



April 26, 2024

Diana Jeffrey
Jersey City Redevelopment Agency (JCRA)
4 Jackson Square
Jersey City, NJ 07305

Dear Ms. Jeffrey,

On behalf of the New Jersey Economic Development Authority (NJEDA), I want to express our sincere appreciation for the steadfast partnership of the Jersey City Redevelopment Agency (JCRA) in our joint efforts to bring the Centre Pompidou x New Jersey (CPxNJ) project to life. Throughout our collaboration over last several years, your dedication and commitment have been instrumental in navigating the difficulties of financing and operational planning. We remain excited about the potential transformative impact this project holds for Jersey City and the State at large.

Thank you for sharing the updated operating model outlining the revenue and expense projections on March 28, 2024. We have taken time to review the plan in depth, and it is evident that strides have been made in identifying funding sources, including substantial State appropriations and potential tax credits under the recently-enacted Cultural Arts Incentives Program.

However, it is also apparent that the persistent operating gap continues to pose a substantial challenge. Based on the information you provided us, JCRA has identified annual revenue of slightly less than \$4m annually, and recurring expenses of more than \$23m – for an annual operation shortfall of approximately \$19m.

While we are eager to continue working with you on the CPxNJ project, the annual operating gap remains too significant to release any funding at this time. As you know, none of the \$34m appropriated to the project via the NJEDA has been released due to the lack of balanced sources and uses and operating plan. With federal funding deadlines looming and the state budget process underway, it is clear that we must meaningfully narrow this gap.

We kindly request an updated revenue and expense model for the CPxNJ project that rectifies the annual operating deficit. If JCRA cannot provide an updated model by May 26, 2024, we will have to consider whether it is more prudent for the State to use these funds for other fiscal priorities that the Legislature and Governor might identify through the budget and federal fund process.

We are more than willing to continue collaborating closely with JCRA to provide any necessary insights and support as the NJEDA firmly believes this project would be tremendously beneficial for Jersey City and the entire state of New Jersey.

We remain hopeful that JCRA can identify sustainable solutions that would allow the CPxNJ project to move forward.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Sullivan", is written over a light blue horizontal line.

Tim Sullivan
CEO, New Jersey Economic Development Authority (NJEDA)