



Online Application for Financial Assistance

OFFICIAL COPY

APPLICATION SUBMISSION DATE - 11/7/2011 9:57:04 AM

APPLICATION NUMBER: 204213

Application Date:	11/7/2011
Who is your NJEDA contact?	Margie Piliere
Products Selected:	Urban Transit Hub
Application Fee:	\$5000
Payment Method:	BYCHECK

Organization Information

Applicant Organizational Name: (official, legal name without abbreviations)	Fresh Direct, LLC and Affiliates
Federal Employer's I.D. No. (FEIN):	11-3576953
Doing Business As Name:	na
Holding Company Name:	Fresh Direct Holdings, Inc.
Authorized Representative:	Jason Ackerman
Title:	Chief Executive Officer
Is the Organization's address the same as the Contact's address?	NO
Street Address:	23-30 Borden Avenue
Address Line 2:	
City/Town:	Long Island City
State:	NY
ZIP Code:	11101
County:	New York
Telephone Number:	7189281000
Website Address:	www.freshdirect.com

Number of Employees: 2076
 NAICS Number: 492210
 Nature of Business: Online grocer
 Year Established: 2002
 Ownership Structure: Limited Liability Co.
 State of Incorporation/Formation: DE

List all Officers, Directors or Owners with a 10% or more interest.

Name	SSN	Position	US Citizen	Permanent Resident
Exhibit B	tbd	Owner/ Partner	NA	NA

Principal Bank Reference Information

Bank Name	Contact Name	Contact Telephone Number
JP Morgan Chase	Kathy Hamre	6317555015

Legal Information

Name of counsel to applicant: Laurence Hickey
 Address: 23-30 Borden Avenue Long Island City, NY 11101
 Telephone: 7189281000

Accountant Information

Accountant name: Peter Kaplan
 Address: Pricewaterhouse Coopers LLP 401 Broad Hollow Road Melville, NY 11747
 Telephone: 6317532700

Has the applicant, or any related parties, previously received EDA assistance? NO

Contact Information

Salutation:
 First Name: Joseph
 Middle Initial:
 Last Name: Lacy
 Suffix:
 Title: Managing Director
 Company: BLS & Company LLC
 Mailing Address: 215 Park Avenue South

Address Line 2: 10th floor
 City/Town: New York
 State: NY
 ZIP Code: 10003
 Telephone Number: 646-652-7555 Ext.
 Fax Number: 656-652-7550
 Email Address: jlacy@blsstrategies.com

Project Information

Project Location

Street Address: Secaucus Road (see Exhibit B)
 Address Line 2:
 City/Town: Jersey City
 State: NJ
 ZIP Code: 07302
 County: Hudson
 Block: Exhibit C
 Lot: Exhibit C
 Census Tract: 340170009.01

Project Description

Please provide a narrative description as fully and precisely as possible of the project, including acquisition, lease and renewal terms, construction or expansion plans, current and future uses by the applicant, size of existing and proposed facility, and/or project occupant(s) of the building(s) and/or equipment to be acquired or upgraded:

Exhibit A

Will the project facility be occupied or used by any party other than the applicant? NO

Project Costs

Please enter applicable costs:

Other (1) - Exhibit D	\$117,743,155
Total Cost:	\$117,743,155

Sources of Funds

Sources should include categories such as owner's equity, bank financing, and other government support.

Source Name	Source Amount
Amount of NJEDA Assistance Requested	\$1
Equity	\$25,992,671
NMTC	\$31,000,000
EB-5	\$53,000,000
Equipment Lease	\$7,750,483
Total:	\$117,743,155

Urban Transit Hub

All HUB applications must undergo an economic impact analysis. For more information on the EDA's model please [Click here](#).

Applying as: Owner

Total number of years of operation in New Jersey: 7

What is the Total Square Footage of all buildings by Use (Retail, Industrial, Office)

Proposed construction of an approximately 400,000 sf facility, including approximately 40,000 sf of office and the balance of the space as manufacturing and warehouse/distribution.

Please provide the Total Number of Full Time Employees and the Breakdown of Job Category (Managerial, Administrative, etc.). Include in your answer the number and types of existing "at risk" jobs; Existing "not at risk" jobs; Net new jobs; Number of construction jobs.

The project would result in the relocation of Fresh Direct's and its affiliates current Long Island City employment and planned future growth. The current employment represents approximately 2,000 benefit eligible employees, including corporate headquarter employment, operations support (kitchen staff, butchers, etc.), warehouse employment and delivery staff (including drivers). This includes employees who are benefit eligible but do not work 35+ hours per week. On an annual average basis, Fresh Direct employs approximately 1,688 whose hours exceed 35 hours per week.

Further, Fresh Direct and its affiliates project steady growth over the next five years, resulting in over 900 new jobs, of which an estimated 800 would work 35+ hours per week.

The Project will also generate an estimated 700 new construction jobs.

Are any jobs as part of this application identified as grocery store jobs? If so, please quantify: No

Are any jobs as part of this application identified as manufacturing or logistics jobs? If so, please quantify: Yes

If any of the jobs as part of this application considered at risk of being relocated out of the State of New Jersey, please provide exhibit documentation that demonstrates the material facts on the "at risk" nature of these employees. Include how you will address issues such as mobility, labor and regulatory requirements as applicable (e.g., is your lease expiring, do you have stranded assets if you leave; is your labor force required to be here, is a union contract required; do you need to be licensed to be here).

NA

What is the Average Wages for the Employees, and or the Total Salaries?

Approximately \$35,000 per year.

Is there an estimated wage growth factor? If yes - What percent each year?

Yes - 3% growth factor.

Is there a ramp up in Employment expected? If yes - Provide a separate schedule as an attachment to the application. YES

What is the Projected Incremental Sales Taxes, if any? Exhibit E

What is the Projected Incremental Corporate Business Taxes, if any? Exhibit E

What is the Projected Incremental Wage Taxes, if any? Exhibit E

What is the Projected Incremental Miscellaneous State Taxes, if any? Exhibit E

What is the Projected Incremental Miscellaneous Local Taxes, if any? Exhibit E

What are the Projected Incremental Property Taxes or PILOT payments, if any? Exhibit E

Does your business use rail for its regular operations? If yes, please indicate the location of the rail line you will use for this project. Urban Transit Hubs are located within 1/2 mile of New Jersey Transit, PATH, PATCO, or light rail stations in: Camden, Hoboken, New Brunswick, East Orange, Jersey City, Paterson, Elizabeth, Newark and Trenton. Please refer to the EDA website for additional information Also please provide a brief description of how you utilize rail for your operations (purpose, frequency, etc).

The Company will utilize rail as part of its business operations and is reviewing several options for accessing rail.

Additional Background Information

Businesses applying for eligibility for NJEDA programs are subject to the Authority's Disqualification/Debarment Regulations (the "Regulations"), which are set forth in N.J.A.C. 19:30-2.1, et seq. Applicants are required to answer the following background questions pertaining to the commission of certain actions that can lead to debarment or disqualification from eligibility under the Regulations.

All capitalized terms used in this Questionnaire, except those defined elsewhere herein, shall be defined at the bottom of this form.

- 1. Commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract, or subcontract thereunder, or in the performance of such contract or subcontract. NO
- 2. Violation of the Federal Organized Crime Control Act of 1970, or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, perjury, false swearing, receiving stolen property, obstruction of justice, or any other offense indicating a lack of business integrity or honesty. NO
- 3. Violation of the Federal or State antitrust statutes, or of the Federal Anti-Kickback Act (18 U.S.C.874). NO
- 4. Violation of any law governing the conduct of elections of the Federal Government, State of New Jersey or of its political subdivision. NO

- 5. Violation of the "Law Against Discrimination" (P.L. 1945, c169, N.J.S.A 10:5-1 et seq., as supplemented by P.L. 1975, c127), or of the act banning discrimination in public works employment (N.J.S.A 10:2-1 et seq.) or of the act prohibiting discrimination by industries engaged in defense work in the employment of persons therein (P.L. 1942, c114, N.J.S.A 10:10, et seq.). NO

- 6. To the best of your knowledge after reasonable inquiry, violation of any laws governing hours of labor, minimum wage standards, prevailing wage standards, discrimination in wages, or child labor. NO

- 7. To the best of your knowledge, after reasonable inquiry, violation of any law governing the conduct of occupations or professions of regulated industries. NO

- 8. Debarment by any department, agency, or instrumentality of the State or Federal government. NO

- 9. Violation of any of the following prohibitions on vendor activities representing a conflict of interest, or failure to report a solicitation as set forth below:
 - i. No person shall pay, offer or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any Authority officer or employee or special Authority officer or employee, as defined by N.J.S.A 52:13D-13(b) and (e), with which such person transacts or offers or proposes to transact business, or to any member of the immediate family as defined by N.J.S.A 52:13D-13i, of any such officer or employee, or partnership, firm or corporation with which they are employed, or associated, or in which such officer or employee has an interest within the meaning of N.J.S.A 52:13D-13g.
 - ii. The solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any Authority officer or employee or special Authority officer or employee from any person shall be reported in writing by the person to the Attorney General and the Executive Commission on Ethical Standard.
 - iii. No person may, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such person to, any Authority officer or employee or special Authority officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to the Authority, or with any person, firm or entity with which he or she is employed or associated or in which he or she has an interest within the meaning of N.J.S.A 52:13D-13g. Any relationships subject to this subsection shall be reported in writing to the Executive Commission on Ethical Standards, which may grant a waiver of this restriction upon application of the Authority officer or employee or special Authority officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest.
 - iv. No person shall influence, or attempt to influence or cause to be influenced, any Authority officer or employee or special Authority officer or employee in his or her capacity in any manner which might tend to impair the objectivity or independence of judgment of the officer or employee.
 - v. No person shall cause or influence, or attempt to cause or influence, any Authority officer or employee or special Authority officer or employee to use, or attempt to use, his or her official position to secure unwarranted privileges or advantages for the person or any other person.

NO

10. Has any member of the Controlled Group been found guilty, liable or responsible for the violation in any Legal Proceedings of any State, Federal or foreign law that may bear upon a lack of responsibility or moral integrity, or that may provide other compelling reasons for disqualification. (Your responses to the foregoing question should include, but not be limited to, the violation of the following laws, without regard to whether any monetary award, damages, verdict, assessment or penalty has been made against any member of the Controlled Group, except that any violation of any environmental law in category (v) below need not be reported where the monetary award damages, etc. amounted to less than \$1 million).

- i. Laws banning or prohibiting discrimination or harassment in the workplace on the basis of gender, race, age, religion or handicapped status.
- ii. Laws prohibiting or banning any form of forced, slave, or compulsory labor.
- iii. Laws protecting workers who have reported the wrongdoing of their employers to governmental authorities, commonly referred to as "Whistleblower Laws".
- iv. Securities or tax laws resulting in a finding of fraud or fraudulent conduct.
- v. Environmental laws.
- vi. Laws banning the possession or sale of, or trafficking in, firearms or drugs.
- vii. Laws banning anti-competitive dumping of goods.
- viii. Anti-terrorist laws.
- ix. Criminal laws involving commission of any felony or indictable offense under State, Federal or foreign law.
- x. Laws banning human rights abuses.
- xi. Laws banning the trade of goods or services to enemies of the United States.
- xii. The New Jersey Conflicts of Interest Law, N.J.S.A 52:13D-1, et seq.

NO

11. To the best of your knowledge, after reasonable inquiry, is any member of the Controlled Group a party to pending Legal Proceedings wherein any of the offenses or violations described in questions 1-10 above are alleged or asserted against such entity or person? NO

If the answer to any of the foregoing questions is affirmative, you must provide the following information as an attachment to the application: (i) the case and court in which such matters were tried or are pending; (ii) the charges or claims adjudicated or alleged; and (iii) a brief explanation of the circumstances giving rise to such matters. Also, for affirmative answers to question 1-10, copies of the final judgments, consent orders or administrative findings, as the case may be, that were entered or made in such matters must be attached.

The terms set forth below shall be defined as follows:

"Affiliates" means persons having an overt or covert relationship such that any one of them directly or indirectly controls or has the power to control another.

"Legal Proceedings" means any State, Federal or foreign civil, criminal or administrative proceeding in a court or administrative tribunal in the United States, any territories thereof or foreign jurisdiction.

The Authority reserves the right to require additional clarifying or explanatory information from the applicant ("Applicant") regarding the answers given. If, at any time prior to board action on this application, or, at any time between the date of such action and the execution of a grant agreement with the Authority, the Applicant should become aware of any facts that materially alter or change such answers, or render any of them incomplete, the Applicant shall have a duty to immediately report such facts to the Authority in writing.

Certification of Application

PLEASE NOTE:

Eligibility of financial assistance by the New Jersey Economic Development Authority is determined by the information presented in this application and the required attachments and schedules. Any changes in the status of the proposed project from the facts presented herein could disqualify the project, including but not limited to, the commencement of construction or the acquisition of assets such as land or equipment. Please contact the staff of the EDA before taking any action which would change the status of the project as reported herein. The EDA's regulations and policies regarding the payment of prevailing wages and affirmative action in the hiring of construction workers require the submission of certain reports and certificates and the inclusion of certain provisions in construction contracts. Please consult with the EDA staff for details concerning these matters. (Forms can be found on our website www.njeda.com/forms)

Only Board Members of the governing board of the particular program for which you are applying, by resolution, may take action to determine project eligibility and to authorize the issuance of funds.

I, THE UNDERSIGNED, BEING DULY SWORN UPON MY OATH SAY:

1. I have received a copy of the "Regulation on Payment of Prevailing Wages" and the "Affirmative Action Regulation" and am prepared to comply with the requirements contained therein.
2. I affirm, represent, and warrant that the applicant has no outstanding obligations to any bank, loan company, corporation, or individual not mentioned in the above application and attachments; that the information contained in this application and in all attachments submitted herewith is to the best of my knowledge true and complete and that the bond/loan applied for herein is not for personal, family, or household purposes.
3. I understand that if such information is willfully false, I am subject to criminal prosecution under N.J.S.A. 2C:28-2 and civil action by the EDA which may at its option terminate its financial assistance.
4. I authorize the New Jersey Department of Law and Public Safety to verify any answer(s) contained herein through a search of its records, or records to which it has access, and to release the results of said research to the EDA.
5. I authorize the EDA to obtain such information including, but not limited to, a credit bureau check as it may require, covering the applicant and/or its principals, stockholders and/or investors.
6. I authorize the EDA to provide information submitted to it by or on behalf of the applicant to any bank or State agency which might participate in the requested financing with the EDA.

I am Authorized Signer and I accept the terms and conditions.

Required Attachments

- Application for Tax Clearance
 - [Download Application for Tax Clearance - Division of Taxation](#) (Instructions: Please only complete the information above the dotted line on the application and sign and date at the bottom of the form.)
 - [Link to Treasury](#)
 - [P.L.2007, C.101](#)
- Engineer/Surveyor Letter certifying the location to be within ½ mile of an Urban Transit HUB.
- The Development Subsidy Job Goals Accountability Act
 - [Application Addendum](#)
 - [P.L.2007, C.200](#)
- [CEO Certification](#)