



**New Jersey Economic Development Authority**

**REQUEST FOR INFORMATION**

**2022-RFI-OET-PFS-146**

**for**

**New Jersey Financial Technology Innovation Center**

**I. INTENT/SUMMARY OF SCOPE**

The New Jersey Economic Development Authority (“Authority”, “NJEDA”), an independent Authority of the State of New Jersey, is seeking information and ideas from qualified entities (“Respondents”) including, but not limited to: finance and insurance companies, information technology companies, suppliers within the Financial Services and Technology supply chains (e.g., product and technology development), post-secondary educational institutions, relevant industry or trade groups, policy and academic researchers; real estate developers; business leaders, employers and entrepreneurs; technical assistance providers, and municipal or county governments.

This Request for Information (RFI) is issued by the NJEDA to seek information from firms with perspectives on the creation of a physical innovation center dedicated to financial technology (fintech). The NJEDA is interested in receiving comments, questions, recommendations, facts, information, ideas, solutions, and responses that will help the NJEDA better understand the scope and characteristics of technology driven financial innovations, generally referred to as fintech, and the potential value in creating a Center for fintech activity in New Jersey.

This RFI seeks to collect information on whether a fintech strategic innovation center offers a unique opportunity for further economic development, sustain job growth/creation, and catalyze innovation. In addition, this RFI seeks to:

1. Better understand the opportunities and challenges in establishing a fintech innovation center in the State including, market need and gaps, as well as potential sites and logistical considerations regarding the Center’s location and operations.
2. Collect information on potential projects or solutions that present the best return on investment and opportunity for sustainability.
3. Learn about models in the United States and throughout the world that should be explored when developing a center.

**II. BACKGROUND**

The Authority serves as the State’s principal agency for driving economic growth. The Authority is committed to making New Jersey a national model for inclusive and sustainable economic development by focusing on key strategies to help build strong and dynamic communities, create good jobs for New Jersey

residents and provide pathways to a stronger and fairer economy. Through partnerships with a diverse range of stakeholders, the Authority creates and implements initiatives to enhance the economic vitality and quality of life in the State and strengthen New Jersey's long-term economic competitiveness.

Governor Murphy's Economic Development Strategic Plan, "The State of Innovation: Building a Stronger and Fairer Economy in New Jersey" specifically highlights investing in emerging innovative industries as critical to the State's economic development strategy. New Jersey will take a proactive, targeted approach to support innovative, resilient growth industries that provide living wages for New Jersey residents.

A stronger and fairer New Jersey economy will prioritize innovation sectors that best support New Jersey's long-term economic future. The Governor's plan identifies Finance and Professional Services as one of nine strategic sectors with the potential for outsized growth over the next five to fifteen years where the State could use targeted initiatives to promote innovation and economic development. NJEDA has determined that, given its high reliance on technology and innovation, fintech falls within the Financial and Professional Services sector.

In addition, the Economic Recovery Act provides a consistent definition of "targeted industry" for various programs and authorizes the Authority to amend the list from time to time. "Targeted industry" means any innovative industries that disrupt current technologies or business models, including but not limited, to Finance and Insurance. The Finance and Insurance industry includes, but is not limited to, the research, development, commercialization and management of financial and risk-management solutions, products and services for individuals, businesses and government agencies, including insurance lines, investment banking, depository and lending, and investment management services. It may include technology driven financial innovations generally referred to as fintech, research and development activities that advance finance and insurance industry practices, including executing financial transactions. The Finance and Insurance industry may also include wagering platforms and related products and services, cryptocurrencies and related products and services, and regional or global headquarters of finance and insurance operations.

Further, the Governor's Strategic Plan notes that creating and supporting new physical innovation spaces and hubs is an important aspect of building the State's innovation economy, as these spaces support the clustering of industry stakeholders to catalyze innovation. Additionally, the plan includes goals to create the most diverse innovation ecosystem in the country, support high-wage and high-growth innovation sectors, and close the racial and gender wage and employment gaps.

New Jersey is uniquely positioned to establish itself as a central location for the fintech industry. Many of the world's leading financial services companies have placed their back-office data and technology support operations in New Jersey. The added value of locating in New Jersey include:

- A strategic location at the heart of the densely-populated and transit-connected Northeast Corridor, next to Philadelphia and New York City
- Best-in-class digital infrastructure
- A highly-educated, skilled, and diverse workforce
- International gateway with easy access to employees, clients, and customers across the globe

Many New Jersey institutions of higher education are fintech leaders. Efforts are already underway to

strengthen the fintech innovation ecosystem in New Jersey. For example, Hoboken-based Stevens Institute of Technology, in partnership with Rensselaer Polytechnic Institute, was awarded the first-ever National Science Foundation (“NSF”) grant to create an industry-university cooperative research center devoted specifically to financial technology and science. Stevens and Rensselaer will bring together industry and academic partners, and policy makers involved in high-impact research efforts, to conduct research that is relevant for industry and has potential for commercialization. The effort is expected to receive approximately \$1 million in funding in the initial year of operation, with \$300,000 provided by the NSF annually over the five-year grant period and the remainder funded by its industry members. Stevens will serve as the administrative lead institution in compliance with NSF’s newly issued rules of designating a lead institution for all industry-university cooperative research centers.

Second, The NJEDA Board recently executed a memorandum of understanding with Stockton University to support the establishment of an esports Innovation Center at the university’s Atlantic City campus. The Esports Innovation Center in tandem with ongoing revitalization and job creation efforts will help pave the way for equitable and lasting economic growth in Atlantic City. The NJEDA will provide \$200,000 in funding and provide staff support for the Innovation Center.

Finally, as part of a wider NJEDA strategic effort to grow New Jersey’s innovation, sports wagering, and fintech ecosystems, the NJEDA has an agreement with New Jersey City University (“NJCU”) to support the Sports Wagering and Financial Technology Workforce Development and Innovation Center at NJCU. This Center will provide an incubator for the sports wagering and fintech industries and act as a connector between industry, academia, and relevant State agencies to grow and support innovation in sports wagering technology and fintech.

Through the NJEDA’s revitalized tax incentive programs, New Jersey is attracting new startups and well-known blue-chip companies seeking to base their operations and establish new offices in the Garden State. Some of these programs include Emerge (Per-job tax credits to projects that create/retain good-paying jobs), Aspire (gap financing for real estate development projects), the Edison Innovation Fund (develop and grow technology and life sciences businesses leading to well-paying job opportunities for New Jersey residents), Angel Investor Fund (tax credits against corporation business or gross income taxes based for qualified investment in emerging technology businesses) and the NJ Accelerate Fund (encourages the participation of New Jersey Entrepreneurs in high-quality accelerator programs, which increase the growing young, innovative companies in the state). These funds, along with other creative programs are being deployed to bring new, innovative business structures and new sectors to New Jersey. In providing these business-friendly strategies, New Jersey is establishing itself as the Innovation State.

### **III. ELIGIBILITY CRITERIA (If applicable)**

Not applicable to this RFI.

### **IV. RFI RESPONSE QUESTIONS**

**Please answer all questions that are relevant to you or your company, to the best of your ability.** We recognize that many respondents will not be able to answer all questions. Answers to these questions are understood to be preliminary and non-binding.

Applicants are free to structure responses as necessary to increase clarity and efficiency of responses.

**A. Description of your role and qualifications within the financial technology industry:**

- 1) Please provide information on your company, group, government entity, or self and your capacity and qualifications within the fintech industry.
- 2) What is your experience or interaction with New Jersey's financial and/or technology market (e.g., market presence, licensure status, interaction with regulators or state agencies, etc.)?

**B. Mission and Structure of the Center**

- 1) How do you define fintech?
- 2) If the NJEDA were to put \$XM-YM in matching funds for a strategic innovation center, what type of projects/solutions would you bring to the Center? What types of partnership and opportunities would you bring?
- 3) The Center could be structured several ways, e.g. as an independent 501(c)3, as a partnership with a university, as an accelerator/incubator program. Can you comment on the strengths and shortcomings of these different structures? Are there comparable models in other parts of the country or world that should be considered?
- 4) What resources (capital, talents, ideas, solutions, etc.) are needed to establish a first-class fintech Center in New Jersey? What does the Center look like?
- 5) Describe the key factors contributing to the success of a fintech Center?
- 6) What are the biggest challenges/concerns/gaps in the State's current fintech ecosystem? How can these challenges/concerns/gaps be addressed with a Center? Please provide specific examples if possible.
- 7) How substantial are the growth prospects for fintech industry as a whole? Where do you see the sector evolving?
- 8) How can we position the state for leadership in the fintech industry? What forms of growth might take place here in New Jersey for fintech?
- 9) What assets/advantages do we have? What resources are necessary for New Jersey to capture a significant share of that growth?
- 10) Explain how we compete with other states in this sector? What are other states doing that could have a significant positive impact here?

**C. Scope and Service Offerings**

- 1) Describe the main activities of the fintech Center.
- 2) Describe the types of programs/research that you would like to see provided at the Center.

- 3) Who would be interested in the Center's research outcomes and solutions?
- 4) What is the demand for fintech products? Where is this located in the state of New Jersey?
- 5) How can the Center distinguish itself from other fintech centers in the world?
- 6) Who are the top 3-5 fintech stakeholders (other than yourself/your organization) that you think NJEDA should be aware of? What type of innovations/programs are they working on? Why should NJEDA be aware of them?

**D. Site Location and Development**

- 1) Is it preferable to build a physical location or repurpose/use an existing site?
- 2) Where should the Center be located? What are the most important factors to consider when selecting a location?

**V. QUESTIONS AND ANSWERS (From Respondents to the NJEDA)**

All questions concerning this RFI must be submitted in writing no later than **11:59 PM ET, on Monday, May 9, 2022** via e-mail to: [FinTech@njeda.com](mailto:FinTech@njeda.com)

The subject line of the e-mail should state: **"QUESTIONS-2022-RFI-OET-PFS-146 New Jersey Financial Technology Innovation Center"**

Answers to questions submitted will be publicly posted on the Authority's website on or about **Monday, May 23, 2022** at: <https://www.njeda.com/Bidding-Opportunities-General/Economic-Transformation-RFIs> as Addendum.

**IT IS THE RESPONDENT'S RESPONSIBILITY TO CHECK THIS URL REGULARLY FOR UPDATES.**

**VI. RESPONSE DETAILS (Info Provided to Respondents Regarding Document Submission)**

All RFI responses must be submitted in writing no later than **11:59 PM ET, on Monday, June 6, 2022** via e-mail to: [FinTech@njeda.com](mailto:FinTech@njeda.com)

The subject line of the e-mail should state: **"RFI Response-2022-RFI-OET-PFS-146-New Jersey Financial Technology Innovation Center"**

**VII. FOLLOW-UP QUESTIONS (from NJEDA) / ADDITIONAL INFORMATION**

Respondents may be asked to provide additional information to allow the Authority to better understand the responses or services available.

**VIII. PROPRIETARY AND/OR CONFIDENTIAL INFORMATION**

The Authority reserves the right to copy any information provided by the Respondents. The Authority reserves the right to use ideas that are provided by Respondents, applicants, stakeholders, or vendors. By submitting a Response, the submitter represents that such copying or use of information will not violate any copyrights, licenses, or other agreements with respect to information submitted or product solutions demonstrated, if applicable. Responses must clearly be marked for any information the Respondent deems Proprietary and/or Confidential.

**IX. DISCLAIMER / NO OBLIGATION**

This RFI is not a request for qualification/proposal. It may or may not result in further action. This RFI is issued solely as a means of gathering information regarding the Authority's desire to understand the types of products and level of service available in the market to meet the Authority's needs. Interested parties responding to this RFI do so at their own expense. There will be no monetary compensation from the Authority for the time and effort spent in preparing the response to this RFI. All expenses incurred are the sole responsibility of the Respondent.

Should the Authority decide to move forward and issue an RFQ/P or announce a program/product related to this RFI, Respondents need not have submitted a response to this RFI in order to be eligible to respond to the RFP. Should an RFQ/P be issued, responding to this RFI will not affect scoring or consideration for that process.

The Authority is under no obligation to contact Respondents to this RFI.

**X. NEW JERSEY OPEN PUBLIC RECORDS ACT**

Respondents should be aware that responses to this RFI are subject to the "New Jersey Open Public Records Act" (N.J.S.A. 47:1A-1 et seq.), as amended and including all applicable regulations and policies and applicable case law, including the New Jersey Right-to-Know law. All information submitted in response to the RFI is considered public information, notwithstanding any disclaimers to the contrary, except as may be exempted from public disclosure by OPRA and the common law.

Any proprietary and/or confidential information submitted in response to this RFI will be redacted by the Authority. A person or entity submitting a response to this RFI may designate specific information as not subject to disclosure pursuant to the exceptions to OPRA found at N.J.S.A. 47:1A-1.1, when such person or entity has a good faith legal and/or factual basis for such assertion (i.e. information that may be included in another ongoing public procurement or solicitation). The Authority reserves the right to make the determination as to what is proprietary or confidential and will advise the person or entity accordingly. The Authority will not honor any attempt to designate the entirety of a submission as proprietary, confidential and/or to claim copyright protection for the entire proposal. In the event of any challenge to the Respondent's assertion of confidentiality with which the Authority does not concur, the Respondent shall be solely responsible for defending its designation.