

Attachment 12

New Jersey Wind Port Parcel Information



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

NEW JERSEY WIND PORT PROSPECTUS

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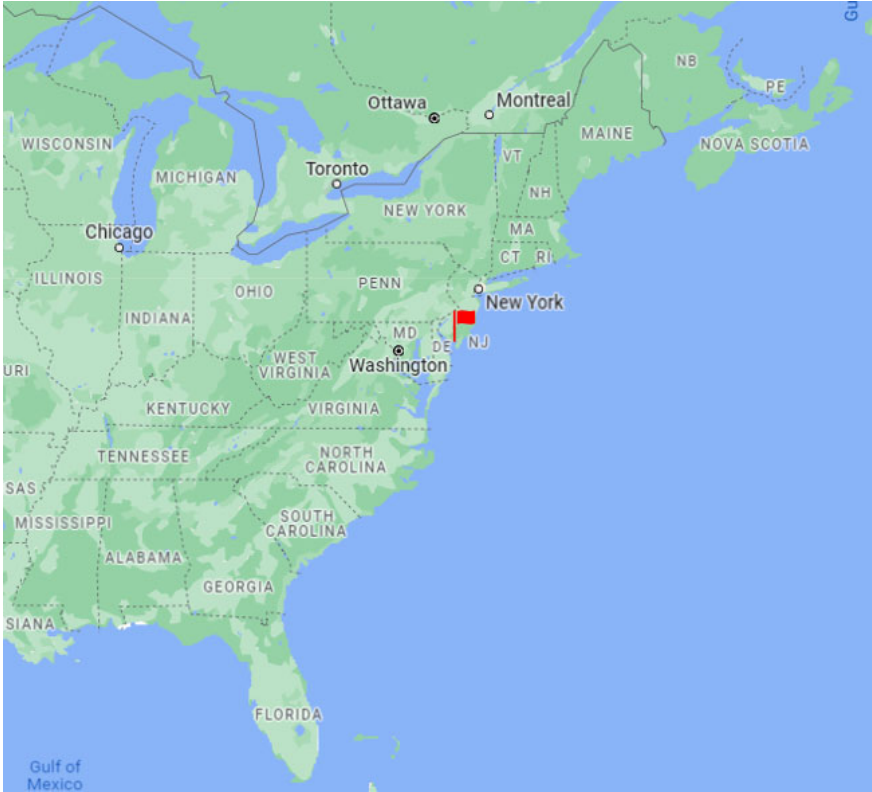
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SUMMARY

About the New Jersey Wind Port

The New Jersey Economic Development Authority (NJEDA), an independent authority of the State of New Jersey, is developing the New Jersey Wind Port (NJWP) on behalf of the State. The NJWP is the nation’s first greenfield wind port, being designed, built and intended to be operated exclusively for offshore wind marshalling and Tier 1 turbine component manufacturing.

Situated on the eastern shore of the Delaware River in Lower Alloways Creek, Salem County, the NJWP is located at the geographical center of the East Coast wind belt.



Free of vertical restrictions and with a developable footprint of over 220 acres, the NJWP is one of only a handful of East Coast ports with capacity to accommodate marshalling as well as Tier 1 turbine component manufacturing. This co-location enables offshore wind developers and manufacturers to lower costs through avoided double handling, to the benefit of the industry and in-turn energy ratepayers. In addition to supporting the delivery of New Jersey’s own 11 GW pipeline, the NJWP will serve wind projects across the Eastern Seaboard. At full scale it is anticipated that the NJWP will support the marshalling of two offshore wind projects concurrently and will house several Tier 1 turbine component manufacturers. NJEDA expects the NJWP to create up to 1,500 ongoing manufacturing, stevedoring and other port operations jobs.

Phased development

The NJWP is being developed in phases over an approximately 7/8 year period commencing in 2021. Phase 1, portions of which are already under construction, will comprise:

- An approximately 30-35 acre property and adjacent wharf infrastructure purpose-built for

marshalling (i.e., wind turbine staging, final assembly, and transport) (Parcel A);

- A dredged access channel from the NJWP to the main Delaware River shipping channel, as well as berth pockets and a turning basin able to accommodate jack-up installation vessels and other turbine installation and delivery vessels;
- Two inland manufacturing parcels (Parcels C and G), connected to the wharf via a heavy-haul road corridor purpose-built for moving components such as nacelles and towers;
- An approximately 35-acre confined disposal facility (CDF) for dredge placement (Parcel E);
- An approximately 5-acre property for general port administration and parking (Parcel D); and
- On-site utility infrastructure and grid connections.

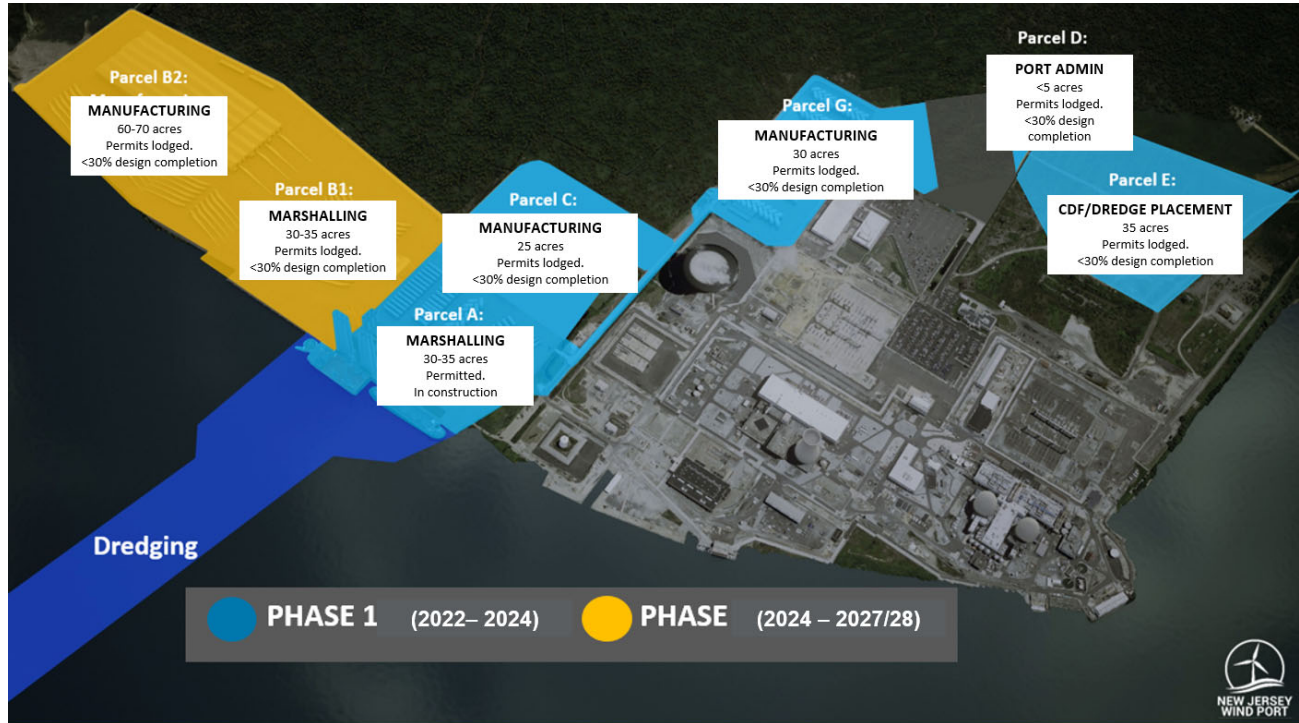
Phase 2 of the project, which is currently at the preliminary design stage, will comprise:

- An approximately 35-acre property and adjacent wharf infrastructure purpose-built for marshalling with dredged berth pockets (Parcel B1);
- An approximately 65-acre property purpose-built for Tier 1 turbine component manufacturing, as well as adjacent wharf infrastructure with dredged berth pockets (Parcel B2);
- On-site utility infrastructure; and
- Heavy-haul road corridors connecting parcels and shared wharves.

Parcel A is approximately 40 percent complete as of 1/31/23 and is targeted to achieve 100% completion in Quarter 2 of 2024, with the balance of Phase 1 (Parcels G, C, D and E) targeted to come online over the course of 2024 and 2025. Phase 2 is targeted to commence construction in 2024 and to achieve completion by 2028. Figure 1 further details each project phase and parcel with Figure 2 providing an (indicative) illustration of the NJWP once complete.

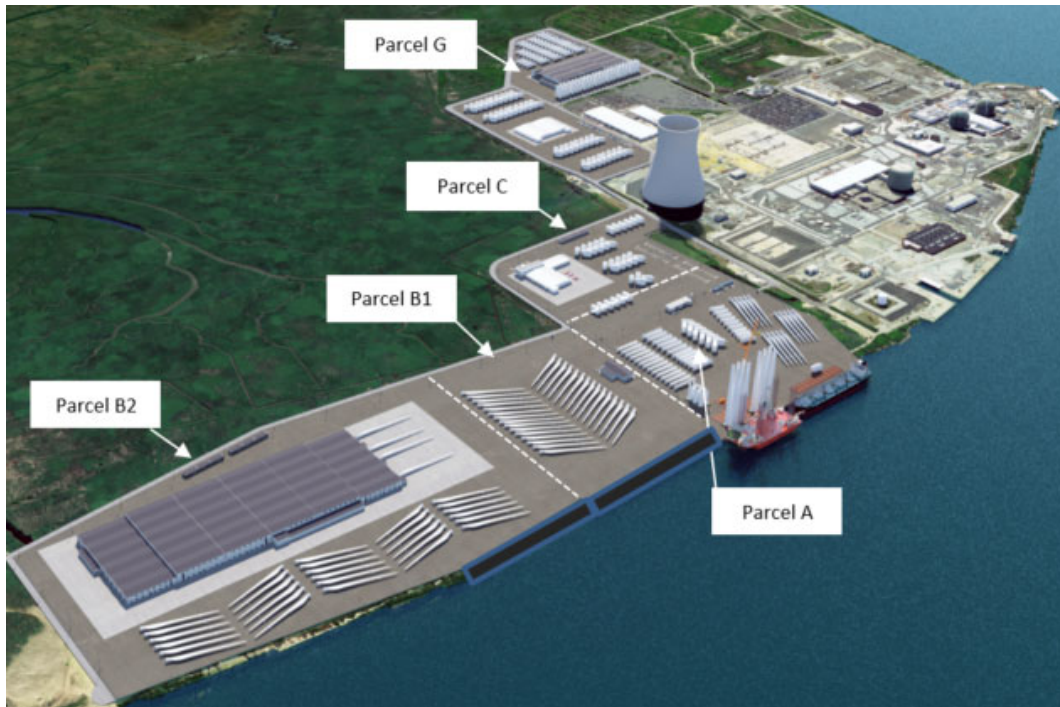
AECOM Tishman is undertaking Phase 1 construction under a Construction Manager at Risk (CMAR) delivery method. AECOM Tishman was contracted by NJEDA in July 2021 following a publicly advertised, competitive bid process. NJEDA's engineer of record on the project is Moffatt & Nichol (M&N). WSP USA is serving as owner's representative and AKRF as permitting advisor.

Figure 1 – NJWP development phasing, parcels and current status



Note – Port layout and development timeframes are indicative with design of certain parcels currently at an early stage. Final Port layout may differ due to technical, policy, economic and commercial factors.

Figure 2 – Visual illustration of the NJWP at full-scale¹



Site selection & site control

¹ Facility types are illustrative/indicative only

In 2019, the New Jersey Board of Public Utilities (NJBPU) commissioned – as an input to the development of the State’s Offshore Wind Strategic Plan (OWSP) – an assessment of the State’s current port inventory and expansion opportunities. This assessment, undertaken by Ramboll, included 38 in-state properties which were evaluated using the following screening criteria:

- Waterfront access
- Size of the property
- Depth of the existing berth
- Depth of the nearby navigational channel
- Air draft (i.e., bridge height limitations)
- Availability for future development as an offshore wind port

After a two-stage screening process, 13 properties were short-listed for further technical assessment, including analysis of the potential cost to redevelop/develop for offshore wind use. Of this short-list only two sites, Lower Alloways Creek and the Werner Generating Station (in South Amboy), were found to be free of vertical restrictions and therefore viable for marshalling using a conventional jack-up installation method. NJEDA commissioned McKinsey & Co. to further assess the economic and financial viability of the two sites, with this assessment underpinning NJEDA’s decision to site the NJWP at Lower Alloways Creek. Specific decision factors included:

- A larger developable acreage allowing for co-location of marshalling and manufacturing;
- A single landowner (PSEG) at the site versus multiple in the case of other sites;
- Site condition (greenfield site/no need for active remediation) and project readiness; and
- Distance from residential areas and associated reduced risk of community impact.

In September 2021, the Authority executed a Ground Lease with PSEG Nuclear for approximately 121 acres comprising parcels A, C, G, D and E. In July 2022, the Authority purchased 110 acres of land from PSEG Nuclear which is contiguous to the northern edge of the leased premises, bringing the Port’s total footprint to over 220 acres. Phase 2 (parcels B1 and B2) will be sited on the Authority-owned property. The Authority has a road access easement agreement with PSEG Nuclear providing it and its subtenants with a right of egress/ingress to the leased and Authority-owned property.

All requisite permits have been secured for Parcel A’s development. Federal and state permits for the balance of Phase 1 parcels as well as Phase 2 have been lodged. The Authority is targeting attainment of permits for all parcels by the end of 2024.

Project funding/financing

NJEDA has secured \$637.6 million in state funding for the project to date, with state bonds anticipated to cover the balance of project costs. Phase 1 of the project is estimated at \$550 million. The cost of Phase 2 is anticipated to be similar – noting that Phase 2 remains at an early design stage. To date, the Authority has not sought federal funding for the project.

Port operations

The precise allocation of operational responsibilities between NJEDA and tenants remains to be determined, however NJEDA anticipates that its responsibilities will closely align with its role as a port landlord and asset owner with tenant responsibilities reflecting their direct control of component

movement into/out of and around the Port. Anticipated NJEDA responsibilities include, but are not limited to:

- Coordination of berth and common infrastructure (e.g., heavy haul roads) use between tenants/subtenants;
- Maintenance dredging to preserve the access channel and berths;
- Maintenance of core assets including the wharf and adjacent heavy lift areas, heavy-haul and access roads, as well as other common areas;
- Power, water and sewer provision;
- Supervision of common areas to ensure operability; and
- Maintenance of perimeter fencing and security systems for common areas.

NJEDA intends to contract with a third-party facilities manager and port operator to perform certain of the above landlord functions via a publicly advertised competitive bid process which will commence in 2023. NJEDA anticipates that its (third-party) operator will be responsible for the procurement and provision of goods moving equipment (e.g., cranes, SPMTs) and stevedoring services at the NJWP – however the precise allocation of responsibilities will be resolved through negotiations with prospective tenants following the submission and scoring of non-binding offers.

PARCEL SPECIFICATIONS & AVAILABILITY

At full scale, it is anticipated that the NJWP will support the marshalling of two wind projects concurrently and house several Tier 1 component manufacturers. Figure 3 details the intended use, development timing, and technical specifications for each operational parcel.

Figure 3 – Parcel specifications

| Parcel | Use | Property owner | Specifications (per designs/ concepts) ² | Development status |
|--------|---------------|--|--|---|
| A | Marshalling | - PSEG Nuclear (NJEDA has a long-term lease on the property) | - 30-35 acres ³ - >1,400 linear feet wharf comprising delivery and install berths with >6,000 psf ⁴ - Backlands >3,000 psf | - Permitted - Design complete - Construction underway (40% complete as 1/31/23) – completion targeted Q1 2024 |
| B1 | Marshalling | - NJEDA | - 30-35 acres - >1,400 linear feet wharf comprising delivery and install berths with >6,000 psf - Backlands >3,000 psf | - Design underway - Permits lodged - Construction anticipated to commence in 2024 and complete mid-2026 |
| G | Manufacturing | - PSEG Nuclear (NJEDA has a long-term lease on the property) | - Approx. 29 acres - Backlands >3,000 psf | - Design underway - Permits lodged - Construction anticipated to commence in 2024 and complete 2025 |
| C | Manufacturing | - PSEG Nuclear (NJEDA has a long-term lease on the property) | - Approx. 25 acres - Backlands >3,000 psf | - Design underway - Permits lodged - Construction anticipated to commence in late 2023 and complete 2025 |
| B2 | Manufacturing | - NJEDA | - Approx. 65 acres – with potential to increase to 100 acres ⁵ - Backlands >3,000 psf - Wharf specs TBD ⁶ | - Design underway - Permits lodged - Construction (of core infrastructure) anticipated to commence 2026 and complete no later than 2028 |

Additional information about the NJWP is available at: <https://www.nj.gov/windport/>.

FUTURE TENANT SELECTION

Indicative process & timing

NJEDA intends to commence the next round of tenant selection immediately upon the completion of the New Jersey Board of Public Utilities’ (NJBPU’s) third offshore wind solicitation (NJ3). This process will comprise the issuance of a Notice of Lease/Sublease inviting non-binding offers for specific parcels at NJWP. NJEDA’s issuance of the Notice is independent of the NJBPU NJ3 solicitation, and non-binding offers submitted in response to the Notice are subject to a stand-alone

² With the exception of Parcel A, technical specifications are indicative only with designs currently at an early stage. Acreages reflect developable acreage, noting that sub-leasable acreages may differ

³ Parcel A’s initial design is for 30 acres. NJEDA anticipates expansion to 35 acres upon completion of Parcel B1 in 2026

⁴ Initial build will be to 1,100 linear feet. As part of Phase 2 NJEDA anticipates increasing wharf length to 1,400 linear feet

⁵ Based on current land owned by NJEDA Parcel B2 has an approximate size of 65 acres. Should NJEDA be able to secure additional land to the immediate north (land currently owned by the US Army Corp of Engineers (USACE)) there is potential to increase Parcel B2 above 65 acres to a maximum of 100 acres. NJEDA is actively exploring this potential with the USACE but can make no representations at this time as to its ability to provide more than 65 acres.

⁶ NJEDA will finalize wharf specifications for Parcel B2 after the receipt of non-binding offers for that parcel and in consultation with the successful lessee

evaluation and scoring process run by NJEDA and approved by its Board.

Following the non-binding offer submission process and NJEDA scoring of compliant offers, NJEDA will enter into negotiations with one or more parties whose offer(s) it determines, based on the published evaluation criteria, is in the best interests of NJEDA and the State. NJEDA may arrange interviews with parties that have submitted offers in order to inform its evaluation process and decision whether to proceed with negotiations. NJEDA also reserves the right to reject all non-binding offers for a given parcel or parcels and to bring that parcel or parcels to market at a later point. Should NJEDA proceed to negotiations with one or more parties, NJEDA will provide additional technical and engineering information about the NJWP to all parties with which it is negotiating (subject to the execution of a Non-Disclosure Agreement (NDA)), and may seek additional information from the parties with which NJEDA is negotiating regarding their technical and commercial plans for the property or properties, among other details.

After a reasonable negotiation period consistent with the anticipated milestones outlined below, NJEDA shall request that all parties with which it is negotiating submit a binding offer in a form, and in accordance with terms, prescribed by NJEDA at the time of that request. NJEDA will also evaluate binding offers based on the aforementioned criteria. Following the evaluation of binding offer(s) for a parcel, NJEDA will recommend to its Board the selection of the offeror with the highest ranked binding offer for that parcel, if in the best interests of NJEDA and the State, and the execution of NJEDA's form of binding Letter of Intent (LOI) with the selected offeror. The binding LOI shall consist of the terms in the binding offer. NJEDA's Board shall determine whether: (1) to approve the selection of the tenant, execute the LOI with the selected tenant, and reject all other offers; (2) to reject all offers; (3) to terminate negotiations regarding any particular offer and issue a new notice of availability of property for sublease; or (4) to take other appropriate action.

If the Board selects the offeror with the highest ranking binding offer, NJEDA will execute the binding LOI with the selected offeror. After final Board approval and execution of the LOI, NJEDA and the selected offeror will begin detailed negotiations on a lease/sublease agreement and, to the extent applicable, related agreements such as development agreements. Final contract terms cannot be inconsistent with the terms agreed by parties in the binding LOI, unless NJEDA determines that a change is in the best interests of NJEDA and the State. Any lease/sublease agreement is subject to approval by the NJEDA Board.

If NJEDA receives only one offer for a given parcel or parcels, NJEDA may decide to proceed to detailed negotiations on a lease/sublease agreement rather than seek a binding LOI as an interim step towards a full lease/sublease agreement.

Indicative timing of key steps towards lease/sublease agreements are summarized in Figure 4.

Figure 4 – Anticipated tenant selection process

| Process step | Indicative timing |
|--|--------------------------|
| Issuance of Notice to Lease/Sublease | Q3 2023 |
| Non-binding offers due & scoring of offers | Q4 2023 |
| Negotiations with highest ranked offerors | Q1 2024 – Q3 2024 |
| Execution of LOI with preferred offerors (for each parcel) | Q4 2024 |
| Detailed negotiations towards contractual close | Q4 2024 onwards |

As detailed in Figure 5, the Notice to sublease/lease will comprise the following parcels:

- Parcel A, for marshalling subleases anticipated to start July 2028.

- Note – July 2028 is when NJEDA expects Parcel A to become available for lease based on currently available information.
- Parcel B1, for marshalling leases anticipated to start January 2030.
 - Note – Parcel B1 may become available as soon as July 2028 however NJEDA cannot guarantee availability prior to January 2030 due to delay-related term extension rights for the preceding lessee.
- Parcel B2, for manufacturing leases anticipated to start January 2027.

For Parcel B2, the earliest lease commencement date (January 2027) reflects NJEDA's current view of when conditions precedent to manufacturing facility development, such as permitting, will be met and construction of a facility can commence.⁷ NJEDA anticipates that construction of core infrastructure, such as any marine development adjacent to Parcel B2, will occur at the same time as a facility (i.e., that core infrastructure construction and facility construction will be concurrent). Based on its current development schedule, NJEDA anticipates that core infrastructure (excluding the manufacturing facility) will complete in 2028.

At this time, NJEDA does not anticipate seeking offers on parcels G or C in the upcoming tenant selection round but reserves the right to do so should circumstances change.

Anticipated evaluation criteria

Consistent with preceding tenant selection processes for parcels at the NJWP, NJEDA will issue a Notice of Lease/Sublease seeking non-binding offers. Compliant offers will be evaluated on the basis of four (4) criteria:

- Job creation, which includes, amongst other factors:
 - The number and quality of jobs;
 - The likelihood of the Offeror's ability to meet its job targets, including a demonstrable pipeline of work that proposed use of the premises would support.
 - The strength of an Offeror's commitment and certainty of its plans for scaling operations and jobs over the longer-term.
 - The extent to which an Offeror's intended use aligns with the State's broader OSW job plan, as well as the State's objectives for the NJWP as a marshalling and manufacturing hub, and its broader local content and workforce development goals.
- Highest net cash return to NJEDA. In scoring the net cash return NJEDA will also consider:
 - The risk allocation amongst NJEDA and the prospective tenant;
 - Commercial conditions attached to an offer; and
 - Potential costs to NJEDA in meeting an Offeror's technical requirements.
- The Offeror's relative capacity to meet the financial obligations of the proposed sublease(s).
- State, county, and local tax generation that the Offeror is expected to generate over the course of its proposed sublease term at the NJWP. NJEDA will determine tax generation

⁷ Commencement dates will depend on the particular characteristics of a facility, such as size/footprint, foundation solution and depth, which will, in turn, determine the timing for construction-related permits, and the requirements and timing of associated core infrastructure construction.

based principally on a party’s proposed job and capital expenditure estimates.

Scoring of job creation for marshalling offers (relative to previous selection rounds) will include jobs that an offeror commits to create elsewhere in the State (i.e., jobs additional to those created at the NJWP directly), to the extent those jobs pertain to the same wind farm development that an offeror intends the NJWP to support.

Offers submitted by a party will be evaluated on a strict parcel-by-parcel (i.e., stand-alone) basis, independent of any offer(s) that party may make on any other parcel. However, in evaluating each offer, NJEDA will also factor in any contingencies that may limit or reduce the Offeror’s capacity to realize the commitments made, reduce the certainty of commitments made, or otherwise cause the commitments made to not be realized.

Pricing & lease/sublease tenor

Interested parties should review the information contained in Exhibit A (marshalling leases/subleases on parcels A and B1) and Exhibit B (manufacturing leases on Parcel B2).

For marshalling parcels, NJEDA intends to limit lease length to the length of time required to marshal a single project inclusive of reasonable buffer for unanticipated delays (e.g. 2-3 years) – in order to preserve capacity for future wind development projects.

For Parcel B2, NJEDA will seek long-term lease commitments. A 10-year minimum lease commitment will apply.

Figure 5 – Parcel availability

| Parcel | Current commercial status | Anticipated sublease/ lease start | Process for tenant selection | Sublease/ lease pricing |
|--------|--|-----------------------------------|---|------------------------------------|
| A | <ul style="list-style-type: none"> - 1st Notice to sublease issued late 2020 for period 2024 – 2026 - LOI executed with Orsted for period 2024 – 2026 for its project awarded through NJ’s first wind solicitation. Contractual close anticipated Q2 2023 - 2nd Notice to sublease issued late 2021 for period 2026 – 2028/29. Multiple offers received in response. NJEDA anticipates entering into a sublease with an offeror in 2024 for the period 2026 through June 2028 | - July 2028 | - NJEDA anticipates inviting offers to sublease from July 2028 in Q3 2023 | - Mandatory price floor will apply |
| B1 | - 1 st Notice to sublease issued late 2021 for period 2026 – 2029. Multiple offers received in response. NJEDA executed a LOI with Atlantic Shores for period 2026 through 2029 for its project awarded through NJ’s second wind solicitation | - January 2030 ⁸ | - NJEDA anticipates inviting offers to lease from January 2030 in Q3 2023 | - Mandatory price floor will apply |

⁸ Parcel B1 may become available as soon as July 2028 however NJEDA cannot guarantee availability prior to January 2030 due to delay-related term extension rights for the preceding lessee

| | | | | |
|----|---|---|---|--|
| G | <ul style="list-style-type: none"> - 1st Notice to sublease issued late 2021 for subleases from 2024 - Multiple offers received in response - Negotiations ongoing - NJEDA anticipates reaching contractual close with a tenant in 2024 for a long-term lease | <ul style="list-style-type: none"> - At this time, NJEDA does not anticipate inviting additional offers on this parcel given ongoing negotiations with parties further to the 2021 Notice to sublease but reserves the right to do so should circumstances change. | | |
| C | <ul style="list-style-type: none"> - 1st Notice to sublease issued late 2021 for subleases from 2024 - Multiple non-binding offers received from manufacturers - Negotiations ongoing - NJEDA anticipates reaching contractual close with a tenant in 2024 for a long-term lease | <ul style="list-style-type: none"> - At this time, NJEDA does not anticipate inviting additional offers on this parcel given ongoing negotiations with parties further to the 2021 Notice to sublease but reserves the right to do so should circumstances change. | | |
| B2 | <ul style="list-style-type: none"> - No notices to lease have been issued on this parcel to date | <ul style="list-style-type: none"> - January 2027 | <ul style="list-style-type: none"> - NJEDA anticipates inviting offers to lease from January 2027 in Q3 2023 | <ul style="list-style-type: none"> - Interested parties should review the indicative price guidance |
| D | <ul style="list-style-type: none"> - No plans to lease at this time – parcel intended to be used for parking and administration | | | |
| E | <ul style="list-style-type: none"> - No plans to lease at this time – parcel intended to be used for dredge placement | | | |

FURTHER INFORMATION & SITE VISITS

Any additional questions regarding NJWP technical specifications and parcel availability should be submitted via the Solicitation Website.

**EXHIBIT A –
MINIMUM BASE RENT FOR MARSHALLING LEASES OF PARCELS A & B1**

| | Rent <u>per Twelve (12) Months</u> |
|---------------|---|
| Per acre (ac) | \$600,000 |

Base Rent refers to the **mandatory minimum acceptable rent** (i.e., the price floor) excluding costs such as utilities, property taxes, repair costs and other expenses that are customarily passed through to an industrial tenant by a landlord under a triple net lease that NJEDA will be willing to accept further to a future Notice to Lease/Sublease for Parcels A and B1.

Amounts are expressed in 2023 US Dollars and subject to annual escalation.

The Base Rent amount reflects a fully developed parcel including wharf infrastructure, dredging and ground strengthened uplands necessary to support marshalling activities.

The Base Rent has been calculated based on the capital costs NJEDA has incurred and expects to incur in developing to the specifications required for offshore wind marshalling, and the special-purpose nature of the NJWP (which enables developers and their manufacturing partners to derive cost savings from co-location).

A floor price ensures a level playing field for parties interested in marshalling a project at the NJWP.

**EXHIBIT B –
INDICATIVE BASE RENT FOR MANUFACTURING LEASES OF PARCEL B1**

| | Rent per Twelve (12) Months |
|---------------|------------------------------------|
| Per acre (ac) | \$125,000 |

Base Rent refers to the lease price excluding costs such as utilities, property taxes, repair costs and other expenses, that are customarily passed through to an industrial tenant by a landlord under a triple net lease.

Amounts are expressed in 2023 US Dollars and subject to annual escalation.

The Base Rent amount assumes a fully developed parcel including wharf infrastructure, dredging and ground strengthened uplands necessary to support Tier 1 component manufacturing inbound/outbound use but excludes any manufacturing facility. A determination on which party will be responsible for the financing and construction of a manufacturing facility or facilities, and any rental amount for leasing of such a facility (if applicable), will be made following the issuance of a Notice to Lease/Sublease by NJEDA and subsequent negotiations.

NJEDA is providing indicative rent in recognition of the fact that there are very limited U.S. data points for the leasing of property purpose-built for offshore wind component manufacturing that is co-located with offshore wind marshalling and, relatedly, in response to industry feedback that indicative rent guidance would be helpful in understanding NJEDA's rent assumptions. The indicative Base Rent is calculated based on an assessment of relevant industrial and commercial property lease benchmarks, the capital costs NJEDA expects to incur in developing to the specifications required for offshore wind component manufacturing, and the special-purpose nature of the NJWP (which enables manufacturers to derive cost savings from co-location).

The indicative base rent is a **guide only**. NJEDA provides no assurances that an offer for an amount equal to or exceeding the price guidance, submitted further to the future issuance of a Notice to lease by NJEDA, will be successful.

Interested parties are encouraged to review available New Jersey tax credits including the Offshore Wind Tax Credit Program: <https://www.njeda.com/offshorewindtaxcredit/>