

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

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

**APPLICANT:** Resintech, Inc. P42319

**PROJECT LOCATION:** Federal Street Camden City Camden County  
Block 1182 Lot 5, Block 1185 Lots 1&2, Block 1188 Lots 1, 3, & 4, Block 1189  
Lots 1, 3, & 4, Block 1190 Lot 1, Block 847 Lot 2, Block 1184 Lots 1, 5, & 7

**GOVERNOR’S INITIATIVES:**

(X) NJ Urban Fund      ( ) Edison Innovation Fund      ( ) Core      ( ) Clean Energy

**APPLICANT BACKGROUND:**

Resintech, Inc. (“Resintech”) founded in 1986, manufactures a broad range of ion exchange resins for water and waste water treatment, including deionization, softening, metals removal, product purification, resource recovery, and pollution control. In addition to its ion exchange resins, Resintech supplies activated carbon and inorganic selective exchangers. Resintech has developed an application technology resource group that includes state-of-the-art laboratories and a group of scientists dedicated to expanding the frontiers of application technology. This group is put to use whenever product or process recommendations are requested, assuring customers get the most cost-effective approach to achieving their process goals. The applicant has demonstrated the financial ability to undertake the project.

**MATERIAL FACTOR/NET BENEFIT:**

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

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

Staff reviewed the project and finds support for management’s assertion that the award of tax credits is a material factor in the company’s decision to locate in Camden. If Resintech, Inc. chooses the Camden option, the company would acquire multiple parcels of land on which it will construct a brand new state of the art 385,000 square foot manufacturing facility that will also include its corporate headquarters in Camden. The alternative is to construct a 175,000 square foot facility in Roanoke, VA. Resintech, Inc. maintains a 75,000 sq. ft. manufacturing/warehouse/office complex on a 20-acre campus in West Berlin, NJ. Regional warehouses are located in Chicago, IL, Plantation, FL, San Antonio, TX and Los Angeles, CA, plus a number of stocking distributors throughout North America.

This project represents a significant positive step forward for Camden’s redevelopment efforts, bringing the consolidated operations of Resintech to the city. It is estimated that the project would have a net benefit to the State of \$2,500 over the 35-year period required by the Statute.

**FINDING OF JOBS AT RISK:**

The applicant has certified that the 92 New Jersey jobs listed in the application are at risk of being located outside the State. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the award of the Grow New Jersey tax credits is a material factor in the applicant’s decision to make a capital investment and locate in Camden.

**ELIGIBILITY AND GRANT CALCULATION:**

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

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

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects	\$ 20
<b>Industrial/Warehouse/Logistics/R&amp;D - New Construction Projects</b>	<b>\$ 60</b>
Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects	\$ 40
Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects	\$120

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

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

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

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

As an Industrial - New Construction Project, for a manufacturing business in Camden County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

**Resintech, Inc.**

**Grow New Jersey**

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<b>Eligibility</b>	<b>Minimum Requirement</b>	<b>Proposed by Applicant</b>
Capital Investment	\$15,400,000	\$150,217,500
New Jobs	8	173
Retained Jobs	19	92

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

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

**GRANT CALCULATION**

<b>CAPITAL INVESTMENT:</b>	\$ 150,217,500
<b>JOBS BASED TAX CREDIT LIMIT:</b>	\$ 350,000,000
<b>GROSS BENEFIT TO THE STATE OVER 35 YEARS:</b>	\$ 138,820,100
<b>THE APPLICANT IS ELIGIBLE FOR A TAX CREDIT EQUAL TO THE LOWEST OF THE THREE NUMBERS ABOVE (CONVERTED TO AN EVEN DOLLAR AMOUNT PER EMPLOYEE PER YEAR):</b>	<b>\$ 138,817,600</b>

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

**PROJECT IS:** (X) Expansion ( X ) Relocation  
**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** \$150,217,500  
**EXPECTED PROJECT COMPLETION:** August 1, 2019  
**SIZE OF PROJECT LOCATION:** 385,000 sq. ft.  
**NEW BUILDING OR EXISTING LOCATION?** New  
**INDUSTRIAL OR NON-INDUSTRIAL FACILITY?** Industrial  
**CONSTRUCTION:** (X) Yes ( ) No

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<b>NEW FULL-TIME JOBS:</b>	173
<b>RETAINED FULL-TIME JOBS:</b>	92
<b>STATEWIDE BASE EMPLOYMENT:</b>	92
<b>CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:</b>	West Berlin
<b>MEDIAN WAGES:</b>	\$ 37,080

<b>GROSS BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD):</b>	\$ 138,820,100
<b>TOTAL AMOUNT OF AWARD:</b>	\$ 138,817,600
<b>NET BENEFIT TO THE STATE (OVER 35 YEARS, NET OF AWARD):</b>	\$ 2,500
<b>MAXIMUM AWARD PER NEW/RETAINED JOB:</b>	\$ 523,840

**ELIGIBILITY PERIOD:** 10 years

**CONDITIONS OF APPROVAL:**

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. The Net Benefit to the State will be recalculated if the CPA certification shows a 10% or more reduction of the number of eligible jobs, capital investment, or payroll from the amounts approved by the Board. If the Net Benefit analysis does not support awarding a tax credit for the entire approved amount, then the amount of the award will be reduced accordingly.
7. Due to the size of this Grow NJ Award, the Applicant will be required to submit quarterly project and financing status reports until the project is completed.

**APPROVAL REQUEST:**

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

**DEVELOPMENT OFFICER:** Justin Kenyon

**APPROVAL OFFICER:** Mark Chierici