and enthusiasm and our sponsors for your indispensable friendship and support.

I am especially appreciative of your participation with the AACCNJ for I can imagine no organization more essential to the success of our community. Founded on the principles of advocating for and promoting economic diversity and fostering a climate of business growth, the AACCNJ performs a critical role in setting the stage for a vital economy in New Jersey through major initiatives centered on education, health and public policy. Through your dedication the AACCNJ has shown it is up to the challenge of ensuring that the African American community is an equitable beneficiary in the states’ prosperity. Thank you again for your support, and I look forward to working with you to make 2018 an even greater success.

Sincerely,

Marcus E. Dyer, CPA, Esq.  
Chairman of the Foundation Board  
Manager, WithumSmith + Brown, PC

## Meet Our Executive Team



**Hosea Johnson, Chairman of the Board, AACCNJ**

Hosea Johnson is the Founder and President of Johnson Associates Systems Inc., located at 900 Route 168, Turnersville, New Jersey. Johnson Associates Systems is an Orthotic and Prosthetic Company that provides support to our nations' military veterans within the Department of Veterans Affairs.

Mr. Johnson is also the owner of WSI - We Simplify the Internet, a professional and innovative information technology company dedicated to providing quality products and services in internet marketing, systems design and development, systems engineering, network and data communications and project management.

Mr. Johnson graduated with a Bachelor of Arts degree from Morehead State University, Morehead, Kentucky. Mr. Johnson began employment with International Business Machines as a computer programmer and worked as a systems engineer. Mr. Johnson then joined TRES Systems of Dallas Texas as a consultant and project manager. In 1983 Mr. Johnson joined Control Data Corporation and served as a regional project manager until 1988 at which time Mr. Johnson became an independent consultant. Johnson Associates Systems was founded in 1990.

Johnson Associates Systems and the Department of Veterans Affairs, has developed a partnership for the recruitment and provision of professional staff (certified Orthotists and Prosthetists) to operate the Automated Fabrication of Mobility Aids. This initiative allows the VA to; facilitate accessibility; improve timeliness of service; reduce travel and production time; decrease cost; and serve to facilitate revenue generation for the Department of Veterans Affairs.

WSI provides an affordable website technology by utilizing a modular development technology for quick assembly of website solutions using any combination of pre-built feature modules. WSI also builds targeted online traffic with Search Engine Optimization and Pay Per Click campaigns. These tools allow clients to target, reach and convert more sales with internet marketing.

## Meet Our Executive Team



### John E. Harmon, Sr., IOM

John E. Harmon, Sr. IOM, has served as the Founder, President and CEO of the African American Chamber of Commerce of New Jersey since 2007. Harmon is the former President and CEO of the Metropolitan Trenton African American Chamber of Commerce (MTAACC). Under his guidance, MTAACC grew its membership substantially, forged alliances with business associations/organizations and government, and forged strategic partnerships in the public and private sectors to benefit African American businesses throughout New Jersey.

John Harmon also is the Former Chairman of the Board for the National Black Chamber of Commerce; there are 150 Affiliate Chapters of the NBCC and over fifteen international affiliates. He is the Founder and Chairman of the New York State Black Chamber of Commerce (NYSBCC). Additionally, Mr. Harmon is a Board member of the New Jersey Chamber of Commerce (NJCC), New Jersey BPU, Supplier Diversity Development Council (SDDC), Opportunity New Jersey, Better Choices Better Care NJ, Chairman of Crime Stoppers of Greater Trenton and a former Board Member of the American Chamber of Commerce Executives (ACCE), First Book, Minding Our Business (MOB), a youth entrepreneurial initiative in affiliation with Rider University. Lastly, he is a member of The US Chamber of Commerce Committee of 100. Harmon was recently acknowledged in South Jersey Journal's inaugural list of the "25 Most Influential African Americans in New Jersey", for the second consecutive year. Harmon is also recognized as a Center of Influence (COI) for the United States Army. He also was the first individual selected as a member of the host committee for NFL Super Bowl XLVII held in New Jersey 2014.

Mr. Harmon holds an Associate's Degree in Business Administration from Mercer County Community College and Burlington County College, and holds a Bachelor's Degree in Business Management, Fairleigh Dickinson University, 1983. Mr. Harmon also successfully completed a one year Fellowship on Regionalism and Sustainability sponsored by The Ford Foundation and completed the Minority Business Management Seminar at the University of Wisconsin-Madison, in 2009. Additionally, Mr. Harmon completed a four year Chamber Executive Management Program, at Villanova University, sponsored by the U.S. Chamber of Commerce, in 2014.

Prior to his twenty year career as a chamber executive, Mr. Harmon was previously employed at The Bowery Savings Bank in New York City where he managed the bank's Residential Real Estate Department overlooking major mortgage loan transactions; and at Chemical Bank where he managed third party loan originations for New York, New Jersey and Connecticut. While working at Chemical Bank, Mr. Harmon established The Affordable Housing Loan Program. Following his banking career, Mr. Harmon founded a transportation company in 1989, called Harmon Transfer, Corp. The company transported food stuff, perishable commodities, and produce throughout the Northeast United States and Canada. Mr. Harmon has three sons, John Jr., Joshua, and Justin.

## Meet Our Executive Team



**Marcus E. Dyer, CPA, Esq.**

Marcus E. Dyer of WithumSmith + Brown is a tax manager with over 10 years of providing tax and business advisory services. He has extensive experience in servicing the needs of business entities, including all aspects of tax compliance for partnerships, trusts and S-Corporations as well as in resolving federal, state and local tax controversies.

In addition, he has experience in the field of law representing clients in commercial and tax disputes before state courts, Federal District Court and the United States Tax Court; numerous engagements involving the use of alternative dispute resolution strategies. As for business transactions, he has experience in drafting, reviewing and negotiating the language of a wide array of transactions documents including, but not limited to, buy/sell agreements, portfolio management agreements, swap agreements, limited liability company agreements and indentures.

Marcus holds a Bachelor of Arts degree from Duke University, an MPA degree in public finance from the University of Texas at Austin, and a Juris Doctor degree from the University of Pennsylvania. He is admitted to practice law in Federal District Court as well as United States Tax Court.

Marcus is a member of the American Institute of Certified Public Accountants, New Jersey Society of Certified Public Accountants, and the New Jersey State Bar Association.

# AACCNJ Board of Directors

**John E. Harmon, Sr., IOM\*\***  
Founder,  
President & CEO, AACCNJ  
Former Chairman,  
National Black Chamber  
of Commerce (NBCC)

**Hosea Johnson\***  
President & CEO  
Johnson Associate Systems,  
Inc.  
Chairman, AACCNJ

**Phillip Woolfolk\***  
Founder, President  
Treasurer, AACCNJ

**Robert Warrington, Esq.\***  
President  
The Waring Group  
Secretary, AACCNJ

**Dr. Lillie Hibbler-Britt**  
Lead Program Chair, East  
District  
School of Business  
University of Phoenix

**Elise Counts**  
President  
EC Executive Services

**Alton Shaw**  
Vice President of Operations  
PRWT

**Tracey D. Syphax**  
President  
Phax Construction & Design  
Group

**Stan Prater**  
Area Manager  
Jersey Central Power &  
Light

**Michael Taylor**  
Vice President Operations  
Johnson & Johnson Account  
Thompson Hospitality

*\*Executive Committee*

*\*\* Ex-Officio*

“Our lives begin to end the day we become silent about things that matter.”

~ Rev. Dr. Martin Luther King Jr.

# AACCNJ Foundation Board of Directors

**Marcus Dyer, CPA, Esq.**  
Manager, Withum Smith & Brown  
Chairman, Foundation Board

**Hosea Johnson**  
Chairman, AACCNJ  
President, Johnson Associate Systems

**John E. Harmon, Sr., IOM**  
Founder, President & CEO, AACCNJ  
Former Chairman,  
National Black Chamber of Commerce (NBCC)

**David Deibert**  
Regional Vice President  
Enterprise Rent A Car

**Christopher Hartsfield**  
Corporate Director of Operations  
Brandywine Realty Trust

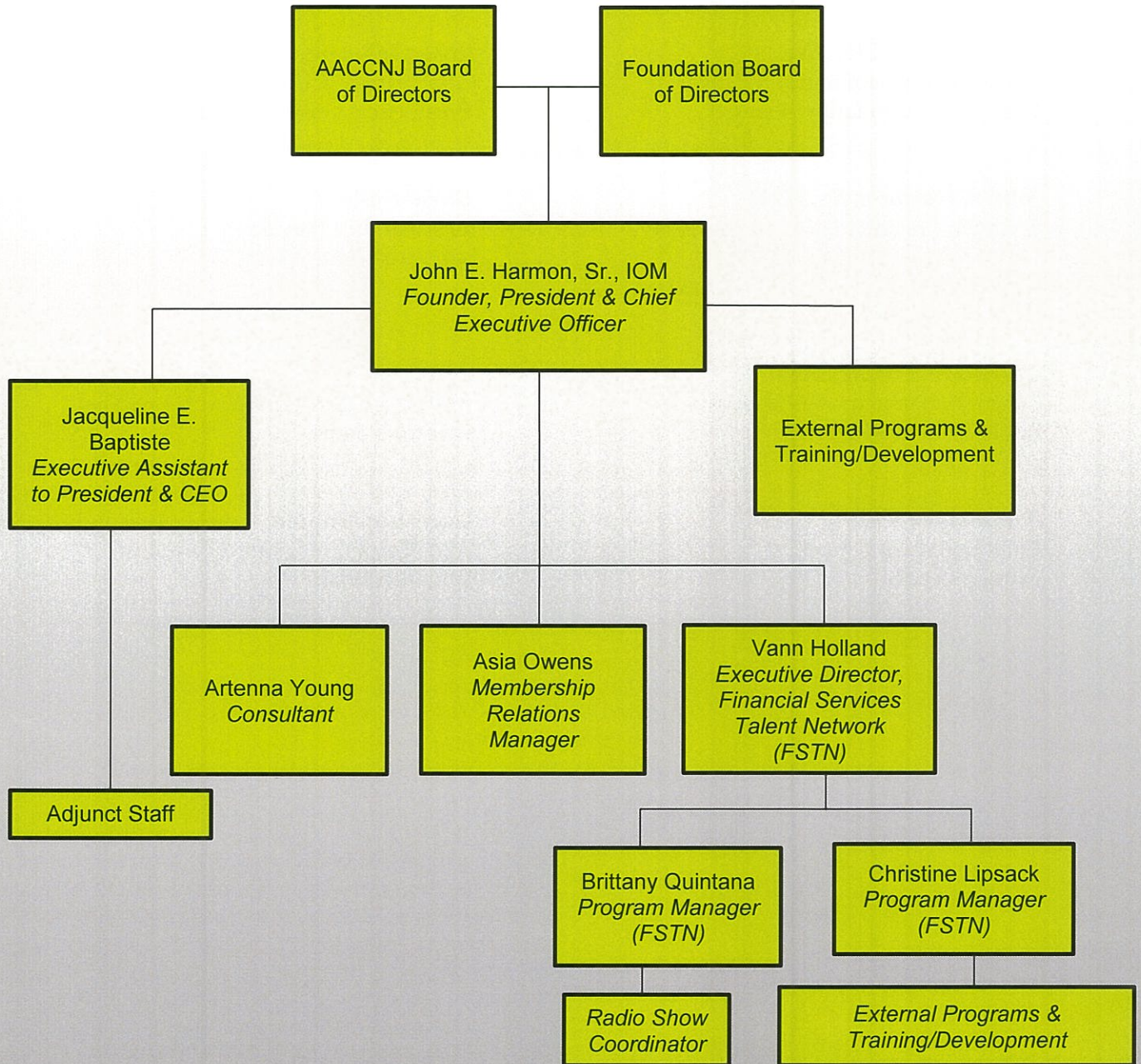
**Erik Larsen**  
SVP, Team Leader, Business Lending  
Investors Bank

**Tammeisha Smith**  
Chief Executive Officer  
Dunbar Center

**Lawrence Wooten**  
Mgr., Corporate Supplier Diversity  
American Water

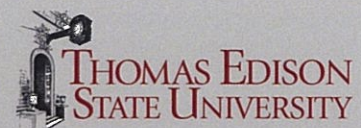
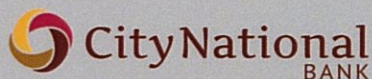
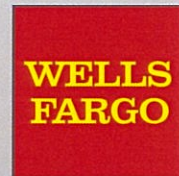
“Diversity is not about how we differ. Diversity is about embracing one another's uniqueness.”  
~ *Ola Joseph*

# ACCCNJ Organizational Chart



# President's Club

We are proud to recognize the following organizations and corporations that have pledged their support to the African American Chamber of Commerce of New Jersey



# The Role of the African American Chamber of Commerce of New Jersey

The African American Chamber of Commerce of New Jersey (AACCNJ) performs an essential role in the economic viability of New Jersey. As affirmed in its mission statement, the Chamber seeks to economically empower and sustain African American communities, and businesses with direct outreach programs, thereby facilitating entrepreneurship and free enterprise activity. Not serving as mainly an association of allied businesses, the Chamber serves as a proactive advocacy group with a 501(c)(3) tax exemption, which is shared by the National Black Chamber of Commerce.

While providing a platform for New Jersey's African American business and community leaders, to speak with a collective voice, the AACCNJ advocates and promotes economic diversity while fostering a climate of business growth through major initiatives centering on education public policy and best practices.

## Mission Statement

The African American Chamber of Commerce of New Jersey, Inc., (AACCNJ) is dedicated to economically empowering and sustaining African American communities through entrepreneurship and capitalistic activities within the State of New Jersey and via interaction with the National Black Chamber of Commerce, Inc. (NBCC).

“Nothing will work unless you do.”

~ *Maya Angelou*

## AACCNJ – Our Story

### *“Together we are Stronger”*

Our primary goal is to enable African American businesses to become more competitive for contracts and consumer dollars throughout the state, and therefore create increased economic sustainability. The AACCNJ works to ensure that minority business owners and residences of under-performing communities are not undervalued, or uninformed as to potential economic opportunities. Together, we can provide the necessary assistance through education initiatives, networking opportunities, workforce training and the platform to ensure that information is disseminated within these communities to maximize their competitiveness. Thus strengthening the state of New Jersey.

### *The AACCNJ serves to:*

- Position, support and expand the Chamber Federation.
- Promote educational forums and supplemental information to strengthen capacity and contribute to the success of the over 66,000 African American business owners and 1.2 million residents
- Coordinate training, technical assistance, youth leadership, and entrepreneurship programs.
- Develop programs focusing on tourism and cultural diversity.
- Serve as a conduit for communication between the Federation and various business sectors throughout the state of New Jersey.
- Partner with New Jersey Corporations to provide guidance, identify talented professionals and businesses that will contribute to the success of their diversity strategies.

“Alone we can do so little. Together we can do so much”.

~ Helen Keller

## Strategic Goals 2018

### **Goal 1**

Continue to strengthen our financial resources and intellectual capital to effectively sustain a statewide organization.

### **Goal 2**

Grow our small business and corporate memberships while executing a plan that provides value for their investment.

### **Goal 3**

Increase partnerships with the utilities, healthcare, and technology sectors, local, county, state government and educational institutions.

### **Goal 4**

Develop annual operations plan and enhance the board / organizational structure and facilities.

### **Goal 5**

Enhance our ability to be a critical source of information, inspiration, knowledge and resources for African American businesses and communities throughout the state.

### **Goal 6**

Develop a public policy advocacy strategy that aligns with government at the municipal, county and state levels while producing sustained value for our constituency.

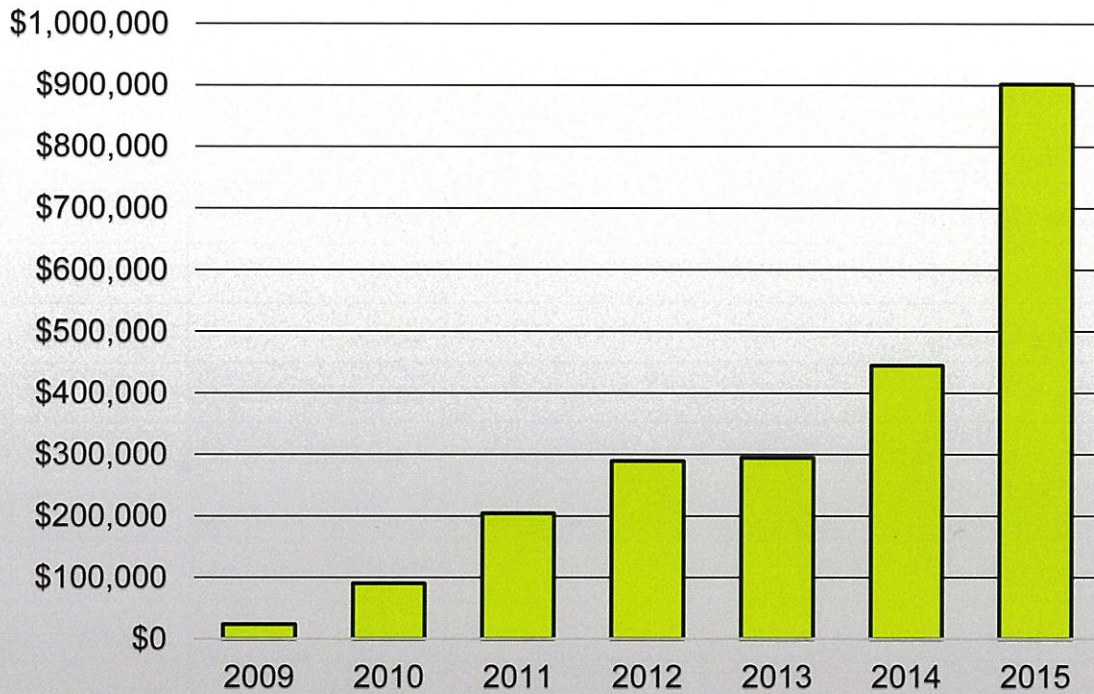
“Progress is the attraction that moves humanity.”

~ *Marcus Garvey*

# Financial Highlights

Over the past, eight years the African American Chamber of Commerce of New Jersey has received membership contributions, sponsorships, individual gifts, and program funding to advance the mission through: business initiatives, youth education, symposiums, community outreach, workforce training and professional development programs throughout the state.

## Overall Organizational Revenue



"Surround yourself with people who take their work seriously, but not themselves, those who work hard and play hard."

– Colin Powell

## AACCNJ Statement of Activities

SUPPORT AND REVENUES	For Twelve Months Ended: 12/31/16	For Ten Months Ended: 10/31/17
Grants/Contributions	\$132,063	\$128,590
Program 1	\$249,998	\$189,846
Program 2	\$18,121	\$69,879
Membership Dues	\$167,972	\$155,739
<i>Revenues</i>		
Special Events	\$227,533	\$206,000
Rental Income	\$11,000	\$8,244
Parking	\$1,400	\$1,020
Grand Opening	\$28,441	N/A
Building Fund	N/A	\$10,000
Room Naming	\$5,000	N/A
Other	\$16,273	\$2,816
<i>Total Support and Revenues</i>	\$857,802*	\$772,133
<b>EXPENSES</b>		
Program 1	\$253,934	\$203,191
Program 2	\$20,572	\$73,463
<i>Total Expenses</i>	\$274,506	\$276,654
Increase (Decrease) in Unrestricted Net Assets	\$583,296	\$495,479
Unrestricted Net Assets at Beginning of Year	N/A	\$209,781
Unrestricted Net Assets	\$583,296	\$705,260

\*Revenues were slightly down for period ending December 31, 2016 compared to period ending December 31, 2015 due to delayed funding of a program.

# Value Proposition

The African American Chamber of Commerce of New Jersey, Inc. (AACCNJ) would like to extend an invitation for membership with our organization. We realize that you have many options when selecting potential resources for your business growth. However, If you are seeking an organization that is committed to the growth, development and success of your business, the AACCNJ is the correct choice.

## Value for Your Investment

### **Small Businesses**

- Advocates member access to the public sectors, private sectors and community opportunities
- Training/Development programs
- Host educational forums and networking events to connect members to resources, opportunities and information
- Promotes members through spotlight features in chamber marketing materials, website and radio show
- Capacity building strategies customized to deliver results

### **Corporations**

- Assist in developing and implementing public policy strategies
- Supply chain diversity
- Human resources recruitment services
- Youth Leadership and Entrepreneur programs
- Training, Workforce Development and Job Readiness programs

### **Government**

- Public policy, education reform, and job creation
- Partnerships to increase contracting with women and minority-owned businesses
- Promotes a pro-business agenda
- HUD Section 3, Title VI Compliance

# Chamber Milestones

## 2016-2017 Highlights

The African American Chamber of Commerce of New Jersey (AACCNJ) partnered with the National Black Chamber of Commerce and the U.S. Chamber of Commerce to provide its members with valuable new programs and services. Through the U.S. Chamber's Federation Partnership program, small business members in good standing with the AACCNJ received the benefits of U.S. Chamber membership. This new member benefit was provided at no additional cost to members of the AACCNJ. The AACCNJ continues to focus on local issues and programs. The U.S. Chamber will alert and mobilize AACCNJ members on national issues ranging from taxes to technology to transportation. This ever-growing coalition of small businesses allows the U.S. Chamber to present a strong, unified voice for business in Washington, D.C.

The African American Chamber of Commerce of New Jersey (AACCNJ) performs an essential role in helping to build New Jersey's economy, and raising awareness to important topics and issues prevalent the African American business and resident community. Below is a snap shot of strategic alliances, initiatives, programs, partnerships, and accomplishments achieved over the past two years.

### Legislature

- Secure Choice Initiative, spearheaded by AARP, was approved by Governor Christie.
- The AACCNJ held a roundtable meeting with the Senate Republican Leadership and approximately 25 AACCNJ members to discuss issues, concerns, and suggestions to facilitate increased opportunities for black-owned businesses statewide.
- Senate Bill 1761, sponsored by Senator Rice and Senator Cunningham, calls for the AACCNJ to be included in the promotion and facilitation of workforce training relationships between employers and community colleges. Previously, this was limited to the NJBIA, the New Jersey Community College Consortium and community colleges. This bill directs the New Jersey Community College Consortium for Workforce and Economic Development to include the African American Chamber of Commerce of New Jersey among the business organizations with which it collaborates in its efforts to facilitate the delivery by county colleges of basic skills training to New Jersey workplaces.
- Legislation sponsored by , Senator Joe Pennacchio , Senator Ronald Rice, Assemblyman Jamel Holley, and Assemblywoman Betty Lou DeCroce and signed by Governor Christie helped small businesses grow and expand. Senate Bill S-123/A-3559 established a "Small Business Bonding Readiness Assistance Program" through the state Economic Development Authority, which would provide support to small businesses and help them meet surety bonding requirements so they may secure bonding to bid on public works projects offered by state or federal governments. This legislature allowed an unanimous vote from both Democratic and Republican legislatures.

### Round Table Meetings

These Meetings are an added benefit for a select group of members to engage with corporate, state, county and local government, representatives to have a direct discussion on issues of economic opportunities and public policy. We held meeting in 2016/2017 with the following groups and organizations: City of Plainfield , City of Trenton, County of Mercer, Fox & Rothschild, NAACP & Faith Based & Civic Group Leaders, New Jersey Black Caucus during Lobby Day, hosted by NJBIC, Senate Republicans, Wyndham Worldwide, and M& T Bank.

# Chamber Milestones

## 2016 – 2017 Event Highlights

### AACCNJ 2016 Events

Annual Circle of Achievement Awards Gala, Voorhees, NJ 2/18  
The 2016 Annual Town Hall Meeting, Trenton, NJ, 3/30  
The State of Black New Jersey Conference, Jersey City, NJ, 4/19  
Grand Opening of the AACCNJ Headquarters, Trenton, NJ, 5/12  
The Top Contributor of the Year Awards Luncheon, Plainsboro, NJ, 6/19  
The Sixth Annual Golf Classic, Skillman, NJ 6/27  
Annual Unity Luncheon, Plainsboro, NJ, 7/19  
Women Who Empower Awards Luncheon, Voorhees, NJ , 8/10  
The Sixth Annual Business Leadership Conference, Newark, NJ, 9/22  
Ariel Investments and Urban Mayors Roundtable, Newark, NJ  
The President's Club Breakfast Reception, Trenton, NJ 9/23  
The Sixth Annual Corporate Awards Dinner, Garfield, NJ 10/20  
Annual Year End Dinner - Plainsboro, NJ, 12/6

### AACCNJ 2017 Events

Annual Circle of Achievement Awards Gala, Voorhees, NJ 2/9  
Breakfast Networking Event- "Fish and Grits", New Brunswick, NJ, 3/16  
Showcase of Trenton/Mercer County Owned Businesses, Trenton, NJ, 3/23  
The State of Black New Jersey 2017 Conference , Newark, NJ, 4/20  
Showcase of Bergen County African American Owned Businesses, Bergen County, NJ, 5/4  
The Top Contributor of the Year 2017 Awards Luncheon, Voorhees, NJ, 5/23  
Fish and Grits Networking Event, New Brunswick, NJ, 6/15  
The Seventh Annual Golf Classic, Skillman, NJ, 6/26  
Annual Unity Luncheon, Plainsboro, NJ, 7/18  
"Women Who Empower" Panel Networking Forum, Voorhees, NJ, 8/9  
The Seventh Annual Business Leadership Conference, Newark, NJ, 9/21  
The Seventh Annual Corporate Awards Dinner , Garfield, NJ, 10/26  
Annual Year End Reception, Plainsboro, NJ, 12/7

"Never be limited by other people's limited imaginations."

~Dr. Mae Jemison, First African-American Female Astronaut

# Chamber Milestones

## 2016 – 2017 Achievements, Recognitions & Activities Highlights

### Achievements

- The AACCNJ celebrated its ten year anniversary as an organization with a Tenth Anniversary Awards Lunch at its Annual Business Leadership Conference in the third quarter.

### Recognitions

- AACCNJ Founder, President & CEO, John E. Harmon, Sr., IOM, was honored as one of the Men of Vision in Newark in June 2017.
- AACCNJ Founder, President & CEO, John E. Harmon, Sr., IOM, was acknowledged by On Fire News Network.
- AACCNJ Founder, President & CEO, John E. Harmon, Sr., IOM, and Board Member Tracey D. Syphax were named among the 25 Most Influential African Americans in New Jersey by the South Jersey Journal Newspaper for the second consecutive year.

### Activities

- AACCNJ Founder, President & CEO, John E. Harmon, Sr., IOM, now serves as Chair of the Best Practices Committee for the Supplier Diversity Development Council.
- AACCNJ Founder, President & CEO, John E. Harmon, Sr., IOM, is now a member of the Board of Advisories for Better Choices, Better Care NJ Advocacy Group.
- AACCNJ Founder, President & CEO, John E. Harmon, Sr., IOM, is a member of Opportunity NJ, a coalition of 40 members represented by Presidents and CEOs of Chambers and Business Associations in New Jersey. The group meets monthly to discuss issues affecting the overall competitiveness of New Jersey. The group was effective in its advocacy for the passage of the following: sales tax cut, tax savings for the working poor, tax savings for retirees, tax savings for veterans, eliminating the estate tax and implementing the state gas tax.
- AACCNJ Founder, President & CEO, John E. Harmon, Sr., IOM, traveled to Cuba as part of a delegation with the National Black Chamber of Commerce to position members for future economic opportunities. President Harmon had similar meetings with the US Commerce Department during his visit to Santo Domingo, Dominican Republic.

# AACCNJ Membership Industries

Accounting  
Advertising  
Architectural Engineering  
Banks - Credit Unions, Community, Regional and National Banks  
Barbers, Salons, Clothing Stores  
Business Consulting/Resources  
Car Rental  
Catering  
Communications  
Community Associations  
Construction  
Consulting  
Consumer Energy Products  
Cosmetics Manufacturing  
Diversity Development  
Education  
Employee Benefits  
Employment Counseling  
Energy Products  
Engineering  
Entertainment  
Event Planning  
Faith Based Organizations  
Financial Advisors  
Financial Planning  
Franchising  
Graphic Design  
Health Care  
Hospitality  
Hotel  
Human Resources  
Insurance Agencies  
Interior Design  
Janitorial Services  
Law Firms  
Local, State, and National Government Agencies  
Management Consulting  
Manufacturing  
Marketing  
Mortgage Bank Company  
National Government Agencies  
Non-Profit Organizations  
Pharmaceutical  
Photography/Videography  
Planning and Consulting  
President's Club  
Printing Industry  
Private Colleges and Universities  
Public Colleges and Universities  
Publishing  
Real Estate Agencies  
Restaurant and Food Industry  
Retail  
Sales Development  
Schools K-12  
Security  
Services  
Small Business Development  
Social Services  
Staffing  
Steel Fabrication  
Technology  
Telecommunications  
Training and Development  
Transportation  
Travel  
Utility  
Video  
Web Design  
Workforce Development

## AACCNJ – Acknowledgements

*Congratulations to the AACCNJ on its 10th Anniversary. The Chamber and its leader, John Harmon, have been extraordinary advocates for their members and the entire business community of our state. The strength of New Jersey's economy is attributable to the leadership of organizations like the AACCNJ and especially John Harmon. I have had the honor of knowing John for several decades and have had the pleasure of working with him for many of those years. As a partner in the ongoing fight to improve the business climate in NJ, there has been no one more important to me than John Harmon. My sincere thanks to John and the AACCNJ for all they have done and I wish them continued success for many years to come.*

*Tom Bracken  
President & CEO, New Jersey Chamber  
of Commerce*

*The Commerce and Industry Association of New Jersey has worked with John and the African American Chamber of Commerce of New Jersey for years. We are proud to partner with them on issues impacting the business community. They play a vital role in enhancing and growing our economy. CIANJ relies on John's insights and knowledge of working with diversified businesses throughout the State of New Jersey. His intellect, interpersonal skills and political acumen have made him not only an asset to his members but to the entire business community. CIANJ congratulates John and the Chamber on celebrating ten years and we wish them continued success for years to come.*

*Anthony Russo  
President, Commerce and Industry  
Association of NJ CEO/Publisher,  
COMMERCE Magazine*

## AACCNJ – Acknowledgements

*As a business journalist that has covered the activities and events of the AACCNJ for the past 10 years, I laud the organization for its unwavering commitment to improving opportunities for minority and women owned business enterprises across our great state! Hosea, John, and Jacqueline have all become valuable professional resources for me. They are vocal and steadfast advocates of the simple, yet pervasive mantra and mission of the organization, "Buy Black and support our own!"*

*Glenn Townes  
Journalist, Plainsboro, NJ*

*Congratulations on your 10<sup>th</sup> Anniversary; a significant milestone, which reflects how you've remained true to your core mission. Your efforts go far beyond ensuring the sustainability of African American businesses. You proactively identify critical linkages and leverage opportunities to help African American communities thrive. In so doing, you encourage growth and opportunity for all. Thank you, John, and team for your vision, hard work and extraordinary leadership, but especially for your partnership. Congratulations again and all best wishes.*

*Monica Slater Stokes  
Managing Director, Corporate &  
Government Affairs, United Airlines*

*For ten years John Harmon and the African American Chamber of Commerce of New Jersey have been leading the efforts to expand business opportunities for African American businesses in New Jersey and in the nation as partners with the National Black Chamber of Commerce. The voices of John and AACCNJ are heard every day as they strive to address the economic disparities of New Jersey's African American business enterprises. We are all thankful for your efforts.*

*Bill Kovacs  
Former SVP, U.S. Chamber of Commerce*

## AACCNJ – Acknowledgements

*The African American State Chamber of Commerce is a leading state business association whose voice and reputation are highly regarded and respected from Trenton throughout Main Street. This effective alliance is known for forging public and private partnerships, enhancing diversity and building networking opportunities to assure the business community stands firm in support of a strong NJ economy and improve the state's competitiveness. New Jersey is a better place to do business because of the leadership of John Harmon and the activism of the African American State Chamber of Commerce.*

*Linda M. Doherty  
President & CEO  
NJ Food Council*

*Congratulations on the 10<sup>th</sup> anniversary of the AACCNJ! Inclusion and empowering people of all color is vitally important to truly achieving success. The focus and efforts of the AACCNJ helps to not only define success but to achieve it by actively partnering with people of all colors and companies of all sizes. It is this focused, collaborative effort that makes the AACCNJ so effective in achieving its mission.*

*George D. Sowa  
CEO, Greater Trenton*

*Congratulations to the African-American Chamber of Commerce of New Jersey on 10 years of dedication to economically empowering and sustaining African American communities through entrepreneurship and capitalistic activities. For the last decade, the AACCNJ has served as an extraordinary catalyst for business development and growth in the Garden State by fostering valuable connections and deepening relationships within the community, acting as a critical resource for service providers and vendors, and providing knowledge and training to support the launching and expansion of small businesses. The leadership and members of the New Jersey Society of CPAs (NJCPA) wish the AACCNJ continued success.*

*Ralph Albert Thomas  
CEO & Executive Director, New Jersey  
Society of CPAs*

## AACCNJ – Acknowledgements

*The African American Chamber of Commerce of New Jersey is a transformative organization. It is bring inclusion, innovation and immediacy to the business community of New Jersey. The Chamber stands as a champion of working always “to do the right thing”. I am honored to call John Harmon, Sr., my friend, and blessed to have the opportunity to work with and learn from him in our efforts at the U.S. Chamber of Commerce Committee of 100. Congratulations on your 10<sup>th</sup> anniversary and best wishes for you next 10 years.*

*Steve Clark  
President & CEO, Fayetteville Arkansas  
Chamber of Commerce, a 5 Star  
Accredited Chamber, U.S. Chamber of  
Commerce Committee of 100*

*The New Jersey Bankers Association is pleased to congratulate the African American Chamber of Commerce of New Jersey on the occasion of their 10<sup>th</sup> Anniversary. Since its inception the African American Chamber has been a strong voice for the African American business community. We’re especially grateful for the leadership role that the African American Chamber has taken in leading the Financial Services Talent Network for the New Jersey Department of Labor and Workforce Development. This important initiative connects job applicants with employers in the financial services industry and benefits everybody. NJ Bankers wishes the African American Chamber continued success in the years ahead.”*

*John E. McWeeney, Jr.  
President & CEO, New Jersey Bankers  
Association*

*Congratulations on your 10th Anniversary! We know it takes coordination, team work, and a great vision to last in this world called Advocacy. Times were not subtle nor easy. There were times when you wondered if it was worth it. The progress and product that you deliver to the citizens of the state of New Jersey is testimony that it has brought positive results and helps make a better America. Count on the National Black Chamber of Commerce to always value your commitment and membership. Together we will help improve the economic status of our great nation and local communities that you serve.*

*Harry C. Alford  
President & CEO, National Black Chamber of  
Commerce*

## AACCNJ Impact – Member's Success

AACCNJ's involvement with its partners across New Jersey has helped to improve the competitiveness of New Jersey by ensuring that its members are positioned to vie for an equitable stake in New Jersey's economic prosperity. The AACCNJ focuses on education, workforce and positioning members for opportunities and growth.

### **Quality Packaging Specialists International (QPSI)**

QPSI was founded in Burlington, New Jersey in 1993 by Mike Ricketts, Chairman and CEO. QPSI provides contract packaging services primarily to the health and beauty industries. QPSI is currently the largest privately held, minority owned packaging company in the US, operating in over 3+ million square feet across the country, and serving Fortune 500 companies in the pharmaceutical (RX and OTC), nutraceutical, medical device, healthcare & personal care, consumer goods, cosmetics, and specialty food industries. QPSI is scheduled to open a newly constructed 375,000 square foot facility in Florence, NJ soon.

The AACCNJ worked with the executive team of QPSI to understand their needs then facilitated meetings with the Christie Administration which led to QPSI receiving over \$20 million in tax credits to build its 375,000 square foot facility in Florence, NJ.

*Mike Ricketts, Chairman and CEO*

### **FCC Consulting Services, LLC**

FCC Consulting Services, LLC was founded to provide professional information technology consulting services to the financial, telecommunications and manufacturing and government industries. FCC Consulting Services specializes in two critical areas of information technology: Professional and Technology Services.

The AACCNJ was instrumental in helping to position FCC to secure a major contract in Mercer County. FCC recently participated in chamber's annual Business Leadership Conference giving an overview on how the business has grown with support from the AACCNJ. FCC has been able to secure a number of contract opportunities from members of AACCNJ through their direct outreach and effective networking at Chamber events.

*Chris Carothers, President and CEO*

## AACCNJ Impact – Member’s Success

### **HR Control Solutions**

HR Control Solutions partners with its clients to provide cost effective staffing solutions. President Melinda Ragin has over 15 years of financial consulting and project management experience with healthcare, corporate, commercial and government clients. Her specialty areas include strategic planning, process improvement, quality assurance, auditing and risk management. She is passionate about finding the right candidates for her clients and promoting diversity and inclusion in the workplace.

“As a member of the Chamber for over two years, I have been able to see my business grow through a couple of cycles, and the chamber has helped by providing outstanding networking opportunities. I have attended numerous chamber events that have placed me in front of several prospective clients for growing my business.”

*Melinda V. Ragin, President*

### **Robert C. Barnett CPA, LLC**

Robert Barnett has over 20 years experience in Income Tax Planning & Preparation, IRS Tax Resolution Services, Accounting Services, Small Business Consultation, Financial Management & Reporting, Individuals & Businesses, Client Focused and Solutions Oriented.

“I recently attended the chambers’ free Small Business Showcase and made contact with several potential new clients. These opportunities are valuable in growing and expanding my contacts and ultimately my business.”

*Robert Barnett, CPA LLC*

# AACCNJ Impact – Member’s Success

## **Milhouse Engineering & Construction**

Milhouse Engineering & Construction is a Chicago-based firm with 15 years of experience in the Aviation, Facilities, Gas, Power, Transportation, and Water/Wastewater sectors. Milhouse has experienced phenomenal growth evolving into a professional, full-service engineering and architectural consulting firm to provide Civil, Construction, Electrical, Energy, Mechanical, and Structural engineering services along with Architectural services. With more than 100 professionals and offices in multiple locations across the country, Milhouse commits to delivering quality services on budget on schedule with integrity to clients in the federal, private and public sectors. Milhouse provides the highest level of total customer satisfaction by listening to, and responding to every client, and utilizing best business and technology practices. By developing and utilizing some of the industry’s “Best in Class” talent, Milhouse has received numerous awards and recognitions, including being named one of the 2017 winners of the “Chicago’s 101 Best and Brightest Companies to Work For” award for the 12th year in a row. The AACCNJ worked with Milhouse Engineering to establish a relationship within the utilities, telecom, and transportation sectors of NJ and NY. These efforts led to a contract award with PSEG and a number of favorable future prospects.

## **Ariel Investments**

Since its inception in 1983, Ariel Investments has grown from 2 to 79 employees with \$12 billion in assets under management. Headquartered in Chicago, the firm serves as the investment adviser to the Ariel Investment Trust, comprised of six no-load mutual funds—Ariel Fund, Ariel Appreciation Fund, Ariel Focus Fund, Ariel Discovery Fund, Ariel International Fund and Ariel Global Fund. Additionally, Ariel manages separate accounts for corporate, public, union and non-profit organizations. Through a targeted strategy, the AACCNJ has fostered relationships with a number of NJ corporations. These efforts recently led to PSEG awarding Ariel Investments an opportunity to manage a significant amount of their funds

## **WR Burnett Paving & Trucking**

WR Burnett Paving & Trucking is an acclaimed asphalt paving and trucking company in Monmouth Junction, New Jersey. They are committed to your 100% satisfaction, and have a friendly staff available to answer any questions about our company or our services. The knowledgeable team offers quality and reliability you can count on.

The AACCNJ helped WR Burnett Paving & Trucking secure a multi-million dollar contract with PKF, on the \$400 million dollar Scudder Falls Bridge expansion project over the Delaware River connecting New Jersey and Pennsylvania.

# At-A-Glance: Growth & Success

The African American Chamber of Commerce of New Jersey  
**AT-A-GLANCE - TEN YEARS OF GROWTH & SUCCESS!**  
 Awareness, Relevance and Value Proposition

<u>Financial Institutions</u>	<u>Educational Partners &amp; Programs</u>	<u>Corporations</u>	<u>Government Agencies &amp; Municipalities</u>	<u>Presidents Club</u>	<u>Community Partners &amp; Program</u>
City National Bank Credit Union of New Jersey Investors Bank  M&T Bank PNC Bank TD Bank Wells Fargo	Bergen Community College Berkeley College Rowen College at Burlington County Educational Testing Service Felician College Foundation Academy Lincoln Technical Institute Mercer County Community College New Jersey Institute of Technology Rowan College at Gloucester County Rutgers University Thomas Edison State College STEM Program Youth/Adult Workforce Training	AT&T Atlantic City Electric Bristol-Myers Squibb Comcast CURE Auto Insurance Enterprise First Energy Horizon Blue Cross Blue Shield of NJ Johnson & Johnson McDonalds Mercedes Benz PSEG QPSI Sam's Club United Verizon Wegmans Wendy's	County of Mercer Delaware River Port Authority County of Hudson NJ Transit PBA Local 105 Small Business Administration NJ Department of Labor Workforce and Development NJ Department of Community Affairs National Black Chamber of Commerce Republican & Democratic Members -NJ Legislature New Jersey Department of Transportation (DOT) Christie Administration Murphy Administration Urban Mayors US Army	Ariel Investments AT&T Bristol Myers Squibb City National Bank CURE Auto Insurance Enterprise Fedcap Horizon Blue Cross Blue Shield of NJ Investors Bank JCP&L Johnson Associates Systems Johnson & Johnson Milhouse Engineering NJ Advance Media PNC Bank PSEG QPSI TD Bank Thomas Edison State College United Verizon Wells Fargo Wyndham Worldwide	Association of Black Women Lawyers (ABWL) Garden State Bar Association (GSBA) Kappa Community Development Corporation NAACP National Organization on Disability Urban League First Book NFL
<u>Media</u>	<u>Initiatives</u>	<u>Internal</u>	<u>Business Advocacy</u>	<u>Staffing/HQ</u>	<u>Membership/Revenue</u>
Monthly SJJ Column Weekly Broadcast - 920 the jersey.com Positive Community Network Journal NJ Advance Media	Member Opportunity Roundtable Meetings To Promote Supply Chain Diversity Roundtable Meetings with Democratic/Republican Leadership Ban the Box Legislation S-0364 Bonding Legislation S-123/A-3559	Established Foundation Board Founded New York State Black Chamber of Commerce NBCC Chairmanship Board Realignment	National Black Chamber of Commerce New Jersey Business Industry Association Statewide Hispanic Chamber of Commerce of NJ Supplier Development Diversity Council (BPU) US Chamber of Commerce Opportunity NJ	From 2-6 Full-time employees Purchased a 5,500 Sq. Ft Bldg.	Membership Levels steadily increased Public/Private Sector Opportunities expanded Revenue has shown constant growth



# African American CHAMBER OF COMMERCE OF NEW JERSEY

## Empowerment Hour Radio Show

Hosted by:  
John E. Harmon, Sr., IOM  
AACCNJ Founder, President & CEO

**Join us as a guest to showcase your business, your brand and upcoming events!**



The AACCNJ hosts a live radio broadcast on 920 the Jersey every Monday from 6:00 to 7:00 pm EST.

- Be featured as an upcoming guest in our weekly eblast •
- Share your interview with your network •
- Let your voice be heard! •

Signing up is quick and easy! All we need is your headshot, bio, and a date that works best for you. We will handle the rest!

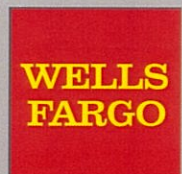
**Interested? Contact Brittany Quintana at [bquintana@aaccnj.com](mailto:bquintana@aaccnj.com) or 609-571-1607 for more information or to be scheduled as a guest.**

Listen online at [www.920thejersey.com](http://www.920thejersey.com) or tune in to 920 AM to listen LIVE!

Sponsored By



Horizon Blue Cross Blue Shield of New Jersey



## AACCNJ in the Media

### South Jersey Journal Newspaper

AACCNJ Founder, President & CEO, John E. Harmon, Sr., IOM, writes a monthly column for the South Jersey Journal Newspaper. These columns may be accessed online at <http://southjerseyjournal.com>. The South Jersey Journal provides a monthly platform to share with our constituency and readers how we execute the mission of the African American Chamber of Commerce of New Jersey and its significance to New Jersey's economy. Additionally, we seek to provide inspiration in sharing the triumph of our African ancestors, civil rights leaders, athletes, entrepreneurs and individuals with a demonstrated record of success. Lastly, provides information on the educational, income levels, employment and business capacity of African Americans in New Jersey and examples of best practices and level of accountability needed to mitigate these systemic challenges. Below is a list of previous topics:

- “Reconciling Our Success” - January 2016
- “The Morning After” - December 2016
- Change Requires Engagement - September 2017
- “We need to collaborate more” - May 2016
- “Where We Stand” - May 2015
- “We Have the Ability to Improve our Standing in America!”
- “Call to Accountability” - February 2014
- “Contributing to New Jersey's Success” - September 2014
- “Our Relevance in a Diversified State” - May 2013

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### The Empowerment Hour Radio Show


Broadcasting live every Monday from 6:00 pm to 7:00 pm at [92othejersey.com](http://92othejersey.com) and 920 on the AM dial. Hosted by AACCNJ Founder, President & CEO, John E. Harmon, Sr., IOM, guests have the opportunity to promote products, services, events, and more! All past broadcasts are available via podcast on demand at [92othejersey.com](http://92othejersey.com).


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### Follow Us on Social Media!

Join the conversation! We invite you to share your favorite pictures, check in at our events, and see what is going on at the AACCNJ. Check for event hashtags to always be in the know. We want to hear from you!

 The African American Chamber of Commerce of NJ, Inc.

 AACCNJ

 aaccnj

# Contracts, Initiatives & Program Highlights

## Financial Services Talent Network



In July 2014, the African American Chamber of Commerce was awarded a contract from the New Jersey Department of Labor to manage the state-wide Talent Network for the financial services industry sector. The Financial Services Talent Network (FSTN) operates within the state's talent development system and primarily concentrates on building high-quality, employer-driven partnerships known as Targeted Industry Partnerships (TIPs). The Financial Services Talent Network develops strategies to meet the skill needs of financial industry employers and facilitate creating career pathways.

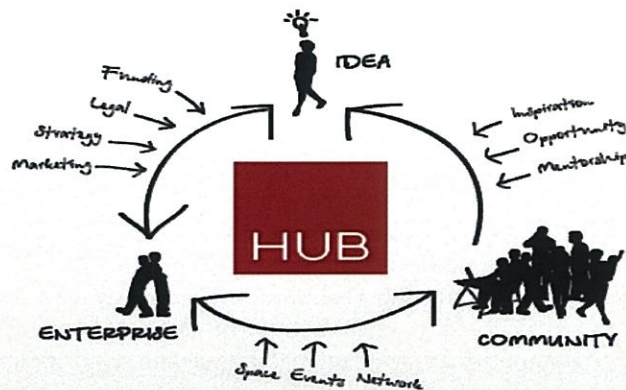
The Financial Services Talent Network works closely with employers, local Workforce Development Boards, educational institutions, and labor market analysts from the Department of Labor and Workforce Development to frame the understanding of key financial industry workforce trends and workforce employer needs. The Financial Services Talent Network engages employers and industry associations to provide input into the development of the list of industry-valued credentials and degrees.

There are nine talent networks in New Jersey representing the industries responsible for the most employment in the state. The Financial Services Talent Network is one of two that is not led by a college or university and is the only talent network led by an African American organization.

# Contracts, Initiatives & Program Highlights

## HUB

**Holistic Urban Building**  
*A Social Urban Innovation Project of the  
African American Chamber of Commerce of New Jersey*



The Holistic Urban Building (**HUB**), is a Social Innovation Initiative program created and managed by the AACCNJ through a contract provided by the Department of Community Affairs (DCA)

**HUB was created to provide transformational technical assistance, support, and resources to members of the New Jersey Community Action Partnership (CAP-NJ).** **HUB** emerges as a model for social enterprise building, strategic planning, and innovation training. Through educational workshops, mentoring, long-term planning, and program development, **HUB** brings industry leaders, social innovators, and disruptive thinkers together with non-profit organizations resulting in creative new approaches toward community building, growth, and problem-solving.

Since December 2014, the AACCNJ has worked with over 25 non-profit organizations through the HUB program to assist them in planning and successfully executing their business model.

The African American Chamber of Commerce thanks the New Jersey Department of Community Affairs and Program Managers for their continued support and vision for innovative social enterprising projects.

# Contracts, Initiatives & Program Highlights

## I AM... Irvington Youth Leadership Program

Sponsored By



Now in its second year, "I Am Irvington", a Youth Leadership Program (YLP); funded by the Petrucci Foundation, consists of a cohort of forty or more high school juniors from the Irvington School District, in Irvington, NJ. The "I AM" Youth Leadership Program (YLP) model is a highly energized student leadership and job-readiness builder. The program is filled with rich educational and experiential learning workshops, and a customized curriculum prepared by subject matter experts to meet the "rigor standards" demanded by secondary and post-secondary educators. Sessions include: Steps to Attaining Leadership, Team Building, Ethics, Public Speaking and Effective Communication, Job-readiness, Resume Building, Interviewing Techniques, Career Day with Governmental and Corporate Representatives and STEM Day, a field trip to the corporate headquarters of AT&T followed by an overview of career opportunities and executive dialogue and mentorship.

The focus of the program is to improve a student's ability to successfully function in the 21st century workforce. Our goals include; improving each student academic awareness and success, job training, and higher learning opportunities. The YLP offers:

- *Leadership and job readiness training*
- *Life Skills training*
- *Direct interaction with professionals from various industries*
- *Classroom mentorship, role playing, case studies and interactive activities*
- *Career development workshops*
- *A closing ceremony with individual letters of recommendation and certificates of achievement*



Our goal is have YLP emerge as a best-practice example of blended educational and transformational business competencies that will improve the development of youth participants. The model for youth training in workforce education, economic development, and social responsibility has been replicated in schools across the nation. YLP is one example of what happens when you implement a model for success and combine business practices with traditional education. Moreover, students are provided direct access to industry professionals. These professionals can address student questions about future careers and in real time provide feedback on the pros and cons in these industries. This is a tremendous value for our youth as they chart their path as future leaders.

One of the desired outcomes for participants completing the YLP includes learning how to set and implement goals for their personal achievement. We hope participants will also give back to their communities and work to improve their neighborhoods and schools.

## Contracts, Initiatives & Program Highlights

# NJ – Kids4Coding



Bristol-Myers Squibb

Based on research, it was discovered that fewer than half of all middle and high school students in Trenton qualified for Advanced Placement (AP) courses. These courses are essential for students seeking careers in advanced manufacturing, biotechnology, computer science, finance, healthcare, and IT—better known as STEM (Science-Technology-Engineering-Math) related industries. STEM education has become a pivotal bridge between knowledge and career opportunities for most aspiring student entrepreneurs. Unfortunately, many of our young and future business owners, scientists, IT technicians, and engineers may never receive the proper training because they lack the advanced learning skills often needed to enroll in AP courses.

The African American Chamber of Commerce of New Jersey (AACCNJ) realized this disparity and initiated a “call-to-action” with its corporate partners that would position Trenton students to compete for future career opportunities.

In partnership with Bristol Myers Squibb, Foundation Academies, and the AACCNJ, a ten-week, after-school, STEM education pilot-program titled ***NJ-Kids4Coding*** was launched. STEM instructors and business leaders partner to teach and test up-to 30 students on coding applications and ways to apply their new talents in today’s workplace. NJ-Kids4Coding teaches students in grades 5-8 how to code, enhance their math skills, and excel in computer science.

The African American Chamber of Commerce would like to thank Bristol-Myers Squibb for their outstanding community service and philanthropic work in health, science education, and literacy programs throughout the State of New Jersey.

# Contracts, Initiatives & Program Highlights

## First Book



“Together we have distributed over 230,000 books to low income children throughout New Jersey”.

~ John E. Harmon, Sr., IOM

First Book is a nonprofit social enterprise that transforms the lives of children growing up in low-income communities through equal access to literacy and educational opportunities. We apply strategies from the private sector to resolve the fundamental social issue of education inequality. In the U.S. alone, more than 32 million children – 45% of U.S. kids – are growing up in low-income households.

We launched the program in 2014 at Burlington County College under the leadership of then Vice President, Dr. Beverly Richardson, who has since retired and remains as our program coordinator. Dr. Richardson was instrumental in creating a service learning program for students, a program that has since been adopted by our other college partners. A very important and added value to our First Book Program is the civic experience that our College and now High school students receive. Students become very involved in unloading, sorting, bundling and distributing books to kids in need. These students volunteer 2-6 hours during the week and receive Service Learning Credits which are earmarked on their transcripts. Students also enjoy giving back to the community while earning very valuable experiences. Presently, there are seven (7) community colleges, several food banks, and faith based, community organizations which serve as our distribution network for books.

Since March 2014, 230,383 books have been distributed in NJ, under the leadership of the AACCNJ and President Harmon. The NJ First Book Program is dedicated to providing brand new quality books to NJ kids in need. The goal of the project is to encourage student reading in and beyond the classroom and to establish home libraries for kids who do not own books. This program is a major ingredient for eradicating illiteracy. Over the years we have successfully identified a number of critical partners that have contributed to our program. Rochelle Hendricks, Secretary of Higher Education has been helpful in endorsing the program, contributing resources and making introductions to several community college presidents to secure their participation. Also, Chuck Richmond, Commissioner of the NJ Department of Community Affairs has allocated the needed resources to ensure that NJ First Book Program is a success.

“Education is a pre-condition to survival in America today.”

~ Marian Wright Edelman

## Contracts, Initiatives & Program Highlights

# Executive Level & Staff Development Training Series



The African American Chamber of Commerce of New Jersey has developed a series of customized, industry driven, life long-learning programs to augment and supplement the training objectives of New Jersey's workforce and business community. Each training module is designed to deliver practical skills and techniques for professional development in various industry clusters.

The Executive Level and Staff Development Training Series (ELSDT) marks the African American Chamber of Commerce of New Jersey's evolution and leadership efforts to support the educational and training needs of its members. Under the ELSDT banner the Chamber will manage all programs related to personal and business development which includes: seminars, panel discussions, and classroom format training.

Each customized training module will meet the training objectives of its members, employees, and business leaders. Course topics have been developed through a joint collaboration with employers, AACCNJ's leadership team, and volunteer industry experts selected from the Chamber's diverse membership.



## Calendar of Events 2018

# Check [www.aaccnj.com](http://www.aaccnj.com) for updates on our events!

### February 2018

**The Eighth Annual Circle of Achievement Awards Gala** - 6:00 pm

Location: *The Venetian in Garfield, NJ*

### April 2018

**The State of Black New Jersey 2018 Conference** - 9:00 am to 3:00 pm

Theme: "Forecasting Education, Employment, and Economic Opportunities for African Americans Statewide".

Objective: Foster relationships, obtain perspectives, develop best practices, and form solutions, which will serve to strengthen our collective efforts to make New Jersey more competitive.

Location: *Rowan University in Glassboro, NJ*

### June 2018

**The Eighth Annual Golf Classic** - 8:30 am to 6:00 pm

Objective: Foster relationships and provide networking opportunities to attendees

Beneficiary: A portion of the proceeds will benefit AACCNJ Youth Educational/Recreational programs.

Location: *Cherry Valley Country Club in Skillman, NJ*

### August 2018

**"Women Who Empower" Panel Networking Forum** - 11:30 am to 2:30 pm

Location: *Central Jersey Region*

### September 2018

**The Eighth Annual Business Leadership Conference** - 9:00 am to 3:00 pm

President's Club Breakfast - 7:30 am to 9:30 am

Break Out Sessions (Topics TBD)

Speakers & Panelists TBD

Location: *Central Jersey Region*

### October 2018

**The Eighth Annual Corporate Awards Dinner** - 6:00 pm to 9:00 pm

Location: *The Venetian in Garfield, NJ*

### December 2018

**Annual Year End Reception** - 6:00 pm to 9:00 pm

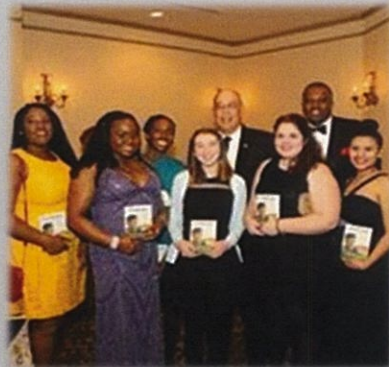
Location: *Forsgate Country Club in Monroe, NJ*

# AACCNJ Events Highlights

## *Annual Circle of Achievement Awards Gala*

The Annual Circle of Achievement Awards Gala is a prestigious, black-tie event held during Black History month that honors individuals who have attained a prominent level of success in business, education, politics and entertainment.

*Photos below are from previous gala events. Photos are courtesy of Mark Carter Photography and Escarpeta Photographics.*



# AACCNJ Events Highlights

## *Annual State of Black New Jersey Conference*

The Annual State of Black New Jersey Conference consists of a two-panel discussion with industry experts on the overall current business climate and critical issues facing black communities in New Jersey within the workforce, education, and public policy.

*Photos below are from previous conference events. Photos are courtesy of Mark Carter Photography and Escarpeta Photographics.*



# AACCNJ Events Highlights

## *Annual Business Leadership Conference*

The Annual Business Leadership Conference is a forum to share information, build relationships, and foster an environment of strong, diverse businesses to increase contracting opportunities for African American businesses in both public and private sectors, which will strengthen New Jersey's economy.

*Photos below are from the 2017 Business Leadership Conference. Photos are courtesy of Mark Carter Photography and Escarpeta Photographics.*



# AACCNJ Events Highlights

## *Annual Golf Classic*

The Annual Golf Classic is an annual networking opportunity which enables the AACCNJ to dedicate a portion of the proceeds to support youth educational and recreational programs.

*Photos below are from the 2017 Golf Classic. Photos are courtesy of Mark Carter Photography and Escarpeta Photographics.*



# AACCNJ Events Highlights

## AACCNJ Speakers & Dignitaries

The AACCNJ would like to extend its sincere appreciation to our speakers and dignitaries this year. We appreciate your continued investment in the chamber and its members.

*Photos below are from various AACCNJ events in 2017. Photos are courtesy of Mark Carter Photography and Escarpeta Photographics.*



## Growth & Development

### Small Business Bonding Readiness Assistance

*Photo Courtesy of Tim Larsen*



Governor Christie signed into law S-123/A-3559 that will provide New Jersey's small businesses greater access to public contract opportunities. Pictured standing L-R John Harmon, Founder, President & CEO of the AACCNJ; Senator Joseph Pennacchio, R-26; Eric Jackson, Mayor of the City of Trenton; Assemblyman Jamel C. Holley, D-20; and Hosea Johnson, Chairman of the Board of the AACCNJ.

"This initiative will lend credibility to the efforts of legislators to increase participation of New Jersey's small businesses on public contracts because they will now have access to a mechanism that will assist these enterprises in obtaining bonding," said John E. Harmon, founding president-CEO of AACCNJ, in a news release. "This will be a game changer for small businesses in our state."

The Senate Bill S-3064 was sponsored by Senator Joseph Pennacchio, Sen. Ronald L. Rice, Assemblyman Jamel C. Holley, and Assemblywoman Betty Lou DeCroce.

---

### Gateway Tunnel Project

This \$25+ billion initiative will improve transportation efficiency in America's business corridor, while producing a significant number of jobs and economic opportunities for the constituency of the AACCNJ. Representatives from Amtrak, NJ Transit, Port Authority of NY/NJ, state local and congressional representatives from NY and NJ convened in early December 2017 for a discussion moderated by John E. Harmon, Sr.

*Photo courtesy of Mark Carter Photography*



# Issues, Access & Resolution

The AACCNJ worked with **Essex and Hudson counties to produce procurement policies and programs** that will expand access to re-occurring opportunities for MBE/WBE, thus improving the competitiveness of New Jersey's economy.

---

The AACCNJ had dialogue with the United States Department of Transportation in support of United Airlines application to provide direct flights from Newark, NJ to Havana Cuba. United was successful in its efforts to provide service to Cuba, and we are grateful to have been able to play a role in this endeavor.

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The AACCNJ initiated numerous **roundtable discussions and business matchmaking sessions** with major public/private businesses that provided AACCNJ's members with direct access to resources, opportunities, and information for their business growth.

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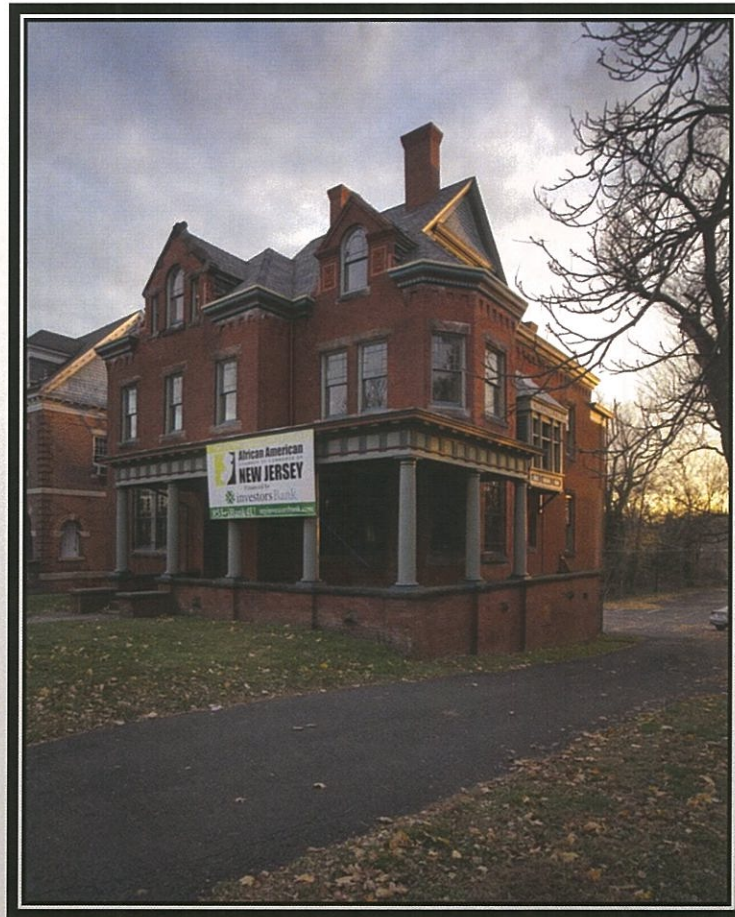
The AACCNJ has regular engagement of Democratic and Republican State legislative to ensure that New Jersey's 1.2 African American residents and 66,000 businesses have the required access to ensure their voices are heard, and a forum is in place to bring resolution.

## Passed Legislation:

- College Consortium
- Bonding Program
- Partnership with Opportunity NJ with the following accomplishments: gas tax, earned income
- Tax credit, estate tax, and reduction in sales tax



# The African American Chamber of Commerce of New Jersey



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**LEGAL SERVICES OF NEW JERSEY**  
**JOINT COMMITTEE ON ECONOMIC JUSTICE**

**December 18, 2017**

**Presented by:**

**Allan Lichtenstein & Shivi Prasad,  
 Poverty Research Institute**

**Maura Sanders, Chief Counsel, Public Entitlements**

**PAST BOARD CHAIRS**

James H. Coleman, 2006-2010  
 Michael R. Cole, 1996-2005  
 William D. Hardin, 1989-1996  
 Douglas S. Eakeley, 1981-1989

58X

The McKinsey report “*Re-seeding the Garden State’s economic growth: A vision for New Jersey*” focuses on the New Jersey economy’s untapped potential and makes four recommendations to spur economic growth and enable the creation of 250,000 jobs over the next decade. Two of the recommendations — improving the transportation infrastructure and addressing workforce imbalances by providing job training — are areas that the Poverty Research Institute at Legal Services of New Jersey previously has focused on. The report, however, does not address what other steps and work supports, including adequate and affordable child care, are necessary to bring the poor into the workforce. In other words, the report does not articulate how the growth in the economy will boost actual and real job opportunities, and living wages, for low income people who are able to work. These are crucial needs. What we, in fact, have in New Jersey is a divided state: while residents at the upper end of the income scale have more than recouped the income losses they suffered during the Great Recession, the lower income groups, and especially the poor, are still living in poverty.

- While median wages have risen for the top 10 percent and the top 25 percent of the workforce, they have declined for the bottom 50 percent

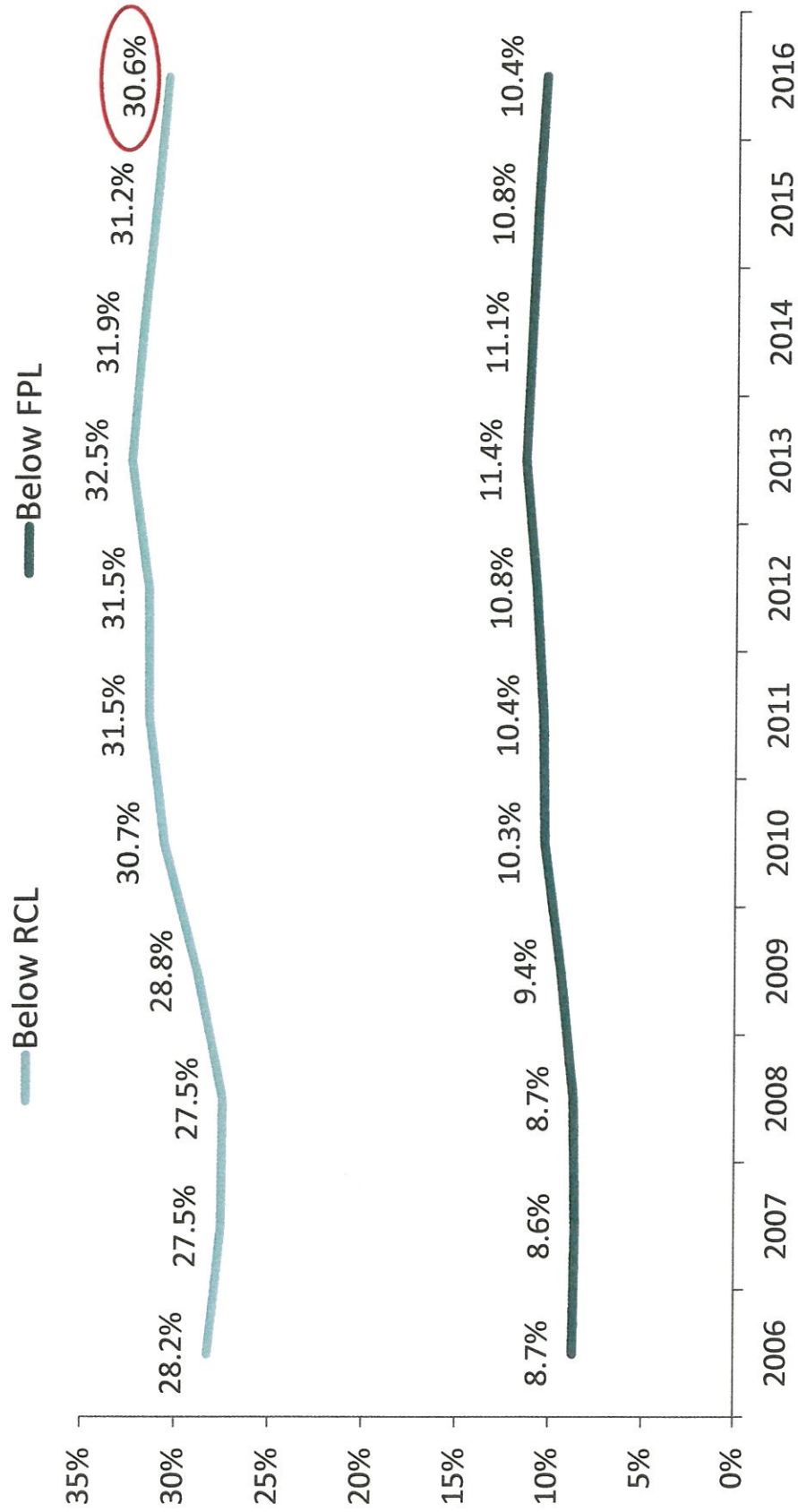
and, in particular, for the bottom 25 percent and the bottom 10 percent. In both cases, median wages were below \$15 an hour in 2016.

- In New Jersey in 2016, 44 occupations each employed more than 20,000 workers. In total, these 44 occupations accounted for one-half the number of wage workers in New Jersey. Of these 44 occupations, 19 paid a median wage that was less than the real cost of living for a single adult in New Jersey in 2016 — \$30,909.
- If we look at the 30 occupations the Bureau of Labor Statistics has projected to have the highest job growth nationally between 2016 and 2026, ten of these occupations are in the list of 19 that pay a median wage less than the real cost of living for a single adult in New Jersey.
- We should also point out that the Bureau of Labor Statistics projects a bifurcated wage force in 2026, with jobs at the two ends of the wage scale growing by larger percentages than those at the center.

The intractable hold of poverty in the state remains a critical concern to the Poverty Research Institute. While the official poverty rate has plateaued in the last few years (decreasing from a peak of 11.4 percent in 2013 to 10.4 percent

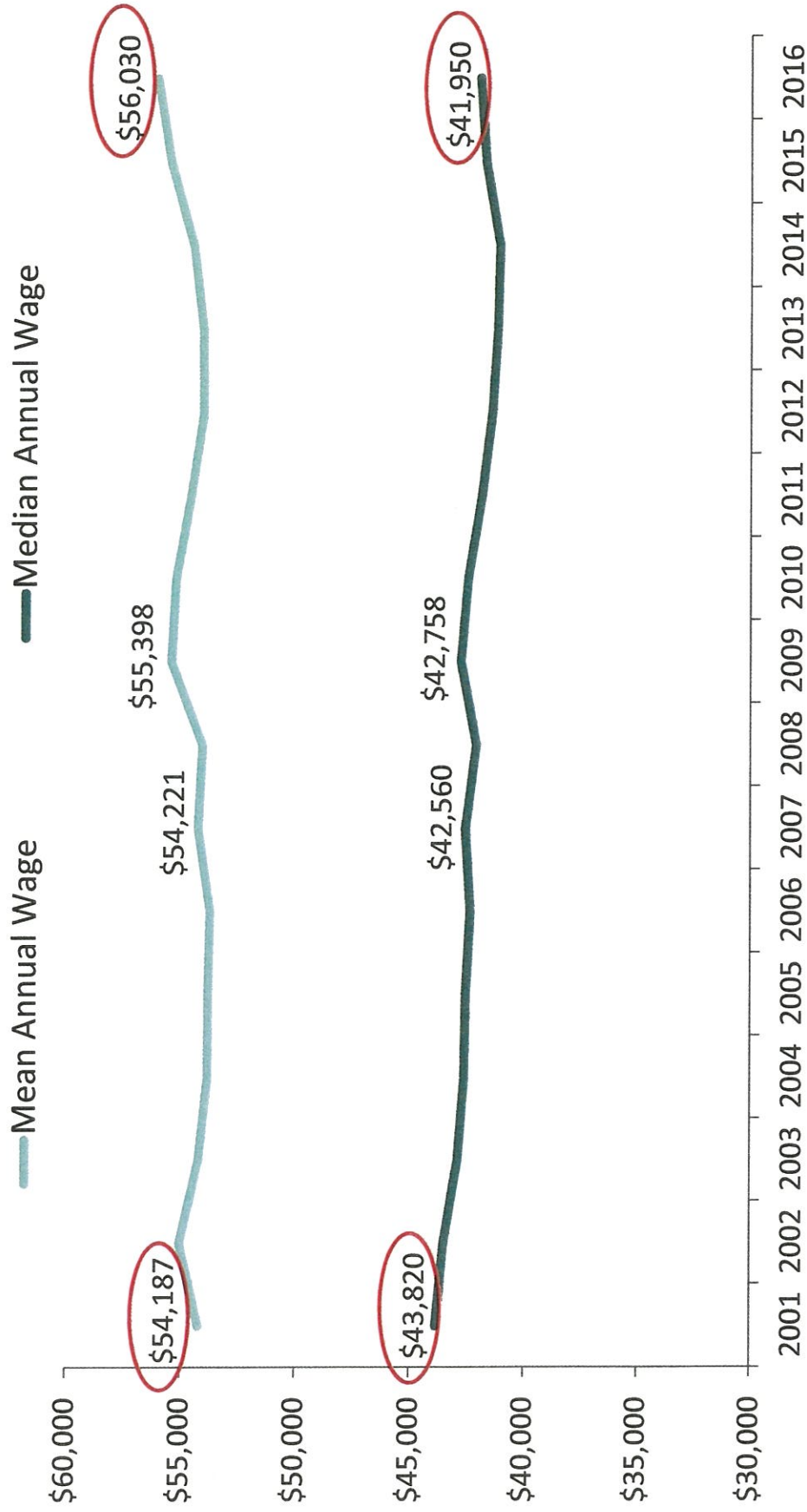
in 2016), this decline should not be considered a moment of respite. Several critical cautions must be kept in mind. First, we are still at a poverty level unseen over a period of 50 years; poverty stood at 8.1 percent in 1969. Second, the poverty rate is still markedly higher than 8.6 percent at the outset of the Great Recession in 2007. Finally, these official poverty rates do not come close to exposing the depth of impoverishment and deprivation in New Jersey. In most cases, the real cost of living (depending on the family size, composition and county of residence) is as much as 2.5 to 4 times higher than what the federal government considers to be a poverty income level in New Jersey. For example, the federal poverty threshold for a three-person family comprising one adult and two children is \$19,318 annually. Based on the Poverty Research Institute's real cost of living studies, the same family's actual deprivation/poverty seems to occur at 250 percent the federal poverty level, currently \$64,247 annually. This means that in 2016 there were actually about 2.7 million people or one-third of the state's population effectively living in poverty — three times more than the federal poverty level. Any policy geared towards economic growth must consider the plight of so many New Jersey residents living in poverty.

# Almost One-Third of the Population Still Living in Poverty



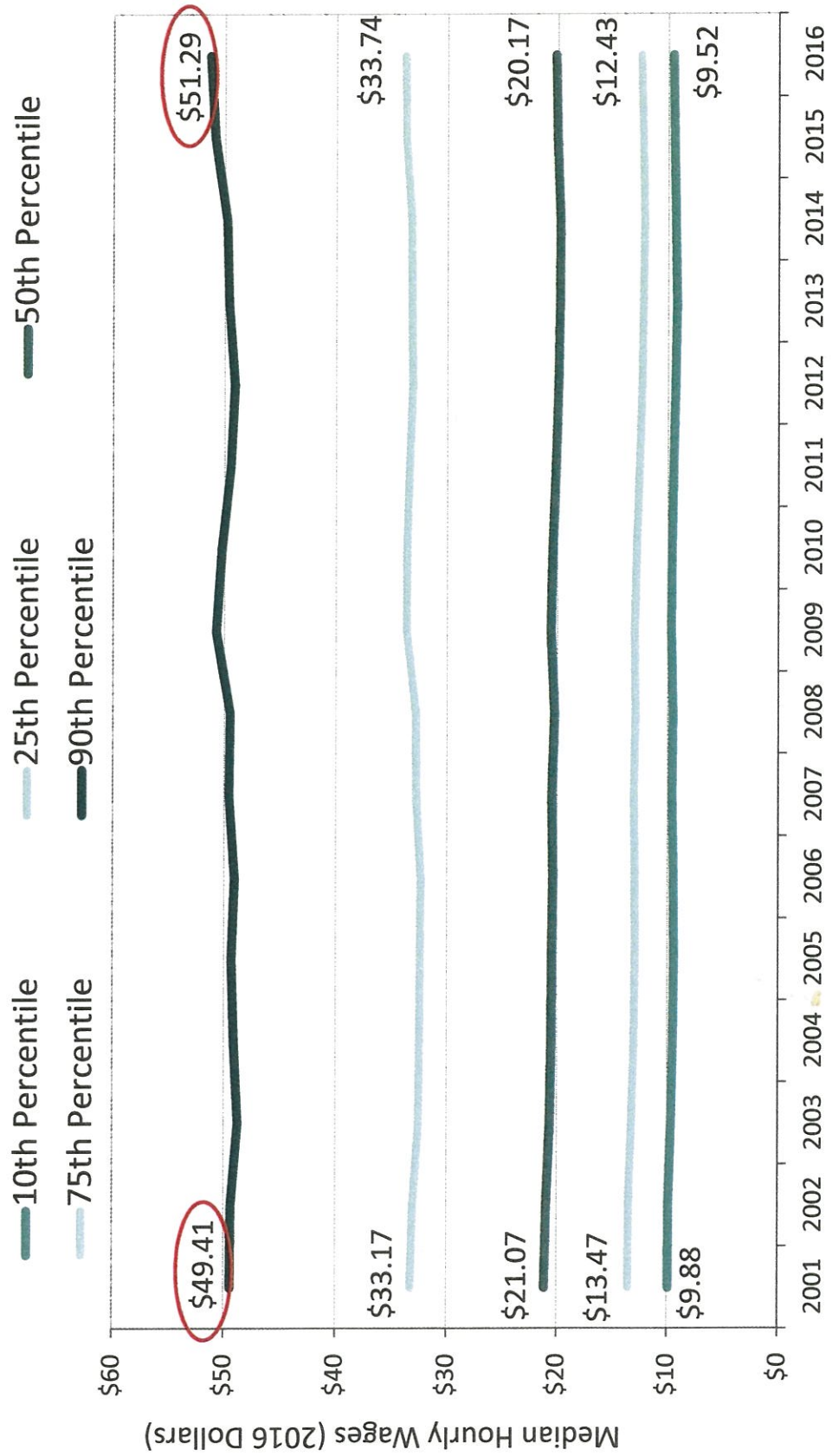
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# Median Annual Wage Has Declined Slightly; Average Wage Has Increased Slightly

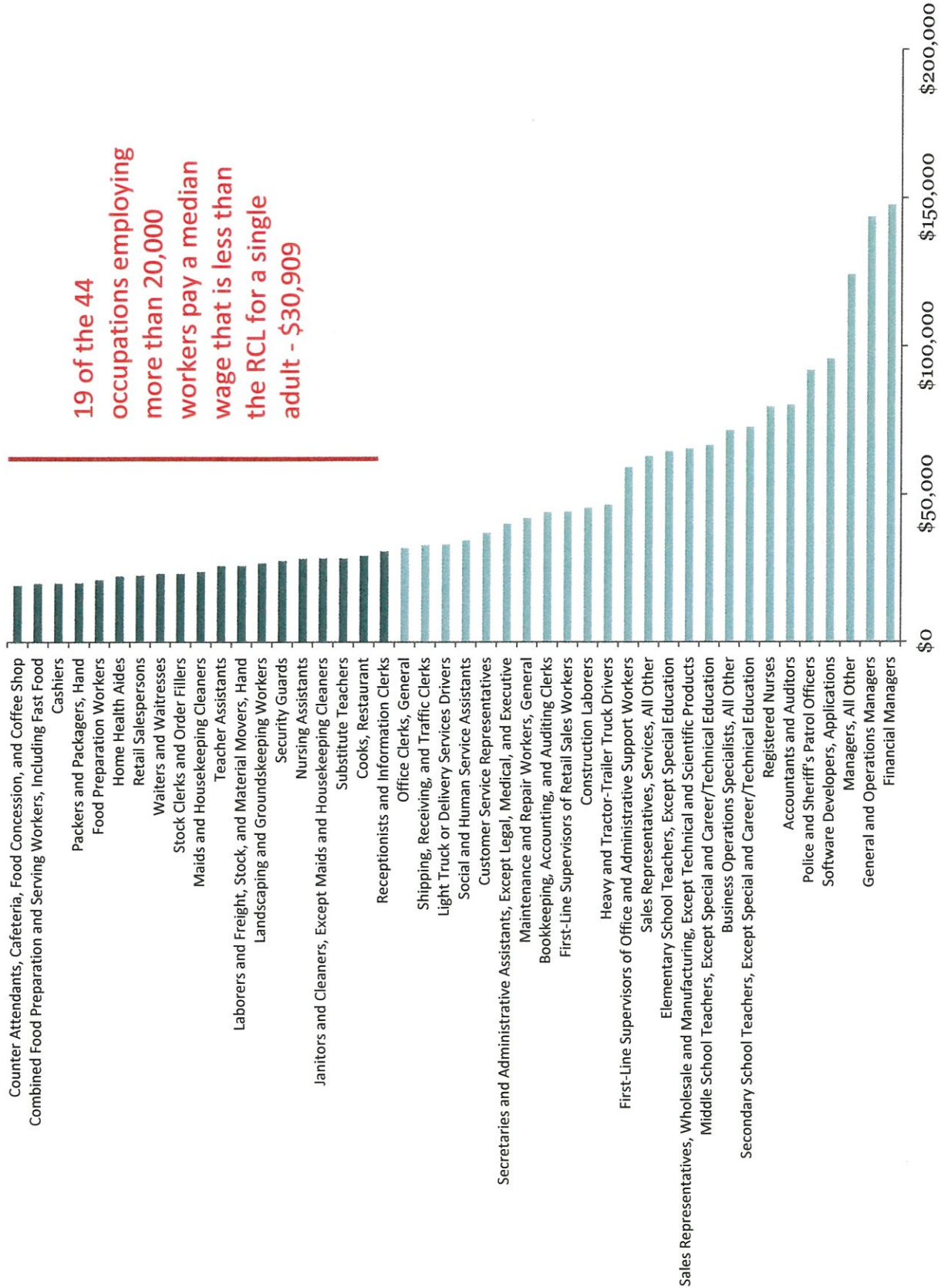


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# Effectively, Wages have Risen for the Top 10% only

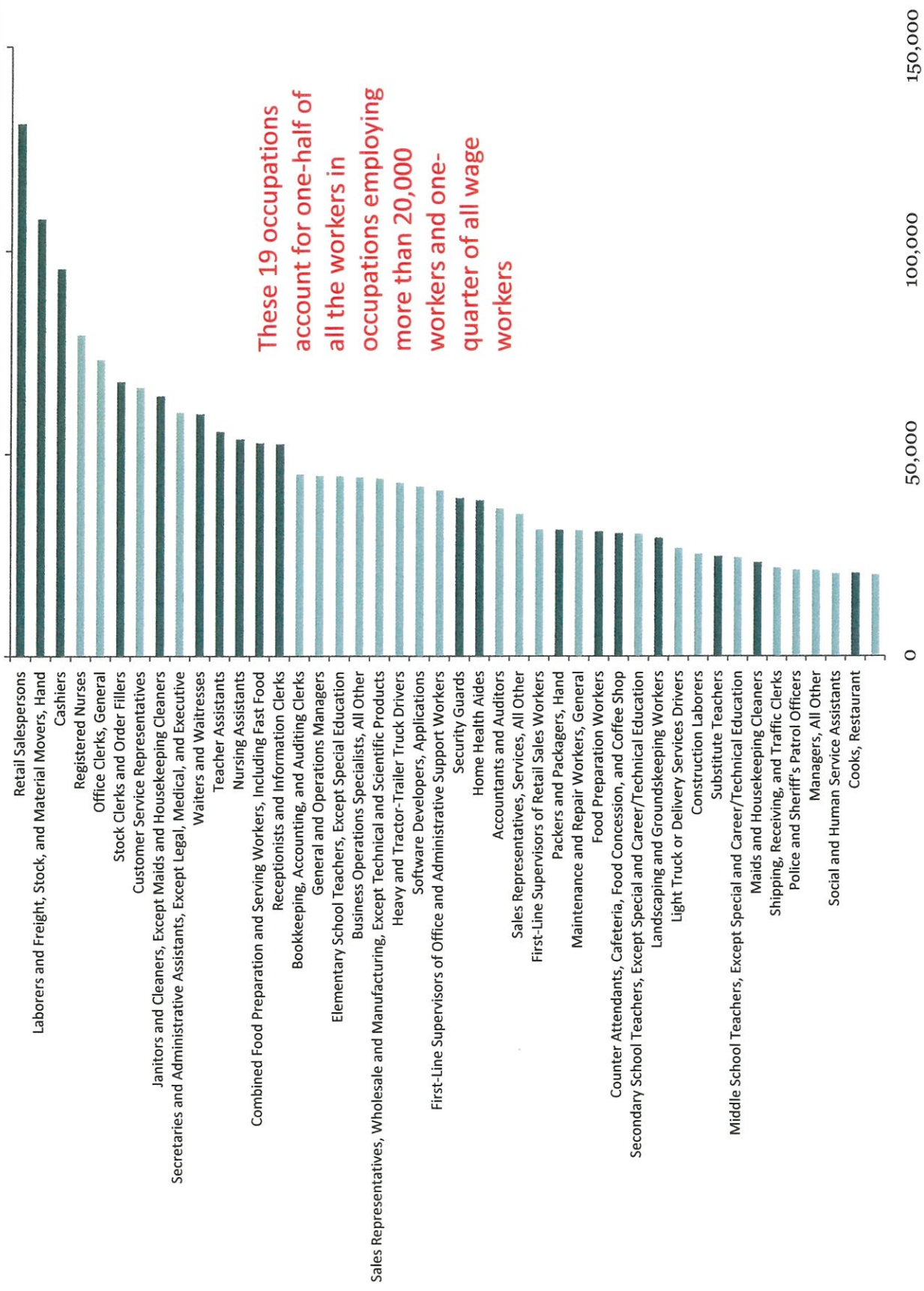


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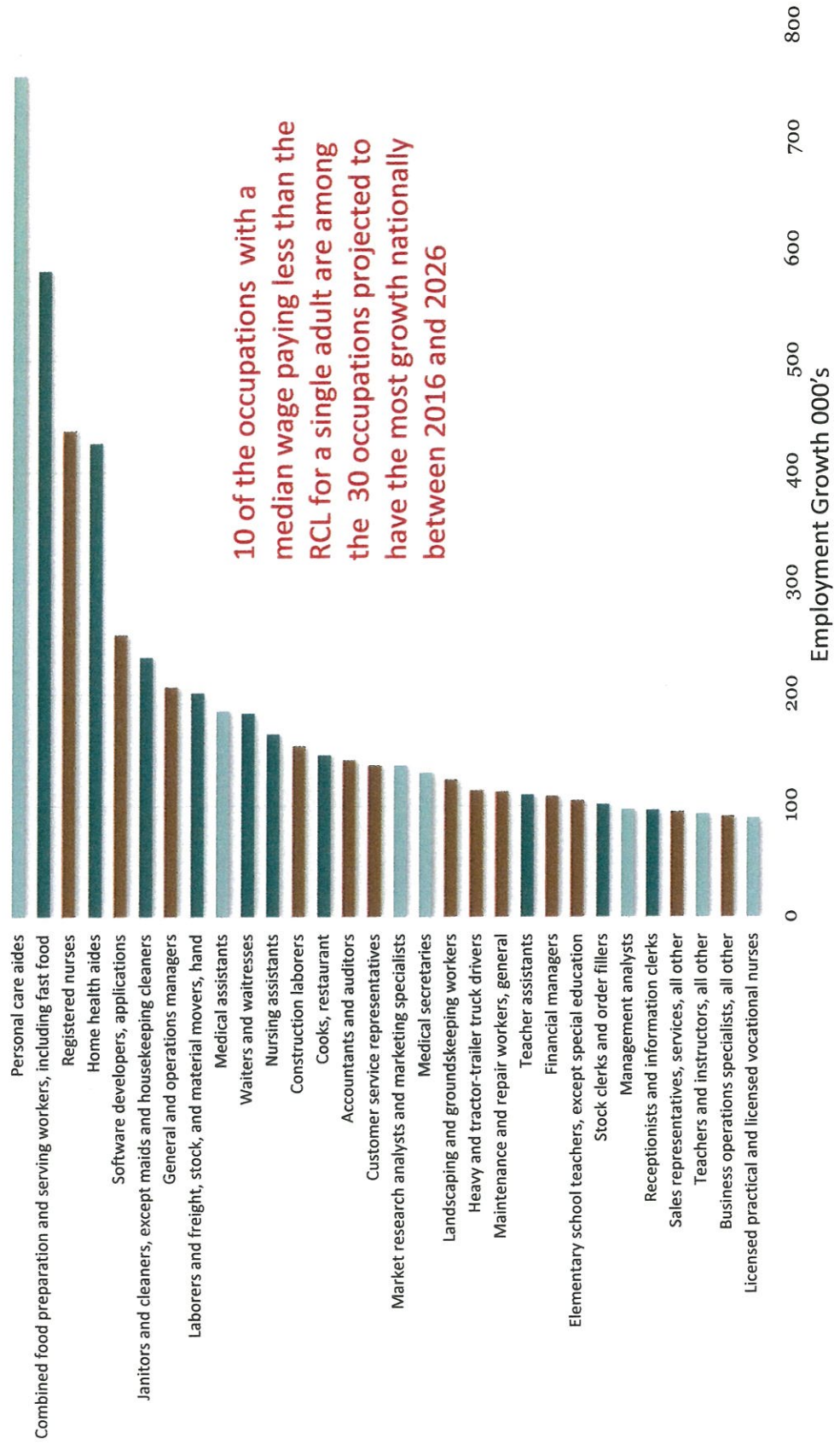


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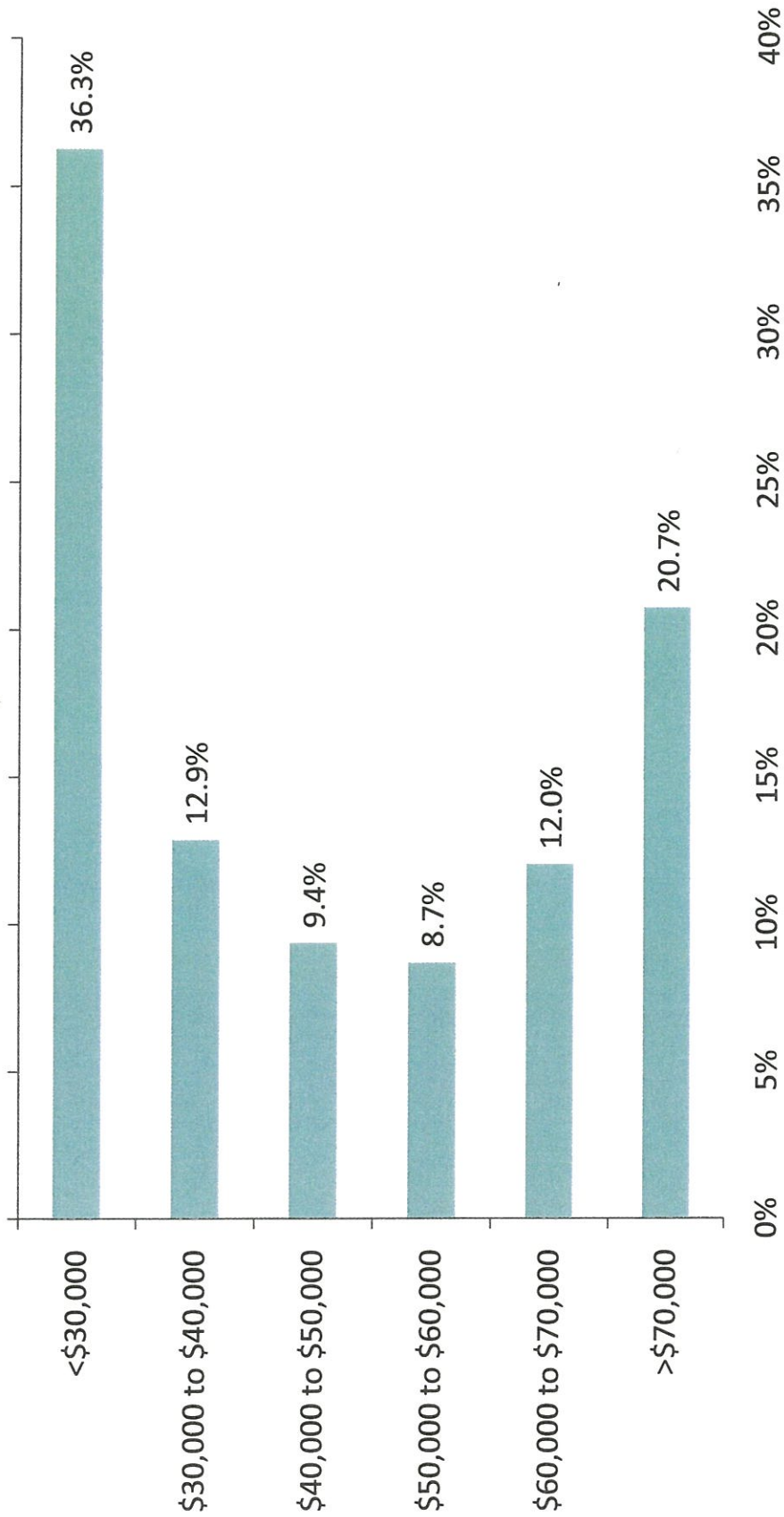


# Occupations with the most Projected Job Growth between 2016 and 2026



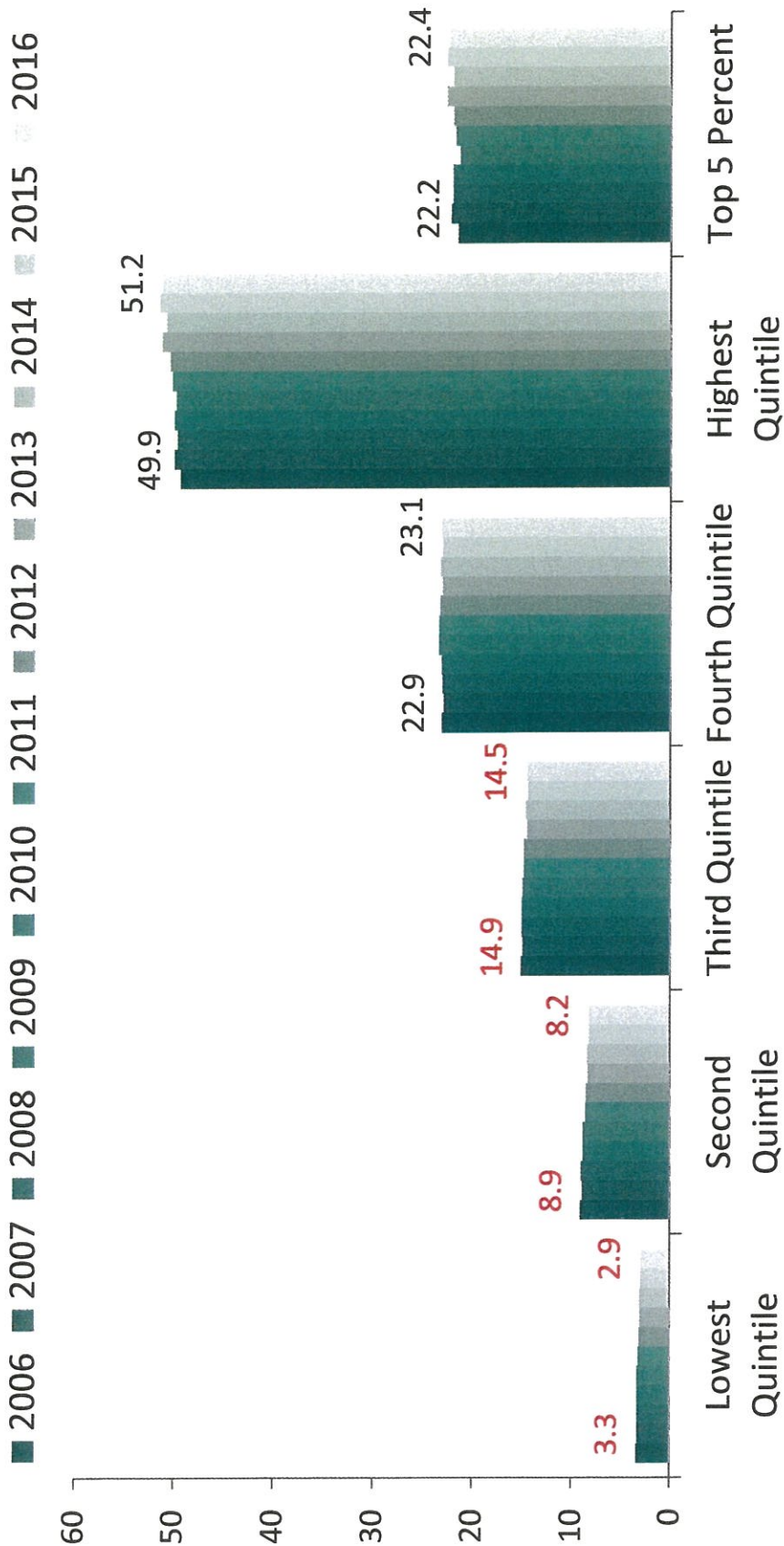
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# The largest increases in job growth will be at the two ends of the wage scale



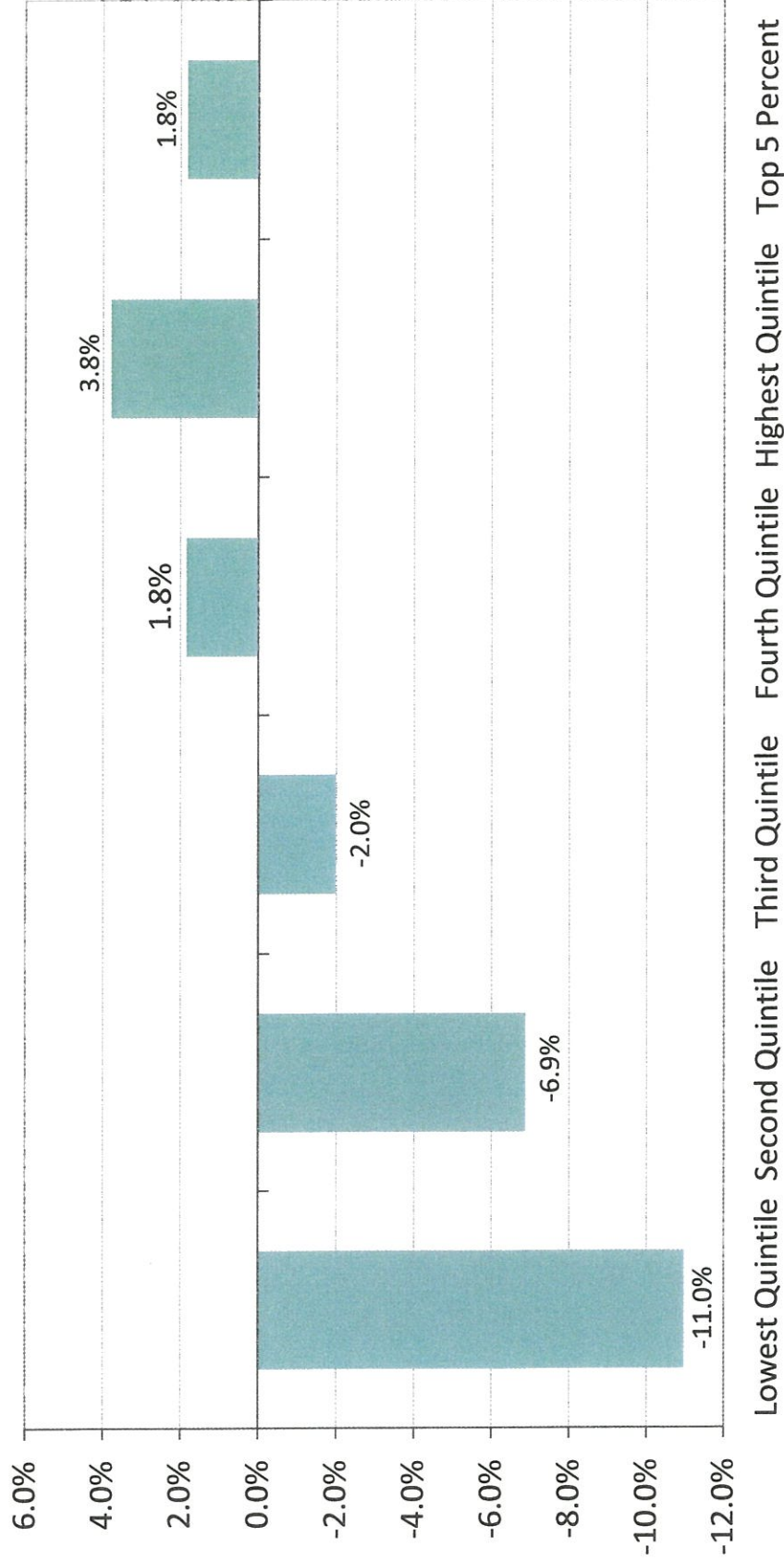
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# Income Inequality Has Increased: The Top 20% Hold More than 50% of All Income



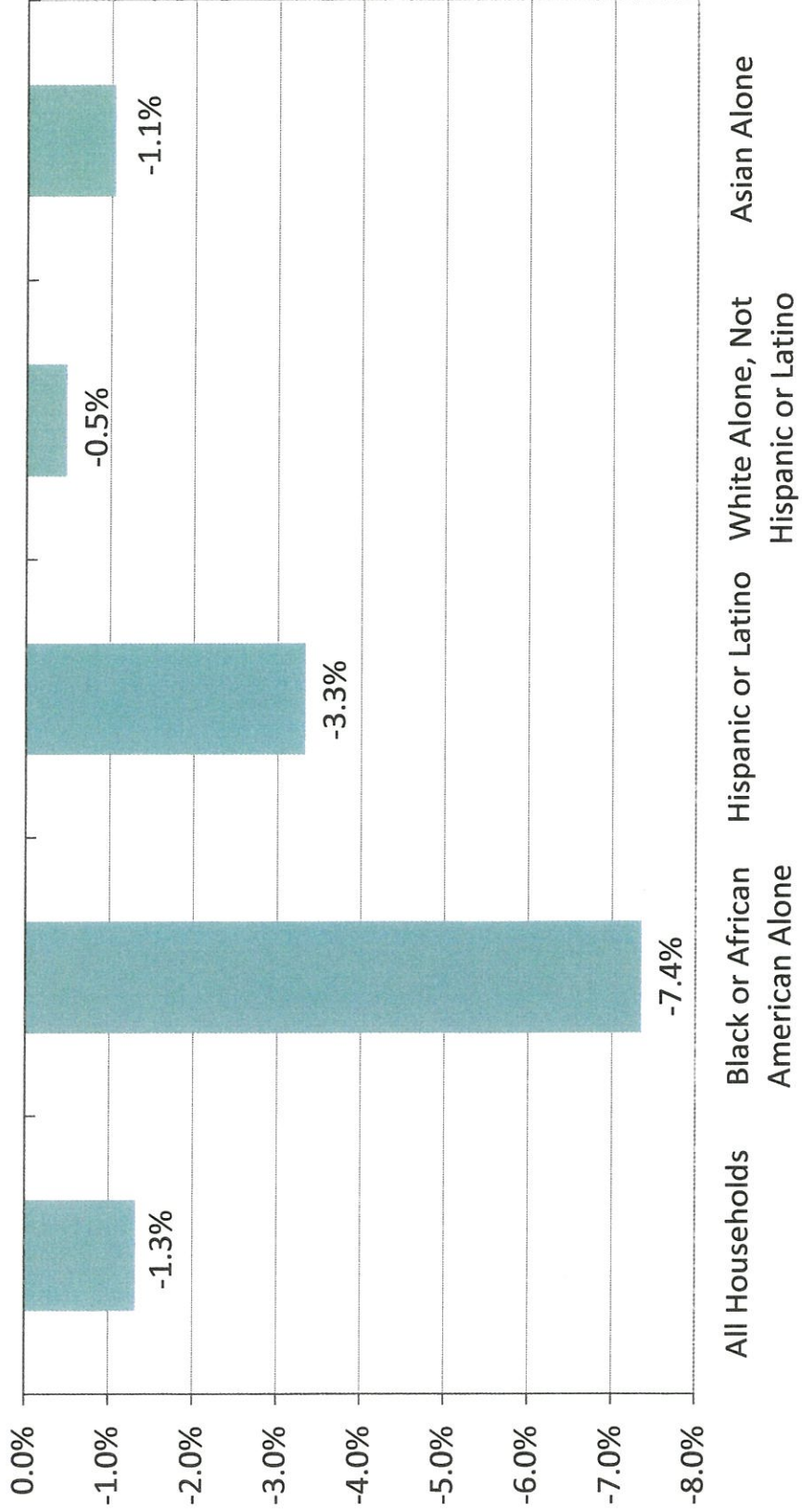
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# While the Top Income Groups Have Recovered from the Recession the Bottom Groups Have Not



70x

# Median Household Income is Still Well Below 2007 Levels for Blacks & Hispanics



71x

# Re-seeding the Garden State's economic growth: A vision for New Jersey

McKinsey New Jersey Office July 2017

Tyler Duvall  
Mike Kerlin  
Paula Ramos  
Zachary Surack  
Steve van Kesteren

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## Preface

The Great Recession of 2008-2009 left many states, including New Jersey, reeling. And, like many other states—and the US economy overall— New Jersey has not yet got back to the rate of growth seen before the global financial crisis. Unlike many other states, however, we in New Jersey do have an outstanding opportunity to reignite our growth. If New Jersey makes the right choices now, it can create a future-oriented, high-growth economy.

This report is intended to assist New Jersey's leaders in understanding the dimensions of the state's economic potential. With it, we hope to provide an objective, non-partisan analysis of the Garden State's economic strengths, informed by extensive economic and business data, by insights from 70 prominent business leaders, and by a survey of the state's business community.

This report reflects a collaboration between McKinsey & Company's New Jersey and Philadelphia offices, its Public and Social Sector Practice, and the McKinsey Global Institute. McKinsey Partner Mike Kerlin and Senior Partner Steve Van Kuiken led this research, together with Tyler Duvall, Paula Ramos, and Zachary Surak – all McKinsey Partners. Lesley Pandey, a consultant in McKinsey's New Jersey Office, led the project team, which consisted of Reinier van der Lely and Gillian Almeida.

We are grateful for the advice and input of many McKinsey colleagues and experts. Michael Della Rocca and Sree Ramaswamy provided invaluable guidance throughout the effort. We thank Geoffrey Lewis, who provided editorial support; Jesse Salazar for his help with external relations; Anna Gressel-Bacharan and Melissa Milstead for their guidance on public sector considerations. The final report relied heavily on McKinsey Publishing for its production, content, and graphics expertise. Many leaders in New Jersey have offered invaluable guidance, suggestions, and advice. We thank them for their willingness to help us shape this research.

With this report, McKinsey hopes to start productive, non-partisan conversations that will lead to distinctive, lasting, and substantial improvements in the New Jersey economy. No single institution or sector can make the changes the state needs. It will take dedicated efforts by the private, social, and public sectors—and the involvement of us all —to make the Garden State a growth leader again.

This work is independent, non-partisan, and objective; it has not been commissioned or sponsored in any way by any business, government, or other institution.

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## In brief

New Jersey has significant economic strengths, including strong positions in knowledge-intensive industries such as pharmaceuticals, finance, and technology. It has a highly educated labor force and a uniquely advantageous location for participating in international trade and providing logistics services on the Northeast Corridor. Yet, in recent years, the state has not translated these advantages into rapid growth. If its private, social, and public sectors address these barriers to growth and focus on ways to nurture new businesses, New Jersey can build on its strengths and become a future-oriented, high-growth economy in the coming decade. The 2008-09 recession hit the state hard—GDP declined by 4.6 per cent and employment fell by 4.3 per cent between December 2006 and December 2009. Recovery has been weaker in New Jersey than across the nation: US GDP advanced by 1.4 per cent per year from 2005 to 2015, but growth in New Jersey averaged just 0.3 percent. Growth in both employment and median income in New Jersey was flat between 2006 and 2016.

This performance can be attributed to four major factors that reduce dynamism in the New Jersey economy and depress growth.

1. New Jersey has relatively few young companies that have grown into major employers.
2. Aging transportation infrastructure exacts a toll on productivity and high maintenance costs divert public funds from other uses.
3. There is a growing mismatch between the type of middle-skill workers New Jersey has and middle-skill jobs that employers need to fill.
4. New Jersey has focused business incentives on retaining major employers and therefore has created fewer new jobs than states that aim more incentives at new businesses

New Jersey could address these four drags on growth by learning from the best practices of other states. Some states, for example, have created a more supportive environment for growing startups into large-scale businesses. New Jersey could invest in improving the quality of its transportation infrastructure and better manage traffic flows to avoid congestion. To improve labor-market matching, New Jersey could emulate other states and work with employers to create training programs and post-secondary curricula to qualify middle-skill workers for positions in growing fields such as health care. And the state could seek to get better returns on economic development programs by focusing on fast-growing young firms and targeting foreign investors.

New Jersey is well positioned to ride growth trends in several industries where it could build on established strengths. Examples include biotech, logistics for e-commerce, and cybersecurity.

We estimate that by addressing the four factors described above, New Jersey has the opportunity to make up for the growth it has missed out on in the past decade. If the state can keep pace with the U.S. economy, it can vastly increase economic opportunity in the state. By reaching the national average for growth, the state will expand its economy by more than \$150 billion and create more than 250,000 jobs over the next decade.

# New Jersey's economy today

The State of New Jersey has a proud place in the history of the United States. It played a leading role in the founding of the nation and was an engine of growth for the economy through much of the 19th and 20th centuries. It gave the nation Campbell's soup, Victor phonographs, RCA televisions, and the TV dinner. It is where Thomas Edison did most of his work and Albert Einstein pushed the boundaries of science.

In the 21st century, the state retains many of its core advantages. Its 9 million people make it the 11th largest state in terms of population and employment. With \$508 billion in annual GDP (in 2015), New Jersey is the eighth-largest state economy.<sup>1</sup> New Jersey is No. 3 among the states in median household income (\$68,357 vs. \$56,516 nationally in 2015).<sup>2</sup> And it remains a favored location for major corporations, with 19 Fortune 500 companies headquartered within its borders.<sup>3</sup> New Jersey is home to high value-added industries, ranging from pharmaceuticals to information and communication technology, and financial services. According to our survey of business leaders, New Jersey's highly educated labor force—37 percent of workers have four-year college degrees compared with 30 percent across the United States—is one of the main reasons to locate in the state.

New Jersey's highly advantageous location is perhaps its most enduring economic strength, and has helped make it a global leader in trade and a critical hub for logistics. The Port of New Jersey / New York is the third-largest in volume in the country and the largest in the value of goods that flow in and out. Equally important, New Jersey sits at the heart of the Northeast Corridor, the densely populated region that extends from Boston to Washington DC and generates 22 percent of US GDP. This gives New Jersey proximity to large markets, innovation clusters, and robust supply chains.

However, in the 21st century, these advantages have not generated strong growth (Exhibit 1).

A decade after the onset of the global financial crisis, New Jersey's economy is still struggling to grow. State GDP grew by just 0.3 percent on average, from 2005 to 2015, compared with 1.4 percent for the United States overall. Out of 19 leading industries in New Jersey, 16 grew at rates below their industry's national average from 2010 to 2015. And, although the median household income in New Jersey remains high, it is barely growing, and total employment was nearly flat from 2005 to 2015. Critically, New Jersey continues to lag the rest of the United States in productivity growth, a trend that began in the mid-1990s and acts as a drag on the state's GDP.<sup>4</sup> At the same time, the cost of doing business has risen faster than the national average and in surveys, the state consistently ranks in the bottom quartile. In 2016, CNBC ranked New Jersey 42nd out of 50 states in business friendliness because of its complex regulations.<sup>5</sup>

The overall picture is one of great potential that is currently tempered by weak economic dynamism. Other states have been able to tap new sources of growth and have made their economies more attractive to investors in the past decade through investments in infrastructure and training, for example. But little has changed in the New Jersey economy in the past decade.

We identify four major factors that limit dynamism in the New Jersey economy and depress growth. First, New Jersey has relatively few young companies that have grown into major employers (with more than 500 employees). New Jersey has about as many startups as other states, but fewer of them scale up into large businesses. Dynamism is also inhibited by New Jersey's aging infrastructure, which exacts a toll on productivity, raises the cost of doing business, and diverts public funds from uses that might generate more growth.

1 Bureau of Economic Analysis.

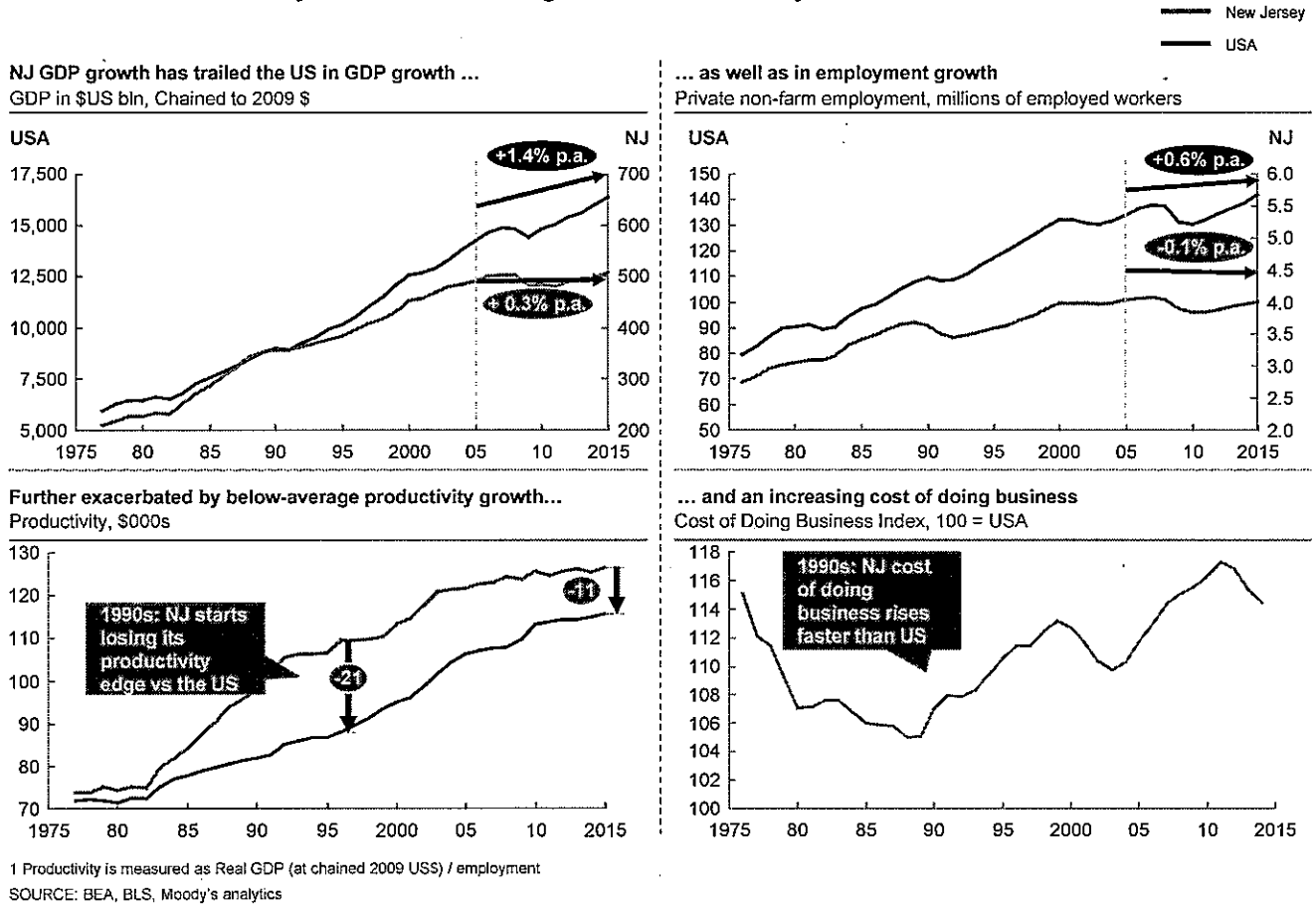
2 American Community Survey, US Census.

3 Eric Strauss, "19 New Jersey companies make 2015 Fortune 500 list," NJ Biz, June 4, 2015.

4 *The US Economy: An agenda for inclusive growth*, McKinsey Global Institute, November 2016.

5 *America's Top States for Business 2016: A scorecard on state economic climate*, CNBC.com

# Exhibit 1 New Jersey has been trailing the US economy since the 1990s



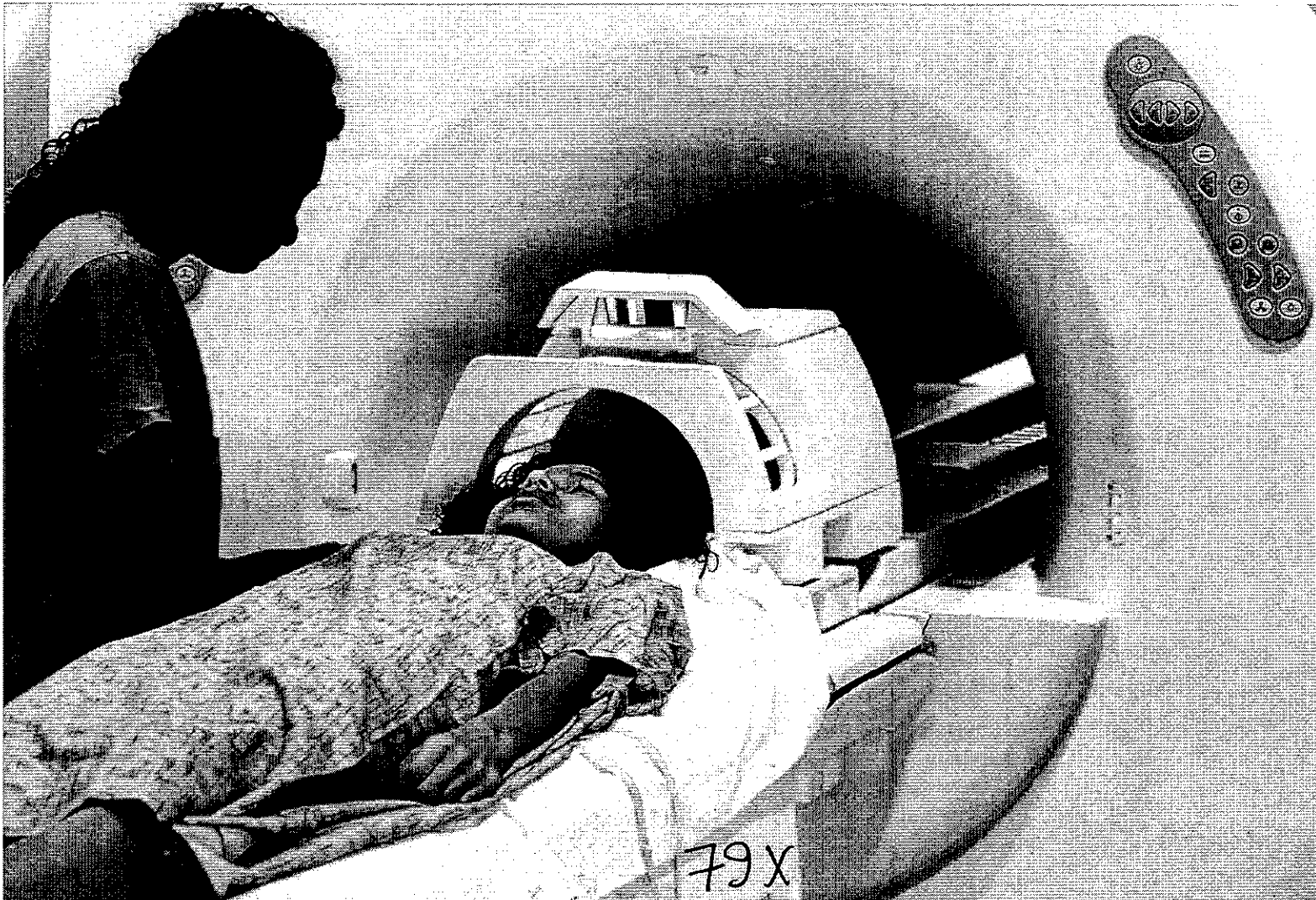
Third, New Jersey has a significant labor-market mismatch between demand for middle-skill workers and the supply of workers with appropriate skills. Finally, New Jersey's efforts to spur growth through tax breaks and other incentives for employers to locate or remain in the state have not been as effective as similar programs in other states; New Jersey has been good at retaining existing employers, but other states do more to attract fast-growth companies.

- **Growing young businesses:** Young, fast-growing firms create most of the jobs in the United States. In New Jersey, only 5 per cent of companies with 500 employees or more are less than 10 years old, compared with 11 per cent across the United States. New Jersey attracts less venture capital per capita than peer states with similar types of economies. And some other states have created better environments for fast-growing young companies by improving access to capital through angel investing credits, setting up business incubators, and helping firms navigate state and local regulations.
- **Improving transportation infrastructure:** Aging transportation infrastructure and congestion are a drag on productivity, raise the cost of doing business, and restrict worker mobility across the region. Congestion and poor road conditions cost New Jersey motorists an estimated \$5.2 billion a year in time, wasted fuel, and repairs.<sup>6</sup> To help address the infrastructure problem, New Jersey could consider shifting more funding to long-term improvements, adopting methods for optimizing infrastructure spending, encouraging transit-oriented development, and taking additional steps to rebalance traffic flows.

<sup>6</sup> Report Card for New Jersey's Infrastructure 2016, American Society of Civil Engineers, 2016.

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- **Addressing workforce imbalances:** The skills of the labor force in New Jersey are not well aligned with demand. There are more high- and low-skill workers in New Jersey than employers need, and more middle-skill jobs than qualified middle-skill applicants. The economy has shifted successfully from a heavy reliance on traditional manufacturing to services and advanced manufacturing (pharmaceuticals, for example), but relatively few of New Jersey's middle-skill workers (with less than a four-year post-secondary degree) are qualified for the middle-skill jobs that are available today, such as health technicians, construction service workers, heavy vehicle maintenance, and retail managers. This shortage is exacerbated by the outmigration of young millennials from New Jersey, including many middle-skill workers. New Jersey could increase the supply of "job-ready" middle-skill workers by expanding access to vocational training, partnering with companies to tailor college curricula, and putting in place other measures to train workers in skills demanded by the private sector.
- **Tailoring incentives for growth:** New Jersey's capital outlays (for building construction, land alterations, and infrastructure expansion, etc.) and business development efforts have had relatively modest impact on growth. New Jersey pays ~5x more for each job affected and ~6x more per dollar of investment attracted than peer states. Over 80 percent of incentive deals are geared to older domestic companies, even though younger firms and foreign companies, on average, invest more capital in operations and create more jobs. Other states have gotten higher returns by continuously monitoring the economic gains from their investment, enforcing claw-back provisions for incentives that do not produce returns, and focusing investment in industry clusters where young companies can blossom.



# Unleashing growth enablers in New Jersey

If addressed forcefully, each obstacle New Jersey faces could be turned into an enabler of economic growth. For example, by better nurturing fast-growing companies, New Jersey could benefit from similar levels of job creation that other states get from start-ups. Modernizing infrastructure could speed up commerce and raise productivity. Efforts by companies and the education system to train middle-skill workers for jobs that are in demand could help to raise employment and accelerate growth. And New Jersey could improve the impact of its investments in growth, such as tax incentives for companies locating operations in the state. All these things can happen in New Jersey.

Here we look at how the four major factors inhibiting growth can be turned into growth enablers if New Jersey follows the lead of other states and applies its own best practices more broadly.

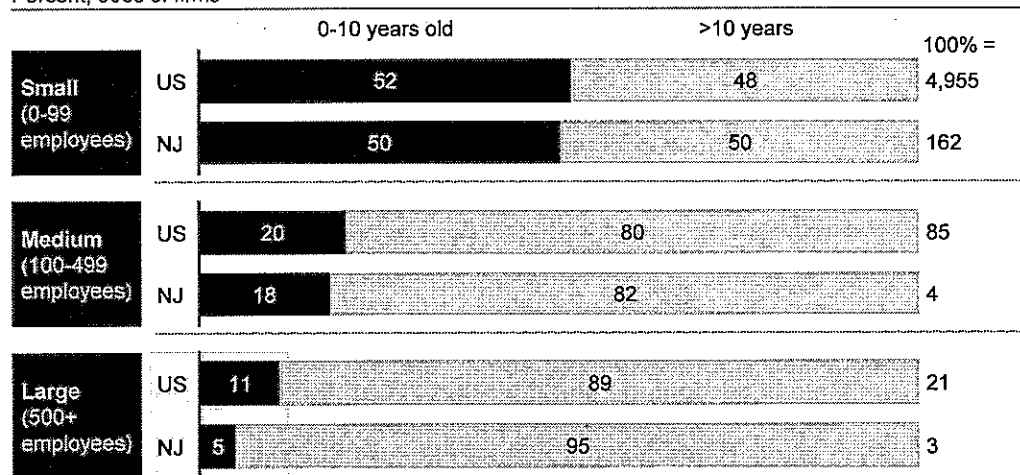
We believe that by building up these growth enablers, New Jersey has the potential to make up for a decade of growth that trailed the national average. If the state can keep pace with the U.S. economy, it can vastly increase economic opportunity in the state. By reaching the national average for growth, the state will expand its economy by \$170 billion and create 250,000 jobs over the next decade. Below we lay out the factors that have held our growth and employment back in the past and the ingredients that can push us ahead in the future.<sup>7</sup>

## Growing young companies

Young, fast-growing companies are an important enabler of growth. Across the country, startups and other small firms are the largest net job creators, according to US Census data. And wherever they thrive, young companies also generate demand for business services and contribute to a more dynamic business environment. The rate of business starts in New Jersey is comparable to the US average, but New Jersey attracts less venture capital per capita than peer states.<sup>8</sup> And fewer fast-growth companies grow into major employers in New Jersey; only 5 percent of New Jersey companies that are 10 years old or younger employ 500 or more workers, compared with 11 percent across the United States (Exhibit 2).

## Exhibit 2 New Jersey has fewer fast-growing, young companies

2014 share of total companies by age and size  
Percent, 000s of firms



**New Jersey has approximately half the share of young firms (0-10 years) that grew rapidly compared to the US**

SOURCE: US Census Business Dynamics Statistics

<sup>7</sup> Forecasted growth rate of New Jersey GDP is based on Bureau of Economic Analysis estimate; Pitchbook.com

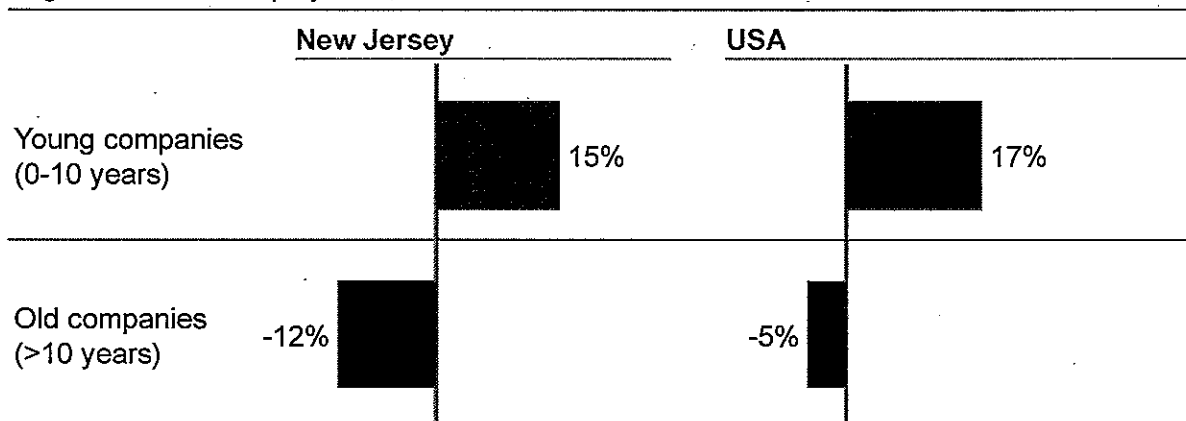
<sup>8</sup> Best States for Doing Business, Forbes.com, 2016.

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### Exhibit 3 Young companies have been the net job creators, across the US and in New Jersey

#### Net job creation by age of firm

% growth in total employment, 2004-2014



SOURCE: US Census Business Dynamics Statistics

The lack of fast-growing young firms—and the higher proportion of older corporations—has been a factor in slow growth in New Jersey. Few mature businesses grow faster than the overall economy and large companies generally create relatively few new jobs, but young companies can double in size in a year or two and may be adding jobs for many years to keep up with growth. In New Jersey, employment in companies less than 10 years old grew by 15 percent from 2004 to 2014, somewhat below the US average, while employment in companies aged 10 years or older fell by 12 percent—far more than the US average (Exhibit 3).

States that have many large-scale young businesses have done more to support startups, including by providing a more attractive overall business environment. In national surveys, New Jersey ranks relatively poorly on metrics such as regulatory environment and cost of doing business. For example, it was ranked 48th in cost of doing business by Forbes because of labor rates, energy costs, and taxes. New Jersey also has been less successful than other states in landing federal small business funding; for example, it only received \$32 per capita in Small Business Innovation Research awards from 2010 to 2015, compared with \$214 per capita in Massachusetts.<sup>9</sup>

*“The entrepreneurial ecosystem is weak in New Jersey.*

*Although there are some incubators, accelerators and co-working spaces they are not on par with other places”*

—Technology executive

To turn this around, New Jersey could look to the experience of other states that have created an environment in which young companies thrive and grow large. This might involve action on a number of fronts, which could range from creating access to financing to helping in regulatory compliance.

- Incubators and other support services.** Some states encourage home-grown startups and attract entrepreneurs by supporting incubators. New Jersey has only 15 incubators and business accelerators, compared with 375 in California and 179 in New York.<sup>10</sup> Maryland works with the University of Maryland to create incubators with state-of-the-art facilities and on-site business services. Through Maryland’s overseas economic development arm, the incubators are connected with joint ventures in China, India, Russia, and other countries.
- Finance.** Today, New Jersey is attracting a moderate amount of venture capital—\$1,493 per capita from 2010 to 2014.<sup>11</sup> That is far below the \$9,347 of Massachusetts, and 20 percent below New York’s \$1,863. Access to early-stage capital is also critically important for encouraging startups. Tennessee, for example, recently launched an angel investor tax credit (see Box 1. How Tennessee supports fast-growing companies).

<sup>9</sup> SBIR/STTR Program, US Small Business Administration (SBA), [www.sbir.gov](http://www.sbir.gov).

<sup>10</sup> Pitchbook

<sup>11</sup> Pitchbook

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## Box 1

# How Tennessee supports fast-growing companies

Tennessee has made itself a favored location for small fast-growing companies through a series of state initiatives, collaboration with the private sector, and public/private partnerships. It has launched six entrepreneurship centers around the state, which connect startups with mentors, researchers, and investors. More than 500 companies have gone through these accelerators and the INCITE Co-Investment fund, which uses federal funding to match private funding, has invested \$116 million in Tennessee startups. The state's angel investing tax credit and Launch Tennessee have helped raise more than \$1 billion in venture investing in Tennessee, including \$138 million for companies that went through the accelerator program. Finally, Tennessee has partnered with the Oak Ridge National Laboratory to provide R&D services and improve innovative capabilities of Tennessee firms. An R&D voucher program helped attract Local Motors, a maker of self-driving vehicles that uses small, local factories.

- **Regulation.** As noted, in national surveys companies rate New Jersey poorly for its regulatory system, which is regarded as highly complex. There are more than 500 municipalities, each with its own rules for zoning and business regulation as well as county and state regulations. The process of getting approvals can be daunting for a young company. New Jersey could consider specific initiatives to ease the way for growing companies, such as providing assistance to help young businesses navigate the regulatory system. In New York, Indiana and other states, public-private partnerships (PPPs) have been established to assist small businesses in the regulatory process and expedite approvals for new buildings or licenses. Some states offer such assistance from state agencies. Other states have launched efforts to streamline regulatory processes specifically to help young businesses.

#### Improving infrastructure

New Jersey has extensive transportation infrastructure, but it is also the most densely populated state and its roads are highly congested, impeding commerce, limiting productivity, and exacting a high cost on the state and its residents. High density is the result of New Jersey's unusual geographic situation: it is part of two large metropolitan areas (New York and Philadelphia) that are only about 80 miles apart. In 2014, the New York-Newark-Jersey City metro area had the highest congestion costs in the nation, at nearly \$15 billion, and the Philadelphia-Camden-Wilmington metro area ranked eighth nation-wide, at \$3.7 billion.<sup>12</sup> The congestion problem could grow worse if, as predicted, traffic volume in New Jersey increases by 15 percent by 2030.<sup>13</sup> As in comparable states, such as Massachusetts and Maryland, traffic growth is occurring almost entirely in already-congested areas. In New Jersey, this could mean even longer traffic jams around New York and Philadelphia.

New Jersey drivers already lose an estimated \$5.2 billion per year to congestion in wasted fuel and lost time.<sup>14</sup> Businesses lose an incalculable amount of productivity to delays in moving supplies, goods, and personnel. And congestion ranks second only to the high cost of doing business as the reason companies cite for not locating to or expanding in New Jersey; business leaders rank New Jersey 44th among states for infrastructure quality.

*“There is no easy way to get to our offices from New York City and it is very difficult for me to do site visits given the congestion in Northern NJ”*

—Retail executive

The cost of congestion is only one way that aging infrastructure holds New Jersey back. Two-thirds of New Jersey's roads are in poor or mediocre condition and 36 percent of its bridges are structurally deficient or functionally obsolete. The average New Jersey motorist spends \$601 a year on vehicle repairs and additional operating costs caused by poorly maintained roads, more than any of its peer states (Exhibit 4). The average bridge in New Jersey is 51 years old compared with 43 years old across the country (most bridges have a useful life of 50 years).<sup>15</sup>

Aging bridges and highways require continuous repairs, adding to congestion and consuming a large share of New Jersey's transportation funding. New Jersey disbursed \$306,000 per state controlled lane mile in capital and bridge spending, maintenance and administrative expenses in 2013, compared with \$113,000 in New York and \$50,000 on average per state nationwide.<sup>16</sup>

With budget constraints, New Jersey has concentrated on repairing old roads, leaving limited funds for the new construction that could help address the long-term challenge. Spending for road operations and maintenance rose by 68 percent from 2010 to 2014, while spending on capital construction dropped by 37 percent from 2010 to 2013, before turning up in 2014.<sup>17</sup>

Tackling infrastructure takes a sustained effort and considerable investment. New Jersey is already working on the challenge. In 2016, the State legislature did pass a 23 cents per gallon hike in gasoline tax—the first increase in 28 years—which is expected to generate \$32 billion for the State's highway trust fund.<sup>18</sup>

<sup>12</sup> *American Community Survey*, US Census.

<sup>13</sup> *Report Card for New Jersey's Infrastructure 2016*, American Society of Civil Engineers, 2016.

<sup>14</sup> *Ibid.*

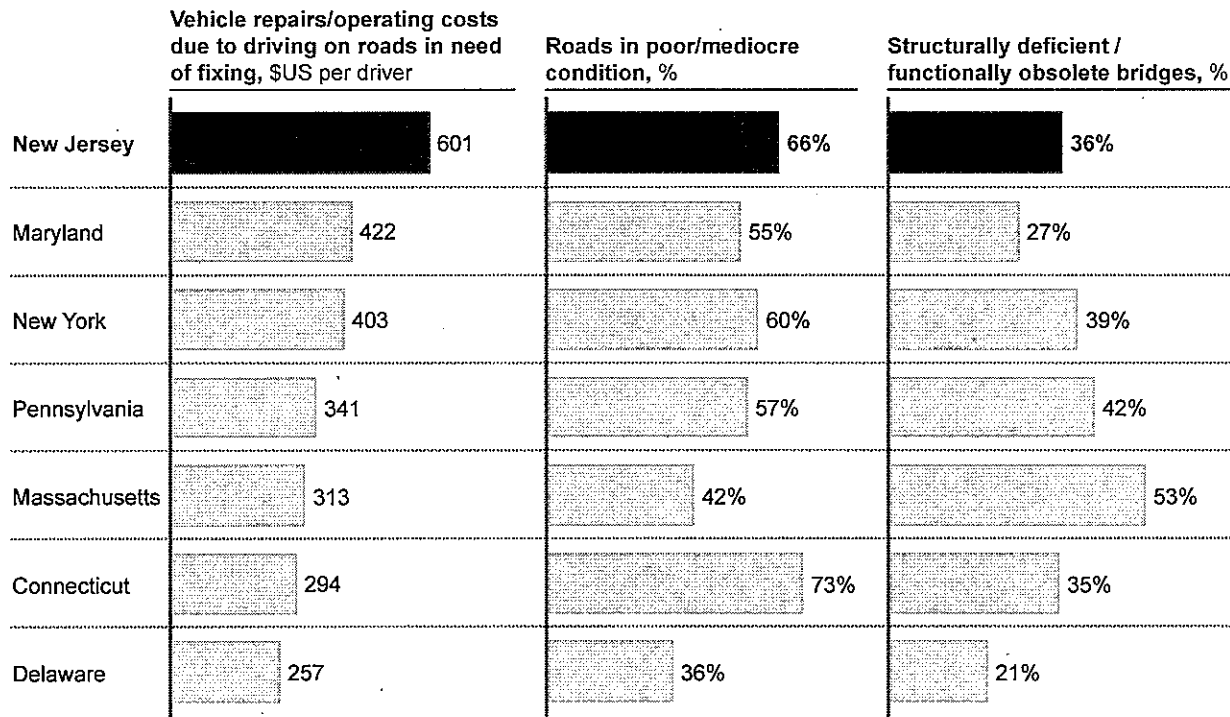
<sup>15</sup> *Ibid.*

<sup>16</sup> *22nd Annual Highway Report*, Reason Foundation, 2015.

<sup>17</sup> *The Cost of Roadway Construction, Operations and Maintenance in New Jersey*, Rutgers University, 2016

<sup>18</sup> Patrick McGeehan, “New Jersey Will Increase Gas Tax 23¢, Ending Long Political Stalemate,” *The New York Times*, September 30, 2016.

**Exhibit 4** Poor road conditions cost the average NJ driver more than \$600 a year  
 Road and bridge infrastructure of peer states, 2013



**NJ's bridges are ~51 years on average, compared to the a national average of 43 years and an expected life of 50 years**

SOURCE: Federal Highway Administration (Transportation.gov), ASCE infrastructure report card (2013)

As it increases efforts to upgrade transportation infrastructure to reduce congestion, New Jersey can look to successful efforts in other parts of the country. These efforts generally fall into two categories: optimizing infrastructure spending to get the most value out of investments in new capacity and rebalancing traffic flows to reduce congestion. If New Jersey decides to attack congestion on multiple fronts, it can look to models such as Chicago's GO TO 2040 plan as it considers a comprehensive plan for creating modern, efficient infrastructure (see Box 2, next page, Chicago's road to the future is paved with data).

- Optimize capital spending.** Infrastructure is costly to build and maintain, but there are proven ways to raise the productivity of infrastructure investment by up to 60 percent. The McKinsey Global Institute has identified a series of steps that states can implement to stretch infrastructure dollars, including optimizing project portfolios to prioritize investments that have the greatest benefits, streamlining delivery to save time and money, and make the most of existing infrastructure rather than investing in new infrastructure.<sup>19</sup>
- Rebalance traffic flows.** Around the world, cities and nations have worked to reduce highway congestion by finding ways to reduce demand on highways. These efforts include investments in new rail lines (passenger and freight) as well as incentives to choose non-automotive transportation such as congestion pricing. In Europe, for example, the Gotthard Base Tunnel in Switzerland reduced road congestion by completing a rail link that extends from the port of Rotterdam to Genoa. The tunnel, which opened in 2016, is expected to shift goods being transported by more than a million trucks annually to rail transport. In the United States, Amtrak is planning a new high-speed rail service along the Northeast Corridor, which would take some of the burden off New Jersey highways. Having said that, those trains are not expected to run before 2040.

<sup>19</sup> Infrastructure productivity: How to save \$1 trillion a year, McKinsey Global Institute, January 2013..

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## Box 2

# Chicago's road to the future is paved with data

The Chicago Metropolitan Agency for Planning (CMAP) has led a regional effort to relieve congestion and improve transportation infrastructure across the Chicago area. Under the banner of "Chicago GO TO 2040," 284 municipalities have approved a comprehensive plan that relies heavily on data-based decision making to set priorities and determine what projects to fund and which approaches to use. Performance-based funding, using federal highway performance data, provides a transparent method for funding decisions. The same data-driven approach has been used to create the Transportation Financial Plan for the region, which identifies several "fiscally constrained" major capital projects. Using a variety of data tools, including aerial photography, Chicago is tackling traffic flow and improving maintenance programs. CMAP is exploring opportunities to introduce congestion and parking pricing programs to move traffic away from bottleneck areas. It is also exploring a public/private partnership that would work with the city, Amtrak, and freight operators to eliminate bottlenecks in the rail system. Some of the opportunities that have been identified include dedicated trucking routes and a regional freight authority, which would fund capital improvements and address public policy issues.

Congestion pricing can offer a lower cost and faster way to fight congestion. Motorists pay a premium to enter certain high-congestion zones or to travel during rush hours. London is one of the major cities that has successfully used congestion pricing, albeit not without criticism. After congestion pricing was introduced in central London in 2003, travel delays were reduced by 25 percent and traffic speed increased by 30 percent. But congestion pricing is a controversial policy to implement and has not been widely embraced in the United States.

**Introduce transit-oriented development.** Developing new housing, shops and offices around existing commuter rail lines is a way to cut congestion and improve neighborhoods. Typically, transit-oriented development raises real estate value in the surrounding areas. In places such as Hong Kong, the government has helped fund development through “betterment” assessments, which are levied on nearby property owners to capture some of the windfall.<sup>20</sup> Still other value-capture schemes can also be used to get private capital to fund new transit stops that will be the center of development. Transit-oriented development can also help address high housing costs through “inclusionary” zoning, which requires residential projects to include some percentage of affordable units.<sup>21</sup>

#### **Addressing workforce imbalances**

The executives we surveyed cite the highly educated labor force as the second most important reason for locating to New Jersey. However, there is a growing mismatch between labor supply and demand. As employment in New Jersey has shifted from manufacturing to services, the state has developed a shortage of middle-skill workers with the skills needed in today’s economy and a surplus of workers at the high and low ends of the skills spectrum. There is a growing need for middle-skill workers (with high school and some college education) in jobs such as healthcare (health technicians), construction services, heavy vehicle maintenance, and retail management, which the New Jersey labor market has trouble filling.<sup>22</sup>

This imbalance affects growth. As in other states, New Jersey’s surplus of low-skill workers leads to relatively high levels of unemployment for people with no more than a high school education. The oversupply of high-skill workers with college or graduate degrees leads to unemployment as well as underemployment—high-skill workers accepting jobs below their skill levels. Between these two groups are middle-skill workers, who are in short supply. According to the National Skills Coalition, an estimated 53 percent of all jobs in New Jersey in 2015 were appropriate for middle-skill workers. Furthermore, 50 percent of all job openings between 2014 and 2024 are expected to be middle-skill jobs. However, middle skill workers represent only 37 percent of the labor force in New Jersey

In almost every industry, the shortage of middle-skill workers is an issue. This is likely the result of the shift in the type of industries in the state and changes in the types of skills needed within industries. While manufacturing, which traditionally employed middle-skill workers, went from employing 23 percent of the New Jersey labor force in 1990 to just 6 percent in 2014, healthcare employment has gone from 6 percent of all jobs to 14 percent (Exhibit 5). Also, jobs that once could be filled by anyone with a high school education now require higher skills, including proficiency in analytics, communication, presentation, and computer programs. In health information management, for example, employers seek workers who have both IT backgrounds and are trained in customer service.

The shortage of middle-skill workers can be traced to several factors, including the rising share of New Jersey students who complete college degrees and the outmigration of millennials. In 2015, more than 85 percent of the people leaving New Jersey were in the millennial age bracket (aged 18 to 35 in 2015). The outmigration rate for millennials is six times that of any other age cohort and it is particularly high among the youngest members of the group (18- to 24-year-olds), which includes college students who leave and do not return after graduation. Overall, middle-skill and high-skill millennials are the most likely to leave, contributing to the mismatching for middle-skill positions.

20 *A blueprint for addressing the global affordable housing challenge*, McKinsey Global Institute, October 2014.

21 *Ibid.*

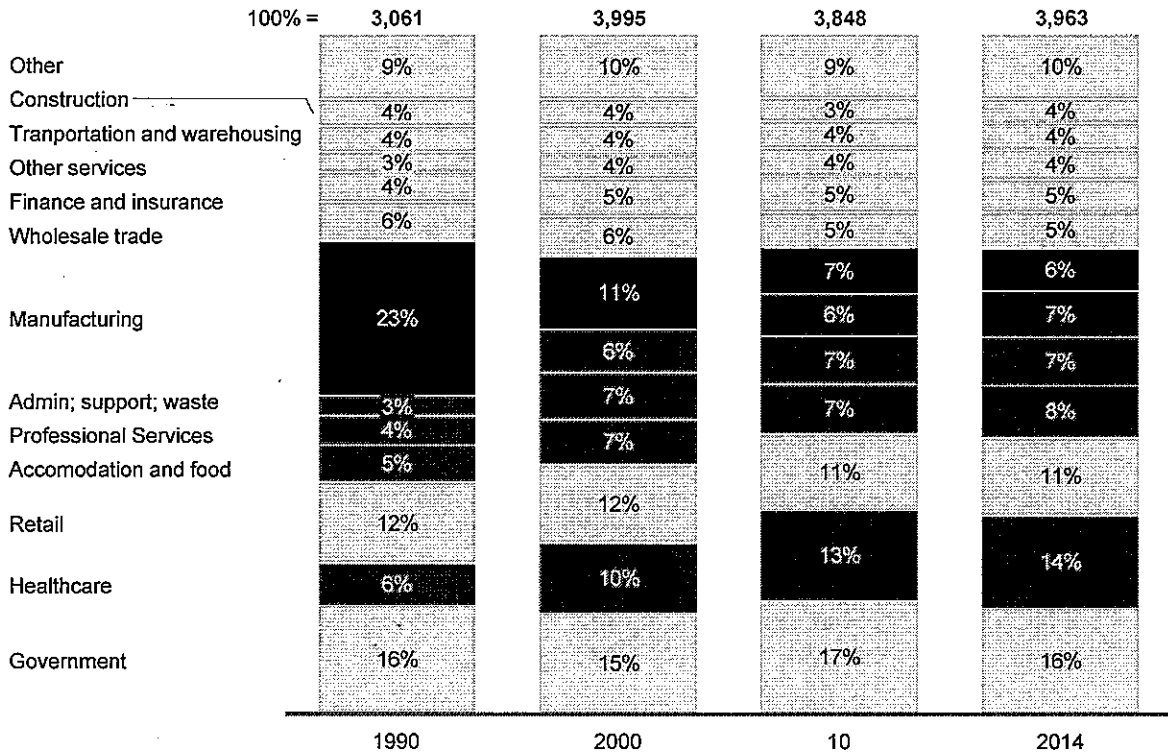
22 For more on middle-skill employment trends, see *Digital America: A tale of the haves and have-mores*, McKinsey Global Institute, December 2015.

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## Exhibit 5 Employment has shifted from manufacturing to services such as healthcare

Breakdown of New Jersey employment by industry, 1990-2014  
% of total employment, 000s of employees

■ Relatively declining sectors ■ Relatively growing sectors □ Relatively unchanged



SOURCE: Moody's Analytics, US Bureau of Labor Statistics

The only bright spot is an inflow of college-educated 31- to 35-year-olds, who come to New Jersey for high-level jobs (Exhibit 6).

Another factor contributing to the skills mismatch is the shortage of training opportunities to prepare middle-skill workers for today's economy, which is a nationwide challenge. The United States spends considerably less per capita on vocational training and apprenticeships than other advanced economies. "Earn while you learn" apprenticeships, which are widely used in countries such as Germany, help workers build credentials that make them far more employable, without accumulating excessive student debt.

The share of students in apprenticeship programs in the United States is much lower than in Germany, although it is growing through state-level programs and federal initiatives such as the Virginia Registered Apprenticeship Program.<sup>23</sup> Germany's dual system of education—with students working part-time and attending school part-time—combines high-quality vocational training with apprenticeships in nearly 350 nationally recognized occupations. These programs are closely aligned with the secondary and post-secondary education system. The German approach requires private-sector investment, but participating companies are rewarded with a well-trained talent pool. Most of the dual-system training in countries such as Germany, Austria, and Switzerland is provided by companies.

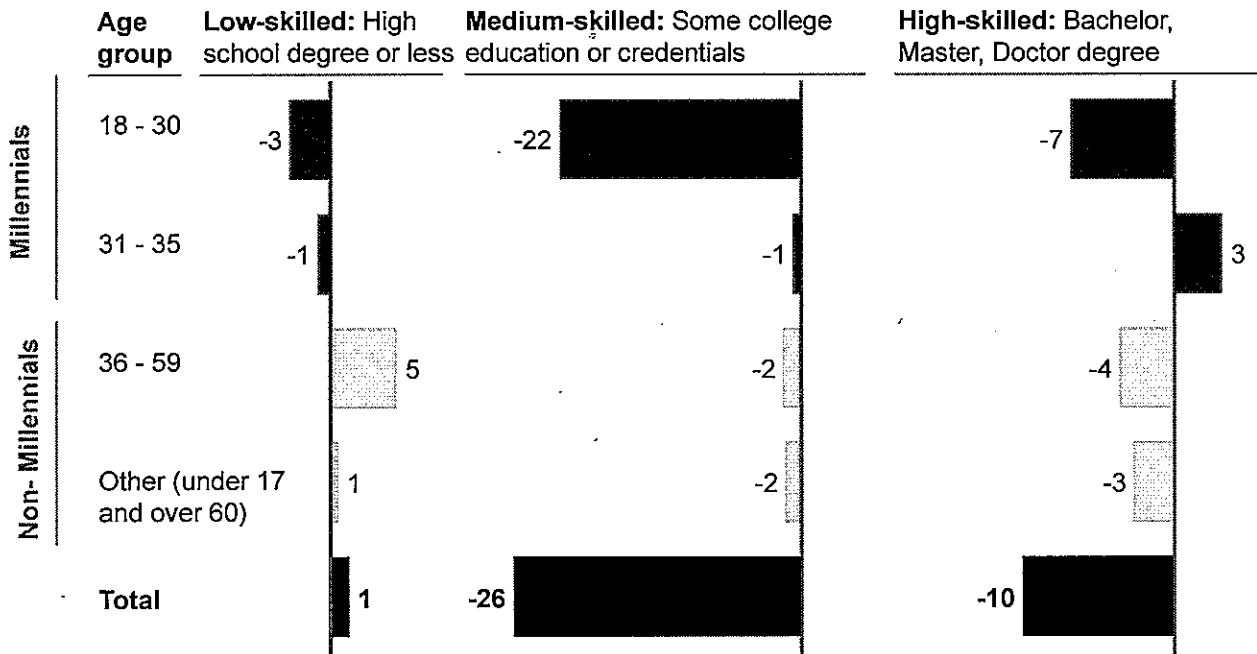
The United States trails other advanced economies in apprenticeship enrollment rates and New Jersey trails the rest of the country. In New Jersey, only 0.15 percent of the employed population was in an apprenticeship program in 2016, compared with 0.26 percent across the United States.<sup>24</sup> New Jersey also lags other states in other types of support for middle-skill workers, such as integrated education and training programs, financial aid for occupational training, and "stackable" credentials that employees can build up over time. New Jersey also lacks a comprehensive program to coordinate efforts to train and employ middle-skill workers.

<sup>23</sup> *Game changers: Five opportunities for US growth and renewal*, McKinsey Global Institute, July 2013

<sup>24</sup> ApprenticeshipUSA. US Department of Labor Registered Apprenticeship National Results Fiscal Year 2016 (10/01/2015 to 9/30/2016).

## Exhibit 6 The majority of millennials leaving NJ are middle- or high-skilled

Net migration of people in New Jersey that changed states/countries in 2015, 000s by age and education attainment  
 Negative values represents a net out-migration (more people leave than enter the state)



1 Includes middle-skilled workers with Associate's credentials, GED or alternative credentials or 1 year or more of college education  
 SOURCE: Census, American Community Survey

Other states have addressed the skills issue in the middle of the labor market with a variety of initiatives. Typically, these efforts involve partnering with the private sector to identify high-growth areas that will generate middle-skill jobs, defining skill requirements for high school and post-secondary curricula, and collaborating on skills training. Some states also have established incentives for employers that invest in training that elevates low-skill workers to middle-skill status. Pennsylvania, for example, identified 12 industry clusters and partnered with companies, local workforce development agencies, educators, and nonprofit groups to educate, train, and employ residents in middle-skill jobs. North Carolina has created consortia with community colleges that allow students to earn an associate's degree and a "journeyman" certificate in a middle-skill specialty. Maryland created a state-funded grant program for workforce development that focuses on training outside of traditional educational and training institutions (see Box 3, Moving training beyond the class room in Maryland).

### Tailoring incentives for growth

All states make investments to support economic growth. These range from investments in physical infrastructure—building new highways, schools, sewers, and storm drains—to providing tax cuts to attract firms to the state, to sending development officials to trade fairs halfway around the globe to find foreign investors. The State of New Jersey puts a great deal of effort into economic development programs to attract new businesses and help existing businesses thrive. However, these programs are typically less productive than they have been in many peer states.

In terms of capital investment, New Jersey is not putting as much into physical assets as other states. It lags the US average in terms of capital outlays for construction and for the purchase of buildings, equipment, and land, as well as in spending for major alterations. Its investments in new capital projects have trailed the national average since 2000, when the state spent about 1.4 percent of GDP on capital investments compared with more than 2.1 percent across the country. Overall, New Jersey allocates only 7.7 percent of state and local spending to capital outlays, compared with 9.9 percent, on average, across the 50 states.<sup>25</sup>

Second, New Jersey gets less return on the incentives it provides to attract and retain companies. Like other states, New Jersey offers tax discounts, grants, loans, subsidies and other incentives to convince companies to create jobs and invest capital. On average, states spend 40 cents for every dollar of corporate investment they induce through incentives such as tax abatements. Between 2010 and 2016, New Jersey offered \$1.80 in incentives for every dollar of capital spending by the companies it targeted.<sup>26</sup>

25 2015 Annual Capital Expenditures Survey, US Census Bureau, February 8, 2017; IncentivesMonitor - WAVTEQ (www.IncentivesMonitor.com); *It's Time for States to Invest in Infrastructure*, Center on Budget and Policy Priorities, February 2016

26 Based on data collected from IncentivesMonitor (www.IncentivesMonitor.com)



## Box 3 Moving training beyond the classroom in Maryland

Employment Advancement Right Now (EARN) is a state-funded workforce development grant program established by Maryland in 2014. The program provides \$4.5 million annually in funding and technical assistance to regional workforce training partnerships around the state. Each partnership is made up of employers, nonprofits, local secondary school educators, and business/trade associations. Using grants, the partnerships determine the workforce pipeline needs for employers in the area (the relevant skills needed by entry-level workers) then apply for implementation grants to fund training programs. So far, 40 implementation grants have been awarded and more than 650 businesses have contributed to program design and implementation. According to Maryland data, for every dollar invested in EARN, \$14.88 in economic value is created. This compares with \$3.41 for workforce training programs across the United States. More than 1,400 students have completed entry-level training and 3,000 workers have received skill training.

In total, New Jersey's incentives represent 0.33 percent of state GDP, compared with 0.03 percent in New York, which paid 25 cents for every dollar of new private investment. A similar pattern is seen in incentives to bring new jobs to the state or to keep existing jobs in New Jersey. Between 2010 and 2016, US states paid about \$69,000 on average per job attracted through sweeteners such as tax breaks, grants, loans, and subsidies. New Jersey, meanwhile, pays as much as \$162,000 per job. For jobs retained, the US average was \$48,000 (Exhibit 7).

### Exhibit 7 NJ pays more than 5 times as much as peer states for every dollar of investment it attracts and for every job created or retained

Incentive deals<sup>1</sup>, 2010-2016

Destination State	Incentive paid per deal Average US\$ mln	Incentive spend as a % of GDP 2015 spend as % of 2015 GDP	Incentive paid to capex attracted ratio <sup>2</sup> Average \$	Incentive paid to job created <sup>3</sup> Average \$000s	Incentive paid to job retained <sup>3</sup> Average \$000s
New Jersey	17	0.33	1.8	162	183
Connecticut	3	0.06	0.6	50	49
Pennsylvania	1	0.02	0.2	21	43
New York	3	0.03	0.3	28	39
Massachusetts	3	0.01	0.1	35	28
Virginia	1	0.01	0.1	8	14
USA	6		0.4	69	48

<sup>1</sup> Examples of incentive deals include tax discounts, loans, grant, subsidies

<sup>2</sup> Calculated on all deals with investments over \$0

<sup>3</sup> To calculate averages, a deal is classified as "job created" when more jobs were created than retained, a deal is classified as "job retained" when more jobs were retained than created  
SOURCE: IncentivesMonitor, BEA

New Jersey's returns on incentive deals are likely skewed by the large proportion that are done with older firms, which generate lower returns than investments in fast-growing young companies. Between 2010 and 2015, less than 20 percent of incentive deals to create or retain jobs in New Jersey went to young companies (less than ten years old). It cost New Jersey \$174,000 for each job created or retained by an old firm, compared with \$110,000 per job in companies younger than 10 years. Some owners of young companies who responded to our survey cited complex processes as a barrier to seeking incentives.

Another area where New Jersey might want to place additional emphasis is in attracting foreign direct investment. New Jersey's location makes it a good choice for global players and it already gets a dollar of investment for a dollar of incentive offered to foreign companies, compared with \$1.80 for every dollar of capital spending by a domestic company. It pays \$119,000 for each job created in an FDI deal, compared with \$197,000 for each job created by a domestic company.

How could New Jersey improve its investment returns? It does not have a rigorous program to regularly evaluate the effectiveness of tax breaks and other incentives. In 2013, the legislature passed a law commissioning Rutgers to conduct a one-time study of the efficacy of tax incentives, which is due out in 2018. However, the same bill led to an increase in incentive spending.<sup>27</sup>

Meanwhile, other states are increasing scrutiny of incentive programs. Virginia, for example, tracks all its investments and calculates an ROI on incentive deals over the years (see Box 4: How Virginia boosts ROI on investments in growth). Working with the Pew Charitable Trust, 22 states and the District of Columbia have enacted laws requiring regular and rigorous review of tax incentives and economic development programs. Ohio uses an impact-driven evaluation system and targets investors in specific industries that are important to the state, such as aerospace and chemicals. In Toronto, the focus is on companies that can strengthen industry clusters in growth areas such as digital media.

<sup>27</sup> How states are improving tax incentives for jobs and growth: A national assessment of evaluation practices, The Pew Charitable Trusts, May 3. 2017.

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## Box 4      How Virginia boosts ROI on investments in growth

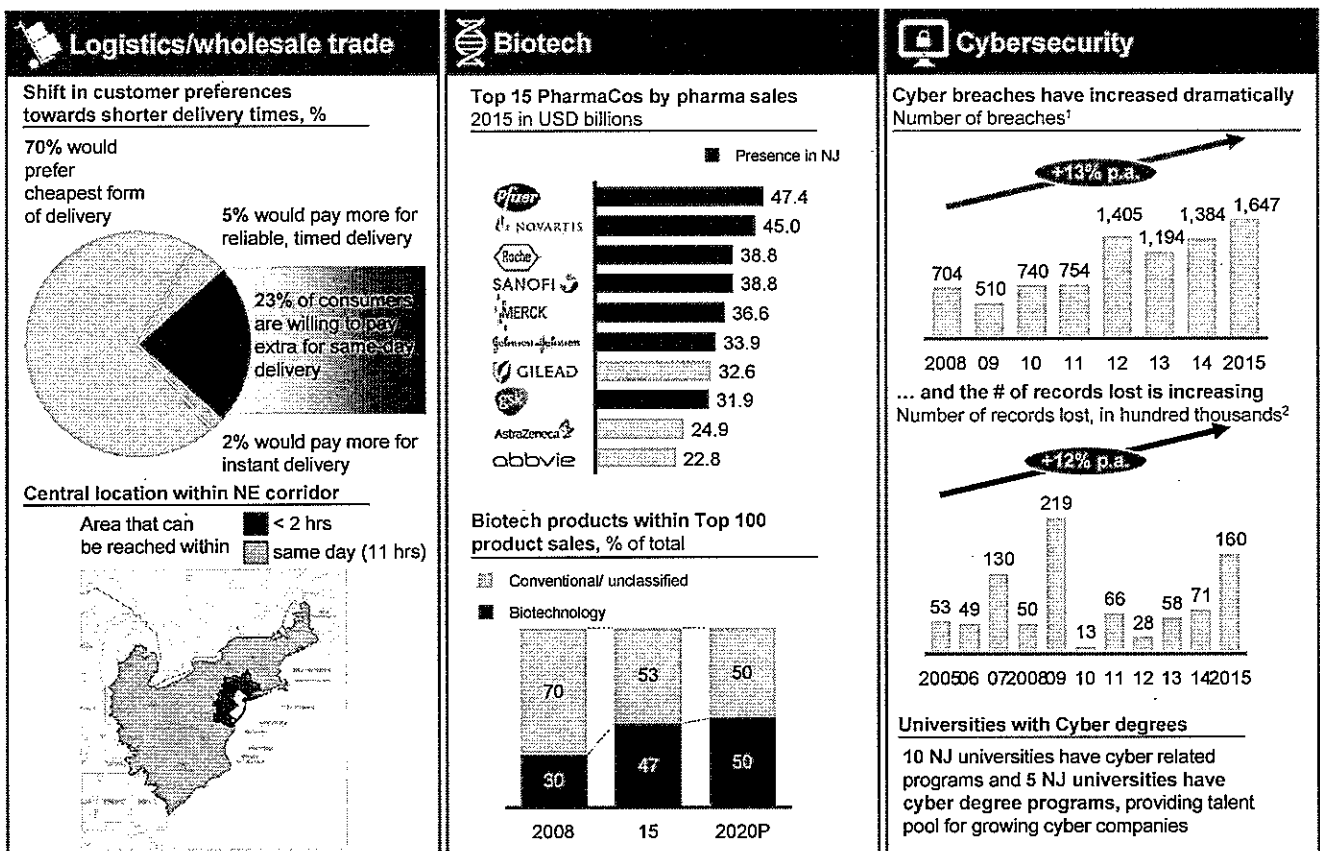
Virginia stands out among states for getting the greatest bang for its economic development buck. It does so by carefully monitoring and measuring its investments and holding recipients to their commitments. The Virginia Economic Development Partnership calculates ROI for each project and estimates a present value of \$23 for every dollar invested over ten years and \$48 over 20 years. Recipients sign performance agreements, which include provisions for claw-backs if performance does not fall within specified parameters. Virginia also strategically targets certain industries and sectors where Virginia is well positioned for growth and assigns business attraction managers to work with companies in those areas. Virginia is one of five states that are working with the Pew Charitable Trusts and the Center for Economic Competitiveness to codify best practices in state business development incentives.

# Building on New Jersey's sector strengths in a changing economy

In addition to putting in place enablers such as infrastructure improvements and skills training, New Jersey could encourage growth by building on current strengths and riding important trends in the national economy. As an exercise, we looked for examples of sectors that might hold particular promise. First, we looked at the five major industry clusters in the state: information and communication technology (ICT), pharmaceuticals and medical equipment, logistics and wholesale trade, chemicals, and professional services. Then, by mapping these clusters against a list of industries that are undergoing rapid change because of technological disruption, three growth opportunities were identified that could be particularly promising for New Jersey.<sup>26</sup>

By highlighting these three examples—logistics and wholesale trade, pharmaceuticals and biotech, and cybersecurity—we are not attempting to pick “winners and losers.” The New Jersey growth agenda should be broad-based and statewide to succeed. However, these industries represent some of the clearest opportunities for immediate results (Exhibit 8).

**Exhibit 8** Examples of industries that are poised for growth and where New Jersey has advantages



<sup>1</sup> Average of breaches reported by: Identity Theft Resource Center, Privacy Rights Clearing House, and Risk Based Security. US focused  
<sup>2</sup> As reported by Privacy Rights Clearing House. US focused

SOURCE: NJ Department of Labor & Workforce Development, Quarterly Census of Employment and Wages, 2010 - 2015 Annual Averages; Evaluate Pharma

28 For more on the “pillars” of growth in the US economy, see *The US Economy: An agenda for inclusive growth*, McKinsey Global Institute, November 2016.

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### Logistics and wholesale trade

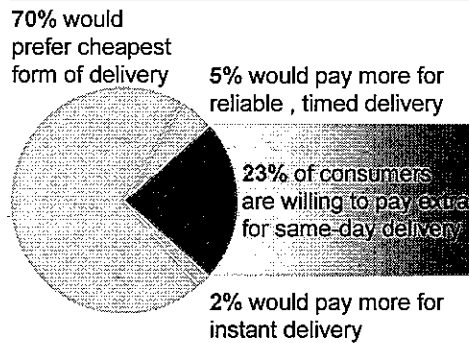
As noted, New Jersey's location has already made it a strong player in logistics. It has the second-largest port on the east coast, which handles imported goods from all over the world. Newark Liberty International Airport is the 14th busiest air freight facility in the United States and has FedEx's third-largest hub. New Jersey is centrally located on the Northeast Corridor, which enables it to be a distribution point for reaching large population centers and it has extensive rail and highway networks. Now, New Jersey has the opportunity to capitalize on changes in logistics that are driven by new technologies and consumer preferences.

The most far-reaching change in logistics is the increasing focus on "last-mile" delivery, which is the result of the shift to e-commerce. Consumers are making more purchases online and expect next-day delivery. In the case of groceries – a growing ecommerce category – same-day delivery is required. Business customers also expect rapid deliveries and the emergence of additive manufacturing technology will mean shorter lead times and more dispersed manufacturing, both of which put pressure on logistics suppliers to provide rapid last-mile service.

Logistics technology is also evolving to meet new challenges and improve the overall performance of distribution systems. These range from autonomous vehicles – including self-guided container ships and airborne drones – to artificial intelligence software that can optimize schedules. Innovations such as self-driving delivery vans with lockable bins could be used for grocery delivery and flying drones are being introduced by Amazon and DHL for use in package delivery. New Jersey could be an ideal market for such approaches, which need high population density to succeed economically (Exhibit 9).


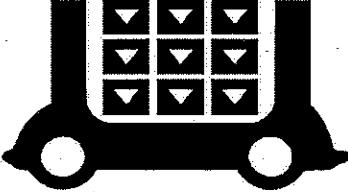


## Exhibit 9 In logistics, New Jersey can benefit from customer demand for rapid delivery

### Delivery model customer preferences, %



- The rapid growth of e-commerce and consumer demands for faster parcel delivery and new technologies such as autonomous vehicles make proximity to large population centers even more important.
- New Jersey's prime location positions it to benefit from these shifts

### Available delivery options, by density of locale

	B2C				B2B
	Regular parcel <sup>1</sup>	High reliability	Same day	Instant	
Rural areas Density of <50,000 inhabitants		Drones (same day, if fulfillment times feasible) 		Fulfillment likely not possible at economical cost levels	
Urban areas Density of 50,000-1 million inhabitants	Autonomous ground vehicles with lockers (e-grocery with today's delivery model) 				Today's delivery model 
Urban areas Density of >1 million inhabitants				Droids or bike couriers 	

<sup>1</sup> Parcel delivery between one day after drop-off and four days after drop-off  
SOURCE : Mckinsey & Co. Future of Last Mile Delivery, How consumer demands are reshaping last mile delivery

Additional innovations in logistics include Internet of Things sensors to manage the flow of goods through warehouses, shipping, and delivery, as well as new kinds of packaging that improve packing efficiency. Robotics will also play a role in next-generation logistics, as will new software systems that can orchestrate all the elements that move items through global, regional, and local networks.

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New Jersey could support the development of advanced logistics in a number of ways. Other states have offered targeted and temporary tax incentives to strengthen certain sectors of their economies. If it chose to follow those examples, New Jersey could for instance consider special incentives for investment in new logistics technology and university-industry consortia to help develop and implement new technologies such as robots and autonomous vehicles.

### Pharmaceuticals and biotech

New Jersey has a high concentration of US and global pharmaceutical and life sciences companies and has benefitted from the success of the industry over many decades. Today, however, the industry is moving in ways that will only fully benefit New Jersey if the state can position itself to participate more fully in high-growth subsectors, such as biotechnology.

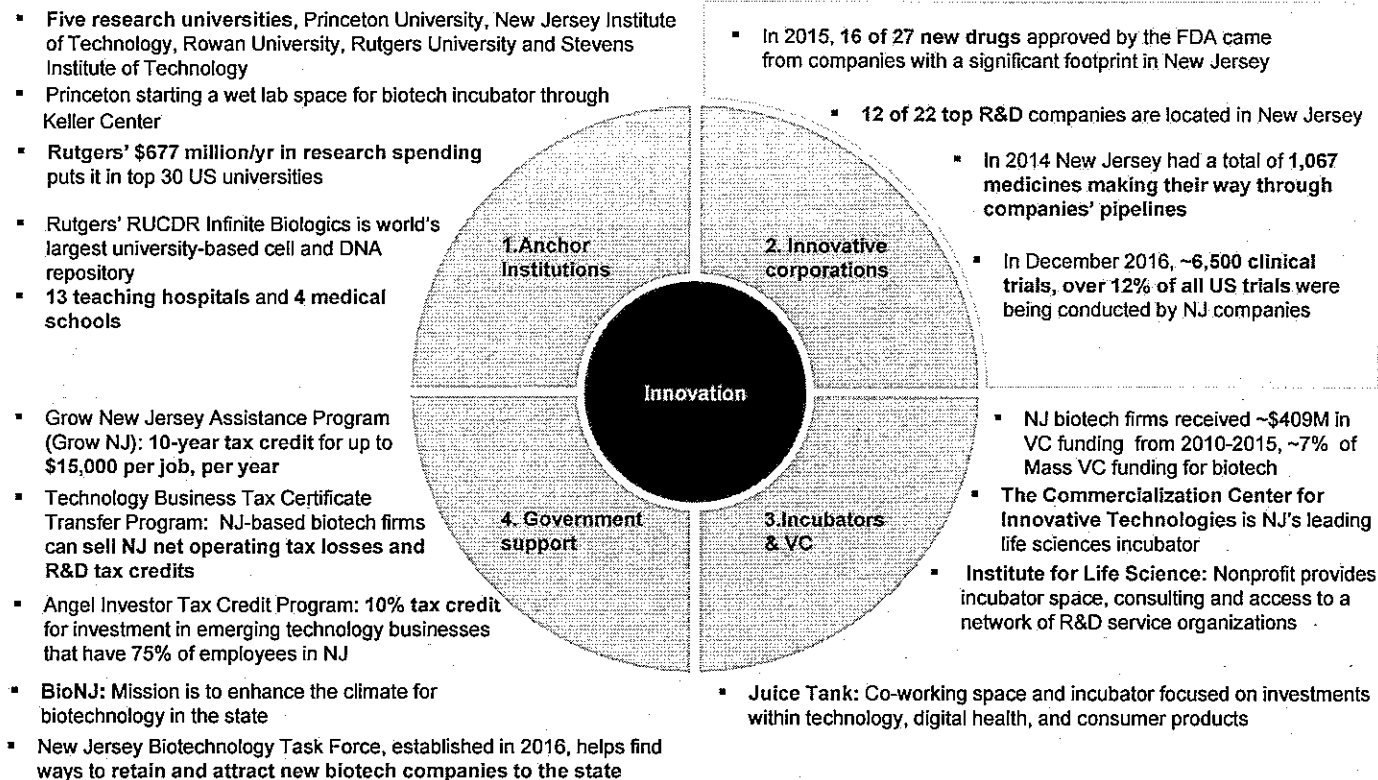
The life sciences sector is undergoing structural and technological change. Globally, growth is shifting to emerging markets and, while subsectors such as biotech and generics are outpacing the overall industry, "big pharma" companies that develop and market branded pharmaceuticals have shrunk as a share of the industry. In New Jersey, this pattern is reflected in sector employment: overall employment in life sciences declined by 10 percent from 2010 to 2015, while employment grew in biotech.<sup>29</sup>

Because of its large pharmaceutical cluster and its wealth of scientific and life sciences talent, New Jersey is well-positioned to benefit from the growth in biotech, which is driving innovation in life sciences. New Jersey has five research universities, 13 teaching hospitals, and four medical schools. In 2014, New Jersey companies had more than 1,000 new medicines under development and, in 2015, 16 of 27 drugs approved by the US Food and Drug Administration came from companies with significant New Jersey footprints (Exhibit 10).

## Exhibit 10 New Jersey has a strong innovation ecosystem for biotech

NJ position vs. peer states

- Strong
- Medium
- Weak



<sup>1</sup> Lead scientist or engineer for research projects (e.g., laboratory study or clinical trial)

<sup>29</sup> *New Jersey's Life Sciences Industry Cluster*, NJ Department of Labor and Workforce Development, Spring 2017.

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To date, however, New Jersey has not assumed a role in the global biotech industry commensurate with its role in big pharma. For example, New Jersey biotech companies attracted only \$409 million in venture capital from 2010 to 2015, only about 7 percent of what Massachusetts firms received.<sup>30</sup> New Jersey could turn this around and become a leading center of biotech innovation by learning from strategies from Massachusetts and other states. For instance, in 2008, Massachusetts legislators approved the Massachusetts Life Sciences Act, which committed the state to spend \$1 billion over ten years to fund R&D, capital investments and economic incentives to spur growth in biotech, pharmaceuticals, medical devices, diagnostics, and bioinformatics. Programs ranged from investments in buildings and roads to support the sector to internships and apprenticeship programs.

### Cybersecurity

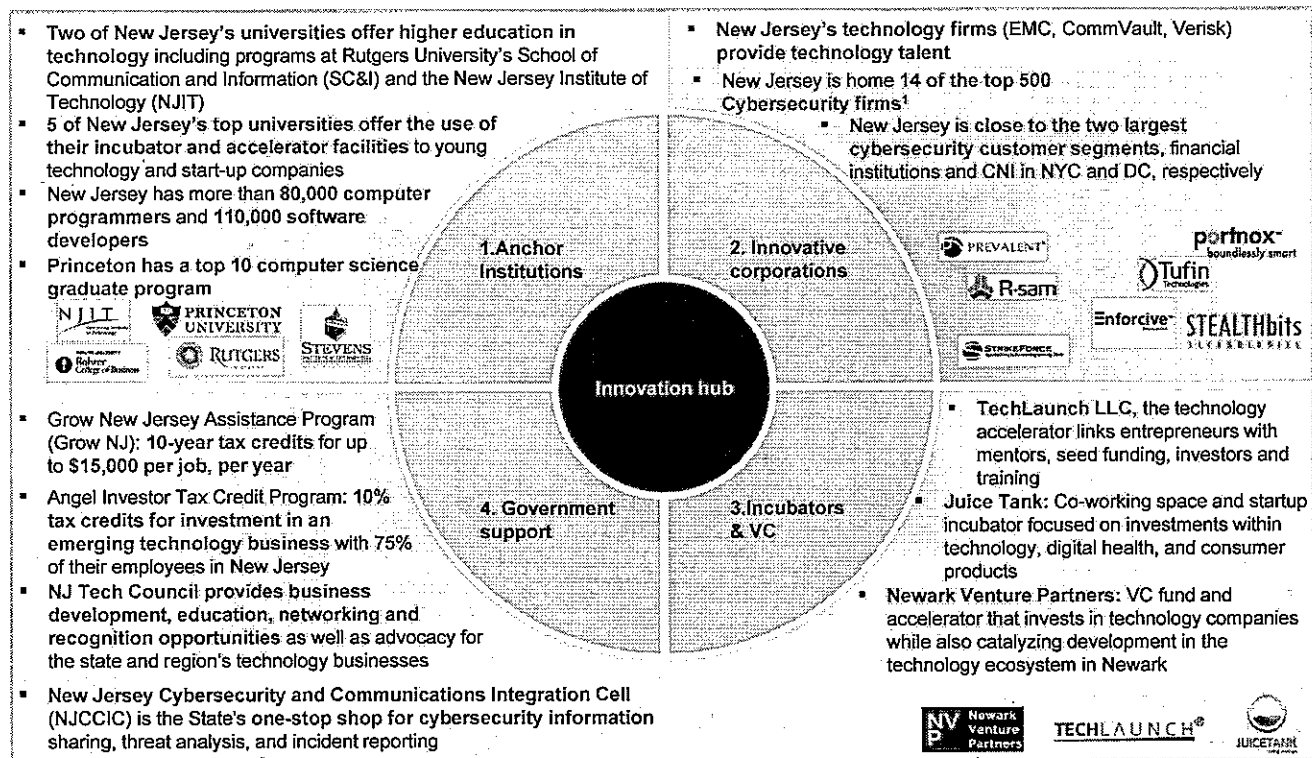
New Jersey has the potential to play a leading role in the burgeoning cybersecurity sector, where the State's strength in ICT and its expertise in financial services – a prime target of cybercriminals – could provide distinct advantages. New Jersey is also located within easy reach of many of the most likely customers for cybersecurity products and services – in New York and Washington. Attacks on critical national infrastructure – such as transportation and power systems – and financial institutions have been on the rise. Global revenues from cybersecurity products and services have been estimated at \$77 billion in 2015 and are projected to grow by 17 percent or more per year from 2015 to 2020.<sup>31</sup>

In New Jersey, a group of new businesses has cropped up in cybersecurity and IT security and major ICT companies such as AT&T and Verizon added managed security services to their business offerings by 2015. New Jersey is home to 14 of the top 500 cybersecurity firms. In addition, it has the building blocks to be a major cybersecurity hub, including 80,000 programmers and 110,000 software developers, and Princeton, which has a top ten computer science graduate program (Exhibit 11). Virginia has recognized the opportunity and has launched programs to fill the talent pipeline for a growing cybersecurity industry. The effort includes a veterans training program, apprenticeships, and a program to increase the number of community colleges and universities that are certified in cybersecurity education. In 2015 more than 65,000 Virginians worked in cybersecurity.

## Exhibit 11 New Jersey has the ingredients for a strong cybersecurity ecosystem

NJ position vs. peer states

- Strong
- Medium
- Weak



<sup>1</sup> Ranked by Cyber Security Ventures  
SOURCE: ChooseNJ, NJBiz

<sup>30</sup> Pitchbook

<sup>31</sup> Steve Morgan, "The Business of Cybersecurity: 2015 Market Size, Cyber Crime, Employment, and Industry Statistics," Forbes.com, Oct. 16, 2015.

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# What can be done?

In this paper, we have focused on describing the root causes of New Jersey's relatively slow growth in recent years. We have sought to clarify why, despite all the enviable advantages that come with its location, wealth, labor force, and intellectual capital, New Jersey has lagged the nation in GDP and job growth. From this research, a complex and multi-faceted challenge emerges. If the state can keep pace with the U.S. economy, it can vastly increase economic opportunity in the state. By reaching the national average for growth, the state will expand its economy by more than \$150 billion and create more than 250,000 jobs over the next decade.

Our hope is that this paper will be used to start productive conversations about New Jersey's future and will be a resource for those who are looking for practical, proven solutions. They can look to Tennessee for ideas about how to support the young fast-growing companies that create more jobs than older companies. They can think about how Chicago has developed data-driven approaches to tackle its infrastructure challenge and they can look at how states like Maryland have used grants and regional training partnerships to prepare more workers for today's middle-skill jobs. They can also consider the new approaches to incentives for job creators that Virginia has been using.

It will take dedicated efforts by the private, social, and public sectors—and the involvement of us all—to make the Garden State a growth leader again. All stakeholders can take encouragement from the experience of other states that have faced all the same challenges and hurdles—and remember the unique strengths that can make New Jersey a growth leader.

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# New Jersey State Legislature

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December 15, 2017

Honorable Ronald L. Rice  
1044 South Orange Avenue  
Newark, New Jersey 07106

Dear Senator Rice:

This letter is in response to your request for information concerning the "Reseeding the Garden State's economic growth: A vision for New Jersey" report (report) authored by McKinsey & Company. Specifically, you requested that we generate questions for the Joint Committee on Economic Justice and Equal Employment Opportunity based on the report concerning the proposed recommendations for improvements to the State's infrastructure and transportation system.

To address the State's aging and congested infrastructure, the report suggests that the State should consider shifting more funding to long-term improvements, adopting methods for optimizing infrastructure spending, encouraging transit-oriented development, and taking additional steps to rebalance traffic flows. (Page 7, bullet point 2).

- Are there specific new initiatives or expansions of existing policies that Legislature or the New Jersey Department of Transportation (NJDOT) should consider in achieving those goals?
- The State has multiple transit oriented development initiatives, including the transit village program, the smart growth policy program, and various economic incentive programs that prioritize urban areas. Please identify specific deficiencies in these existing programs or recommend ways in which these programs can be changed or replaced to accomplish the goals identified in the report.

To address the State's need to optimize capital infrastructure spending, the report suggests that the State should optimize project portfolios to prioritize investments that have the

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greatest benefits, streamline project delivery to save time and money, and make the most of existing infrastructure rather than investing in new infrastructure. (Page 13, bullet point 1).

- **NJDOT has a series of management systems to evaluate project benefits and the condition of existing infrastructure, in addition to a capital investment strategy that to prioritize project selection based on defined state of good repair, safety, and other performance metrics. Please address in detail how this system should be changes to accomplish the goals of the report. Are the deficiencies in the policy objectives or the measuring of project benefits?**
- **Given the numerous design-build proposals that the Legislature has collectively introduced, is there a particular proposal or combination of proposals that the Legislature should focus its attention on in an effort of achieving the goal of streamlining project delivery in a manner that saves time and money?**
- **Given that NJDOT spends more per State controlled lane mile than neighboring states, according to the study, what additional investments should Legislature and the Governor consider, through the budget process or supplemental appropriations, to achieve the goal of making the most of existing infrastructure rather than investing in new infrastructure?**

The report states that congestion in the State is, in part, as a result of the State's geographic location between two major metropolitan areas, New York City and Philadelphia, which are located outside of the State. To address the State's need to rebalance traffic flows, the report suggests that the State should consider investments in new rail lines and congestion pricing models for certain roadways. (Page 13, bullet point 2).

- **Given that new rail lines are billion dollar investments and that the report has made earlier suggestions that the State should make the most of existing infrastructure rather than investing in new infrastructure, please specify how the State should accomplish those conflicting fiscal goals.**
- **Given that most of the congestion in the State is as a result of the interstate highways that feed into the major metropolitan areas in which the State is located in between and that congestion pricing programs that exist for interstate highways require approval by the Federal Highway Administration prior to a state instituting such a program, what other initiatives, besides a congestion pricing strategy, should the Legislature or the NJDOT consider implementing that would encourage the rebalancing of traffic flows?**

Honorable Ronald L. Rice  
Page 3  
December 15, 2017

I hope that this information is responsive to your request.<sup>1</sup> If you have any questions or would like to discuss this matter further, please contact me at (609) 847-3840 or [sking@njleg.org](mailto:sking@njleg.org).

Sincerely,



Sheree D. Henderson  
Senior Counsel

SDH/mc

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<sup>1</sup> This is not a legal opinion of Legislative Counsel and therefore is not a legal opinion of the Office of Legislative Services.

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PERI A. HOROWITZ  
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(609) 847-3901

December 15, 2017

Honorable Ronald L. Rice  
1044 South Orange Avenue  
Newark, NJ 07106

Dear Senator Rice:

This letter is written in response to your request, for an analysis and list of questions concerning New Jersey's efforts to grow young companies and tailoring business incentives as highlighted in a McKinsey & Company report entitled "Reseeding the Garden State's Economic Growth: A Vision For New Jersey" (McKinsey report).

### GROWING YOUNG COMPANIES

The McKinsey report noted that "[Y]oung, fast-growing firms create most of the jobs in the United States. In New Jersey, only 5 per cent of companies with 500 employees or more are less than 10 years old, compared with 11 per cent across the United States. New Jersey attracts less venture capital per capita than peer states with similar types of economies. And some other states have created better environments for fast-growing young companies by improving access to capital through angel investing credits, setting up business incubators, and helping firms navigate state and local regulations."

### Angel Investment and Venture Capital

New Jersey, through the Angel Investor Tax Credit (AITC) Program, administered by the New Jersey Economic Development Authority (EDA), allows "angel" investors to claim credits against corporation business and gross income taxes for cash investments in New Jersey emerging technology businesses. Generally, "angels" are individuals willing to invest in a company at its earlier stages in exchange for an ownership stake, often in the form of preferred stock or convertible debt. Angel investing is considered one of the oldest sources of capital for start-up business entrepreneurs.

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Subject to certain limitations, the tax credits equal 10 percent of the angel investor's qualified investment in an emerging technology company with fewer than 225 employees, of whom at least 75 percent are filling a position in New Jersey. The emerging technology company must employ or own capital or property, or maintain an office in this State and: 1) have qualified research expenses paid or incurred for research conducted in this State; 2) conduct pilot scale manufacturing in this State; or 3) conduct technology commercialization in this State in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, information technology, life sciences, medical device technology, mobile communications technology, or renewable energy technology. The program is subject to a \$25 million annual cap.

Established by the EDA, the Edison Innovation Fund (Edison Fund) consists of three funds that provide financing to New Jersey-based technology businesses in order for them to develop, sustain, and grow. Financing under the following funds is subject to availability and eligibility:

- Edison Innovation Angel Growth Fund: Angel investor supported technology companies with minimum trailing 12-month commercial revenues of \$500,000 may be eligible for up to \$250,000 in subordinated convertible debt financing. Growth capital through this fund may be used for key hires, product rollout, product enhancement, and marketing or sales. There is a 2:1 angel match funding requirement that must be received within 90 days of the application.

- Edison Innovation Venture Capital (VC) Growth Fund: VC-supported technology companies with minimum trailing 12-month commercial revenues of \$500,000 may be eligible for up to \$1 million in subordinated convertible debt financing. Growth capital through the fund can be used for key hires, product rollout, product enhancement, and marketing or sales. There is a 1:1 VC match funding requirement that must be received within 90 days of the application.

- Edison Innovation Growth Stars Fund: Angel or VC-supported technology companies with minimum trailing 12-month commercial revenues of \$2,000,000 may be eligible for up to \$500,000 in subordinated convertible debt financing. Growth capital through the fund can be used for key hires, product rollout, product enhancement, and marketing or sales. There is a 1:1 match funding requirement that must be received within 90 days of the application.

QUESTIONS:

A) Why did the McKinsey report make little if no mention of New Jersey's AITC Program or the Edison Fund with regard to its recommendations concerning angel investing and venture capital?

B) Should the Legislature consider improvements to the AITC Program and the EDA make changes to the Edison Fund what type of improvements would attract more angel investing and venture capital to New Jersey?

## **Business Incubation**

New Jersey is home to a network of incubators, accelerators, and co-working spaces to support the development of start-up and early-stage technology companies. The largest ones are highlighted as follows:

- **The Commercialization Center for Innovative Technologies (CCIT):** Located in North Brunswick in the heart of the State's "Research Corridor," CCIT is a significant incubation facility given that it is strategically located between Princeton and Rutgers universities. The CCIT offers labs that are "plug and play" ready, separate private offices, and a variety of business support services.

- **The Enterprise Development Center (EDC) at NJ Institute of Technology (NJIT):** EDC is home to more than 90 technology and life-science start-up companies. Located on the campus of the New Jersey Institute of Technology (NJIT) in Newark, EDC companies have access to NJIT facilities, researchers, mentors, student interns and programming to help grow their business.

- **Institute for Life Science Entrepreneurship (ILSE):** Launched in January 2015, ILSE is housed in the state-of-the-art STEM building at the New Jersey Center for Science Technology & Mathematics at Kean University in Union. ILSE gives early-stage life sciences companies access to laboratory suites and a broad array of analytical and research instrumentation.

- **Newark Venture Partners Accelerator:** This state-of-the-art 25,000-square-foot accelerator workspace in Newark offers rent-free space, lightning-fast Wi-Fi and ultra-high bandwidth. Companies selected for residence also have access to early-stage funding, mentoring from Audible and Rutgers University Business School staff.

- **Picatinny Innovation Center (PIC):** Created to accelerate successful commercialization of new products and technologies, PIC is located on the Picatinny Arsenal site in Dover, home of the US Army's Armaments, Research, and Development Center. Members can access its office, lab and machine/manufacturing space, as well as more than 3,600 scientists, engineers and support staff.

- **Princeton University Innovation Center:** Located off-campus in Plainsboro, the Innovation Center will open in Fall 2017 and provide a wide range of resources including wet labs for chemical, biological and pharmaceutical research, dry labs for electrical engineering and materials science research, and office space for computer science and financial technologies research, as well as for general use. This is the newest effort by Princeton University to promote innovation and entrepreneurship and to help promote the local entrepreneurial ecosystem, following being managed by the Princeton Entrepreneurship Council.

• South Jersey Technology Park (SJTP) at Rowan University: Located in Mantua Township, SJTP offers wet labs as well as an incubator and office space for technology businesses. The SJTP contains a Virtual Reality (VR) Center where clients conduct high-level research in engineering, science, and medicine. The VR Center comprises an R&D VR lab, a data wall for programming and design development; prototyping capabilities, and a custom-designed, 15,000+ cubic-foot VR collaborative environment, which features a 7-foot-high by 40-foot-wide curved wall of screens that provides an area well-suited for collaborative projects. The SJTP is able to expand with land for additional development.

**QUESTIONS:**

A) While the Kinsey report mentions the low number of business incubators in New Jersey, is a more important issue for the development of start-up companies in New Jersey the number of companies located at these incubators and the amount and type of assistance given to them?

B) Should New Jersey existing and proposed business incubators receive State funding to expand the number of business incubators and their existing programs?

**STATE AND LOCAL REGULATIONS**

The McKinsey report stated that some other states have created better environments for fast-growing young companies by firms navigate state and local regulations.

The New Jersey Business Action Center (BAC) serves as a “one-stop” shop for businesses helping companies to stay and grow in New Jersey, as well as locate to the State. Housed within the Department of State and reporting to the Lieutenant Governor, one of the BAC’s responsibilities is to help create and retain jobs while encouraging private capital investment in the Garden State. The BAC’s Office of Business Advocacy (OBA) provides professional, coordinated services to help new and existing businesses navigate New Jersey’s regulatory processes. By actively working with various State agencies and departments, such as the Department of Environmental Protection, the Department of Community Affairs, and the Department of Transportation, the OBA assists businesses dealing with permitting and other regulatory issues and formulates solutions. Because the OBA works with the various State agencies and departments on a regular basis, the OBA understands the State’s permitting and regulatory processes and is able to guide a new or existing business with professional, coordinated services to assess issues, quickly identify any challenges, and formulate a sound and effective solution. Beyond the OBA’s numerous contacts on the State level, the OBA has working relationships with county and local government entities throughout New Jersey.

In 2010, the “Red Tape Review Commission” (commission) was created to solicit the public’s view of New Jersey’s regulatory process. In doing so, the commission asked State departments to: 1) undertake a review of their administrative regulations to ensure that they complied with “common sense principles” for rulemaking to cultivate a new approach to

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administrative rule-making designed to make the regulatory process understandable, consistent, and predictable; and 2) review all pending and proposed rules and regulations to assess their effects on New Jersey's economy and to determine whether their burdens on business and workers outweigh their intended benefits.

The common sense principles of regulation include:

- Engaging in the "advance notice of rules" by soliciting the advice and views of knowledgeable persons from outside of State government;
- Adoption of the "time of decision" rule whereby permits or approvals are governed by the rules, regulations, and standards in effect at the time an application is filed;
- Adopt rules for waivers;
- Employ the use of cost/benefit analyses;
- Adhere to federal standards except when required by statute or exceeding federal requirements is necessary to achieve a New Jersey specific public policy goal;
- Value performance-based outcomes and compliance, over the punitive imposition of penalties for technical violations that do not negatively impact the public health, safety, or environment;
- Impose the least burden and costs to business, including paperwork and other compliance costs, necessary to achieve the underlying regulatory objective;
- Treat those affected by rules and regulatory processes as customers and treat them consistently across regions, offices, and departments;
- Coordinate with other agencies to combine and minimize regulatory filings and to minimize worksite interruptions;
- Strive to reduce the processing time for regulatory approvals, permits, licenses, and other actions requiring agency response; and
- Leverage information systems and other technologies to improve efficiency and processes.

As a result of these principles, six chapters of the Administrative Code were abolished, 99 regulations amended, and 31 regulations repealed.

#### QUESTIONS:

A) Although there may be numerous permits and regulations that companies in the State face, the Kinsey report does not mention the State's efforts to assist businesses dealing with permitting and regulatory issues. Knowing that, should the Legislature consider improvements to the OBA's efforts on this matter and request the commission to require State departments and agencies undertake additional reviews of rules and regulations?

B) Should the aforementioned common sense principles of regulation be enacted in statute?

#### **BUSINESS INCENTIVES**

The McKinsey report noted that "[T]he State of New Jersey puts a great deal of effort into economic development programs to attract new businesses and help existing businesses

thrive. However, these programs are typically less productive than they have been in many peer states." Also, ". . . New Jersey gets less return on the incentives it provides to attract and retain companies." Further, ". . . New Jersey's returns on incentive deals are likely skewed by the large proportion that are done with older firms, which generate lower returns than investments in fast-growing young companies."

The Grow New Jersey Assistance Program (GROW): GROW is the State's main business assistance program designed to encourage economic growth and job creation as well as preserve currently existing jobs that are in danger of relocating to other states. GROW allows the EDA to award base and bonus tax credits to drive development into certain smart growth areas. As a tax credit program, a business receiving a tax credit must first provide for a certain minimum number of full-time jobs and make a minimum amount of capital investment at a proposed business facility. Upon opening the business and after paying to the State its full tax liability, the eligible business may receive a tax credit payment based on the number of jobs provided. There is no cap on the value of the tax credits attributable to GROW.

To be eligible for GROW, a business must demonstrate that New Jersey's financial support and subsequent creation and/or retention of full-time jobs will yield a "net positive benefit" to the State. There are provisions in the law that benefit certain small businesses. For technology start-up companies, the minimum jobs requirements are 10 new or 25 retained full-time jobs. Further, these minimum employment numbers are reduced by 25 percent for projects in certain urban areas and in eight South Jersey counties. Further, if a business locates to Garden State Create Zone (a zone surrounding certain institutions of higher education) and has a collaborative research relationship with that institution, the base tax credit amount is \$5,000 per job per year. For all companies, the base tax credits under GROW range from \$250 to \$5,000 per job per year, depending on the type of business and a business project's location. The base credit, which can range from \$250 to \$5,000 per job per year, can be supplemented by a "bonus" tax credit that is based on certain characteristics of the subject project. The sum of the annual base and additional bonus credit per job is subject to limitations that generally range from \$2,000 to \$15,000 per year.

If a business fails to meet its obligations for eligibility under GROW, especially in the minimum number of full-time jobs created or retained, the EDA has the ability of reducing the tax credits and requiring the business to pay back those tax credits. A list of approved projects since 2013 can be found on the EDA's website at: [http://www.njed.com/public information/incentive activity/grow nj](http://www.njed.com/public_information/incentive_activity/grow_nj)

Technology Business Tax Certificate Transfer (TBTCT) Program: The TBTCT program enables approved emerging technology businesses that are not yet profitable to sell their unused net operating losses (NOLs) carryover and unused research and development (R&D) tax credits to unaffiliated, profitable corporate taxpayers in the State for at least 80 percent of the value of the tax benefits, up to a maximum lifetime benefit of \$15 million per business. The program allows emerging technology and biotechnology businesses that have promise but are not currently realizing a profit to turn NOLs and R&D tax credits into capital. The program makes

Honorable Ronald L. Rice  
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available \$60 million annually, with \$10 million set aside for those businesses located in the State's three EDA-established Innovation Zones. Any unused balance of the \$10 million set-aside is reverted to the general program pool. Only emerging technology and biotechnology companies whose primary business involves the provision of a scientific process, product, or service are eligible. Additionally, the company must own, have filed for, or have a license to use protected, proprietary intellectual property, defined as a patent or a registered copyright. An eligible company must have at least one full-time employee working in New Jersey if incorporated less than three years, five full-time employees in New Jersey if incorporated more than three years but less than five years, or 10 full-time employees in New Jersey if incorporated more than five years.

QUESTIONS:


A) The GROW incentives report show that a variety of businesses, both in size, industry sector, urban and suburban New Jersey location, and foreign and domestic-based, are taking advantage of these incentives. Further, in addition to the EDA's own analysis of the incentive programs, the State Auditor recently published a report of the EDA's administration of GROW. A copy of the State Auditor's report is attached for your review. Why was the above information not included in the McKinsey report?

B) Given that a business receiving an incentive has to provide proof that the business facility will provide a net positive economic benefit to the State, does not that analysis protect the taxpayers of the State?

C) Should the Legislature consider changes to GROW and the TBTCT Program upon the release of the EDA's analysis of the programs?

I hope this information adequately addresses your request. If you have any questions or concerns, or if I can be of any further assistance, please contact me at (609) 847-3840 or [KDonahue@njleg.org](mailto:KDonahue@njleg.org).

Sincerely,

  
Kevin J. Donahue  
Lead Research Analyst

KJD/mc  
enclosures  
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**New Jersey State Legislature  
Office of Legislative Services  
Office of the State Auditor**

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**New Jersey Economic Development Authority  
Selected Incentive Programs**

July 1, 2011 to September 30, 2016

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**Stephen M. Eells  
State Auditor**

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The Honorable Vincent Prieto  
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Ms. Peri A. Horowitz  
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Office of Legislative Services

Enclosed is our report on the audit of the New Jersey Economic Development Authority, Selected Incentive Programs for the period of July 1, 2011 to September 30, 2016. If you would like a personal briefing, please call me at (609) 847-3470.

A handwritten signature in black ink, appearing to read "Stephen M. Eells".

Stephen M. Eells  
State Auditor  
January 19, 2017

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## *Scope*

We have completed an audit of the New Jersey Economic Development Authority (NJEDA), Selected Incentive Programs for the period July 1, 2011 to September 30, 2016. Our audit included a review of the Business Employment Incentive Program (BEIP), the Business Retention and Relocation Assistance Grant Program (BRRAG), and the Grow New Jersey Assistance Program (GROW). The audit included financial activities accounted for in the state's General Fund.

Created by law in 1996, the intent of the BEIP is to provide grants to businesses that create jobs in New Jersey. Enacted in 2004, the primary purpose of the BRRAG is to provide tax credits to businesses to encourage economic development, preserve existing jobs, and stimulate capital investment in New Jersey. The BEIP and BRRAG grants were awarded to businesses for up to 10 years and six years, respectively, and are still active. In accordance with the New Jersey Economic Opportunity Act of 2013, the NJEDA is no longer accepting new applications for assistance under the BEIP and BRRAG programs. The NJEDA executed 454 BEIP grants valued at \$1.5 billion and 85 BRRAG tax credit grants valued at \$125.1 million. The GROW is the current job creation and retention incentive program that awards tax credits to businesses that create or retain jobs in the state and make a qualified capital investment. Pursuant to the New Jersey Economic Opportunity Act of 2013, the NJEDA has awarded 207 GROW grants valued at \$3.9 billion of which \$10.8 million in tax credits have been certified. Tax credits awarded under the BRRAG and GROW can only be applied against the New Jersey Corporation Business Tax, Insurance Premiums Tax, and Gross Income Tax for partnerships.

## *Objectives*

The objectives of our audit were to determine whether adequate controls were in place at the NJEDA to award and administer business incentive program grants in compliance with statutory requirements and whether the NJEDA was monitoring grant recipients for compliance with statutory requirements.

This audit was conducted pursuant to the State Auditor's responsibilities as set forth in Article VII, Section I, Paragraph 6 of the State Constitution and Title 52 of the New Jersey Statutes.

## *Methodology*

Our audit was conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In preparation for our testing, we studied legislation, the administrative code, and policies of the NJEDA. Provisions we considered significant were documented and compliance with those

requirements was verified by interview, observation, and testing. We also reviewed financial trends and interviewed NJEDA personnel to obtain an understanding of the programs and the internal controls.

A nonstatistical sampling approach was used. Our samples were designed to provide conclusions on our audit objectives, as well as internal controls and compliance. Transactions were judgmentally selected for testing. We selected seven GROW grants for testing based on the project location and the grant award amount.

### *Conclusions*

We found that adequate controls were in place to award and administer business incentive program grants in compliance with statutory requirements with the exception of certain procedures used in the award determination for Grow New Jersey Assistance Program grants. We also found that adequate controls were in place to monitor grant recipients for compliance with statutory requirements with the exception of procedures utilized to verify the status of grant eligible retained jobs under the Business Retention and Relocation Assistance Grant Program.

We also made observations concerning enabling legislation for City of Camden projects and the tax credit amounts awarded under the Business Retention and Relocation Assistance Grant Program and the Grow New Jersey Assistance Program.

## **GROW New Jersey Assistance Program**

### *Documentation of Reported Costs*

**A business's cost benefit analysis detailing the difference in cost between staying in New Jersey and moving out-of-state needs to be adequately reviewed and verified.**

Under most circumstances, to be eligible for tax credits under the Grow New Jersey Assistance Program (GROW), a business must demonstrate to the New Jersey Economic Development Authority (NJEDA), at the time of the application, that existing full-time jobs are at risk of leaving the state or of being eliminated, and that the award of tax credits under the program will be a material factor in the business's decision to retain the jobs or create new jobs in New Jersey. To accomplish this, the NJEDA requires an applicant to submit a cost benefit analysis which details both the costs to continue operations in New Jersey and the lower costs to relocate to proposed out-of-state sites. A review is then completed by the NJEDA staff to substantiate the identified costs before the application is submitted to the NJEDA board for approval.

Pursuant to the New Jersey Economic Opportunity Act of 2013 and as of September 30, 2016, a total of 207 projects have been awarded \$3.9 billion under the GROW. We judgmentally selected seven projects to determine if the cost benefit analysis review completed by the NJEDA was adequate. Three of the seven sampled projects were located in the City of Camden and an alternate out-of-state location did not have to be identified, as per statute, for these projects to qualify as discussed later. For the remaining four projects, the reported annual costs to operate in New Jersey totaled \$138 million while the reported annual costs to operate at out-of-state locations totaled \$101.2 million. Costs totaling \$5.6 million that were reported to be the same for both the New Jersey and out-of-state locations were removed for test purposes. We found that adequate documentation was not obtained by the NJEDA to support 11.5 percent of the annual costs tested which included rent, property taxes, and utilities. Similarly, eight percent of the upfront costs tested, including building renovations and equipment purchases, associated with locating the projects in New Jersey or out-of-state were not supported or verified by the NJEDA. In addition, for three of the four projects tested with costs totaling \$8.5 million, 86 percent of the reported annual costs, the majority of which represented out-of-state wages to operate at out-of-state locations, were not supported.

The cost benefit analysis is a critical factor in determining whether or not to award tax credits under the GROW. All reported costs associated with locating a proposed project in New Jersey or out-of-state must be verified to ensure a business is seriously considering relocating out-of-state to a lower cost alternative.

### **Recommendation**

We recommend that the NJEDA maintain a more complete file of NJEDA's review of the cost benefit analysis submitted by an applicant for a proposed project. The award of tax credits should not be forwarded to the NJEDA board for approval until the proper supporting

documentation has been obtained for all reported in-state and out-of-state project costs and the out-of-state option has been proven to be more economical.

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## **Business Retention and Relocation Assistance Grant Program**

### *Verification*

**Procedures need to be implemented to verify the existence of at-risk jobs prior to grant approval.**

The Business Retention and Relocation Assistance Grant Program (BRRAG) provides a base tax credit amount of \$1,500 per job retained for up to six years. If certain criteria are met, the amount per job retained can reach \$3,000 per year. In most circumstances, a business will qualify for consideration if it relocates a minimum of 50 full-time jobs from one or more locations in New Jersey to a new business location in New Jersey. A business may remain at a current location if it makes a capital investment equal to the value of the tax credits granted. A business must also demonstrate that the award of tax credits under the program will be a material factor in the business's decision to retain the jobs in New Jersey and commit to remain in New Jersey for the grant term plus an additional five years.

An approved award of tax credits will be adjusted downward if a business does not maintain 100 percent of the incented retained jobs during the grant term and 80 percent of the incented retained jobs during the additional five-year commitment duration. In order to verify these requirements, the New Jersey Economic Development Authority (NJEDA) requires the business annually certify the number of grant-eligible retained jobs that are currently filled along with the name, address, and hire date of the employees filling the positions as of the submission date. However, the NJEDA does not perform additional procedures to verify this information or require a similar certification to be submitted prior to NJEDA board approval. The award of tax credits at the time of the board's approval is primarily based on the number of at-risk jobs specified by the business in the grant application.

Using the approval date and grant award amount as criteria, we judgmentally selected seven of the 85 businesses that were awarded a BRRAG grant for testing and found that four did provide a list of employees filling grant-eligible retained jobs as of the board approval date although they were not required to. For the year in which the grant was approved, we matched the employees reported to be filling the grant-eligible retained jobs to the Employer Report of Wages Paid maintained by the New Jersey Department of Labor and Workforce Development (NJDOLWD) and found that three of the four businesses had numerous employees with no earnings. According to NJDOLWD records, the average quarterly employment of the three businesses was between 26 and 38 employees less than reported by the businesses and incentivized by the NJEDA.

### *Monitoring*

#### **Procedures that monitor businesses for compliance with grant terms need to be strengthened.**

As previously mentioned, a business must maintain 100 percent of the incented retained jobs during the grant term or their award will be adjusted downward. Using NJDOLWD records for the years in which the tax credits were issued, we also found that the average quarterly employment for four of the seven businesses reviewed was between 4.25 and 15 employees less than reported by the businesses and incentivized by the NJEDA. The businesses' awards, however, were not adjusted.

Our review of another business that received a BRRAG grant in 2009 for retaining 500 full-time positions disclosed that 52 of the 500 employees reported to be filling the positions as of December 31, 2009 only had earnings in the fourth quarter of 2009. We could not determine if the 52 employees were replacements, seasonal hires, or regular new hires employed at the end of the year just to fulfill the grant conditions since the employee list received for 2009 only contained the names and titles of 500 individuals. More detailed records that identify each approved grant eligible position by title and the names and employment dates for all employees filling such positions should be required for verification purposes. The NJEDA should also define the time period that each grant eligible position needs to be filled during the year to qualify.

Although the NJEDA is no longer accepting applications for assistance under the BRRAG program, executed grants are still ongoing and the Grow New Jersey Assistance Program is now providing similar tax credits for job retention and creation in New Jersey. As such, the NJEDA needs to strengthen procedures to verify recipient compliance throughout the entire grant period and ensure the efficient use of taxpayer dollars.

#### **Recommendation**

We recommend the NJEDA implement procedures to verify the existence of reported at-risk jobs prior to board approval. We further recommend the NJEDA implement procedures to verify that the incented retained jobs have been maintained throughout the commitment duration as required. Records maintained by the New Jersey Department of Labor and Workforce Development could be used for verification purposes. In addition, we recommend the NJEDA obtain more detailed information for each incented full-time job that was reported to be at risk of leaving the state. The information, which should be required prior to board approval and throughout the grant duration, should include a list of grant eligible positions by title and the names and employment dates for all employees filling such positions during the year. The NJEDA should also define the time period a qualified full-time position needs to be filled to qualify for the full annual incentive.

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## Observations

### GROW Tax Credits for the City of Camden Projects

#### *Increasing grant caps disproportionate to jobs created*

The Grow New Jersey Assistance Program (GROW) provides tax credits to businesses of up to \$15,000 annually for each eligible new or retained full-time job depending on location and designation. However, businesses with projects located in Camden can receive significantly higher tax credits since the city qualifies under the Municipality Rehabilitation and Economic Recovery Act (MRERA).

The GROW legislation provides for eligible businesses with projects in Camden to receive between \$20 million and \$350 million in tax credits over a grant term of ten years. The amount of tax credits is dependent on the level of capital investment and the number of full-time jobs that are new to Camden. Five specific funding tiers are identified. A business that creates between 35 and 69 full-time jobs new to Camden and makes a capital investment of at least \$5 million is capped at \$20 million in tax credits over the grant term while a business that creates 250 or more full-time jobs new to Camden and makes a capital investment of at least \$30 million is capped at \$350 million in tax credits over the grant term. However, the required increase in jobs and capital investment from tier one, which has the \$20 million cap, to tier five, which has the \$350 million cap, does not appear to warrant the corresponding increase in tax credits. Our review of one business that was awarded a ten-year grant of tax credits totaling \$107 million to relocate 250 full-time employees from a municipality located less than 20 miles from Camden demonstrates this point. In accordance with the GROW legislation, the total tax credits awarded to the business over the 10-year term would have been limited to a maximum of \$50 million if they created between 150 and 249 full-time jobs new to Camden. However, by planning to bring 250 full-time jobs new to Camden, the business' award of tax credits was increased by \$57 million to \$107 million and fell below the maximum allowable award of \$350 million. In addition, the award of tax credits would have been limited to a maximum of \$37.5 million over the grant term if the business met certain requirements and relocated the 250 employees to any other municipality in New Jersey.

The GROW legislation provides significantly larger tax credit amounts for qualified projects located in Camden including the potential for a business to receive an additional \$300 million in tax credits over the grant term for increasing the number of new jobs they are creating in Camden, by one, from 249 to 250 as explained above. The rationale behind a tax credit funding methodology that allows for such an increase should be questioned and revisited as it may not be in the best interest of the state.

### *Calculating Net Benefit*

#### **Using Corporate Business Tax revenue in determining net benefit for proposed intrastate relocations to Camden may be questionable.**

For most businesses, to be eligible for tax credits under the Grow New Jersey Assistance Program (GROW), a proposed project must yield a net positive benefit to the state of at least 110 percent of the requested tax credit amount. However, for projects located in the City of Camden (Camden) and pursuant to the Municipality Rehabilitation and Economic Recovery Act (MRERA), a project's net benefit to the state only has to equal 100 percent of the requested tax credit allocation. In addition, a business only has to demonstrate, at the time of the application, that the award of tax credits under the program is a material factor in the decision to make a capital investment and relocate to Camden, the only municipality currently qualifying under MRERA. There is no requirement to claim that the jobs are in danger of leaving the state or being eliminated.

The economic impact model utilized by the NJEDA to measure a project's net benefit uses multipliers from the Regional Input-Output Modeling System database, published by the United States Department of Commerce, and econometric analysis developed by a contracted vendor. This model estimates both direct and indirect impacts on both a one-time and ongoing basis. The state's Corporation Business Tax (CBT) is part of the ongoing annual taxes used in the net benefit calculation for all projects excluding non-profit entities.

Of the \$3.9 billion that has been awarded under the GROW through October 7, 2016, \$1.2 billion is for 20 projects located in Camden. As previously mentioned, we judgmentally selected seven GROW projects for review including three projects located in Camden. The EDA estimated the net benefit for one of the sampled Camden projects to be \$249,000 over a 35-year period. This company, which relocated part of their operations from a New Jersey municipality located less than 20 miles away, received an award of \$107 million for retaining 250 employees and proposing to make a capital investment of \$146.4 million. The estimated ongoing CBT revenue used in the net benefit calculation totaled \$2.7 million annually. If the CBT revenue, which the state was already receiving anyway, was removed from the net benefit calculation, the net benefit over 35 years would have been negative \$32.6 million according to the NJEDA's net benefit model. The NJEDA claimed that the company had jobs at risk because a federal contract would not have been obtained without the GROW tax credits which allowed for a lower bid. The NJEDA also claimed that the project will generate additional taxable income in New Jersey above what is currently produced. Although we agree acceptable under these circumstances, including CBT revenue in the model used by the NJEDA to measure the net benefit of other proposed Camden projects might not yield the intended benefits if a New Jersey based applicant is simply relocating to Camden with no additional CBT revenue resulting.

### *Mismatching time periods*

#### **Commitment duration can be satisfied before net benefits are realized.**

For most projects, the net benefit to the state is based on the benefits generated during the first 20 years following the project's completion. However, for projects located in the City of Camden (Camden) and pursuant to the Municipality Rehabilitation and Economic Recovery Act (MRERA), the net benefit to the state can be calculated during a period of up to 35 years following the completion of the project, as determined by the NJEDA.

The commitment duration for all businesses receiving an award under the GROW is 1.5 times the eligibility period which is limited to a term of not more than 10 years, therefore the maximum commitment duration for any business receiving an award under the GROW is 15 years. Conversely, as described above, the net benefit for a proposed project is calculated between a 20 and 35-year period depending on location. This scenario, especially for projects in Camden, leaves the state vulnerable and potentially incapable of recognizing any net benefit if a business decides to relocate out-of-state soon after the commitment duration is met.

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### **Tax Credit Amounts**

As previously mentioned, the Business Retention and Relocation Assistance Grant Program (BRRAG) provides up to a \$3,000 tax credit per job retained. The BRRAG legislation, however, does not base the tax credit amount on the wage level of the retained job. As a result, the tax benefit to a business is the same for both a high paying retained job and a retained job that pays the minimum wage. Conversely, the benefit to the state can be heavily impacted by the overall wage level of the incented retained jobs. Our review of two companies who were both awarded a grant of tax credits under the BRRAG illustrates this point.

- Company A was awarded a grant of tax credits totaling \$750,000 in 2009 for retaining 500 full-time jobs. Using data obtained from the New Jersey Department of Labor and Workforce Development, we determined that 367 of the 500 reported employees worked in all four quarters of 2009 earning an average salary of \$24,352. The tax credit awarded on the 367 positions totaled \$550,500. The estimated gross income tax received, however, on the 367 positions totaled only \$151,000 collectively resulting in an unfavorable difference to the State of \$399,500. The single tax rate was used to determine the gross income tax estimate.
- Company B was awarded a grant of tax credits totaling \$436,500 in 2012 for retaining 291 employees. A total of 278 of the 291 employees worked in all four quarters of 2012 earning an average salary of \$133,054. The tax credit awarded on the 278 positions totaled \$417,000. However, the total estimated gross income tax received on the 278 positions was \$1.76 million providing a positive direct benefit to the state of \$1,343,000.

As previously mentioned, the NJEDA is no longer accepting applications for assistance under the BRRAG program. Job preservation and creation is now encouraged through the Grow New Jersey Assistance Program (GROW). For the most part, the GROW provides a base tax credit amount of between \$500 and \$5,000 per year for each qualifying new or retained full-time job depending on location. If certain criteria are met, the amount per job can reach \$15,000 per year. Similar to the BRRAG, the tax credit amount is not based on the wage level of the retained job although a bonus can be awarded if the average of all eligible new and retained full-time jobs exceeds a statutory defined level.

Although an approved project's total net benefit is measured by many factors other than gross income tax, the state can substantially increase its benefit by offering a tiered level of tax incentives under the GROW that are commensurate with the wage level of the new or retained full-time job and the corresponding income taxes generated. For example, a position being paid the minimum wage should not be incentivized at the same level as a higher paying job.

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January 13, 2017

David J. Kaschak  
Assistant State Auditor  
Office of Legislative Services  
Office of the State Auditor  
125 South Warren Street  
PO Box 067  
Trenton, NJ 08625-0067

Dear Mr. Kaschak,

Please find attached the New Jersey Economic Development Authority's management response to the December 21, 2016 audit report of Selected Incentive Programs.

Sincerely,

A handwritten signature in black ink that reads 'Melissa Orsen' followed by a stylized flourish.

Melissa Orsen  
Chief Executive Officer

Attachment  
C: Laurence M. Downes, Acting Chairman  
David R. Huber, Audit Committee Chair

New Jersey Economic Development Authority  
Management Response

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The New Jersey Economic Development Authority (NJEDA) welcomes the opportunity to respond to the December 21, 2016 audit report prepared by the Office of the State Auditor concerning Selected Incentive Programs of the NJEDA.

The NJEDA has been administering incentive programs on behalf of the State of New Jersey for over two decades. While these programs each have a different set of statutory requirements and public policy goals, a consistent thread has been the NJEDA's commitment to the highest level of due diligence in recommending projects to its Board, ensuring every project approved is done so in strict compliance with statutes and regulations.

The NJEDA's response is focused on the recommendations contained within the audit report that are related: 1) to the retention of documentation of reported costs under the Grow New Jersey Assistance Program (Grow NJ); and 2) verification and monitoring related to the Business Retention and Relocation Assistance Grant Program (BRRAG). The NJEDA will not address the additional observations included in the audit as it is the purview of the Legislature to consider any statutory changes.

As noted by the Office of the State Auditor, a nonstatistical sampling approach was used, and therefore, cross-portfolio extrapolations cannot be made. Our response instead focuses on some of the important distinctions that must be understood in evaluating program administration. With that said, the NJEDA has and continues to be open to recommendations to further strengthen our administration of incentive programs.

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**Grow New Jersey Assistance Program**  
*Documentation of Reported Costs*

- Office of the State Auditor Recommendation: "We recommend that the NJEDA maintain a more complete file of NJEDA's review of the cost benefit analysis submitted by an applicant for a proposed project."
- NJEDA Action: The Office of the State Auditor utilized a sample of four Grow NJ projects in its review, representing less than two percent of the program portfolio. For these four projects, we thank the auditors for confirming that 88.5 percent or \$211.7 million of \$239.2 million of the annual costs tested were adequately documented; and, that 92 percent or \$123.6 million of the \$134.4 million of the upfront costs tested were supported or verified. Consistent with our commitment to the highest level of due diligence and fiduciary oversight, the NJEDA will act to retain more complete files, ensuring all relevant costs related to Grow NJ projects have documentation of support. For example, if an Internet search is used to determine the cost of rent in a particular location, a printout of the search will now be placed in the appropriate file.

The NJEDA acknowledges that Grow NJ is complex and nuanced. As such, we would like to take the opportunity to provide an overview of what administration of the program entails, specifically addressing practices related to our review of the cost benefit analysis (CBA) submitted by applicants.

Grow NJ is the State's main job creation and retention incentive. Grow NJ is performance-based, meaning that to receive the approved benefit, projects must complete capital investments and hire and/or retain employees. No financial assistance is provided to a company up front and until NJEDA receives independent CPA certification of actual capital investment and jobs are created or retained. Grow NJ is a formula-driven program, with financial parameters firmly established by statute. The NJEDA reviews applications to ensure eligibility in accordance with the statute and program rules. Eligibility includes: a location in a qualified incentive area; meeting or exceeding the employment and capital investment requirements; and, demonstrating that the award of the tax credit is material to the company's decision to remain or locate in the State.<sup>1</sup> As part of the way materiality is demonstrated by the applicant, applications must:

1. Include a certification from the applicant's Chief Executive Officer (CEO) that: a) existing full-time jobs are at risk of leaving the State or being eliminated; b) the job creation or retention would not occur but for the Grow NJ award; and, c) all representations contained within the application are accurate<sup>2</sup> ;
2. Demonstrate that the capital investment and the resultant creation or retention of eligible positions will yield a net positive benefit of at least 110% of the requested tax credit amount (100% in Camden); and,
3. Demonstrate that the award of the tax credit is a material factor in the company's decision.

While the statute relies on the CEO certification as the overarching determinant to ensure material factor<sup>3</sup>, another element of the material factor determination is based on a review of the CBA submitted by applicants.<sup>4</sup> For the New Jersey location and the alternative location or locations, the document includes location information, one-time upfront costs (i.e. land or building acquisition, machinery and equipment acquisition, employee and company relocation/moving costs), and ongoing annual costs (i.e. rent, real estate taxes, payroll, property insurance, electricity, building maintenance, and other project- or location-specific information). In every case, a new real estate decision is being made by the applicant based on these and other factors, as well as the award of tax credits.

Due to the NJEDA's significant transactional experience over the last two decades, and more recently through its evaluation of over 200 Grow NJ applications, we can unequivocally state that the central cost drivers of a business's location decision are payroll and real estate expenses, both of which are higher in New Jersey than in most locations outside of the state. New Jersey's high costs have been widely recognized in various studies. The U.S. Commerce Department's Bureau of Economic Analysis released price-adjusted estimates of personal income for states and metropolitan areas for 2008 to 2012 and ranked New Jersey as one of the top five most expensive states to live in<sup>5</sup>. A recent study conducted by

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<sup>1</sup> For those companies considering a location in either Camden or Atlantic City, business's must certify that the tax credits are a material factor in its decision to locate the project to the specific municipality as opposed to the State.

<sup>2</sup> Per N.J.S.A. 34:1B-244, if the CEO certification is found to be willfully false, the NJEDA may revoke any award of tax credits in their entirety, in addition to any other criminal or civil penalties that the business and the officer may be subject to.

<sup>3</sup> All of the files, including those reviewed by the auditors, contained the CEO certification.

<sup>4</sup> Note that while the CBA is only a statutory requirement for projects involving intra-State job transfers, the NJEDA views the CBA as a useful document to review and compare costs and therefore requires all applicants to submit this document.

<sup>5</sup> [https://www.bea.gov/newsreleases/regional/rpp/rpp\\_newsrelease.htm](https://www.bea.gov/newsreleases/regional/rpp/rpp_newsrelease.htm)

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24/7 Wall St. ranks New Jersey's cost of living as the third highest in the nation and 14 percent higher than the typical state<sup>6</sup>.

Within this context, the NJEDA undertakes the highest level of due diligence to understand and compare locations proposed by applicants. This is achieved through direct discussions with the applicant to understand their representations, utilizing third party information, when available, and other fact checking practices. Staff spends significant time becoming familiar with a project, reviewing facts, and verifying costs at the time of recommendation/approval. When New Jersey is competing against a location where certain cost attributes are equal or similar, staff discounts those costs entirely as they are not a determining factor in the business's location decision. This common-sense approach to reviewing an applicant's CBA relies on rational decision-making, rooted in NJEDA's expertise and the widely-reported costs of doing business in New Jersey, particularly payroll and real estate expenses, compared to other states. It is important to note that the CBA itself does not dictate the size of the Grow NJ award (award calculation is statute driven) or detract from the performance-based mechanisms built into the program that must be met to receive the annual tax credit.

NJEDA is committed to successfully administering the State's incentive programs to attract and retain businesses and jobs and ensure New Jersey remains competitive in an increasingly global marketplace. As such, it is worth pointing out a key consideration that underlies many economic development programs - direct outreach to competing states for verification purposes could put New Jersey in a weaker position as it is likely to prompt more competitive offers from those alternative states, perversely resulting in a loss of businesses and jobs from New Jersey. The NJEDA will continue to undertake and document its due diligence related to out-of-state costs while ensuring New Jersey's competitive position in business attraction and retention is not impaired.

#### **Business Retention and Relocation Assistance Grant Program**

##### *Verification*

- Office of the State Auditor Recommendation: "We recommend the NJEDA implement procedures to verify the existence of reported at-risk jobs prior to board approval."
- NJEDA Action: This is not applicable as the Business Retention and Relocation Assistance Grant Program (BRRAG) program has expired and applications are no longer being accepted. In accordance with the Economic Opportunity Act of 2013, P.L. 2013, c. 161 and effective September 18, 2013, the EDA ceased accepting applications for assistance under BRRAG. All pending applications submitted for approval under this program were acted on by December 31, 2013.

##### *Monitoring*

- Office of the State Auditor Recommendation: "We further recommend the NJEDA implement procedures to verify that the incented retained jobs have been maintained throughout the commitment duration as required."
- Office of the State Auditor Recommendation: "In addition, we recommend the NJEDA obtain more detailed information for each incented full-time job that was reported to be at risk of leaving the state. "

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<sup>6</sup> <http://247wallst.com/special-report/2016/10/17/states-where-poverty-is-worst-than-you-think/4/>

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- NJEDA Action: While BRRAG is no longer an active program, the EDA continues to monitor a portfolio of 37 BRRAG projects to ensure compliance; note, only five are currently eligible to receive tax credit benefits. However, the EDA continues to administer Grow NJ, which has a current portfolio in excess of 200 projects, and is similar in concept to BRRAG as it provides incentives for retained jobs. We have taken steps to strengthen compliance monitoring for Grow NJ as it relates to retained jobs, informed in part by the recommendations put forth by the Office of the State Auditor; specifically, the NJEDA now requires that all applicants under Grow NJ with existing New Jersey-based operations submit their most recent Employer Report of Wages Paid (WR-30) maintained by the New Jersey Department of Labor and Workforce Development, as well as a newly created "Grow NJ Employee Information Worksheet," a required document for all Grow NJ applicants. These documents are required at the time of application and annually as part of the certification process.

As noted above, while the recommendations from the Office of the State Auditor are directly related to NJEDA's administration of BRRAG, we would like to take the opportunity to provide an overview of compliance monitoring related to Grow NJ.

Due to New Jersey's evolving sophistication as it relates to the administration of tax incentives, the statute governing Grow NJ includes safeguards at both the application and certification stage, designed to ensure that the incentive is material to an applicant's location decision, and that the provision of approved tax credits commences only after a project has certified that they have satisfied specific legislative requirements.

At the application stage, this includes the legally binding certification from the applicant's CEO that the application has been reviewed and the information submitted and representations contained therein accurately portray the facts of the location decision. At the certification stage, Grow NJ tax credits are certified for use annually and proportionally based on actual job performance (retention and/or creation) during that year; companies must submit a certification of costs (capital investment) at project completion as certified by an independent CPA, as well as a certification of jobs from the Chief Financial Officer. Additional performance-based requirements include maintaining the project employment for 1.5 times the period in which the business receives the tax credit, and maintaining a minimum of 80 percent of the Statewide full-time workforce from the last tax period prior to the grant approval (as evidenced through annual reporting requirements).

The NJEDA is confident in the existing safeguards, as well as its due diligence over the term of an approved project; however, we remain committed to the highest level of fiduciary oversight. As such, we have taken additional steps to further strengthen verification and monitoring related to Grow NJ applicants, and as applicable, to existing BRRAG portfolio companies submitting their annual compliance reports.

As recommended by the Office of the State Auditor, the EDA now requires that all applicants under Grow NJ that currently have New Jersey-based operations submit the most recent WR-30 maintained by the New Jersey Department of Labor and Workforce Development. While the WR-30 will provide a check for EDA as it verifies statewide employment figures, the form lists all employees at all New Jersey locations, including part-time and temporary positions, and offers no distinction between these categories.

As the Grow NJ incentive is only available to support full-time positions and the award itself is based on jobs at the qualified business facility, the NJEDA has taken an additional step by creating a "Grow NJ Employee Information Worksheet," which is now a required document to be submitted by all Grow NJ applicants. The worksheet requires applicants to provide the following information: employee name; title; date of hire; current location; current salary; employing entity; employment status (W-2, 1099, PEO, etc.); hours worked per week; hours spent at the qualified business facility per week; and a "yes" or "no" related to health benefits offered. The WR-30 and "Grow NJ Employee Information Worksheet" are required at application, and annually as part of the certification process.

- Office of the State Auditor Recommendation: The NJEDA should also define the time period a qualified full-time position needs to be filled to qualify for the full annual incentive.
- NJEDA Action: As BRRAG and Grow NJ have completely different statutory requirements for verifying the existence of reported incented full-time jobs, it is overbroad in this instance to conclude that recommendations relative to BRRAG to verify recipient compliance apply to Grow NJ. Per N.J.A.C. 19:31-18.3, under Grow NJ, full-time employment is determined as the average of the monthly full-time employment for the tax period.

As it relates to monitoring compliance of the BRRAG portfolio, under the earliest version of the BRRAG program, companies were required to submit documentation annually which provided a snapshot of the year's employment; however, to bolster the monitoring and verification process, the NJEDA currently requires companies to submit documentation annually that provides a month by month accounting of incented positions and employees (the "job log"). This job log includes hire date, salary, and titles, and includes the annualized salary based on the employee's current projected yearly salary in each month.

The NJEDA reviews the information in the job log to verify that the positions listed and the requisite employees that fill those positions qualify as full-time, and are therefore eligible for the full annual incentive. This approach allows the EDA to protect against incenting jobs that do not qualify as full-time and ensures that companies remain in compliance during their grant term. To further strengthen the monitoring and verification process, the EDA will utilize the newly required WR-30 reports as a double check against the annual BRRAG reports submitted by companies.

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As the agency charged with administering the State's business incentive programs, the NJEDA takes its fiduciary responsibility very seriously and our obligation to protect the public interest continues to be our primary focus. As evidenced by reforms and improvements that have been implemented over the years in our incentive programs, the NJEDA consistently reviews best practices and utilizes its transactional experience to improve and strengthen policies and processes where the statute allows.

With these recommendations from the Office of the State Auditor, we are pleased to continue this practice by ensuring all files for Grow NJ projects retain documentation of support for all relevant costs, and by requiring new documentation to enhance verification and monitoring of the BRRAG and Grow NJ portfolios. We are also pleased to share that we have established an internal auditor function for our incentive programs that will serve to provide an ongoing review of our application processes and procedures. Additionally, at the certification stage, we have secured an independent group of Certified Public Accountants that will be tasked with performing "spot" audits on the information submitted to

the EDA from companies as they seek to initially certify job and capital investment numbers and as they submit annual reports over the life of incentive agreement.

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under NJ Economic Opportunity Act

As created by statute, the Grow NJ Program is available to businesses creating or retaining jobs in New Jersey and making a qualified capital investment in a qualified business area. Applications to the Grow NJ Program are evaluated to determine eligibility in accordance with P.L. 2013, c. 101, and as amended through the "Economic Opportunity Act of 2014, Part 3, P.L. 2014, c. 62, based on representations made by applicants. 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 a qualified investment equal to or greater than defined thresholds in order to be eligible for tax credits. In addition to satisfying these thresholds, the program requires that the jobs and capital investment requirements, applications undergo a multi-factor review to verify that the tax credits are material to the project. Applications are also subject to a merit-based review 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.

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At Risk Jobs	Estimated Construction Jobs	Base Grant Location	Bonus	Requested Industry (if applicable)	New or Improved Space (sq. ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (if applicable)	Date Closed*	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (if issued)	Project Status
DT CONSULTING, LLC INTERNATIONAL CORP. & IONIA DOMESTIC TRADING, LLC	Newark	Essex	\$24,750,000	10	\$3,000,000	40	528	27	HUB	Transit Oriented Development; jobs w/ salary > County/GS02 Average; Large # of New/Retained FT Jobs	n/a	80,000	Non-Industrial	12/07/2013		8/5/2016	2015			Incentive Agreement Executed (Closed)
DT CONSULTING, LLC AND INTERNATIONAL CORP. & IONIA DOMESTIC TRADING, LLC	Jersey City	Hudson	\$13,125,000	10	\$7,735,658	175	0	38	HUB	Transit Oriented Development; jobs w/ salary > County/GS02 Average	n/a	43,843	Non-Industrial	12/09/2013		2/23/2015	2015			Certified by Taxation - Aggregate
MAPSAX, LLC (2)	Camden	Camden	\$6,035,000	10	\$400,000	100	50	1	GS02	Transit Oriented Development; Targeted industry (technology); 200+ jobs; 100+ new/retained jobs; Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	Technology	9,755	Non-Industrial	12/09/2013	12/09/2014	11/3/2014	2015	\$25,447	\$486,778	Certified by Taxation - Annual Recapture
LIBERTY FOODS, LLC AND MULTISTATE FOODS SYSTEMS, LLC	Perkasie	Camden	\$8,212,500	10	\$8,264,535	60	27	7	Distressed Municipality	Capital Investment > minimum (non-Mega); Targeted industry (Food); 100+ new/retained jobs; Atlantic, Burlington, Camden, Cape May,	Manufacturing	230,000	Industrial	1/14/2014	7/30/2017	9/28/2017	2016			Incentive Agreement Not Executed - in Closing Services
Liberty Foods LLC & Liberty Multi-States LLC	Jersey City	Hudson	\$27,125,000	10	\$8,100,000	359	0	47	HUB	Transit Oriented Development; jobs w/ salary > County/GS02 Average; Large # of New/Retained FT Jobs	n/a	93,000	Non-Industrial	1/14/2014		12/07/2015	2016	\$3,700,000	\$1,700,930	Certified by Taxation - Annual Recapture
Werner Bros. Furniture, LLC	New Brunswick	Middlesex	\$30,380,000	10	\$17,000,000	233	0	16	HUB	Deep poverty pocket; Targeted industry (furniture); capital investment > minimum (non-Mega); targeted industry (manufacturing); large # of new/retained FT jobs	Manufacturing	325,710	Industrial	1/14/2014		3/18/2015	2016	\$6,534,400	\$16,105,432	Certified by Taxation - Annual Recapture

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Grant/Project Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At-Risk Jobs	Estimated Construction Jobs	Base Grant Location	Bonuses	Targeted Industry (if applicable)	New or Improved Space (sq. ft.)	Industry: Non-Industrial	Date Approved	Date Modified (if applicable)	Date Construction Commenced	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (if financed)	Project Status
TRUS LLC	Hoboken	Hudson	\$5,987,550	7	\$3,300,000	450	0	22	HUB	Transit Oriented Development; Job w/ Salary > County/GS02 Average; Large # of New/Retained FT jobs	n/a	71,224	Non-Industrial	2/12/2014	7/13/2017	9/11/2015	2016			Non-Industrial Agreement Executed (Closed)
SPRINTS LLC, LLC	Palm Beach	Madison	\$9,180,000	10	\$15,200,000	70	392	21	Priority Area	Jobs w/ Salary > County/GS02 Average; Large # of New/Retained FT jobs; Targeted Industry (Life Sciences)	Life Sciences	154,100	Non-Industrial	2/12/2014		4/7/2015	2016			Certified by Taxation - Aggregate
TRUSSARDI ITALIA S.p.A. (TRUSSARDI)	Gloucester	Gloucester	\$13,515,000	10	\$10,455,000	21	176	9	Distressed Municipality	Capital Investment > minimum (non-legal); Targeted Industry (Manufacturing); 2007 Retail Index > 485 in Atlantic, Burlington, Camden, Gloucester, and Salem counties	Manufacturing	107,364	Industrial	2/12/2014		7/31/2015	2016			Certified by Taxation - Annual Invoice
STOCK MARKET ENTERPRISE GROUP, LLC	Rutherford	Bergen	\$1,625,000	10	\$5,450,000	50	0	17	Priority Area	Jobs with Salary in excess of county average	n/a	39,000	Non-Industrial	2/12/2014		8/8/2015	2016			Incentive Agreement Executed (Closed)
THE GARDEN LOUDESTOWN, LLC	East Rutherford	Bergen	\$925,000	10	\$5,150,000	0	10	13	Priority Area	Capital Investment in excess of minimum (non-legal); Targeted Industry (Manufacturing)	Manufacturing	28,485	Industrial	4/8/2014		7/29/2015	2016			Non-Industrial Agreement Executed (Closed)
WELLS FARGO BANK NATIONAL ASSOCIATION, A NATIONAL FINANCIAL SERVICES INC. & UNITED WAY INC. (U)	Paramus	Bergen	\$5,512,000	10	\$6,935,000	0	294	35	Priority Area	Jobs with Salary in excess of county average; Large number of new/retained/full-time jobs	n/a	90,000	Non-Industrial	4/8/2014		1/27/2015	2016			Certified by Taxation - Aggregate
ALSCA INTERNATIONAL SYSTEMS, L.L.C. (U)	Morris	Morris	\$2,205,000	10	\$1,479,397	41	64	7	Priority Area	Targeted industry (technology)	Technology	17,457	Non-Industrial	5/16/2014		6/12/2015	2016			Incentive Agreement Executed (Closed)
Compass, Inc. (BNZ) (United Way, LLC)	Englewood Cliffs	Bergen	\$38,000,000	10	\$57,074,134	0	1,600	383	Priority Area	Jobs with Salary in excess of County/GS02 Average; Large Number of New/Retained FT jobs	n/a	402,000	Non-Industrial	5/16/2014		5/16/2014	2016			Non-Industrial Agreement Not Executed - in Closing Process
EMERSON BANK, N.A.	Jersey City	Hudson	\$24,325,000	10	\$76,906,832	1,000	2,612	605	Major Project	Transit Oriented Development; Jobs with Salary in Excess of County/GS02 Average; Large # of New/Retained FT jobs; Targeted Industry (Finance)	Finance	1,098,255	Non-Industrial	5/16/2014		3/19/2015	2016			Certified by Taxation - Aggregate
EMERSON BANK, N.A.	Jersey City	Hudson	\$2,440,000	10	\$738,000	31	0	3	HUB	Transit Oriented Development; Jobs with Salary in excess of County/GS02 Average; Targeted Industry (Finance)	Finance	8,826	Non-Industrial	5/16/2014		5/16/2014	2016	\$345,000	\$912,000	Certified by Taxation - Annual Invoice

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Project Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At Risk Jobs	Estimated Construction Jobs	Base Grant (location)	Benefits	Targeted Industry (if applicable)	New or Improved Space (sq. ft.)	Industry	Date Approved	Date Modified (if applicable)	Date Closed**	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (M) (Incentive)	Project Status
Amtrak Coaches	Citron	Piscataway	\$7,337,500	10	\$3,150,015	79	43	6	Distressed Municipality	Capital Investment in Excess of Minimum (non-Manufacturing) Industry (Manufacturing)	Manufacturing	87,280	Industrial	5/16/2014		6/5/2015	2016	\$1,745,600	\$4,888,021	Certified by Taxation - Annual Issuance
BBC Capital Markets, LLC	Jersey City	Hudson	\$78,750,000	10	\$17,118,101	900	0	82	HUB	Transit Oriented Development with Salary in Excess of County/GSO2 Average. Large # of New/Retained FT jobs. Targeted Industry (Finance)	Finance	206,881	Non-Industrial	5/16/2014		7/14/2015	2016	\$8,274,400	\$13,394,696	Certified by Taxation - Annual Issuance
Navision Communities, LLC and Subsidiaries	Vinland City	Cumberland	\$1,500,000	10	\$3,094,000	70	0	20	Distressed Municipality	2007 Bank Interventions in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	n/a	26,382	Non-Industrial	5/16/2014		7/21/2015	2016	\$703,520	\$5,033,671	Certified by Taxation - Annual Issuance
Philadelphia Parks, LLC	Camden	Camden	\$82,040,507	10	\$82,040,507	320	0	0	GSO2	Transit Oriented Development	n/a	120,000	Non-Industrial	6/10/2014			2016		\$704,391	Incentive Agreement Not Executed - In
Almal, LLC	Jersey City	Hudson	\$5,600,000	10	\$1,436,970	80	0	8	HUB	Transit Oriented Development	n/a	16,902	Non-Industrial	6/10/2014		11/16/2015	2016	\$616,000	\$704,391	Certified by Taxation - Annual Issuance
Intermodal Inc. dba/AT&T Intellectual, LLC	Parsippany	Madison	\$5,800,000	10	\$7,138,913	90	310	31	Priority Area	Large Number of New/Retained FT Jobs	Logistics	68,816	Non-Industrial	6/10/2014		7/14/2015	2016	\$1,745,640	\$8,605,416	Certified by Taxation - Annual Issuance
Bechtel Business, LLC	Sewaucus	Hudson	\$14,357,500	10	\$7,620,050	277	73	5	Distressed Municipality	Large Number of New/Retained FT Jobs	n/a	165,993	Non-Industrial	6/10/2014		7/20/2015	2016			Certified by Taxation - Annual Issuance
AD&C Co., LLC	Bergen	Hudson	\$11,145,000	10	\$17,000,000	150	0	8	Distressed Municipality	Capital Investment in Excess of Minimum Targeted Industry (Manufacturing)	Manufacturing	171,000	Industrial	7/10/2014		9/11/2015	2016			Incentive Agreement Executed (Closed)
Harbort Intermodal	Camden	Camden	\$160,000,000	10	\$3,900,000,000	235	140	1,141	GSO2		n/a	600,000	Industrial	7/10/2014		2/1/2017	2016			Incentive Agreement Executed (Closed)
Harbort Intermodal, LLC	Sewaucus	Hudson	\$1,000,000	10	\$585,000	75	0	1	Distressed Municipality	Targeted Industry (Manufacturing)	n/a	16,111	Non-Industrial	7/10/2014		2/14/2015	2016	\$645,640	\$1,572,388	Certified by Taxation - Annual Issuance
Forest Park (DC, LLC)	Enonnewe	Monmouth	\$7,135,000	10	\$6,400,000	35	50	7	Priority Area	Targeted Industry (Manufacturing)	Manufacturing	55,000	Non-Industrial	6/12/2014		4/15/2015	2016			Incentive Agreement Executed (Closed)
ESD, LP, CORPORATION	Jersey City	Hudson	\$5,920,000	10	\$1,395,000	24	0	8	HUB	Transit Oriented Development/Jobs with Salary in Excess of County/GSO2 Average. Targeted Industry (Finance)	Finance	24,000	Non-Industrial	6/12/2014		4/20/2015	2016	\$960,000	\$1,409,800	Certified by Taxation - Annual Issuance

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Ground Projects Under All Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Residual At Risk Jobs	Estimated Construction Jobs	Base Client Location	Genuses	Taxable Industry (if applicable)	Tracked Industry Space (sq. ft.)	New or Improved Space (sq. ft.)	Industrial or Non-Industrial	Dark Identified (if applicable)	Dark Approved	Dark Identified (if applicable)	Dark Closed**	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (if Issuance)	Project Status
SEASIDE STEEL, LLC	Citron	Passaic	\$17,740,000	10	\$1,800,000	74	215	8	Distressed Municipality	Transit Oriented Development/Large Number of New & Replaced Full-Time Jobs/Targeted Industry (Manufacturing)	Manufacturing	134,000	134,000	Industrial		8/17/2014		9/28/2015	2016			Controlled by Taxation - Annual Reuse
SECURITY BANK COMMUNITY INC.	Paterson	Passaic	\$39,575,000	10	\$19,507,351	51	224	102	GSZ	Deep Poverty Pocket or Choice Neighborhood/Transit Oriented Development/	Manufacturing	165,000	165,000	Industrial		9/11/2014		11/24/2015	2016			Incentive Agreement Executed (Closed)
SEI'S STORES, INC.	Vine and City	Cumberland	\$13,770,000	10	\$10,420,000	127	70	49	Distressed Municipality	Capital Investment in Excess of Minimum (Non-Mega/Targeted Industry (Manufacturing/209))	Manufacturing	76,500	76,500	Industrial		9/11/2014		1/7/2016	2016			Incentive Agreement Executed (Closed)
SHIRTS CORPORATION	Neverset	Essex	\$97,500	3	\$742,488	35	0	3	HUB	Deep Poverty Pocket or Choice Neighborhood/Transit Oriented Development/	n/a	11,387	11,387	Non-Industrial		9/11/2014		7/14/2016	2016			Incentive Agreement Executed (Closed)
SILVERLINE, LLC	Northvale Borough	Bergen	\$24,650,000	10	\$18,000,000	181	118	90	Priority Area	Capital Investment in Excess of Minimum (Non-Mega/Number of New & Replaced Full-Time Jobs/Targeted Industry (Manufacturing))	Manufacturing	154,240	154,240	Industrial		9/11/2014		5/24/2016	2016			Incentive Agreement Executed (Closed)
SUNBELT, LLC	Union Township	Union	\$5,075,000	10	\$1,800,000	52	115	20	Priority Area	Transit Oriented Development	n/a	55,000	55,000	Non-Industrial		9/11/2014		10/9/2015	2016	\$1,600,000	\$1,658,459	Certified by Taxation - Annual Reuse
TAJAN, LLC	Camden	Camden	\$3,920,000	10	\$1,700,000	8	20	7	GSZ	Deep Poverty Pocket or Choice Neighborhood/Transit Oriented Development/Targeted Industry	Manufacturing	13,500	13,500	Industrial		9/11/2014		10/11/2015	2016	\$190,000	\$2,168,194	Certified by Taxation - Annual Reuse
TECHNOLOGY CENTER, LLC	Secaucus	Hudson	\$19,977,500	10	\$76,390,000	261	931	246	Distressed Municipality	Large Number of New/Replaced FT Jobs	n/a	1,234,829	1,234,829	Non-Industrial		10/14/2014		4/17/2017	2016			Incentive Agreement Executed (Closed)

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved General Project Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Restored At-Risk Jobs	Estimated Construction Jobs	Base Grant (Location)	Bonus	Targeted Industry (if applicable)	New or Improved Space (sq. ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (if applicable)	Date Closed**	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (if issuance)	Project Status
LEE CONSULTING SERVICES, LLC	Lakewood	Ocean	\$24,516,250	10	\$11,745,000	350	227	105	Distressed Municipality	Deep Poverty Pocket or Chase Highly skilled/Large Number of New/Reinstated FT Jobs/Exceeds LEEDs Share or Substantial Increase in Jobs/Creation of 10+ Projects, Etc.	N/A	60,000	Non-Industrial	10/14/2014		10/16/2015	2016			Resective Agreement Executed (Closed)
MGP MANUFACTURING, LLC	Paxton	Pasaic	\$3,797,500	10	\$235,500	31	0	0	GGG2	Deep Poverty Pocket or Chase Neighborhood/Transit Oriented Development/Job with Salary in Excess of County / GG2 Average/Targeted Industry/Targeted Job/Exceeds LEEDs/Manufacturing/Other	Manufacturing	12,000	Industrial	10/14/2014		6/17/2015	2016			Resective Agreement Executed (Closed)
Bellini, Christian Luminaire	Hillside	Union	\$2,600,000	10	\$1,700,000	20	25	11	Distressed Municipality	Capital Investment in Excess of County Minimum/Job with Salary in Excess of County / GG2 Average/Targeted Industry [Manufacturing/Excess LEEDs/Silver or Substantial Env. Remed.]	Manufacturing	87,515	Industrial	10/14/2014		5/28/2015	2015			Resective Agreement Executed (Closed)
Ziba, Ono/Orca, LLC	West Windsor	Mercer	\$1,500,000	10	\$3,328,042	19	62	28	Priority Area	Jobs with Salary in Excess of County / GG2 Average/Targeted Industry (Life Sciences)	Life Sciences	60,246	Non-Industrial	10/14/2014		3/11/2016	2016			Resective Agreement Executed (Closed)
Dias, Inc.	Phillipsburg	Warren	\$1,050,000	10	\$800,000	14	0	0	Distressed Municipality	Capital Investment in Excess of Minimum/Targeted Industry (Manufacturing)	Manufacturing	21,500	Industrial	10/14/2014			2016			Resective Agreement Not Executed - in Closing Services
Material Handling Supply, Inc.	Flemington	Camden	\$1,452,500	10	\$1,925,000	0	57	7	Distressed Municipality	Deep Poverty Pocket or Chase Neighborhood/Targeted Job/Indus-465 in Camden County	N/A	315,315	Non-Industrial	10/14/2014	11/20/2014	4/29/2016	2016			Certified by Nation - Aggregate

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Project Under the Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Relocated or Reinst. Jobs	Estimated Construction Jobs	Area Grant Location	Business Description	Targeted Industry (if applicable)	New or Improved Space (sq. ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (if applicable)	Date Closed*	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (if insured)	Project Status
Charles Kenny & Sons, Inc.	Jersey City	Hudson	\$37,200,000	10	\$12,201,852	480	0	0	HUB	Transit Oriented Development/Large Number of New/Reinstated FT. Jobs	N/A	150,141	Non-Industrial	10/14/2014		01/15/2016	2015			Certified by Taxation - Annual Issuance
Gumark Labor Process International, LLC	Lakewood	Ocean	\$5,900,000	10	\$2,664,110	65	243	3	Distressed Municipality			50,337	Non-Industrial	10/19/2014		2/24/2015	2016	\$7,409,997	\$3,692,853	Certified by Taxation - Annual Issuance
Northshore Logistics Systems, Inc.	Passaic City	Hudson	\$7,130,000	10	\$1,829,257	92	0	10	HUB	Transit Oriented Development/Jobs with Salary in Excess of County (CSGC Average)/Targeted	Finance	24,662	Non-Industrial	10/14/2014		11/17/2015	2015	\$946,480	\$2,628,461	Certified by Taxation - Annual Issuance
Perkins Construction Corp.	Passaic	Passaic	\$10,315,000	10	\$5,856,848	70	0	15	CSGC	Deep Poverty Pocket or Choice Neighborhood/Transit Oriented Development/Jobs with Salary in Excess of County (CSGC Average)/Targeted	Manufacturing	79,784	Industrial	10/14/2014		11/19/2015	2015	\$1,065,787	\$2,172,574	Certified by Taxation - Annual Issuance
Leckhard Lymna Corporation	Camden	Camden	\$107,000,000	10	\$1,462,379,719	0	250	14	CSGC	Deep Poverty Pocket or Choice Neighborhood/Social Investment/Excess of Minimum Targeted Industry/Manufacturing	N/A	50,839	Non-Industrial	11/10/2014		2/24/2016	2016			Revenue Agreement Executed (Closed)
Southside Sealing Products, LLC	Millie City	Cumberland	\$1,600,000	10	\$1,816,800	15	0	4	Distressed Municipality	Deep Poverty Pocket or Choice Neighborhood/Social Investment/Excess of Minimum Targeted Industry/Manufacturing	Manufacturing	18,000	Industrial	11/10/2014	12/31/2015	11/16/2015	2015			Revenue Agreement Executed (Closed)
Pharmacia Capital LLC	Merwyn City	Hudson	\$1,875,000	10	\$1,716,310	50	0	2	HUB	Transit Oriented Development/Jobs with Salary in Excess of County (CSGC Average)/Targeted	Finance	6,372	Non-Industrial	11/10/2014	1/13/2015	7/20/2015	2015	\$150,880	\$464,777	Certified by Taxation - Annual Issuance
Direct Energy, GB, LLC	Woodbridge	Middlesex	\$10,194,520	10	\$5,483,460	115	276	18	Distressed Municipality	Jobs with Salary in Excess of County (CSGC Average)/Targeted	Energy	50,648	Non-Industrial	12/09/2014		12/09/2017	2016			Revenue Agreement Executed (Closed)
SGS, LLC (I)	West Deptford	Cherokee	\$3,182,500	10	\$4,050,000	36	29	13	Priority Area	Capital Investment in Excess of Minimum Targeted Industry (Manufacturing)	Manufacturing	\$1,200	Industrial	12/9/2014		6/16/2016	2016			Revenue Agreement Executed (Closed)

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved draw of Projects Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained or Rehire Jobs	Estimated Construction Jobs	Base Grant (Location Priority Area)	Targeted Industry (If Applicable)	New or Improved Space (sq. ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (If Applicable)	Date Completed	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (if Issuance)	Project Status
York Rock Services Group, Inc. (1)	Passaic	Morris	\$1,120,550	10	\$2,147,510	44	123	11	Priority Area	Finance	30,708	Non-Industrial	12/09/2014	12/07/2015	2/6/2017	2017			Positive Agreement Executed (Closed)
Subaru of America, Inc.	Camden	Camden	\$11,832,468	10	\$117,632,658	100	500	0	GS02	N/A	330,793	Non-Industrial	12/09/2014			2016	\$3,255,431		Positive Agreement Not Executed - In Closing Process
U.S. Greens, LLC dba Landfarm	Newark	Essex	\$6,555,000	10	\$10,352,233	69	0	0	HUB	Deep Poverty Pocket or Choice Neighborhood/Capital Investment in Excess of Minimum	\$3,800	Industrial	12/09/2014			2016			Positive Agreement Not Executed - In Condition
Cooper Health System	Camden	Camden	\$9,990,000	10	\$9,130,000	19	153	24	GS02	Health	221,578	Non-Industrial	12/09/2014		8/10/2015	2016	\$9,225,626		Positive Agreement Not Executed - Certified by Taxation - Annual Issuance
SEBACH, INC. (1)	West Windsor	Mercer	\$9,622,500	10	\$10,281,547	35	159	40	Priority Area	Manufacturing	100,000	Non-Industrial	12/09/2014		12/09/2015	2016	\$4,000,000		Positive Agreement Executed (Closed)
DELAWARE POLICE OFFICE, INC.	Berkeley City	Hudson	\$12,737,500	10	\$13,900,000	0	430	68	HUB	Manufacturing	391,501	Non-Industrial	12/09/2015		5/18/2017	2017			Positive Agreement Executed (Closed)
SEBACH, INC.	Newark	Essex	\$4,165,600	10	\$2,368,165	25	90	0	HUB	Logistics	25,300	Non-Industrial	12/09/2015		8/10/2015	2017			Positive Agreement Executed (Closed)

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved General Project List - Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At-Risk Jobs	Estimated Construction Jobs	Base Grant (Location)	Business	Trusted Industry (If Applicable)	New or Improved Space (sq. ft.)	Industry or Non-Industrial (Ic-1c)	Date Approved	Date Specific (If Applicable)	Start/Completion	Minimum Investment Required	Capital Investment (at Issuance)	Project Status
EMERSON ELECTRIC CORPORATION	Gloucester Township	Burlington	\$19,810,000	10	\$18,215,328	271	0	138	Mega Project	Large number of new/retrained FT jobs/Targeted Industry (Manufacturing)/ Mega Ind. Project w/ Cap. Inv. in Excess of \$10M	Manufacturing	415,000	Industrial	1/17/2015	7/29/2016	2017			Certified by Location - Aggregate
ELI LILLY CORPORATION	Jersey City	Hudson	\$8,190,000	10	\$2,082,155	100	0	10	HUB	TRANS ORIENTED Development/ Jobs with Salary in Excess of County Average/Targeted Industry/Finance	Finance	24,321	Non-Industrial	2/26/2015		2017			Certified by Location - Aggregate
Brown Brothers Harman, S & Co.	Jersey City	Hudson	\$19,412,120	7	\$27,000,000	110	435	97	HUB	Development/ Jobs w/ Salary in Excess of County Avg./ Large Number of New FT/Retrained Jobs/Targeted Industry (Finance)	Finance	315,000	Non-Industrial	4/14/2015	5/10/2016	2017			Memorandum Agreement Executed (Closed)
New York Life Insurance Company	Jersey City	Hudson	\$13,895,750	10	\$11,820,645	300	315	20	HUB	Trans Oriented Development/ Jobs with Salary in Excess of County Avg./ Large Number of New FT/Retrained Jobs	Finance	114,891	Non-Industrial	4/14/2015	8/8/2016	2017			Memorandum Agreement Executed (Below)
Volunteers of America Behavioral Health, Inc.	Camden	Camden	\$6,137,000	10	\$2,113,981	0	65	5	GGCZ	Deep Poverty Oriented Development/ Jobs with Salary in Excess of GGCZ Avg/2007 Recid Index >65 in Area	N/A	15,000	Non-Industrial	4/14/2015	9/15/2016	2017			Incentive Agreement Executed (Closed)
ES&S, Inc.	Flemington	Burlington	\$35,843,480	10	\$40,415,000	1,600	0	141	Mega Project	Large Number of New FT/Retrained Jobs/On Site Solar Generation of 1.2 of Projects Etc. Needs	N/A	500,000	Non-Industrial	4/14/2015	1/16/2017	2017			Incentive Agreement Not Executed - in Conditions
Acoustic.com	Newark	Essex	\$39,375,000	10	\$50,700,313	350	50	287	Mega Project	Deep Poverty Oriented Development/ Jobs with Salary in Excess of County Avg./ Large Number of New/Retrained FT Jobs, Targeted Industry (Technology)	Technology	71,000	Non-Industrial	5/15/2015	12/22/2016	2017			Incentive Agreement Executed (Closed)
EMERSON ELECTRIC CORPORATION	Jersey City	Hudson	\$15,500,000	10	\$8,808,400	220	0	47	HUB	Trans Oriented Development/ Jobs w/ Salary in Excess of County Avg./ Targeted Industry (Finance)	Finance	48,300	Non-Industrial	5/15/2015	10/29/2015	2017			Incentive Agreement Executed (Closed)

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At Risk Job	Estimated Construction Jobs	Base Grant (Location)	Request	Targeted Industry (if applicable)	New or Improved Space (sq. ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (if applicable)	Date Closed**	Anticipated Completion	Minimum Capital Investment Requested	Capital Investment (if available)	Project Status	
Cambridge Economic Services, LLC	Keansy	Hudson	\$1,195,000	10	\$17,893,028	35	72	92	Disseminated Municipality	Jobs with salary in excess of \$20,000 with Annualized Supplemental Emp. Awarded	N/A	61,225	Non-Industrial	5/9/2015			2016			Incentive Agreement Not Executed - in Conditions	
Atlantic City Coastal Center, LLC	Atlantic City	Atlantic	\$17,740,825	10	\$687,500	332	0	0	GS&Z	Deep Poverty Packet; Transit Oriented Developments; Large Number of New/Retained Full Time Jobs; Job Reel; Increase in Atlantic	N/A	7,839	Non-Industrial	7/9/2015	4/7/2017		2015			Incentive Agreement Executed (Closed)	
US Bank Chase Bank, N.A.	Jersey City	Hudson	\$187,781,000	10	\$62,265,579	2,150	0	0	Mega Project	Transit Oriented Development; Jobs with salary in excess of \$20,000; Average of County Average; New/Retained F/T Jobs; Targeted Industry (Finance)	Finance	105,069	Non-Industrial	7/9/2015	10/6/2016		2018			Incentive Agreement Executed (Closed)	
Seaside Executive USA, Inc. (J)	Bridgewater	Somerset	\$1,500,000	10	\$132,000	80	0	0	Priority Area	N/A	N/A	4,012	Non-Industrial	7/9/2015		5/7/2016				Incentive Agreement Executed (Closed)	
Beste HealthCare Building, Inc. and Health Attributes, Reg. Center, Inc. (J)	Bridgewater	Somerset	\$14,455,000	10	\$60,000,000	377	59	0	Priority Area	Capital Investment in Excess of Minimum (Non-Mega); Jobs with Salary in Excess of County Average; Targeted Industry (Manufacturing)	Manufacturing	170,270	Industrial	7/9/2015		7/7/2016				Incentive Agreement Executed (Closed)	
Marshall Bank Branch Atlantic, LLC	Milwauk	Bergen	\$16,665,000	10	\$42,000,000	81	152	0	Mega Project	Transit Oriented Development; Jobs with salary in excess of County Average; Large Number of New/Retained F/T Jobs; Targeted Industry (Manufacturing)	Manufacturing	147,077	Non-Industrial	7/9/2015						Incentive Agreement Not Executed - in Conditions	
Best Imaging, LLC (J)	Carlinville	Bergen	\$1,950,000	10	\$1,407,798	110	0	0	Priority Area	Targeted Industry (Manufacturing); Capital Investment in Excess of Minimum (Non-Mega); Targeted Industry (Manufacturing)	Manufacturing	18,700	Industrial	7/9/2015						Incentive Agreement Not Executed - in Conditions	
Capitol, Inc. (J)	North Park	Morris	\$2,430,000	10	\$1,314,086	65	0	4	Priority Area	Capital Investment in Excess of Minimum (Non-Mega); Targeted Industry (Manufacturing)	Manufacturing	15,481	Industrial	8/17/2015	7/9/2016	8/7/2017	2016			Incentive Agreement Not Executed - in Closing Documents	
Roby Pro-Finish, Inc.	Horence	Burlington	\$27,407,030	10	\$22,005,889	80	171	388	Mega Project	Large Number of New/Retained F/T Jobs; Mega Ind. Project w/ Cap. Inv. in Excess of Min.	N/A	29,715	Industrial	8/17/2015							Incentive Agreement Not Executed - in Conditions

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At Risk Jobs	Estimated Construction Jobs	Base Grant (Location)	Benefits	Targeted Industry (If applicable)	New or Improved Space (sq. ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (If applicable)	Date Closed**	Anticipated Completion	Minimum Capital Investment Requested	Capital Investment (If Issued)	Project Status
South Jersey Gateway	Atlantic City	Atlantic	\$12,652,180	10	\$43,320,082	0	167	353	OSOZ	Deep Poverty Pocket; Jobs with Salary in Excess of County Average; Industry Energy; 2007 Rev. Indus-485 in Atlantic	Energy	72,000	Non-Industrial	8/11/2015			2018			Incentive Agreement Not Executed - in Conditions
St. Charles Memorial Blvd. Services, LLC and Affiliates	Gloucester	Gloucester	\$3,575,000	10	\$1,048,000	85	0	5	Priority Area	Targeted Industry (Life Sciences); 2007 Rev. Indus-485 in Atlantic	Life Sciences	11,978	Non-Industrial	9/10/2015		9/13/2016	2015			Incentive Agreement Executed (Closed)
Midwest Capital, LLC	Jersey City	Hudson	\$3,375,000	10	\$1,005,000	45	0	3	HUB	Transit Oriented Development; Targeted Industry	Finance	15,275	Non-Industrial	9/10/2015		9/23/2015	2015			Incentive Agreement Executed (Closed)
Avira, Inc. (I)	Berkley Heights	Union	\$3,656,000	10	\$1,148,400	75	100	8	Priority Area	Targeted Industry (Life Sciences); 2007 Rev. Indus-485 in Atlantic	Technology	27,933	Non-Industrial	9/10/2015			2016			Incentive Agreement Not Executed - in Closing Services
Cherish House Products, Inc.	Logan	Gloucester	\$2,430,000	10	\$48,558,871	125	176	319	Mega Project	Large Number of New/Retained Full-Time Jobs; Targeted Industry (Manufacturing); Mega OSOZ Ind. Project w/ Cap. Inv. in Excess of \$1M	Manufacturing	350,000	Industrial	9/10/2015	7/13/2017		2018			Incentive Agreement Not Executed - in Conditions
GLR Capital, LLC and Affiliates	Camden	Camden	\$146,393,900	10	\$146,393,900	285	62	1,274	OSOZ	Transit Oriented Development; Jobs with Salary in Excess of County Average; Excess LEEDS Silver or Substantial Env.	N/A	714,560	Industrial	9/10/2015	12/13/2016		2018			Incentive Agreement Not Executed - in Conditions
GRILLERS, LLC	Jersey City	Hudson	\$11,050,000	10	\$6,800,000	130	0		HUB	Transit Oriented Development; Jobs with Salary in Excess of County Average; Excess LEEDS Silver or Substantial Env.	N/A	35,990	Non-Industrial	10/15/2015	1/12/2016	10/25/2016	2016			Incentive Agreement Executed (Closed)
Innovator, Inc. (I)	Red Bank	Monmouth	\$7,650,000	8	\$1,282,363	50	90	10	Priority Area	Targeted Industry (Manufacturing)	Manufacturing	37,000	Non-Industrial	10/15/2015		5/5/2017	2016			Incentive Agreement Executed (Closed)
UCC Systems, Inc.	Hoboken	Hudson	\$22,803,800	10	\$9,338,037	200	140	49	HUB	Transit Oriented Development; Jobs with Salary in Excess of County Average; Excess LEEDS Silver or Substantial Env.	Technology	95,990	Non-Industrial	10/15/2015		12/14/2016	2015			Incentive Agreement Executed (Closed)
Greener Solutions E-Systems USA, Inc. and Affiliates	Newark	Essex	\$17,102,420	10	\$16,497,694	483	122		HUB	Deep Poverty Pocket; Transit Oriented Development; Large Number of New/Retained Full-Time Jobs	N/A	248,331	Non-Industrial	10/15/2015	11/17/2016	9/28/2017	2018			Incentive Agreement Not Executed - in Closing Services

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth/Projects Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At Risk Jobs	Eliminated Construction Jobs	Base Grant (Location)	Bonus	Targeted Industry (if applicable)	Number of Jobs Created (Net IL)	Industrial or Non-Industrial	Date Approved	Date Modified (if applicable)	Date Closed*	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (if Issuance)	Project Status
Standard Data Systems, Inc.	Irving City	Hudson	\$8,941,500	10	\$2,717,824	75	160	11	HUB	Targeted Industry: Finance Jobs with Salary in Excess of County Average Targeted Industry	Finance	41,061	Non-Industrial	10/15/2015			2015			Incentive Agreement Not Executed - In Going Services
FRANK COZZI TRAVEL SERVICES, LLC and TRAVEL COZZI, LLC, INC. II	Morrisville	Bergen	\$7,993,750	10	\$9,151,109	0	405	40	Priority Area	Large Number of New/Retained FT Jobs	N/A	70,839	Non-Industrial	10/15/2015		9/23/2016	2016			Cancelled by Traveler - Aggregate
Genet Medical Company, LLC and Municipalities II	Voortees	Camden	\$550,000	10	\$1,675,000	10	20		Priority Area	Jobs with Salary in Excess of County Average Targeted Industry	Manufacturing	11,000	Non-Industrial	11/13/2015		7/29/2016	2016			Incentive Agreement Executed (Closed)
Frederick Logistics, Inc.	Searsious	Hudson	\$20,000,000	10	\$4,468,779	353	0		Distressed Municipality	Capital Investment in Excess of Minimum (Non-Mega); Large Number of New/Retained FT Jobs Targeted Industry (Manufacturing)	Manufacturing	57,654	Industrial	11/13/2015		6/27/2016	2016			Incentive Agreement Executed (Closed)
IRAK, INC.	Camden	Camden	\$17,100,000	10	\$1,350,000	0	114		GSSZ	Deep Poverty Area; Transit Oriented Development	N/A	17,180	Industrial	11/13/2015		10/4/2017	2016			Non-Inv. Agreement Not Executed - In Conditions
St. John's Catholic School, St. John's Medical	Clifton/Halley	Passaic/Ester	\$16,917,500	10	\$5,158,000	271	0		Distressed Municipality	Jobs with Salary in Excess of County Average; Large Number of New/Retained FT Jobs Targeted	Health	236,576	Non-Industrial	11/13/2015			2017			Incentive Agreement Not Executed - In Conditions
Radio and Video Labs, LLC	Pennsauken	Camden	\$1,475,500	10	\$1,673,058	35	0		Distressed Municipality	Capital Investment in Excess of Minimum (Non-Mega); Targeted Industry (Manufacturing); 2007 Rev. Indes-465 in Camden	Manufacturing	120,960	Industrial	11/13/2015		6/24/2016	2016	\$1,612,000	\$285,105	Granted by Traveler - Annual Invoice
ACME Cosmetics Components, LLC	Sparrow	Hudson	\$4,500,000	10	\$2,735,000	90	0	1	Distressed Municipality	Capital Investment in Excess of Minimum (Non-Mega); Targeted Industry (Manufacturing)	Manufacturing	78,281	Industrial	12/4/2015		9/15/2016	2016			Incentive Agreement Executed (Closed)

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NEW BREWERY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Grants - Projects Under An Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Jobs Retained At Risk	Estimated Construction Jobs	Base Grant (Location)	Benefit	Targeted Industry (if applicable)	New or Improved Space (sq. ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (if applicable)	Date Closed**	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (if issuance)	Project Status
BRYE CATHART LLC	Pennsauken	Camden	\$1,730,000	10	\$5,350,000	36	0	0	Distressed Municipality	Transit Oriented Development, Capital Investment in Excess of Minimum (non-Mega); Targeted Industry (Manufacturing); 2007 Specific Interests in Certain	Manufacturing	58,678	Industrial	11/18/2015		7/9/2017	2016			Investive Agreement Executed (Closed)
MAC TRADER LEASING, LLC	Newark	Essex	\$1,895,050	10	\$1,104,115	25	15	4	HUB	Deep Poverty Pockets; Transit Oriented Development; Targeted Industry (Logistics)	Logistics	11,437	Non-Industrial	12/18/2015		10/19/2016	2016			Investive Agreement Executed (Closed)
TRANE HOLDINGS LLC and affiliates	Brick	Ocean	\$4,101,250	10	\$2,815,000	61	71	13	Distressed Municipality	On Site Solar Generation of 1/2 of Project's Elec. Needs	N/A	30,000	Non-Industrial	12/18/2015	5/13/2016		2017			Investive Agreement Not Executed - in Conditions
ARLIS CHURCHILL/ARLIS US, INC. III	West Windsor	Mercer	\$5,825,000	10	\$5,134,493	90	0	22	Priority Area	Transit Oriented Development; R&D; Salary in Excess of County Avg.; Targeted Industry (Life Sciences)	Life Sciences	36,601	Non-Industrial	1/12/2016		1/12/2017	2019			Investive Agreement Executed (Closed)
CJ INDUSTRIES LLC	Jersey City	Hudson	\$11,550,000	10	\$2,565,880	110	0	15	HUB	Transit Oriented Development; Capital Investment in Excess of Minimum (non-Mega); Targeted Industry	Manufacturing	34,107	Industrial	1/12/2016		9/15/2016	2016			Investive Agreement Executed (Closed)
REINFORCE COGNITIVE CORP.	Newark	Essex	\$19,850,000	10	\$57,860,000	275	315	422	Mega Project	Deep Poverty Pockets; Large Number of New/Hires/FT Jobs; Targeted Industry (Manufacturing); Mega Proj. in Excess of Cap. Inv. in Excess of	Manufacturing	706,083	Industrial	1/12/2016		5/2/2017	2017			Investive Agreement Executed (Closed)
NYS Low Carbon Alcohol Inc.	Secaucus	Hudson	\$2,850,000	10	\$3,200,000	0	114	19	Distressed Municipality	Jobs with Salary in Excess of County Average; Targeted Industry (Logistics)	Logistics	44,146	Non-Industrial	1/12/2016			2016			Investive Agreement Executed (Closed)
BRUNSON DISTRIBUTION CORP.	Bygone	Hudson	\$2,400,000	10	\$1,148,670	40	0	3	Distressed Municipality	Transit Oriented Development	N/A	50,740	Non-Industrial	1/12/2016		10/19/2016	2016			Investive Agreement Executed (Closed)
USA North America, Inc. (I)	Bridgewater	Somerset	\$11,011,500	10	\$6,199,870	150	450	48	Priority Area	Large Number of New/Hires/FT Jobs; Targeted Industry (Manufacturing); Mega Proj. in Excess of Cap. Inv. in Excess of	Manufacturing	112,714	Non-Industrial	1/12/2016			2017			Investive Agreement Not Executed - in Closing Sectors
Z. Directbase, LLC	Jersey City	Hudson	\$8,075,000	10	\$1,034,280	121	0	6	HUB	Transit Oriented Development; Targeted Industry (Finance)	Finance	15,212	Non-Industrial	1/12/2016		9/14/2017	2016			Investive Agreement Not Executed - in Conditions

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Grant Projects Under TU Economic Opportunity #41

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At Risk Jobs	Estimated Construction Jobs	Base Grant (Basis)	Bonuses	Targeted Industry (if applicable)	New or Improved Space (sq. ft.)	Industrial or Non-Industrial	Date Approved	Days Identified (if applicable)	Days Construct*	Anticipated Completion	Minimum Investment Required	Capital Investment (if financed)	Project Status
Shoreman Fabricators, LLC	Bayonne	Hudson	\$1,775,000	10	\$1,940,000	30	0	2	Depressed Municipality	Trade Oriented Development; Capital Investment in Excess of Minimum (non-Mega); Jobs w/ Salary in Excess of County Avg. Targeted Industry (Manufacturing)	Manufacturing	60,008	Industrial	1/17/2016		9/27/2016	2016	\$1,121,160	\$1,538,577	Capital Agreement Executed (Closed)
Ferrero USA, INC. (LLC)	Parippany-Troy Hills	Morris	\$1,420,000	10	\$5,066,900	50	128	41	Priority Area		n/a	50,069	Non-Industrial	2/9/2016		10/17/2016	2016			Incentive Agreement Executed (Closed)
Essex Street Supply, LLC (LLC)	Somerset	Somerset	\$2,855,000	10	\$3,200,000	35	131	23	Priority Area		n/a	63,818	Non-Industrial	2/9/2016		7/13/2017	2016			Incentive Agreement Executed (Closed)
USA Warehouse, LLC	Jersey City	Hudson	\$3,400,000	10	\$455,000	45	0	3	HUB	Deep Poverty Pocket; Trade Oriented Development; Capital Investment in Excess of Minimum (non-Mega); Targeted Industry (Manufacturing)	Manufacturing	3,726	Industrial	3/9/2016		11/28/2016	2016			Incentive Agreement Executed (Closed)
World Business Leaders, LLC	Jersey City	Hudson	\$16,875,000	10	\$1,107,400	235	0	12	HUB	Trade Oriented Development; Targeted Industry (Finance)	Finance	35,040	Non-Industrial	2/9/2016		4/15/2016	2016	\$1,401,600	\$1,463,856	Capital Agreement Executed - In Conditions
Confidential Solutions, LLC	Jersey City	Hudson	\$4,400,000	10	\$1,427,050	55	0	7	HUB	Trade Oriented Development; Jobs w/ Salary in Excess of County Avg. Targeted Industry (Finance)	Finance	13,000	Non-Industrial	3/17/2016		10/13/2016	2016			Incentive Agreement Executed (Closed)
Truon, LLC (LLC)	Parippany-Troy Hills	Morris	\$5,043,810	10	\$5,421,773	54	191	20	Priority Area	Large Number of New/Retained FT Jobs; Targeted Industry (Technology)	Technology	65,758	Non-Industrial	3/17/2016			2016			Incentive Agreement Not Executed - In Conditions
Summit, LLC (LLC)	Borough/Teterboro	Somerset/Bergen	\$10,314,100	10	\$7,570,844	60	464	260	Priority Area	Capital Investment in Excess of Minimum (non-Mega); Large Number of New/Retained FT Jobs; Targeted Industry (Manufacturing)	Manufacturing	439,868	Industrial	3/17/2016			2016			Incentive Agreement Not Executed - In Conditions
United States Fire Equipment Company	Jersey City	Hudson	\$8,000,000	10	\$4,654,240	100	0	17	HUB	Trade Oriented Development; Jobs w/ Salary in Excess of County Average; Targeted Industry (Finance)	Finance	35,040	Non-Industrial	3/17/2016		10/19/2016	2017			Incentive Agreement Not Executed - In Conditions

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Grant/Project Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Rebased At-Risk Jobs	Estimated Construction Jobs	Base Grant (Location)	Business	Targeted Industry (if applicable)	New or Improved Space (sq. ft.)	Industry or Non-Industrial	Date Approved	Date Modified (if applicable)	Date Completed	Anticipated Completion	Minimum Capital Investment (\$Million)	Capital Investment (if Insurance)	Project Status	
American Process LLC	Camden	Camden	\$7,950,000	10	\$8,830,000	8	45	1	OSGZ	Deep Poverty Relief, Neighborhood, Transit Oriented Development, Targeted Industry (Manufacturing), Mega/OSGZ Ind. Project w/ Cap. Inv. Excess of Min. 2007 Statewide Jobs in Camden.	Manufacturing	97,793	Industrial	4/12/2016		3/12/2016	2016			Incentive Agreement Executed (Closed)	
Estaco-Parrell LLC	Glassboro	Gloucester	\$4,875,000	10	\$6,544,000	65	65	51	Distressed Municipality	2007 Revt. Index-465 in Gloucester.	N/A	158,209	Non-Industrial	4/12/2016		3/11/2017	2017			Incentive Agreement Executed (Closed)	
Orlando Community Worldwide LLC, III	Partispany-Troy Hills	Morris	\$11,140,000	10	\$11,314,656	60	447	55	Priority Area	Jobs with Salary in Excess of County Average; Large Number of New/Retained FT Jobs	N/A	43,497	Non-Industrial	4/12/2016		3/29/2017	2017			Incentive Agreement Executed (Closed)	
Quincy Services, Inc./Quincy Microbusiness LLC	Horsene	Burlington	\$22,875,000	10	\$41,171,455	220	170	182	Mega Project	Transit Oriented Development; Large Number of New/Retained FT Jobs	N/A	377,440	Non-Industrial	4/12/2016		4/7/2017	2017			Incentive Agreement Not Executed - In Closing Services	
SAJIE Electronics Corporation II	Montvale	Bergen	\$5,920,000	10	\$7,297,886	0	146		Priority Area	Jobs with Salary in Excess of County Average; Large Number of New/Retained FT Jobs	N/A	106,248	Non-Industrial	4/12/2016			2016			Incentive Agreement Not Executed - In Closing Services	
SAVIA DBA: MORA LOGISTICS, INC.	Pennington	Camden	\$18,441,120	10	\$11,562,935	162	157	87	Distressed Municipality	Jobs with Salary in Excess of County/OSGZ Average; Large Number of New/Retained Full Time Jobs; Targeted Industry (Health); 2007 Revt. Index-465 in Camden.	Health	127,231	Non-Industrial	4/12/2016			2019				Incentive Agreement Not Executed - In Contention

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At-Risk Jobs	Estimated Construction Jobs	Base Grant (Location)	Base Grant (Priority Area)	Jobs with Salary in Excess of County Average	Number of New/Retained FT Jobs/Targeted Industry Life	Targeted Industry (If applicable)	New or Improved Space (sq. ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (If applicable)	Date Closed**	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (At Issuance)	Project Status
MARSHFIELD ENTERPRISES, LLC (1)	Warren	Bergen	\$10,317,500	10	\$16,643,500	317	143		Priority Area		Jobs with Salary in Excess of County Average	Number of New/Retained FT Jobs/Targeted Industry Life	Life Sciences	157,516	Non-Industrial	4/12/2016	8/9/2016	8/9/2016	2016			Investive Agreement Not Executed - In Conditions
MARSHFIELD, INC.	Unplanned	Cumberland	\$2,887,500	10	\$16,675,000	15	36	53	Distressed Municipality		Jobs with Salary in Excess of County Average	Number of New/Retained FT Jobs/Targeted Industry Life	Manufacturing	60,000	Industrial	4/12/2016			2018			Investive Agreement Not Executed - In Conditions
SCIENCE EASTMAN-KODAKS, LLC	Vineyard	Cumberland	\$8,335,000	10	\$37,795,000	0	185		Distressed Municipality		Capital Investment in Excess of Minimum (with Targeted Jobs with Salary in Excess of County Average)	Number of New/Retained FT Jobs/Targeted Industry Life	Manufacturing	650,000	Industrial	4/12/2016			2018			Possible Workdown Expected
NEW TECHNOLOGIES, LLC	Summit	Union	\$3,150,000	10	\$9,191,000	45	0	5	Priority Area		Transit Oriented Development Jobs with Salary in Excess of County Average	Number of New/Retained FT Jobs/Targeted Industry Life	Life Sciences	9,140	Non-Industrial	5/13/2016		2/27/2017	2016			Investive Agreement Executed (Closed)
MOOREHEAD, INC.	Hoboken	Hudson	\$7,000,000	10	\$10,813,163	100	0	64	MUB		Development Jobs with Salary in Excess of County Average	Number of New/Retained FT Jobs/Targeted Industry Life	Manufacturing	98,975	Non-Industrial	5/13/2016		1/13/2016	2017			Investive Agreement Executed (Closed)
PERI-DENTAL-CORPORATION, LLC (1)	Hamilton	Mercer	\$1,000,000	10	\$1,046,087	80	0	5	Priority Area		Transit Oriented Development Jobs with Salary in Excess of County Average	Number of New/Retained FT Jobs/Targeted Industry Life	Technology	9,798	Non-Industrial	5/13/2016		2/19/2017	2018			Investive Agreement Executed (Closed)
SCORUS, LLC, INC.	Secaucus	Hudson	\$4,483,750	10	\$5,175,000	0	211	29	Distressed Municipality		Jobs with Salary in Excess of County Average	Number of New/Retained FT Jobs/Targeted Industry Life	N/A	88,501	Non-Industrial	5/13/2016	2/14/2017	4/7/2017	2017			Investive Agreement Executed (Closed)
WALSHMAN, LLC (1)	Honolulu	Monmouth	\$15,733,340	10	\$7,202,273	347	154	32	Priority Area		Jobs with Salary in Excess of County Average	Number of New/Retained FT Jobs/Targeted Industry Life	Technology	71,314	Non-Industrial	5/13/2016		2/2/2017	2018			Investive Agreement Executed (Closed)

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NEW HERRY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under NE Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Job	Retained At Risk Job	Estimated Construction Jobs	Base Grant (Location)	Benefits	Targeted Industry (If applicable)	New or Improved Space (sq. ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (If applicable)	Date Closed*	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (At Issue)	Project Status
QUEST DEVELOPMENT INCORPORATED	Secaucus	Hudson	\$1,591,750	10	\$19,844,611	0	595	174	Distressed Municipality	Jobs with Salary in Excess of County Average; Large Average; Large Jobs; Targeted Industry (Health); Exceeds LEEDs Silver or Substantial Env.	Health	130,702	Non-Industrial	5/13/2016		11/17/2017	2017			Incentive Agreement Not Executed - in Closing Senses
ES&S, Inc. (I)	West Windsor	Mercer	\$1,285,000	10	\$3,285,399	0	286	10	Priority Area	Number of New/Retained FT Jobs	N/A	47,015	Non-Industrial	5/13/2016		5/16/2017	2017			Incentive Agreement Not Executed - in Contention
TECH MEDIA NORTH AMERICA, INC.	Jersey City	Hudson	\$1,731,500	10	\$11,352,935	215	0	0	MSB	Transit Oriented Development with Salary in Excess of County Average; Targeted Industry (Finance); Exceeds LEEDs Silver or Substantial Env.	Finance	48,360	Non-Industrial	5/13/2016			2017			Incentive Agreement Not Executed - in Contention
ES&S, Inc. (I) (Municipal)	Secaucus	Hudson	\$4,350,000	10	\$4,939,500	45	110	17	Distressed Municipality	Jobs with Salary in Excess of County Average	N/A	48,500	Non-Industrial	6/14/2016		5/16/2017	2019			Incentive Agreement Executed (Closed)
CLUS, Inc. (I)	Holmdel	Monmouth	\$38,235,000	10	\$11,116,551	390	552	127	Priority Area	Large Number of New/Retained FT Jobs; Targeted Industry (Technology); Exceeds LEEDs Silver or Substantial Env. (1,000,000 sq. ft.)	Technology	139,327	Non-Industrial	6/14/2016		5/17/2017	2019			Incentive Agreement Executed (Closed)
Manhattan Telecommunications Corporation, LLC	Holmdel	Monmouth	\$4,000,000	10	\$1,892,000	100	0	12	Priority Area	Vacant Commercial Building in excess of 100,000 sq. ft. Jobs with Salary in Excess of MSB	N/A	30,000	Non-Industrial	6/14/2016		2/27/2017	2019			Incentive Agreement Executed (Closed)
The Highest Company	Trenton	Mercer	\$33,670,000	10	\$10,124,914	0	139	16	MSB	Average; Large Number of New/Retained FT Jobs; Targeted Industry (Manufacturing); Exceeds LEEDs Silver or Substantial Env. (1,000,000 sq. ft.)	Manufacturing	260,000	Industrial	6/14/2016		5/17/2017	2018			Incentive Agreement Executed (Closed)

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved General Project Under All Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Job	Retained At Risk Job	Estimated Construction Job	Area Grant (Location)	Bonuses	Targeted Industry (if applicable)	New or Improved Space (sq. ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (if applicable)	Date Closed**	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (at Incentive)	Project Status
Edison Lithograph & Printink Corp. dba Edison Solutions LLC	Paterson	Camden	\$8,075,000	10	\$4,470,000	95	0	0	Distressed Municipality	Capital Investment in Excess of Minimum (non-Mega); Targeted Industry (Manufacturing); 2007 Rev. Index 485 in Camden County	Manufacturing	114,885	Industrial	6/14/2016		2017			Incentive Agreement Not Executed - In Contingency	
Greiner CleanCo, Inc.	Camden	Camden	\$5,180,000	10	\$1,391,987	0	44	4	OSGZ	OSGZ Priority Area; Targeted Industry (Manufacturing); 2007 Rev. Index 485 in Camden	n/a	16,500	Non-Industrial	6/14/2016		2017			Incentive Agreement Not Executed - In Contingency	
Mobile Business Process LLC (J)	Mahwah	Bergen	\$2,851,960	10	\$2,100,000	71	151	2	Priority Area	Capital Investment in Excess of Minimum (non-Mega); Targeted Industry (Manufacturing)	Manufacturing	84,000	Industrial	6/14/2016		2019			Incentive Agreement Not Executed - In Contingency	
US Molding Business, Inc.	Elizabeth	Union	\$17,000,000	10	\$1,249,999	200	0	0	HUB	Deep Poverty Pocket or Choice Neighborhood Transfer Development	n/a	16,204	Non-Industrial	6/14/2016		2019			Incentive Agreement Not Executed - In Contingency	
Clear Mobile LLC	Jersey City	Hudson	\$6,135,000	10	\$1,384,000	61	102	4	HUB	Transit Oriented Development; Targeted Industry (Health)	Health	23,390	Non-Industrial	7/14/2016	5/12/2017	2017			Incentive Agreement Executed (Closed)	
RVX Enterprises, Inc.	Jersey City	Hudson	\$8,120,000	10	\$2,450,000	112	0	14	HUB	Transit Oriented Development; Targeted Industry (Health); with Salary in Excess of County/OSGZ Average	n/a	21,204	Non-Industrial	7/14/2016	4/11/2017	2017			Incentive Agreement Executed (Closed)	
East A. Young LLC	Hoboken	Hudson	\$39,775,000	10	\$54,049,371	430	0	225	HUB	Transit Oriented Development; Jobs with Salary in Excess of County/OSGZ Average; Large Number of New/Retained Full-Time Jobs; Targeted Industry (Finance); Exceeds LEEDS Silver or Substantial Env.	Finance	183,165	Non-Industrial	7/14/2016		2017			Incentive Agreement Not Executed - In Contingency	
Martel & McGinnis Companies, Inc.	Hoboken	Hudson	\$31,668,750	10	\$22,881,194	0	475	110	HUB	Transit Oriented Development; Jobs with Salary in Excess of County/OSGZ Average; Large Number of New/Retained Full-Time Jobs; Targeted Industry (Finance)	Finance	138,664	Non-Industrial	7/14/2016	8/23/2017	2017			Incentive Agreement Not Executed - In Contingency	

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under All Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At Risk Jobs	Estimated Construction Jobs	Base Grant Location	Revolves	Targeted Industry (If applicable)	New or Improved Space (sq. ft.)	Industrial/Non-Industrial	Date Approved	Date Modified (If applicable)	Days Closed**	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (If Insured)	Project Status	
MASSO PAPER & EQUIPMENT (US, II)	Franklin	Bergen	\$4,185,000	10	\$6,473,000	49	26	41	Priority Area	Capital Investment in Excess of Minimum Salary in Excess of County/OSSE Average; Targeted Industry (Manufacturing)	Manufacturing	40,000	Industrial	7/14/2016		9/18/2017	2019			Incentive Agreement Not Executed - In Closing Stages	
ZULKA AMERICAN LABOR BANK COMPANY	Jersey City	Hudson	\$4,350,000	10	\$12,882,000	214	0	0	HUB	Transit Oriented Development; Jobs with Salary in Excess of County/OSSE Average; Large Number of New/Retained Full-Time Jobs; Targeted Industry (Finance)	Finance	64,413	Non-Industrial	7/14/2016			2017				Incentive Agreement Not Executed - In Closing Stages
ESSI DATA COORDINATION	Jersey City	Hudson	\$4,350,000	10	\$4,721,105	50	0	2	HUB	Transit Oriented Development; Jobs with Salary in Excess of County/OSSE Average; Targeted Industry (Finance)	Finance	6,319	Non-Industrial	7/14/2016		11/29/2016	2016				Incentive Agreement Not Executed - In Closing
LIQUID ASSOCIATES COMM II	Hugoboth Park	Bergen	\$492,720	10	\$2,580,350	102	0	8	Priority Area	Capital Investment in Excess of Minimum Industry (Manufacturing)	Manufacturing	29,200	Industrial	7/14/2016			2017				Incentive Agreement Not Executed - In Closing
MAXIMUS LLC	Parsippany	Camden	\$7,000,000	10	\$969,932	70	0	6	City Area & Municipality	Capital Investment in Excess of Minimum Industry (Manufacturing); Targeted Industry (Manufacturing); 2007 Best. Index-485 in Camden; Red Area w/in 1/2 Mile of I US Hwy and 2 1/2 Hwy's	Manufacturing	40,000	Industrial	7/14/2016			2017				Incentive Agreement Not Executed - In Closing
New Home, LLC	Newark	Essex	\$5,075,000	10	\$14,800,000	70	0	283	HUB	Deep Poverty Pocket or Cluster Neighborhood; Jobs with Salary in Excess of County/OSSE Average; Targeted Industry (Manufacturing)	Transportation	90,874	Non-Industrial	7/14/2016			2019				Incentive Agreement Not Executed - In Closing
DOMESTIC GROUP, LLC	Jersey City	Hudson	\$39,440,000	10	\$17,040,682	693	0	68	HUB	Transit Oriented Development; Jobs with Salary in Excess of County/OSSE Average; Large Number of New/Retained Full-Time Jobs	N/A	79,771	Non-Industrial	7/14/2016			2017				Incentive Agreement Not Executed - In Closing

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At-Risk Jobs	Estimated Construction Jobs	Base Grant (location)	Request	Targeted Industry (if applicable)	New or Improved Space (sq. ft.)	Industrial or Non-Industrial	Date Approved	Date Closed*	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (if issued)	Project Status
VERANDA DATE ESTABLISH, LLC	Centere	Madison	\$7,800,000	10	\$21,830,000	104	0	92	Distressed Municipality	Capital investment in local area (non-targeted industry) (Manufacturing)	Manufacturing	152,000	Industrial	7/17/2015		2018			Incentive Agreement Not Executed - in Conditions
ACTEGA NORTH AMERICA, LLC	Camden	Camden	\$40,000,000	10	\$40,882,760	21	79	87	GSSE		Manufacturing	130,000	Industrial	8/9/2015		2018			Incentive Agreement Not Executed - in Conditions
ALPHASYS, LLC	Madison	Morris	\$58,784,000	10	\$139,700,000	300	1,019	185	Mega Project	Jobs with Salary in County/GSSE Average; Large Number of New/Retained Full-Time Jobs; Targeted Industry (Life Sciences)	Life Sciences	431,495	Non-Industrial	8/9/2015		2019			Incentive Agreement Not Executed - in Conditions
BIOSCIENCE CAPITAL PARTNERS, LLC	Newark	Essex	\$73,408,000	10	\$33,411,834	0	553	114	HUB	Deep Poverty Pocket or Choice Neighborhood; Transit Oriented Development; Jobs Development; Targeted Industry (Manufacturing); Large Number of New/Retained Full-Time Jobs; Targeted Industry (Finance)	Finance	142,842	Non-Industrial	8/9/2015		2017			Incentive Agreement Not Executed - in Conditions
ROBERT LOMBARD CO.	Camden	Camden	\$18,300,000	10	\$6,850,000	30	92	11	GSSE	Deep Poverty Pocket or Choice Neighborhood; Transit Oriented Development; Targeted Industry (Manufacturing); Mega/GSSE Ind. Project w/ Cap. Inv. in Excess of Min. 2007 Revit. Index > 45 in Camden	Manufacturing	141,500	Industrial	8/9/2015		2017			Incentive Agreement Not Executed - in Conditions
PSYCHOPART, INC. III	Paramus	Bergen	\$1,731,250	10	\$5,550,000	82	35	39	Priority Area	Jobs with Salary in Excess of County/GSSE Average; Targeted Industry (Life Sciences);	Life Sciences	65,000	Non-Industrial	8/9/2015	10/10/2017	2017			Incentive Agreement Not Executed - in Conditions
WINDFLOW CORP.	Winslow Twp.	Camden	\$1,312,500	10	\$1,032,500	8	19	5	Distressed Municipality	Capital Investment in (non-Mega); Targeted Industry (Manufacturing);	Manufacturing	18,319	Industrial	8/9/2016		2017			Incentive Agreement Not Executed - in Conditions

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained or Risk Jobs	Estimated Construction Jobs	Base Grant (Location)	Bonuses	Targeted Industry (If applicable)	New or Reopened Space (Sq. Ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (If applicable)	Date Closed*	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (at issuance)	Project Status
Business Corporation	Jersey City	Hudson	\$10,000,000	10	\$11,393,084	140	0	0	HUB	Trans-Oriented Development; Jobs w/ Salary in Excess of County Avg; Targeted Jobs; Targeted Industry (Technology)	Technology	77,998	Non-Industrial	9/9/2016	11/17/2016	5/30/2017	2018			Incentive Agreement Executed (Closed)
Freedom Mortgage Subsidiary, LLC	Elizabeth	Burlington	\$14,000,000	10	\$1,395,750	150	0	2	Priority Area	Large Number of Jobs; Targeted Industry (Financial)	Finance	32,100	Non-Industrial	9/9/2016		5/16/2017	2019			Incentive Agreement Executed (Closed)
New York Equol, LLC	Garfield	Middlesex	\$8,750,000	10	\$1,954,655	150	0	9	Distressed Municipality	Capital Investment in Targeted Industry (Manufacturing)	Manufacturing	84,360	Industrial	9/9/2016			2017			Incentive Agreement Executed (Closed)
ORCA USA, LLC	Wallington	Bergen	\$1,000,000	10	\$7,854,680	44	112	38	Priority Area		N/A	75,410	Non-Industrial	9/9/2016			2017			Incentive Agreement Not Executed - in Conditions
Emu Solutions Sports, LLC	Jersey City	Hudson	\$1,400,000	10	\$572,357	40	0	3	HUB	Capital Investment in Excess of Minimum; Targeted Industry (Manufacturing)	Manufacturing	16,865	Industrial	9/9/2016			2017			Incentive Agreement Not Executed - in Conditions
EmuSports, LLC	Jersey City	Hudson	\$1,157,000	10	\$1,640,000	39	31	5	HUB	Trans-Oriented Development; Jobs w/ Salary in Excess of County Avg; Targeted Industry (Technology)	Technology	12,860	Non-Industrial	10/14/2016		7/11/2017	2017			Incentive Agreement Not Executed - in Closing Process
The Interpublic Group of Companies, LLC	Jersey City	Hudson	\$9,015,000	10	\$1,200,000	110	0	15	HUB	Trans-Oriented Development; Jobs w/ Salary in Excess of County Avg	N/A	20,000	Non-Industrial	10/14/2016		9/7/2017	2017			Incentive Agreement Not Executed - in Closing Process

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At-Risk Jobs	Estimated Construction Jobs	Base Grant (Location)	Revenues	Targeted Industry (If applicable)	New or Improved Square Feet (ft. sq.)	Industrial or Non-Industrial	Date Approved	Date Modified (If applicable)	Date Closed**	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (If Modified)	Project Status
Venue West Limited Liability Partnership, LLC	Franconia	Camden	\$7,228,350	10	\$4,689,973	27	135	18	Distressed Municipality	Targeted Industry (Health); 2007 Rev. Index+15 in Camden	Health	27,500	Non-Industrial	10/14/2016			2017			Receptive Agreement Not Executed - in Closing Process
Advanced Industrial Solutions, LLC	Camden	Camden	\$4,050,000	10	\$1,675,050	27	0	3	GSGZ	Deep Poverty Pocket; Transit Oriented Development; Targeted Industry (Manufacturing); Mega-GSGZ Ind. Project w/ Cap. Inv. in Excess of Min. 2007 Rev. Index+15 in Camden	Manufacturing	17,000	Industrial	10/14/2016			2017			Receptive Agreement Not Executed - in Conditions
Central Jersey COAL LLC	Frenon	Mercer	\$18,965,760	10	\$16,769,268	171	0	55	GSGZ	Deep Poverty Pocket; Transit Oriented Development; Targeted Industry	Manufacturing	69,625	Industrial	10/14/2016			2017			Receptive Agreement Not Executed - in Conditions
Atlantic Computer Solutions, LLC	Atlantic City	Atlantic	\$9,315,000	10	\$5,352,500	38	43	4	GSGZ	Deep Poverty Pocket; Transit Oriented Development; Targeted Industry (Logistics)	Technology	14,160	Non-Industrial	10/14/2016			2017			Receptive Agreement Not Executed - in Conditions
ESM Holdings USA, Inc. (LLC)	Edison	Madison	\$2,088,710	10	\$1,521,528	25	107	7	Priority Area	Targeted Industry (Logistics)	Logistics	21,425	Non-Industrial	10/14/2016		11/24/2017	2018			Receptive Agreement Not Executed - in Conditions
Realtech, Inc.	Camden	Camden	\$118,817,600	10	\$150,317,500	173	92	607	GSGZ	Deep Poverty Pocket; Transit Oriented Development; Targeted Industry (Logistics)	Logistics	38,000	Industrial	10/14/2016			2019			Receptive Agreement Not Executed - in Conditions
Iron Forge, LLC	Jersey City	Hudson	\$10,772,500	10	\$12,960,000	119	0	55	HUB	Transit Oriented Development; Jobs with Salary in Excess of County Average	Logistics	92,720	Non-Industrial	11/17/2016		10/4/2017	2017			Receptive Agreement Not Executed - in Closing Process
USI, Inc.	Paterson	Passaic	\$8,400,000	10	\$2,350,000	30	10	6	GSGZ	Deep Poverty Pocket; Transit Oriented Development; Targeted Industry (Manufacturing); GSGZ Ind. Project w/ Cap. Inv. in Excess of Min	Manufacturing	15,330	Industrial	11/17/2016			2017			Receptive Agreement Not Executed - in Conditions
Essco Manufacturing Co., LLC	Bonbridge	Camden	\$1,258,400	10	\$1,482,500	11	70	3	Priority Area	Capital Investment in Excess of Minimum (non-Mega); Targeted Industry (Manufacturing)	Manufacturing	81,520	Industrial	11/17/2016			2018			Receptive Agreement Not Executed - in Conditions

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Resolved At Risk Jobs	Estimated Construction Jobs	Base Grant (location)	Benefits	Targeted Industry (if applicable)	New or Expanded Space (sq. ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (if applicable)	Date Closed**	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (if insurance)	Project Status	
Suburban LLC	Elizabeth	Union	\$10,000,000	10	\$2,415,000	100	0	10	HUB	Deep Poverty Packet; Capital Investment in Excess of Minimum Industry (Manufacturing)	Manufacturing	75,000	Industrial	11/27/2016			2017			Incentive Agreement Not Executed - In Conditions	
Edgewater Group, LLC	Jersey City	Hudson	\$4,650,000	10	\$1,245,504	50	0	7	HUB	Transit Oriented Development; Jobs w/ Salary in Excess of County Avg; Targeted Industry (Finance)	Finance	17,440	Non-Industrial	12/17/2016		9/28/2017	2017			Incentive Agreement Not Executed - In Conditions	
Coakum Specialty Products, LLC	Franklin	Somerset	\$1,937,500	10	\$4,140,500	10	27	21	Priority Area	Capital Investment in Excess of Minimum Industry (Manufacturing)	Manufacturing	44,932	Industrial	12/13/2016			2017			Incentive Agreement Not Executed - In Conditions	
United Pharmservices, LLC	Jersey City	Hudson	\$1,700,000	10	\$1,900,000	30	0	10	HUB	Transit Oriented Development; Jobs w/ Salary in Excess of County Avg; Targeted Industry (Life Sciences)	Life Sciences	16,000	Non-Industrial	12/13/2016			2017			Incentive Agreement Not Executed - In Conditions	
Vanguard International LLC	Paterson	Passaic	\$29,400,000	10	\$1,800,000	100	110	10	GSZ	Deep Poverty Packet; Transit Oriented Development; Targeted Industry (Manufacturing); Cap. Inv. in Excess of Min	Manufacturing	80,000	Industrial	12/13/2016	1/16/2017		2019			Incentive Agreement Not Executed - In Conditions	
ESL Finance Co., Inc.	Deerfield	Camden	\$28,135,000	10	\$1,454,500	50	180	100	Mega Project	Large Number of New/Reopened FT Jobs; Targeted Industry (Manufacturing); Mega Ind. Project w/ Cap. Inv. in Excess of Min	Manufacturing	100,000	Industrial	1/10/2017	9/22/2017		2018			Incentive Agreement Not Executed - In Conditions	
New Classic Clothing LLC	Woodbridge	Middlesex	\$8,350,000	10	\$1,125,000	110	0	1	Distressed Municipality	Capital Investment in Excess of Minimum Industry (Manufacturing)	Manufacturing	33,000	Industrial	1/10/2017			2017			Incentive Agreement Not Executed - In Conditions	
Buildings First Service, Inc.	Winlow Twp.	Camden	\$6,815,000	10	\$1,075,000	70	42	39	Distressed Municipality	Capital Investment in Excess of Minimum Industry (Manufacturing)	Manufacturing	95,000	Industrial	2/14/2017			2017			Incentive Agreement Not Executed - In Conditions	
Eastern Maritime, LLC	North Bergen	Hudson	\$2,700,000	10	\$445,000	55	0	4	Distressed Municipality	Deep Poverty Packet; Transit Oriented Development; Jobs w/ Salary in Excess of GSZ Avg; Targeted Industry (Manufacturing); GSZ Ind. Project w/ Cap. Inv. in Excess of Min	Manufacturing	14,778	Non-Industrial	2/14/2017			2017			Incentive Agreement Not Executed - In Conditions	
L.E.K. International Corp.	Paterson	Passaic	\$11,685,000	10	\$1,142,993	0	82		GSZ	Deep Poverty Packet; Transit Oriented Development; Jobs w/ Salary in Excess of GSZ Avg; Targeted Industry (Manufacturing); Cap. Inv. in Excess of Min	Manufacturing	38,000	Industrial	2/14/2017			2017				Incentive Agreement Not Executed - In Conditions

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Reached At-Risk Jobs	Eligible Construction Jobs	Base Grant (Location)	Revenues	Targeted Industry (if applicable)	New or Improved Space (sq. ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (if applicable)	Date Closed**	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (if Issued)	Project Status	
MARSHFIELD POLYMER CORP	Princeton	Passaic	\$3,202,500	10	\$610,000	31	34		GS02	Deep Poverty Relief; Trans-Oriented Development Jobs with Salary in Excess of GS02 Average; Targeted Industry (Manufacturing); GS02 Ind. Project w/ Cap. Inv. in Excess of Min	Manufacturing	32,750	Industrial	3/14/2017		3/21/2017	2017			Incentive Agreement Not Executed - in Contention	
SEVEN TRL INC. (LLC)	Middlesex	Middlesex	\$1,141,840	10	\$1,142,350	0	56	1	Priority Area	Capital Investment in Excess of Minimum (Non-Mega); Targeted Industry (Manufacturing)	Manufacturing	28,000	Industrial	2/14/2017			2017			Incentive Agreement Not Executed - in Contention	
MARLBOROUGH EXPRESS LLC	Henry City	Hudson	\$4,812,500	10	\$939,240	55	0	3	HUB	Trans-Oriented Development Jobs with Salary in Excess of County Average; Targeted Industry	Finance	11,831	Non-Industrial	2/14/2017		2/25/2017	2017			Incentive Agreement Not Executed - in Contention	
GUNTER STEAK & BUTCHERY COMPANY, LLC	Camden	Camden	\$8,219,270	10	\$82,240,000	111	157	640	GS02	Capital Investment in Excess of Minimum; Large Number of New/Retained FT Jobs	n/a	132,246	Non-Industrial	3/24/2017			2019			Incentive Agreement Not Executed - in Contention	
DEWAL BROWNS COMPANY	Atlantic City	Atlantic	\$1,097,350	10	\$265,844	15	0	1	GS02	Deep Poverty Relief; Trans-Oriented Development; Targeted Industry (Manufacturing); GS02 Ind. Project w/ Cap. Inv. in Excess of Min; 200' Rent. Index in Atlantic County	Manufacturing	5,540	Industrial	3/24/2017			2017			Incentive Agreement Not Executed - in Contention	
MARLETTA TECHNOLOGICAL, LLC	Trenton	Mercer	\$7,355,000	10	\$1,895,160	343	35	2	GS02	Deep Poverty Relief; Trans-Oriented Development; GS02 - Excess of Minimum; GS02 Ind. Project w/ Targeted Industry (Technology)	Technology	40,000	Non-Industrial	3/24/2017			2019			Incentive Agreement Not Executed - in Contention	
MELLE	Camden	Camden	\$79,317,980	10	\$79,340,000	0	341	666	GS02	Capital Investment in Excess of Minimum; Large Number of New/Retained FT Jobs	n/a	121,862	Non-Industrial	3/24/2017			2019				Incentive Agreement Not Executed - in Contention
THE MICHIGAN ORGANIZATION, LLC	Camden	Camden	\$79,318,750	10	\$79,380,000	87	288	666	GS02	Capital Investment in Excess of Minimum; Large Number of New/Retained FT Jobs	n/a	121,862	Non-Industrial	3/24/2017			2019				Incentive Agreement Not Executed - in Contention

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under RLI Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Job	Resisted At Risk Jobs	Estimated Construction Jobs	Base Grant Location	Bonuses (if applicable)	Targeted Industry (if applicable)	New or Improved Space (sq. ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (if applicable)	Date Closed**	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (if installed)	Project Status
Washington Food Corp.	Perth Amboy	Middlesex	\$39,270,000	10	\$116,111,483	150	172	0	Distressed Municipality	Deep Poverty Packet: n/a Development: Large Number of New/Retained F/T Jobs	n/a	300,250	Non-Industrial	12/24/2017			2019			Interim Agreement Not Executed - in Conditions
Burgundy, Inc.	Paterson	Passaic	\$9,360,000	10	\$5,710,000	16	61	5	OSGZ	Deep Poverty Packet: Targeted Industry Jobs in OSOZ Cap. Inv. in Areas of M/n	Manufacturing	61,086	Industrial	4/13/2017			2018			Interim Agreement Not Executed - in Conditions
Turks & Barbours, Inc. (I)	Passaic	Middlesex	\$6,468,750	10	\$12,665,000	47	251	59	Priority Area	Large Number of New/Retained F/T Jobs on Site Solar Generation of 7% of Project's Elec. Needs	n/a	225,000	Non-Industrial	4/13/2017			2020			Interim Agreement Not Executed - in Conditions
United States Cold Storage, Inc.	Camden	Camden	\$0,290,000	10	\$2,134,750	0	69	12	OSGZ	Deep Poverty Packet: Truck Oriented Development: Jobs with Salary in Excess of County OSOZ Requirements in Targeted Industry (Logistics); 2007 Rev. Ind. 445 in Camden	Logistics	28,815	Non-Industrial	4/13/2017			2018			Interim Agreement Not Executed - in Conditions
Masters of Robo, Inc.	Lakewood	Ocean	\$681,520	10	\$7,560,000	14	0	15	Distressed Municipality	Deep Poverty Packet of Choice Neighborhood: Capital Investment in Excess of State's Mega-Targeted Industry (Manufacturing)	Manufacturing	21,000	Industrial	5/17/2017			2017			Interim Agreement Not Executed - Approval Letter not Signed
Professional Development International, Inc.	Woodcliff Lake	Bergen	\$7,990,230	10	\$12,659,124	265	43	73	Priority Area	Jobs with Salary in Excess of County Average Number of New/Retained F/T Jobs; Targeted Industry	Manufacturing	49,200	Non-Industrial	5/17/2017			2020			Interim Agreement Not Executed - Approval Letter not Signed
East Essex Gardens, LLC	Camden	Camden	\$11,147,360	10	\$24,346,083	55	0	113	OSGZ	Jobs with Salary in Excess of County Average	Finance	77,770	Non-Industrial	5/17/2017			2022			Interim Agreement Not Executed - in Conditions
BALCONIA SPINERS ASSOCIATION, LLC	Hammer	Morris	\$40,000,000	10	\$19,413,570	900	0	72	Priority Area	Jobs with Salary in Excess of County Average Large Number of New/Retained Full Time Jobs; Targeted Industry (Finance)	Finance	111,622	Non-Industrial	5/17/2017			2021			Interim Agreement Not Executed - in Conditions

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Job	Retained At-BH Jobs	Estimated Construction Jobs	Base Grant (Location)	Remits	Targeted Industry (if applicable)	New or Reinvested Space (Sq. Ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (if applicable)	Date Closed**	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (if issued)	Project Status
Madison Mfg. Co., LLC	Nullify	Essex	\$11,317,500	10	\$20,793,088	263	0	86	Mega Project	Jobs with Salary in Excess of \$60,000 Average Wage New/Reinvested Full-Time Jobs; Targeted Industry Manufacturing; Project w/ Cap. Inv. in Excess of \$10,000,000 Construction Building in excess of 3,000,000 sq. ft.	Manufacturing	113,177	Industrial	7/17/2017			2019			Incentive Agreement Not Executed - Approval Letter not Signed
GLUE TECH, LLC	Merz City	Hudson	\$9,900,000	10	\$1,143,487	150	0	19	HUB	TRANS Oriented Development Jobs with Salary in Excess of County/GSCE Average; Targeted Industry Manufacturing; Exceeds LEEDS Silver or Substantial Env. Remed.;	Manufacturing	24,372	Non-Industrial	7/13/2017			2020			Incentive Agreement Not Executed - Approval Letter not Signed
SHIMLINE Glass Co., LLC	Vineyard	Cumberland	\$2,183,470	10	\$1,796,328	8	101	3	Distressed Municipality	Capital Investment in Excess of Minimum (Non-Mega); Targeted Industry (Manufacturing); 2007 Revic. Index-485 in Atlantic Burlington, Gloucester, Cumberland, Gloucester, Ocean, Salem, On Site Solar Generation of 1/2 of Project's Elec. Needs	Manufacturing	17,266	Industrial	7/13/2017			2018			Incentive Agreement Not Executed - Approval Letter not Signed
Salsburgs, LLC	Pennsylvan	Camden	\$4,527,100	10	\$4,990,000	35	40	31	Distressed Municipality	Capital Investment in Excess of Minimum (Non-Mega); Targeted Industry (Manufacturing); 2007 Revic. Index-485 in Camden	Manufacturing	43,000	Industrial	6/7/2017	N/A		2018			Incentive Agreement Not Executed - Approval Letter not Signed
Essex Pharma Inc., LLC	Cranbury	Middlesex	\$2,210,000	10	\$14,500,249	14	0	28	Priority Area	Capital Investment in Excess of Minimum (Non-Mega); Targeted Industry (Manufacturing)	Manufacturing	\$2,456	Industrial	8/27/2017	N/A		2018			Incentive Agreement Not Executed - Approval Letter not Signed

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At Risk Jobs	Estimated Construction Jobs	Base Grant (Location)	Benefits	Targeted Industry (If applicable)	New or Improved Speed (sq. ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (If applicable)	Date Closed**	Anticipated Completion	Minimum Investment Required	Capital Investment (\$1,000,000)	Project Status
EXTRA SYSTEMS, INC. DBA. SHARPTON	Lawrenceville	Mercer	\$11,894,240	10	\$7,311,500	200	228	35	Priority Area	Jobs with Salary in Excess of County/GSOZ Average; Large Number of New/Retained Full-Time Jobs; Targeted Industry (Technology)	Technology	75,000	Non-Industrial	8/27/2017	N/A		2018			Incentive Agreement Not Executed - Approval Letter not Signed
SEAL-KING INTERNATIONAL CORP.	Lakewood	Doan	\$11,700,000	10	\$1,150,000	130	0	5	Distressed Municipality	Deep Poverty Pocket or Choice Neighborhood; Capital Investment in Excess of Minimum Investment; Targeted Industry (Manufacturing)	Manufacturing	50,000	Industrial	8/27/2017	N/A		2018			Incentive Agreement Not Executed - Approval Letter not Signed
TECHNOLOGICAL CHEMICAL COMPANY	Paterson	Passaic	\$4,785,000	10	\$5,538,950	33	0	7	GSOZ	Deep Poverty Pocket or Choice Neighborhood; Targeted Industry (Manufacturing); Development; Jobs with Salary in Excess of County/GSOZ Average; Targeted Industry (Manufacturing); Project w/ Cap. Inv. in Excess of Min. On Site Solar Generation of 4 Projects Elec. Needs	Manufacturing	55,000	Industrial	8/27/2017	N/A		2018			Incentive Agreement Not Executed - Approval Letter not Signed
LEAF GOLD SQUARES LLC	Vineand	Camden	\$3,574,000	10	\$6,300,000	100	0	45	Distressed Municipality	Deep Poverty Pocket; 2007 Rev. Ind. 465 in Cumberland	N/A	62,000	Non-Industrial	8/27/2017	N/A		2018			Incentive Agreement Not Executed - Approval Letter not Signed
SHARPTON U.S. SCIENCE, INC. LLC	Bridgeview	Somerset	\$3,513,970	10	\$3,934,782	0	2,095	6	Priority Area	Jobs with Salary in Excess of County/GSOZ Average; Large Number of New/Retained Full-Time Jobs; Targeted Industry (Life Sciences)	Life Sciences	674,325	Non-Industrial	8/27/2017	N/A		2018			Incentive Agreement Not Executed - Approval Letter not Signed
ELM DESIGN, INC.	Clifton	Passaic	\$7,000,000	10	\$2,050,000	100	0	7	Distressed Municipality	Transit Oriented Development; Capital Investment in Excess of Minimum; Targeted Industry (Manufacturing)	Manufacturing	78,000	Industrial	9/14/2017			2018			Incentive Agreement Not Executed - Approval Letter not Signed
GEORGE NUB, LLC	Perth Amboy	Middlesex	\$12,100,000	10	\$6,498,400	110	0	30	Distressed Municipality	Deep Poverty Pocket; Transit Oriented Development; Capital Investment in Excess of Minimum; Targeted Industry (Manufacturing)	Manufacturing	61,950	Industrial	9/14/2017			2018			Incentive Agreement Not Executed - Approval Letter not Signed

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At Risk Jobs	Estimated Construction Jobs	Base Grant (Location)	Bonuses (If applicable)	Targeted Industry (If applicable)	New or Expanded Space (sq. ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (If applicable)	Date Closed**	Anticipated Completion	Minimum Investment Required	Capital Investment (At Risk)	Project Status
SPURTER BASKET CORPORATION	Lecl	Bergen	\$1,000,000	10	\$8,941,324	80	0	16	State of NJ Municipality	Essential Investment in Targeted Industry (Manu/Manufacturing)	Manufacturing	53,000	Industrial	9/14/2017		2020				Incentive Agreement Not Executed - Approval Letter not Signed
FRUIT MARKET GROUP, LLC (F.M.G.)	Englewood Cliffs	Bergen	\$2,156,150	10	\$2,197,237	0	165	11	Priority Area	n/a	n/a	31,041	Non-Industrial	10/12/2017		2018				Incentive Agreement Not Executed - Approval Letter not Signed
MONTANA FOODS, INC.	Paterson	Passaic	\$19,400,000	10	\$8,490,310	46	168		GGGE	Deep Poverty Targeted; Transit Oriented Development; Jobs with Salary in Excess of County Average; High Number of Part Time/FT Jobs; Targeted Cap. Inv. in Excess of Min.	Manufacturing	141,840	Industrial	10/12/2017		2020				Incentive Agreement Not Executed - Approval Letter not Signed
MARSH & BERKE, INC.	Jersey City	Hudson	\$14,722,860	10	\$12,016,643	50	227	84	HUB	Transit Oriented Development; Jobs with Salary in Excess of County Average; High Number of Part Time/FT Jobs; Targeted Cap. Inv. in Excess of Min.	Logistics	70,531	Non-Industrial	10/12/2017		2019				Incentive Agreement Not Executed - Approval Letter not Signed
LUMINOUS, LLC	Edison	Middlesex	\$1,447,500	10	\$4,395,964	0	110	21	Priority Area	Transit Oriented Development; Jobs with Salary in Excess of County Average; High Number of Part Time/FT Jobs; Targeted Cap. Inv. in Excess of Min.	n/a	38,000	Non-Industrial	10/12/2017		2018				Incentive Agreement Not Executed - Approval Letter not Signed
COOPER ENTERPRISES GROUP, LLC	Camden	Camden	\$15,000,000	10	\$915,481	15	117	2	GGGE	Deep Poverty Targeted; Transit Oriented Development; Jobs with Salary in Excess of County Average; High Number of Part Time/FT Jobs; Targeted Cap. Inv. in Excess of Min.	Finance	28,307	Non-Industrial	11/14/2017		2018				Incentive Agreement Not Executed - Approval Letter not Signed
COOPER ENTERPRISES GROUP, LLC	Ramsey	Bergen	\$19,148,650	10	\$15,763,824	391	474	125	Priority Area	Large Number of New/Retained Full- Time Jobs; Targeted Industry (Technology);	Technology	120,768	Non-Industrial	11/14/2017		2019				Incentive Agreement Not Executed - Approval Letter not Signed
LABORATORY CORPORATION OF AMERICA HOLDINGS, LLC	Raritan	Somerset	\$19,844,780	10	\$150,372,005	175	1,203	893	Mega Project	Transit Oriented Development; Large Number of New/Retained Full- Time Jobs; Targeted Industry (Life Sciences)	Life Sciences	341,620	Non-Industrial	11/14/2017		2020				Incentive Agreement Not Executed - Approval Letter not Signed
SCHEER ANNEKER, INC. (S.A.I.)	Morris	Morris	\$1,262,500	10	\$12,462,000	0	124	91	Priority Area	Jobs with Salary in Excess of County/OSGE Average; Targeted Industry (Health)	Health	80,000	Non-Industrial	11/14/2017		2019				Incentive Agreement Not Executed - Approval Letter not Signed

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At Risk Jobs	Estimated Construction Jobs	Base Grant (Location)	Benefit	Targeted Industry (If applicable)	New or Improved Space (sq. ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (If applicable)	Date Closed*	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (at least)	Project Status
Boonstad USA, Inc.*	Camden	Camden	\$4,135,600	10	\$6,881,311	9	39	7	GGZ	Deep Poverty Pocket; Transit Oriented Development; Targeted Industry (Manufacturing); Mega/GSGZ Ind. Project w/ Cap. Inv. in Excess of Miln. 2007 Revd. Index=465 In Camden;	Manufacturing	100,000	Industrial	12/17/2017		2018	2018			Incentive Agreement Not Executed - Approval Letter not Signed
Clash for Success*	Innington/Trenton	Essex/Mercer	\$37,955,450	10	\$14,800,000	352	248	17	GGZ / Distressed Municipality	Deep Poverty Pocket; Transit Oriented Development; Large Number of New/Retained RT Jobs;		135,000	Non-Industrial	12/17/2017		2018	2018			Incentive Agreement Not Executed - Approval Letter not Signed
Conduccion Central Inc.*	Newark	Essex	\$4,973,000	10	\$934,191	70	0	5	HUB	Deep Poverty Pocket; Transit Oriented Development; Jobs with Salary in Excess of County Average; Targeted Industry (Finance)	Finance	7,972	Non-Industrial	12/17/2017		2018	2018			Incentive Agreement Not Executed - Approval Letter not Signed
Ensemble Pharma/Conlabs LLC	Paterson/Troy Hills	Morris	\$575,000	10	\$1,044,410	25	0	5	Priority Area	Targeted Industry (Life Sciences/ Sciences)		18,684	Non-Industrial	12/17/2017		2019	2019			Incentive Agreement Not Executed - Approval Letter not Signed
En-Mentum LLC*	Camden	Camden	\$1,509,410	10	\$547,532	0	32	4	GGZ	Deep Poverty Pocket; Transit Oriented Development; Jobs with Salary in Excess of GGZ Targeted Industry (Technology); 2009 Revd. Index=465 Camden;	Technology	8,734	Non-Industrial	12/17/2017		2018	2018			Incentive Agreement Not Executed - Approval Letter not Signed
Enoback, Inc.*	France	Burlington	\$1,578,750	10	\$83,003,445	50	93	227	Mega Project	Transit Oriented Development; Targeted Industry (Manufacturing); Mega/RT Ind. Project w/ Cap. Inv. in Excess of Miln.; On-Site Solar Generation of 1/2 of Project's Elec. Needs	Manufacturing	500,000	Industrial	12/17/2017		2021	2021			Incentive Agreement Not Executed - Approval Letter not Signed
Enoback, Inc.*	Woodbridge	Middlesex	\$1,000,000	10	\$766,961	50	0	4	Distressed Municipality	Transit Oriented Development	n/a	101,147	Non-Industrial	12/17/2017		2018	2018			Incentive Agreement Not Executed - Approval Letter not Signed

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Revised ASB Kickstart	Estimated Construction Jobs	Base Grant (Location)	Benefits	Targeted Industry (if applicable)	New or Improved Space (sq. ft.)	Industrial or Non-Industrial	Date Approved	Date Modified (if applicable)	Date Closed	Anticipated Completion	Minimum Capital Investment Required	Capital Investment (at issuance)	Project Status
PRO-EMERGENCY SERVICES ADMINISTRATION	Woodbridge	Cumberland	\$18,232,000	10	\$13,433,470	222	0	41	Distressed Municipality	Capital Investment in Excess of Minimum Industry (non-MSA); Targeted Area (July 1, 2007 to Dec. 31, 2007) in Cumberland	Manufacturing	114,400	Industrial	12/12/2017			2019			Investment Agreement Not Executed - Approval letter not signed
THE COMMONS OF NJ LLC I	South Plainfield	Middlesex	\$7,218,000	10	\$2,450,960	150	179	18	Priority Area	Large Number of Newly/Retained FTE jobs	N/A	61,274	Non-Industrial	12/12/2017			2021			Investment Agreement Not Executed - Approval letter not signed
South Equatorial Systems, Inc.	Essex	Essex	\$6,922,500	10	\$4,287,330	75	0	27	MUS	Deep Poverty Packet; Transit Oriented Development; Jobs with Salary in Excess of County Average	N/A	20,480	Non-Industrial	12/12/2017			2018			Investment Agreement Not Executed - Approval letter not signed
VERBO SYSTEMS, INC.	Camden	Camden	\$3,412,500	10	\$1,160,000	35	0	2	GS52	Deep Poverty Packet; Transit Oriented Development; Jobs with Salary in Excess of County Average; In Camden	N/A	60,000	Non-Industrial	12/12/2017			2018			Investment Agreement Not Executed - Approval letter not signed
233 Projects			\$4,748,085,195		\$4,603,759,895	31,317	33,538	17,260				130,330,874						\$47,358,763	\$115,542,911	

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under NJ Economic Opportunity Act

Withdrawn/Transferred Projects	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At Risk Jobs	Estimated Construction Jobs	Base Grant (Location)	Bonuses	Date Approved
New Avon, LLC	Jersey City	Hudson	\$31,650,000	10	\$11,271,875	395	0	59	HUB	Transit Oriented Development Jobs with Salary in Excess of County/MSOZ Average; Large Number of New/Retained Full-Time Jobs	8/9/2015
Dietz & Watson	Dulanco Twp.	Burlington	\$ 30,855,000	10	\$ 40,840,000	213	135		Mega Project	Large Number of New/Retained Jobs; Targeted Industry (Manufacturing); (Mega) MSOZ Ind Project w/ Cap. Inv. in Excess of Min	2/24/2014
Ardaq Glass	Salom	Salom	\$ 20,100,000	10	\$ 71,797,249	72	258		HUB	Capital Investment in Excess of Minimum (non-Mega); Large Number of New/Retained Jobs; Targeted Industry (Manufacturing); 2007 Revit. Index > 465 in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	1/14/2014
Stonor Group Incorporated	Pennsauken	Camden	\$ 9,997,500	10	\$ 11,200,483	75	85	30	Distressed Municipality	Capital Investment > minimum (non-Mega); targeted industry (Manufacturing); 2007 Revit. Index > 465 in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	2/11/2014
Physician and Tactical Healthcare Services, LLC and SPARHC, LLC	Pennsauken	Camden	\$ 3,286,600	10	\$ 973,900	40	40	5	Distressed Municipality	Deep Poverty Pocket or Choice Neighborhood/Targeted Industry (Health); 2007 Revit. Index > 465 in Camden County	12/9/2014

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Brownfield Projects Under N.J. Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At Risk Jobs	Estimated Construction Jobs	Base Grant (Location)	Reasons	Date Approved
Copcon K-Tron-Pitman, Inc. [1]	Manua Township	Gloucester	\$ 5,280,000	10	\$ 1,899,070	20	152	12	Priority Area	Capital Investment in Excess of Minimum (non-Mega)/Targeted Industry	9/11/2014
Baked by Melissa, LLC	North Bergen	Hudson	\$12,975,000	10	\$5,505,000	140	66	4	Distressed Municipality	Capital Investment in Excess of Minimum (non-Mega)/Targeted Industry	6/10/2014
Carafinesis, Inc. [1]	Morestown	Burlington	\$9,755,750	10	\$16,785,000	195	69	0	Priority Area	Capital Investment in Excess of Minimum (non-Mega) County (CSG2 All-Range) Large Number of New/Retained FT Jobs/Targeted Industry	10/14/2014
Stay Fresh Foods, LLC	Pennsauken	Camden	\$3,400,000	10	\$4,745,000	40	0	10	Distressed Municipality	Capital Investment in Excess of Minimum (non-Mega)/Targeted Industry (Manufacturing)/2007 Revit. Index-465 In Camden County	2/26/2015
Frederick Goldmin, Inc.	Scaloux	Hudson	\$15,050,000	10	\$5,388,000	214	0	26	Distressed Municipality	Capital Investment in Excess of Minimum (Non Mega)/Targeted Industry (Manufacturing)	6/9/2015
Advanced Accelerator Applications, USA, Inc.	Millsburn	Essex	\$1,200,000	10	\$7,877,037	30	0	19	Priority Area	Jobs with Salary in Excess of County Average/Targeted Industry (Life Sciences)	3/12/2015
Zimmer Trabeccari Metal Technology, Inc. [1]	Piscataway	Middlesex	\$9,750,000	10	\$25,000,000	150	0	161	Priority Area	Capital Investment in Excess of Minimum (non-Mega)/Targeted Industry (Life Sciences)	3/12/2015
C&A Marketing, Inc. [1]	Edison	Middlesex	\$5,417,460	10	\$3,650,000	77	174	0	Priority Area	Large Number of Retained FT Jobs/On Site Solar Generation of 1/2 of 2015's Elec. Needs	2/26/2015
MilMar Food Group II, LLC	Lakewood	Ocean	\$7,200,000	10	\$700,000	60	0	0	Distressed Municipality	Deep Poverty Rates/Capital Investment in Excess of Minimum (non-Mega)/Targeted Industry (Manufacturing)	3/12/2015

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Project Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At Risk Jobs	Estimated Construction Jobs	Base Grant (Location)	Bonuses	Date Approved
Barry & Homer, Inc.	Pennsauken	Camden	\$3,145,000	10	\$1,150,000	37	0	4	Distressed Municipality	Targeted Industry (Manufacturing/ 2007 Revit. Index>485 in Camden County/Capital Investment in Excess of Minimum (non-Mega))	1/13/2015
Radwell International, Inc.	Willingboro	Burlington	\$21,217,500	10	\$2,608,945	145	448		Mega Project	Large Number of Retained FT Jobs	11/19/2015
LMT Mercer Group, Inc.	Trenton	Mercer	\$35,540,000	10	\$9,350,000	60	88	76	GGZ	Targeted Industry (Manufacturing)/Mega/GS GZ Ind. Project w/ Cap. Inv. in Excess of Min.	4/14/2015
RMTS, LLC	Jersey City	Hudson	\$1,827,500	6	\$145,026	35	0	0	HUB	Transit Oriented Development, Jobs with Salary in Excess of County/SSGZ Average, Targeted Industry (Finance)	Original: 6/10/2014 Revised: 7/24/2014
Redhawk Distribution, Inc.	Pennsauken	Camden	\$1,275,000	5	\$380,000	30	0	2	Distressed Municipality	Capital Investment in Excess of Minimum (non-Mega)/ Targeted Industry (Manufacturing/2007 Revit. Index>485 in Camden County)	1/13/2015
Borax Paper Products, Inc.	Secaucus	Hudson	\$3,320,000	10	\$9,410,709	83	0	0	Distressed Municipality	Large Number of New/Retained Full-Time Jobs	11/13/2015
Hudson Group (HG) Retail, LLC (I)	East Rutherford	Bergen	\$5,495,000	10	\$5,057,790	50	214	56	Priority Area	Transit Oriented Development	9/10/2015
Genesis, Inc.	Woodbridge	Middlesex	\$4,200,000	10	\$1,931,668	70	0	10	Distressed Municipality	Transit Oriented Development	4/14/2015
Maestron Data Operating Co., LLC	Naperville	Monmouth	\$3,240,000	10	\$1,570,000	35	74	0	Distressed Municipality	Targeted Industry (Technology)	12/10/2013
ICMS, Inc.	Old Bridge	Middlesex	\$13,124,460	10	\$3,451,650	239	48	15	Distressed Municipality	Jobs with Salary in Excess of County Average/Large Number of Retained FT Jobs/Targeted Industry (Technology)	3/13/2015
Compedeaur, L.L.C. (I)	Franklin	Somerset	\$4,270,000	8	\$9,653,000	91	123	15	Priority Area	Targeted Industry (Manufacturing)	6/14/2015
Metropolitan Foods, Inc.	Wayne	Passaic	\$18,487,500	10	\$57,600,000	139	215	0	Mega Project	Transit Oriented Development, Large Number of New/Retained FT Jobs	6/10/2014
Waydon Technology Group, Inc. (I)	Oceanport	Monmouth	\$3,650,000	10	\$2,245,000	35	104	18	Priority Area	Targeted Industry (Technology)	10/15/2015

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Project Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At-Risk Jobs	Estimated Construction Jobs	Base Grant (Location)	Benefits	Date Approval
Dormant Concepts, Inc.	Glassboro	Gloucester	\$4,270,900	10	\$5,100,025	20	70	31	Distressed Municipality	Capital Investment in Excess of Minimum (non-Mega); Targeted Industry (Manufacturing); 2007 Rank Index: 485 in Gloucester; On Site Solar Generation of 1/2 of Project's Elec. Needs	8/9/2016
Syr-tech Solutions, Inc. (1)	Plainboro	Middlesex	\$11,775,000	10	\$4,546,235	171	129	0	Priority Area	Jobs with salaries in excess of county average; large number of new/expanded/full-time jobs; Targeted Industry (Technology); Exceeds LEEDS Silver	4/8/2014
The Eggo Company	Winslow Twp.	Camden	\$9,440,000	10	\$85,500,000	118	0	117	Distressed Municipality	Capital Investment in Excess of Minimum (non-Mega); Targeted Industry (Manufacturing); On Site Solar Generation of 1/2 of Project's Elec. Needs; Exceeds LEEDS Silver	10/15/2015
Huge New Recycling, LLC	Kearny Town	Hudson	\$4,387,500	10	\$5,758,477	63	0	41	Distressed Municipality	Capital Investment in Excess of Minimum (non-Mega)/ On Site Solar Generation of 1/2 of Project's Elec. Needs	1/13/2015
Red Hat, Inc. (2)	Mahwah	Bergen	\$1,875,000	10	\$2,493,000	50	0	0	Priority Area	Jobs with Salary in Excess of County Average; Targeted Industry (Technology)	2/9/2016
Advanced Plasma Therapies, Inc. (3)	West Windsor	Mercer	\$1,700,000	10	\$750,355	40	0	2	Priority Area	Jobs with Salary in Excess of County Average; Targeted Industry (Life Sciences)	3/12/2015
Vintage Pharmaceuticals, LLC dba Duohart (1)	Cranbury	Middlesex	\$872,790	10	\$5,312,067	25	0	1	Priority Area	Jobs w/ salary > County/GS62 Average; targeted industry (health)	1/14/2016
Classic Coating, LLC	Woodbridge	Middlesex	\$7,500,000	10	\$1,200,000	100	0	1	Distressed Municipality	Capital Investment in Excess of Minimum (non-Mega); Targeted Industry (Manufacturing)	7/14/2016

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Project Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At Risk Jobs	Estimated Construction Jobs	Base Grant (Location)	Benefits	Date Approved
Puracop Pharmaceutical LLC (1)	Piscataway	Middlesex	\$3,141,000	10	\$1,290,000	75	50	10	Priority Area	Targeted Industry (Health)	6/14/2015
BlackRock, Inc. (1)	West Windsor	Mercer	\$12,112,500	10	\$17,387,000	255	0	23	Priority Area	Jobs with Salary in Excess of County (GSG2 Average)/Large Number of New/Retained F/T Jobs/Targeted Industry (Finance)	10/14/2014
Association Headquarters Inc. (1)	Mount Laurel	Burlington	\$3,368,140	10	\$3,013,300	60	175	15	Priority Area	None	3/13/2014
BMW of North America, LLC (1)	Woodcliff Lake	Bergen	\$4,180,000	10	\$11,245,000	15	179	30	Priority Area	Jobs with Salary in Excess of County Average; targeted industry (Manufacturing)	7/17/2016
Pearis Solutions, LLC	New Brunswick	Middlesex	\$1,842,500	6	\$327,000	35	0	1	HUB	Deep Poverty Pocket; Transit Oriented Development; Jobs with Salary in Excess of County Average; Targeted Industry (Technology)	8/11/2015
Frontage Laboratories, Inc.	Secaucus	Hudson	\$2,375,000	10	\$1,798,500	50	0	14	Distressed Municipality	Jobs with Salary in excess of county/GSG2 Average/Targeted Industry (Life Sciences)	7/10/2014
W & H Systems, Inc.	Bloomfield	Essex	\$4,120,920	10	\$2,746,000	52	97	45	Distressed Municipality	Jobs w/ Salary in Excess of County/GSG2 Avg	9/9/2015
Mane USA, Inc. (1)	Morris Plains	Morris	\$2,730,000	10	\$7,440,000	29	98	347	Priority Area	Transit Oriented Development; Jobs with Salary in Excess of County/GSG2 Average	4/12/2016
Blivall Americas Corporation and subsidiaries (1)	Bridgewater	Somerset	\$39,802,500	10	\$15,356,000	550	274	60	Priority Area	Large # of New/Retained F/T Jobs; Targeted Industry (Life Sciences)	12/10/2013
Sutherland Asset I, LLC and subsidiaries (1)	New Providence	Union	\$3,200,000	10	\$2,112,610	55	50	4	Priority Area	Jobs with Salary in Excess of County/GSG2 Average; Targeted Industry (Finance)	6/10/2014
IT Cosmetics, LLC	Jersey City	Hudson	\$1,767,000	4	\$2,174,350	57	0	13	HUB	Transit Oriented Development; Jobs with Salaries in Excess of County/GSG2 Average	6/10/2014

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At Risk Jobs	Estimated Construction Jobs	Base Count (Location)	Bonuses	Date Approved
Dicalite Management Group, Inc.	Pennsauken	Camden	\$3,780,000	10	\$685,000	36	0	4	Distressed Municipality	Transit Oriented Development/Capital Investment in Excess of Minimum/Targeted Industry (Manufacturing)/2007 Revit. Index-465 in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	8/12/2014
Great Socks, LLC	Camden	Camden	\$13,000,000	10	\$1,600,047	38	157	4	GS&Z	Deep Poverty Pocket; Transit Oriented Development/Targeted Industry (Manufacturing); Mega/GSGZ Ind. Projects w/ Cap. Inv. in Excess of Minig 2007 Revit. Index-465 in Camden	8/11/2015
Proceynts Corporation	New Brunswick	Middlesex	\$1,498,750	10	\$1,245,000	10	29	2	HUB	Targeted Industry (Manufacturing); on-site solar generation of 1/2 of project's electricity needs	3/14/2014
SodaStream USA, Inc.	Pennsauken	Camden	\$8,527,600	10	\$1,269,000	26	31	1	Distressed Municipality	Capital Investment in excess of minimum (non-Mega); Targeted Industry (Manufacturing); 2007 Revit. Index-465 in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	4/9/2014
Better Team USA Corporation	Clifton	Passaic	\$11,250,000	10	\$2,320,000	150	0	2	Distressed Municipality	Capital Investment in Excess of Minimum (non-Mega); Targeted Industry (Manufacturing)	6/16/2014
WW 1 Journal Square LLC	Jersey City	Hudson	\$89,004,030	10	\$12,831,765	723	0	0	HUB	Deep Poverty Pocket; Qualified Incubator Facility; Transit Oriented Development	11/13/2015

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Projects Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Firm	Total Eligible Capital Investment	New Jobs	Retained At-Risk Jobs	Estimated Commission Jobs	Issue Grant (Location)	Requisites	Date Approved
Coronet Inc.	Paterson	Passaic	\$17,760,000	10	\$5,982,644	45	103	22	05GZ	Deep Poverty Pocket; Targeted Industry (Manufacturing); G5GZ Ind. Project w/ Cap. Inv. In Excess of Min.	5/13/2016
Inter Millwork Solutions, LLC	Milbroke	Cumberland	\$2,850,740	10	\$1,995,850	20	38	6	Distressed Municipality	Capital Investment in Excess of Minimum (non-Megak); Jobs with Salary in Excess of County Average; Targeted Industry (Manufacturing); 2007 Revit. Index-465 in Cumberland;	2/9/2016
Cascades Holding US Inc.	Elizabeth	Union	\$18,700,000	10	\$18,058,000	182	0	0	HUB	Deep Poverty Pocket; Capital Investment in Excess of Minimum (non-Megak); Targeted Industry (Manufacturing).	12/3/2016
Green Green Textile Service db/a Single Source Plus Laundry	Camden	Camden	\$5,000,350	10	\$810,000	0	59	3	05GZ	Deep Poverty Pocket; Transit Oriented Development; 2007 Revit. Index-465 in Camden	10/15/2015
Diogenix - Camden	Camden	Camden	\$7,455,000	10	\$2,991,986	71	0	1	05GZ	Deep Poverty Pocket or Choice Neighborhood/ Transit Oriented Development/ Jobs with Salary in Excess of County (G5GZ Average) / Targeted Industry (Life Sciences) / 2007 Revit. Index-465 in Camden	11/20/2014
Macrocare, Inc.	North Brunswick	Middlesex	\$3,240,000	10	\$6,087,785	48	0	40	Priority Area	Capital Investment in Excess of Minimum (non-Megak); Jobs with Salary in Excess of County Average; Targeted Industry (Life Sciences)	8/11/2015
Natch Management, LLC	Bloomfield	Essex	\$4,127,350	10	\$2,360,000	40	107	9	Distressed Municipality	Transit Oriented Development	8/11/2015
Princeton Telectronics	Parsippany	Camden	\$22,110,000	10	\$5,300,000	151	100	131	Distressed Municipality	Deep Poverty Pockets/Capital Investment in Excess of Minimum (non-Megak) / Targeted Industry (Manufacturing) / 2007 Revit. Index	6/19/2014
Radical Cosmetics	New Brunswick	Middlesex	\$2,250,000	10	\$890,000	30	0	1	HUB	Transit Oriented Development/ Targeted Industry (Manufacturing)	12/9/2014

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
Approved Growth Project Under NJ Economic Opportunity Act

Project	Municipality	County	Award Amount	Term	Total Eligible Capital Investment	New Jobs	Retained At-Risk Jobs	Estimated Construction Jobs	Base Grant (Location)	Revenues	Date Approved
Ballistol Foods, LLC, d/b/a BALLISTOL	Jersey City	Hudson	\$6,375,000	10	\$5,000,000	75	60	36	HUB	Capital Investment in Excess of Minimum (non-Major/Targeted Industry Manufacturing)	1/13/2015
Stericycle, Inc.	Woodbridge	Middlesex	\$2,940,000	10	\$4,500,000	42	0	8	Dispersed Municipality Priority Area	Capital Investment > minimum (non-Major)	3/14/2015
1. Colson and Company, Inc. (1)	Lawrence Township	Mercer	\$3,330,000	10	\$745,500	66	50	0	Priority Area	Jobs w/ Salary in Excess of County Avg.; Large Number of New/Retained FTE Jobs; Targeted Industry (Life Sciences)	6/12/2014
Impact Laboratories Inc. and subsidiaries (1)	Middlesex and Bridgewater	Somerset	\$11,486,250	10	\$17,500,000	50	241	20	Priority Area	Jobs w/ Salary in Excess of County Avg.; Large Number of New/Retained FTE Jobs; Targeted Industry (Life Sciences)	5/13/2015
Cherif LLC	Camden	Camden	\$19,000,000	10	\$11,378,789	200	0	64	GS52	Deep Poverty Pocket; Transit Oriented Development; 2007 Revit. Indsp-455 in Camden	8/11/2015

\*Subject to Governor's 10 day veto period. Link to project memo will be active when full board agenda is posted following Governor's veto period.

\*\*Date Closed = when EDA executes a project

\*\*\*Annual tax certificate will reflect actual jobs reported for that year. In no event will the amount annually issued exceed one-tenth of the total award amount (except in Camden, per statute)

(1) - Award capped annually at 90% of withholding.

(2) - WebMax was approved in Dec. 2013 for tax credits up to \$22.75 million over ten years related to the company's expected creation of 100 new jobs and the retention of 50 "at-risk" jobs. The Board approved a modified project in Dec. 2014 to reflect the 50 retained jobs and 21 new jobs actually created (for a total of 71 full-time employees in Camden), resulting in a reduction to \$6,355,000 over ten years.

Updated 12/12/2017

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## **Addressing Workforce Imbalances:**

The McKinsey report finds that New Jersey has a shortage of middle-skilled workers (“with high school and some college education”), giving as examples health technicians, construction, heavy vehicle maintenance, and retail management. The report also states that New Jersey has a surplus of both high-skilled and low skilled workers. The report gives, as a cause of the shortage of middle-skilled workers, a shortage of training opportunities for such workers.

1. The report recommends the promotion of apprenticeship, pointing to its wide spread use in nations like Germany, also noting that the percentage of New Jersey’s workforce in apprenticeship programs is lower than the national average. It should be noted that the German workforce is much more highly unionized, and that substantial apprenticeship programs there (and in the U.S.) rely of funding provided by employers because of collective bargaining agreements. Over 70% of U.S. apprentices are in construction, the most unionized part of the private sector. In New Jersey, State programs to promote apprenticeship, like NJPLACE (New Jersey Pathways Leading Apprentices to a College Education) and Youth Transition Transitions to Work (YTTW), have seen reduced state support, while resources from NJBUILD which could have been used, were permitted to lapse into the general fund.

**Should existing State programs to promote apprenticeship be fully supported and expanded, like NJPLACE and YTTW, which support consortia of secondary and higher education, employers, and labor to recruit youth, especially minorities and women, into apprenticeship combined with college credit?**

**Should resources be provided to stimulate, in new industries, labor-management agreements to guarantee long-range private funding of apprenticeship? (as proposed in A-4598)**

**Are there other ways besides collective bargaining agreements to secure long-term commitments from employers to support permanent apprenticeship programs?**

**Which new sectors have the best prospects for stable apprenticeship programs?**

2. Aside from apprenticeship, the report to programs in other states to address the skill needs of middle-skilled workers, such as a Pennsylvania program identifying 12 industry clusters for consortia of businesses, development agencies, and educators to educate, train and employ middle-skill workers, and a Maryland program called the “Employment Advancement Right Now (EARN)”, which provides \$4.5 million in state grants annually to fund regional workforce training partnerships comprised of employers, educators and trade groups around that state.

New Jersey has much larger expenditures to aid businesses to meet workplace training and education needs, including \$12.0 million from its Workforce Development Partnership Fund for customized training for business, much of it for similar regional consortia of industry stakeholders; \$2 million for “Talent Networks” in seven industries, involving four institutions of higher education, BioNJ, and the African American Chamber of Commerce; \$10.7 million for 174 Skills Partnership grants in 7 targeted industries; and \$2.7 million for Talent Development Centers in three industries to provide training grants to individual employer workers. The McKinsey & Company Report makes no mention of these quite substantial efforts, much less provides any evaluation of them.

**How do these existing New Jersey programs measure up to efforts in other states?**

**How might they be enhanced, expanded or otherwise modified to better meet the goals of the report?**

**Is the choice of industries and occupations in these programs optimal?**

**To what degree are they reaching community and parts of the State’s population most in need of their services, including women and minorities?**

**Do these programs prepare workers for employment with wages sufficient to sustain a decent standard of living? What, if any, standards are there regarding acceptable earning levels?**

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# GROWING NEW JERSEY'S ECONOMY

THE BUSINESS CASE FOR DRIVING TRANSPARENCY AND  
ACCOUNTABILITY THROUGH DIVERSITY AND INCLUSION

PRESENTED TO



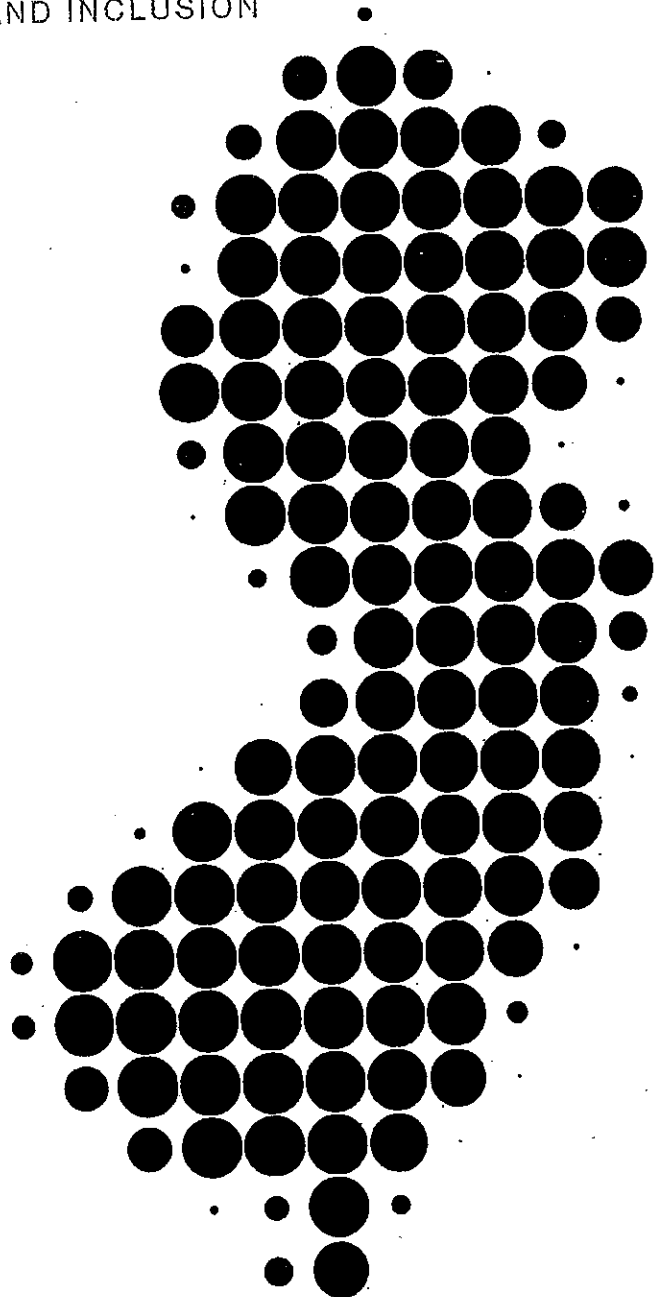
**PHIL MURPHY**  
DEMOCRAT FOR GOVERNOR

PRESENTED BY

Carra L. Wallace  
Hester Agudosi  
Derrick H. Lewis  
Michael Jackson  
Vaughn L. McKoy  
Julia Presley

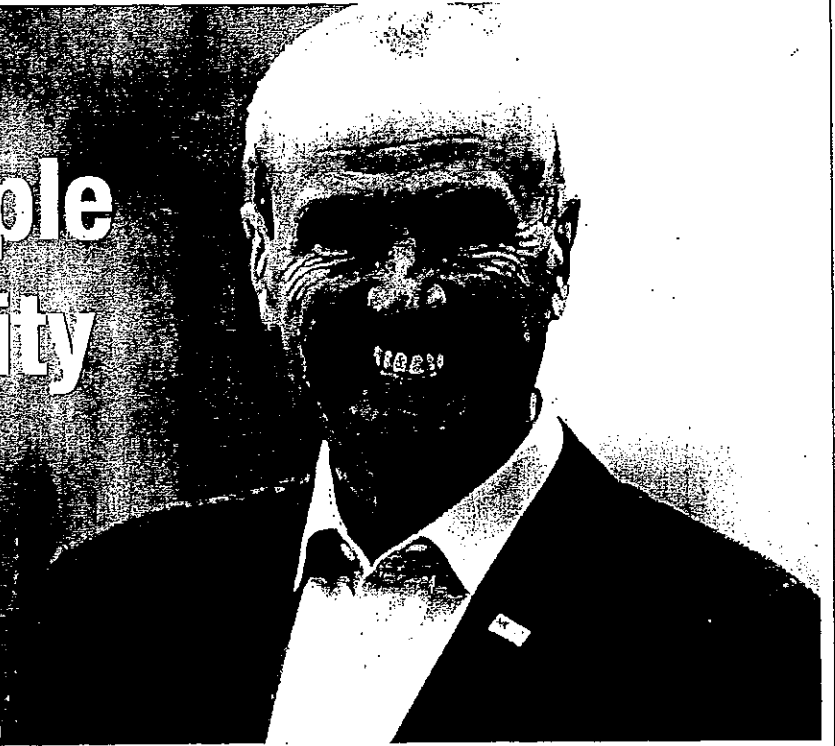
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November, 2017



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# Lead by example on gender parity and diversity



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- I. EXECUTIVE SUMMARY
- II. NEW JERSEY'S ECONOMIC LANDSCAPE
- III. NEW JERSEY'S MINORITY AND WOMEN OWNED BUSINESSES
- IV. NEW JERSEY'S DIVERSITY, MWBE PROGRAM AND LEGISLATION
- V. BEST PRACTICES
- VI. RECOMMENDATION
- VII. CONCLUSION

# I. EXECUTIVE SUMMARY

New Jersey is one of the most diverse states in the United States with nearly 45% of its 8.9 million residents being people of color. Minority and Women Owned Business Enterprises (MWBEs) comprise over half of the firms in state, with 237,242 minority owned firms and 252,944 women owned firms,<sup>1</sup> constituting a potentially strong economic engine for the state and region. The diversity in our state is one of our key strengths. Diversity drives productivity, and innovation. Public and Private entities now recognize that with demographic shifts and advances in technology, communication, and globalization, diversity is quickly becoming a driver of growth. In order to harness and leverage the economies of the state's most important asset, its citizens, the new administration should be guided by principles that include "Diversity and Inclusion as a choice." The successes of the industry procurement processes for Diversity and Inclusion include a Chief Diversity Officer (CDO) model. This Model is used by corporations and public entities with particular emphasis on New York State's present 30% MWBE utilization. It is imperative that New Jersey deploys a similar model that employs a post that provides Cabinet level accountability.

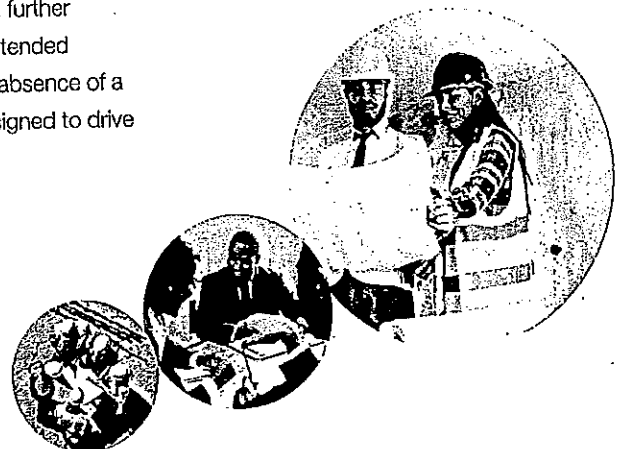
Appointment of a Chief Diversity Officer who reports directly to the Governor is a critical first step. The CDO ensures diversity in appointments, recruitment, and the execution of diversity and inclusion strategies targeted toward

appropriation of procurement spend. The CDO works with the Appointments officials and agency recruiting teams to ensure that diversity and inclusion are key requirements. The CDO works with state Cabinet members and Appointing authorities to ensure that the State's leadership is comprised of top diverse talent reflective of the state's population. The CDO also drives the state's diversity and inclusion strategy in the utilization of MWBEs and strengthens the state departments, agencies, authorities, local municipalities, colleges and universities accountability toward achieving that goal. The CDO works directly with governmental units to develop a more comprehensive and all-inclusive MWBE development program that employs the full range of wraparound policies needed to foster greater MWBE utilization.

In New Jersey, disparity studies conducted to evaluate the participation by MWBEs in government contracting revealed a gap in the utilization of MWBEs on state contracts<sup>2</sup>. Statistics show that the availability of MWBEs in the marketplace compared to utilization demonstrates that the state has failed to maximize these valuable assets. Over the years, there have been consistent legislative efforts to address this inequity and increase utilization of New Jersey's MWBEs. Nonetheless, these businesses continue to be excluded from the procurement process. Upon further review, it appears that the intended gains were hindered by the absence of a statewide strategic plan designed to drive

accountability, measure performance and provide for centralization of processes and procedures across state departments, agencies, authorities, municipalities, colleges and universities. As a result, the underutilization of MWBEs in State procurement has detrimental consequences for the fiscal health of the state's economy and its taxpayers. Additionally, the underutilization of MWBEs has a dire impact on communities of color.

A robust MWBE program increases competition in public procurement, ensures taxpayer dollars are used efficiently, and fosters a more equitable, competitive economy of shared prosperity across the state. State contracting results in thousands of jobs and could benefit communities of color and reduce the unemployment levels because in many urban areas, the majority of minorities are hired by minority owned businesses. One survey of Chicago small business owners found that minority business owners are five times more likely to hire minority workers than white-owned businesses.<sup>3</sup> Solving the economic woes in communities of color as part of an overall economic policy agenda should be one of the highest priorities of the new administration. The appointment of a CDO will be a key success factor in changing the outcomes for communities statewide.



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## II. NEW JERSEY'S ECONOMIC LANDSCAPE

	Male	Female	Total
Total Population	4,279,600	4,512,294	8,791,894
White	2,939,138	3,090,110	6,029,248
Hispanic or Latino	783,418	771,726	1,555,144
Black or African Amer	565,706	639,120	1,204,826
Asian	352,693	373,033	725,726
Other	286,295	273,427	559,722

New Jersey is one of the most diverse states in the country. And although people of color make up almost thirty percent of the population, they continue to experience economic challenges.

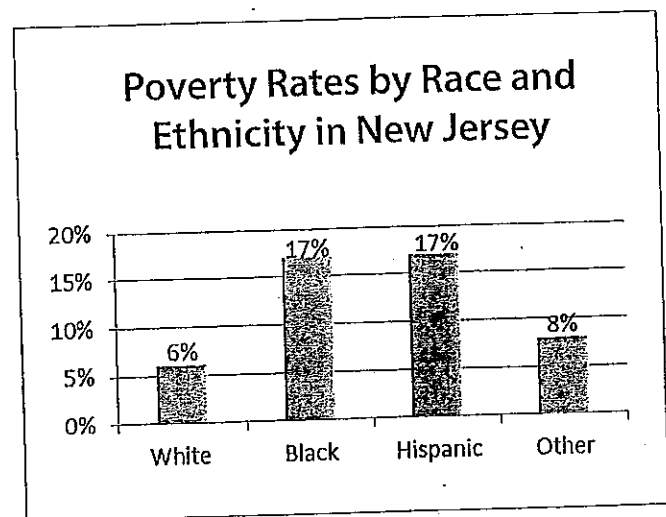
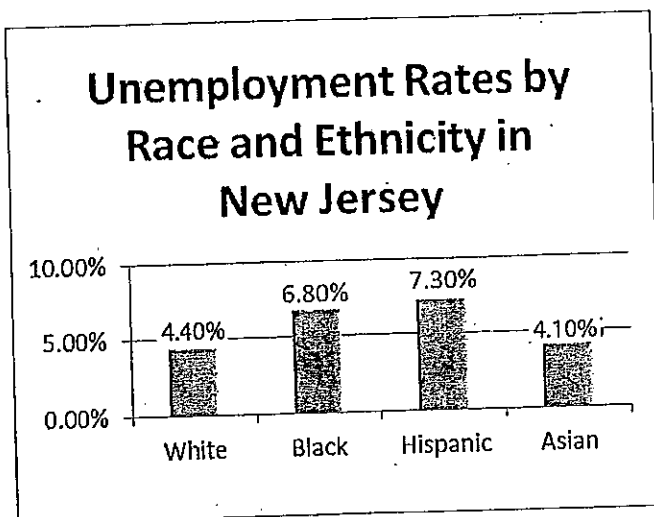
Rank (from highest to lowest)	State/region	Average income of the top 1%	Average income of the bottom 99%	Top-to-bottom ratio
1	New York	\$2,006,632	\$44,163	45.4
2	Connecticut	\$2,402,339	\$56,445	42.6
3	Wyoming	\$2,118,167	\$52,196	40.6
4	Nevada	\$1,386,448	\$36,169	38.3
5	Florida	\$1,265,774	\$36,530	34.7
6	Massachusetts	\$1,692,079	\$56,115	30.2
7	California	\$1,411,375	\$48,899	28.9
8	Texas	\$1,301,618	\$48,350	26.9
9	New Jersey	\$1,453,741	\$57,447	25.3
10	Illinois	\$1,207,547	\$48,684	24.8

Ratio of top 1% income to bottom 99% income, U.S. and by state and region, 2013

A recent analysis by the Economic Policy Institute shows that New Jersey is one of the top ten states with unequal income distribution.

The table shows that the top one percent of wage earners earn 25.3 times as much income as the bottom 99 percent.<sup>4</sup>

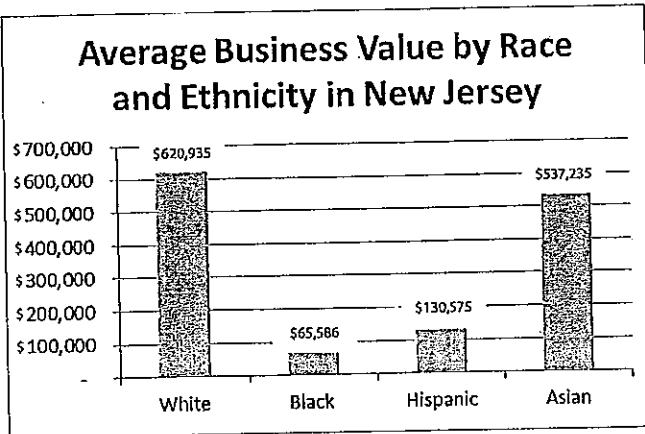
Additionally, higher unemployment and poverty<sup>5</sup> rates continue to negatively impact blacks and Hispanics across the state.



### III. NEW JERSEY'S MINORITY AND WOMEN OWNED BUSINESSES

Data from the US Census Bureau's Survey of Business Owners shows that from 2007 to 2012, the number of minority owned firms increased in New Jersey from 182,489 to 237,242 or by 30 percent and the number of women owned firms increased from 213,374 to 252,944 or by 18.5 percent. Less than one percent of these businesses are New Jersey certified and have participated in the states' current MWBE program.

So while growth is a positive sign, a report from the MBDA notes that the average receipts per minority firm declined by two percent while the average receipts for white firms increased by 13 percent. The average value of minority owned firms is considerably lower than that of white owned firms.



### IV. NEW JERSEY'S DIVERSITY, MWBE PROGRAM AND LEGISLATION

The last New Jersey State Disparity Study was conducted in June of 2005. The final report, "The State of New Jersey Disparity Study of Procurement in Professional Services and Goods and Commodities," was delivered to then Secretary of State, Regena L. Thomas. The report found evidence of substantial disparity in the utilization of MWBEs for each of the five years of the study in each of the four categories of state entity – state agencies, authorities, commissions, colleges and universities.

The findings showed that while the state has had a longstanding tradition of implementing race and gender neutral purchasing incentive alternatives, in conjunction with its MWBE programs, there were still many procurement areas where there had been less than full competition and a tendency to reinforce the position of the incumbent vendors at the expense of MWBEs. Of the state's total spending (5.1 billion), less than 2% (\$97 million) went to minority and women owned firms. The state only utilized 1,248 unique minority and women owned vendors and the mean utilization per MWBE firm for the five-year study interval was approximately \$88,340 per Professional Services Firm, \$59,140 per Other Services Firm and \$78,140 for Goods and Services Firm.

The study did not find any disparities in the utilization of non-minority, male owned businesses. That is, there was no instance in an agency for any procurement category in which non-minority, male owned businesses were underutilized.

The following issues were cited as anecdotal evidence of barriers:

- Failure of agency representatives to set goals at the subcontractor level, resulting in scant evidence of subcontractor utilization
- Complaints about the availability and accessibility of information about pending projects
- Limited knowledge of state contracting policies and procedures
- Expenses associated with bid preparation
- Concerns about size of contracts
- Delayed payments or nonpayment for services
- Black-owned firms experienced being held to a higher standard

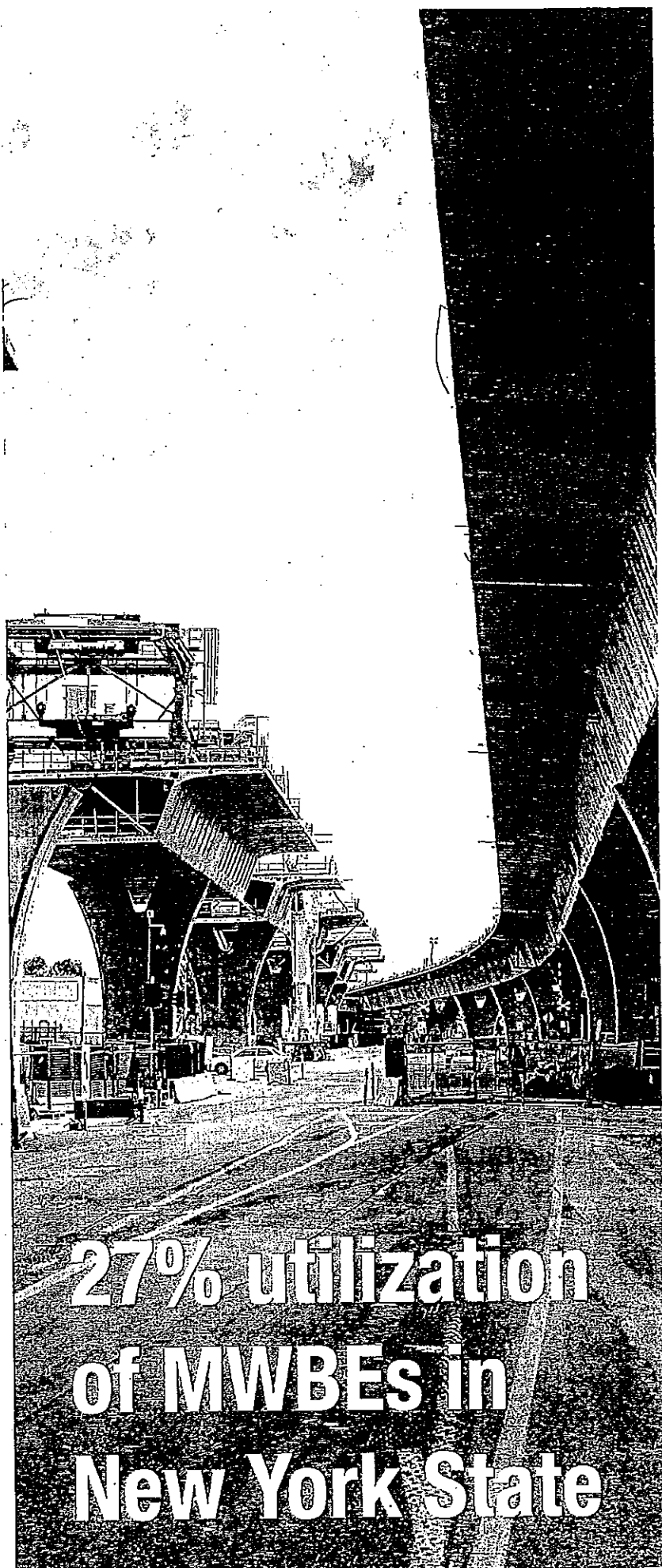
There were 21 recommendations that came out of the study including the reestablishment of an MWBE Office. Subsequent legislation from 2009-2017 has been enacted encompassing some of these recommendations. Unfortunately to date, little progress has been made in utilizing MWBEs. Recently passed laws in 2017 include a Disparity in State Procurement Study Commission (Joint Resolution No. 3) and a Chief Diversity Officer in the Treasury Division of Purchase and Property (Chapter 95), a position narrowly defined to monitor the State's public contracting process and report on the awards to MWBEs. Neither this position nor the other laws define the accountability and transparency critical for reversing the underutilization of MWBEs.

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## V. BEST PRACTICES

In 2010, a published New York State Disparity Study found evidence of statistically significant disparities between MWBEs in the New York market and the availability of such businesses. The study concluded that these disparities could not be explained by factors untainted by discrimination. Shortly thereafter, New York State passed the 2010 Business Diversification Act (BDA) to make extensive changes to the existing Minority and Women Enterprise Program, and provide MWBEs with better and fairer opportunities to compete for contracts in NY State. As envisioned, the BDA is now one of the strongest minority and women business enterprise programs in the nation. The legislation provides for MWBEs to be afforded a full and fair process to compete for contracting opportunities throughout New York State.

One of the most substantive changes was the increase in accountability on the part of State agencies and public authorities to comply with provisions pertaining to the participation of MWBEs in their respective agencies. It provided a framework for agency-specific goals based on the disparity study; established a roadmap to meet those goals; and included the adoption of remedial plans for substantial failure to do so. These results were driven by the Chief Diversity Officer who reports directly to the Governor and is part of the NYS Executive Chamber. This role created an institutional infrastructure within state government to facilitate diversity and inclusion initiatives and communicates the state strategy to all public and private stakeholders. In October 2017, New York State Governor Andrew Cuomo announced that the state had achieved a 27% utilization of MWBEs, spending over \$2.2 Billion dollars. This figure represents an almost 20% increase from when he took office.



**27% utilization  
of MWBEs in  
New York State**

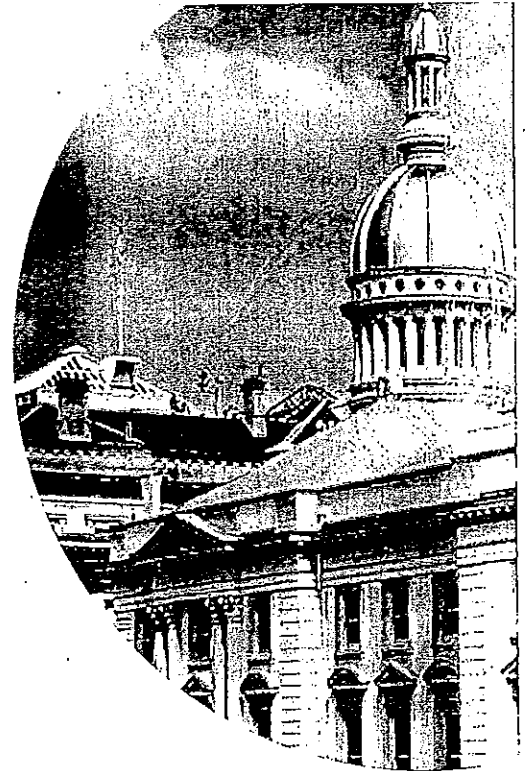
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## VI. RECOMMENDATION

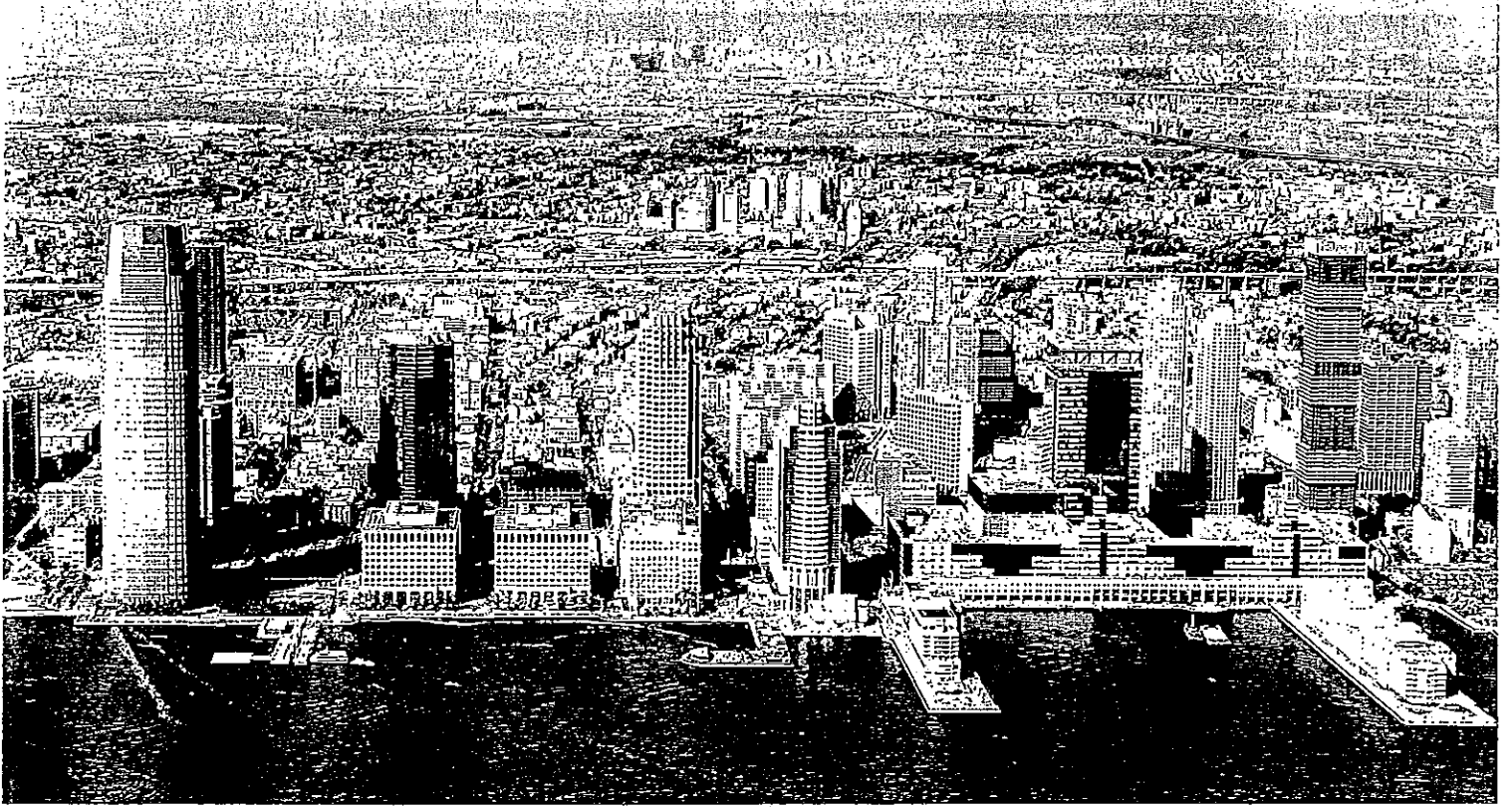
Against the backdrop of New Jersey's existing MWBE program and the lack of diversity requirements across the agencies, it is imperative that the Governor create a Cabinet-level Chief Diversity Officer position empowered with the responsibility to ensure diversity in appointments, recruitment, and the execution of a diversity and inclusion strategy as it pertains to appropriation of procurement spend. The CDO will work with Appointments officials and agency recruiting teams to ensure diversity and inclusion as key requirements. The CDO will also increase opportunities for MWBEs by spreading MWBE programs to all major areas of state contracting from real estate and construction related contracts to contracts for goods and services, including professional and financial services such as asset management, brokerage, insurance and underwriting services, the New Jersey State pension plans and other fiduciaries. The contracting opportunities and goals will be adopted and administered by all state agencies, authorities, commissions, colleges and universities. Any legislation inconsistent with this function will be reviewed and amended to carry out the goals of the state MWBE program.

The role of the CDO includes the following:

- Advise the Governor on statewide policies related to workforce diversity and MWBE programming. Work with the Cabinet members and Agency Heads to ensure compliance
- Provide a framework for, and set goals for participation of minority and women owned business enterprises based on best estimates of market availability, without set-asides or quotas, and establish annual reports on activity under the applicable programs
- Establish stronger tools to monitor and enforce compliance by all participants including, State Agencies, contractors and businesses pursuing certification or opportunities as MWBEs
- Determine the oversight and enforcement process of MWBE goals including but not limited to a dedicated procurement officer for each agency tasked with MWBE implementation; monitoring monthly and annual metrics based agency reporting
- Establish protocols and practices for State Agencies to conduct outreach efforts to MWBE firms, develop databases of qualified entities for procurement opportunities
- Oversee the implementation and utilization of a statewide technology system that monitors and tracks agency MWBE spending real time, provides analysis of agency utilization goals, and alerts agencies when they are off target
- Ensure the process for sourcing the state pension plans and certain other fiduciary controlled entities, conduct outreach to set reasonable goals for working with MWBE asset managers, financial institutions and other professional and financial service providers; and to publicly report on such efforts
- Serve as a member of the State Procurement Council
- Participate on the State Disparity Study Commission
- Require State Agencies to structure procurement procedures for contracts made directly or indirectly with MWBE firms to conform to the recommendations of the Disparity Study and to match enumerated goals
- Ensure that state procurement solicitation documents set forth MWBE goals, require that State Agencies provide lists of known MWBE subcontractors to parties seeking such information and ensure that State Agencies verify participation by MWBE firms in their procurements
- Make determinations as to whether any State Agency has failed to comply. If so, the CDO would be empowered to act on behalf of the Agency to implement a remediation action plan
- Ensure that state Fiduciary Entities develop programs to provide financing/access to capital for MWBEs and Small Businesses
- Perform oversight of statewide public conferences not less than annually with respect to the MWBE outreach strategy
- Lead Agency-head quarterly reviews
- Provide annual reports to the Governor
- Establish periodic meetings with Heads of State Agencies, Authorities, Colleges and Universities to review and advise on outreach efforts and utilization of MWBEs
- Work directly with the Director of Appointments and the Agency Heads to ensure recruitment for senior level positions include diverse candidates



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## VII. CONCLUSION

New Jersey's rapidly changing demographics dictate that diversity and inclusion strategies must be implemented for an inclusive economy and shared prosperity throughout the state. Diversity should no longer be thought of as a moral imperative because it is a business imperative. A Chief Diversity Officer will help usher in a new culture that promotes equity and inclusiveness and be a driving force in New Jersey's effort to increase efficiency and boost economic development opportunities for minority and women owned businesses.

Passing legislation or signing an executive order for this new cabinet level position should be an early priority so that the CDO can work closely with the Governor to set a vision and goals for the end state. Next, the CDO will work together with senior leaders to build a comprehensive strategy to reach the goals. They will agree on annual targets that can be measured and to which everyone will be accountable. Financial, human and structural resources should be committed to get the job done. Inclusion programs will be initiated across all organizations and diverse leaders recruited and developed for board, executive and managing roles throughout the state.

Successful integration of diversity and inclusion requires commitment across senior rankings from the Governor on down the line. The CDO consults and coaches senior leaders, helping them develop strategies, retain talent, and create an inclusive culture. This foundation creates the conditions for a fair, inclusive and equitable public procurement. It will promote economic growth and opportunity throughout the state.

## NOTES

<sup>1</sup> U.S. "Statistics for All U.S. Firms by Industry, Gender, and Race for the United States, States, Metro Areas, Counties, and Places: 2012."

<sup>2</sup> State of New Jersey Disparity Study of Procurement in Professional Services, and Good and Commodities; Final Report ; A Purchasing Disparity Study for the City of Jersey City, New Jersey, Final Report

<sup>3</sup> One survey of Chicago small businesses found that 60 percent of minority-owned firms employed more than 75 percent of minority employees, while only 15 percent of white-owned firms do the same. U.S. Census Bureau Characteristics of Business Owners database, 1996.

<sup>4</sup> Economic Policy Institute <http://www.epi.org/publication/income-inequality-in-the-us/#epi-toc-3>

<sup>5</sup> Poverty table - <https://www.kff.org/other/state-indicator/poverty-rate-by-raceethnicity/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

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