MEMORANDUM

TO: Members of the Authority

FROM: Evan Weiss
Chief Executive Officer

DATE: August 20, 2026

SUBJECT: Agenda for Board Meeting of the Authority August 20, 2026

Notice of Public Meeting

Roll Call

CEO's Report to the Board

Approval of Previous Month's Minutes

Public Comment

Authority Matters

Strategic Innovation Centers

Clean Energy

Cafe

Digital Media Tax Credits

Aspire

Board Memoranda

Adjournment

MEMORANDUM

To: Members of the Authority

From: Evan Weiss

Date: August 20, 2026

Re: August Board Meeting – CEO Report

This month, the New Jersey Economic Development Authority (NJEDA) is proud to celebrate National Black Business Month. New Jersey's black business community has helped build a stronger state economy and Governor Sherrill is committed to expanding opportunities and cutting red tape so that entrepreneurs in every community and every zip code can open, grow, and expand their business right here in the Garden State. Later this month, the NJEDA will participate in a small business walk to visit several black business owners in Camden to learn how the state can support their success.

Last week, the NJEDA, in partnership with the African American Chamber of Commerce of New Jersey (AACCNJ) and Assemblywoman Tennille McCoy, sponsored the second annual Filming in the Garden State. The event took place during the 24th Annual Run & Shoot Filmworks Martha's Vineyard African American Film Festival and brought together leaders from government, business, and the film industry to highlight the continued growth of New Jersey's film and television sector.

Lieutenant Governor Dale Caldwell, AACCNJ President and CEO John Harmon, Newark Mayor Ras Baraka, Kean University President Lamont Repollet all joined Assemblywoman McCoy, NJEDA Chief Community Development Officer Tai Cooper, and Film Commission Team Lead Elizabeth Parchment for conversations on how business owners and film industry professionals can capitalize on the opportunities presented in New Jersey and how the state is working to ensure all communities benefit from the economic impact that the film industry brings. As the film industry continues to grow in the state, it will help expand and diversify our economy by creating new jobs and supporting small businesses across the state.

I was recently in Camden where I joined Battleship New Jersey Museum and Memorial CEO Marshall Spevak for a press conference to announce a $24 million renovation project for the museum, which is supported by the Authority's Cultural Arts and Facilities (CAFE) Program. It's exciting to support Battleship New Jersey's improvement project, which will expand access for students, families, and visitors to hands-on educational experiences, ensuring it remains a community cultural hub for years to come. As the Chairman noted, the CAFE program is supporting major projects for iconic institutions, which will help spur economic activity, drive foot-traffic into key corridors, and revitalize communities across the state.

From clean energy to community revitalization, Governor Sherrill is moving full steam ahead to bolster our economy and make our state more affordable to live and do business. I want to thank the entire staff for their work in supporting the Governor in her mission and look forward to our work together in the coming months!

Evan Weiss, CEO

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

July 22, 2026

MINUTES OF THE MEETING

The Meeting was held in person at the NJEDA Fort Monmouth Office, via Microsoft Teams, and by teleconference call.

Members of the Authority present in person, via Microsoft Teams, or conference call: Chairman Terry O'Toole; Charles Sarlo, Vice Chair; Public Members: Fred Dumont, Massiel Medina Ferrara, Tim Hillmann, Josh Weinreich, Robert Shimko, First Alternate Member, and Jewell Antoine-Johnson, Second Alternate Member. Ex-officio Members: Aaron Creuz, Executive Representative; Acting Commissioner Kevin Jarvis of the Department of Labor and Workforce Development, State Treasurer, Aaron Binder, and Elizabeth Dragon representing Acting Commissioner Ed Potosnak of the Department of Environmental Protection.

Members of the Authority absent: Public Members, Phil Alagia and Aisha Glover; Ex-officio Member, Acting Commissioner Susan Ochs of the Department of Banking and Insurance.

Also present: Evan Weiss, CEO of the Authority, Mary Maples, Deputy CEO of the Authority; Meredith Friedman, Deputy Attorney General, Assistant Section Chief, and staff.

Chairman O'Toole called the meeting to order at 10:00 AM.

In accordance with the Open Public Meetings Act, Mr. Weiss announced that notice of this meeting has been sent to the *Bergen Record*, the *Trentonian*, and the *Star Ledger* at least 48 hours prior to the meeting, and that a meeting notice has been duly posted on the Secretary of State's bulletin board at the Department of State. Mr. Weiss also announced that pursuant to the Internal Revenue Code of 1986, as amended, today's board meeting is a public hearing as it relates to any private activity bond projects presented.

FOR INFORMATION ONLY: The next item was the presentation of the Chairman's Remarks to the Board.

FOR INFORMATION ONLY: The next item was the presentation of the Chief Executive Officer's Monthly Report to the Board.

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of June 10, 2026, regular meeting minutes. A motion was made to approve the minutes by Mr. Weinreich, seconded by Acting Commissioner Jarvis, and approved by the twelve (12) voting members present.

The next item of business was the approval of June 10, 2026, executive session meeting minutes. A motion was made to approve the minutes by Mr. Hillmann, seconded by Mr. Shimko, and approved by the twelve (12) voting members present.

PUBLIC COMMENT

Asaf Fligelman, member of the public, commented on RETROFIT NJ Program.

Andrew Hornback, CEO of Hornback Strategic Services, provided a comment regarding the Office of Strategic Defense.

FOR INFORMATION ONLY: The next item was a summary of the Incentives Committee meeting on July 8th.

INCENTIVES
ASPIRE

ITEM: Randolph Senior LIHTC LLC ("Applicant"), IMGN Communities, Inc. ("Co-Applicant") (Hainesport, Burlington County)
REQUEST: To approve issuance of tax credits from the Aspire program for a residential project located in Hainesport, Burlington County, New Jersey, up to 60% of the eligible project cost.
MOTION TO APPROVE: Treasurer Binder SECOND: Mr. Weinreich AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

NEXT NJ

ITEM: Next NJ Manufacturing Program - BeOne Medicines US Manufacturing Co., Inc.
REQUEST: To approve a tax credit award under the Next New Jersey Manufacturing Program.
MOTION TO APPROVE: Mr. Shimko SECOND: Mr. Hillmann AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

CAFÉ

ITEM: Westfield Arts Collective Inc. ("Applicant") - Center for Creativity @The Rialto Project (Westfield, Union County)
REQUEST: To approve a tax credit award of 100% of the eligible project cost, under the Cultural Arts Facilities Expansion (CAFE) Program for the Westfield Arts Collective Inc. cultural arts facilities project located in Westfield, Union County.
MOTION TO APPROVE: Mr. Weinreich SECOND: Acting Comm. Jarvis AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

ITEM: Paper Mill Playhouse ("Applicant") - Front of House Project (Millburn, Essex County)
REQUEST: To approve a tax credit award of 100% of the eligible project cost, under the Cultural Arts Facilities Expansion (CAFE) Program for the Paper Mill Playhouse cultural arts facilities project located in Millburn, Essex County.
MOTION TO APPROVE: Mr. Weinreich SECOND: Ms. Antoine-Johnson AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

FOR INFORMATION ONLY: The next item was a summary of the DLRC meeting on July 8th.

BOND

*A Public Hearing and final approval is being conducted for this project.
APPLICANT: N.C., & Sons, Inc.* PROD- 00326452
LOCATION: Branchburg Township, Somerset County
PROCEEDS FOR: Stand-Alone Bond
AMOUNT OF BOND: $9,375,000
MOTION TO APPROVE: **Ms. Antoine-Johnson SECOND: Mr. Hillmann AYES: 12**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

FOR INFORMATION ONLY: The next item was a summary of the Policy Committee meeting on July 9th.

FOOD SECURITY

ITEM: Food Desert Relief Tax Credit Sale 2026
REQUEST: To approve (1) the sale of tax credits in calendar year 2026 in a manner consistent with the Board-approved specifications from April 2023 and the Food Desert Relief Act, (2) Delegated authority to the Chief Executive Officer to decide whether to implement (a) a structure wherein the bid amounts from winning bidders incorporate an approval fee to support the Authority's administrative costs and (b) a revision to the auction process to align the sister agency checks process to the extent permitted by statutory requirements; and (3) Delegation of authority to the CEO to establish the minimum price for the 2026 auction.
MOTION TO APPROVE: **Mr. Weinreich SECOND: Ms. Antoine-Johnson AYES: 12**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

STRATEGIC INNOVATION CENTERS

ITEM: Amendments to the NJ Bell Labs Venture Studio, LLC Strategic Innovation Center
REQUEST: To approve: (1) an amendment and updates to the Authority's previously approved investment and participation in the New Jersey Bell Labs Venture Studio, LLC that modifies certain governance, capital contribution, membership, or administrative provisions originally authorized under the executed New Jersey Bell Labs Venture Studio, LLC Operating Agreement; and (2) Approval of this request will authorize the CEO to execute all required documents.
MOTION TO APPROVE: **Treasurer Binder SECOND: Acting Comm. Jarvis AYES: 12**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

NJIEF

ITEM: New Jersey Innovation Evergreen Fund: July 2026 Qualified Investment Approval
REQUEST: To approve a Qualified Investment presented under the New Jersey Innovation Evergreen Program.
MOTION TO APPROVE: **Mr. Weinreich SECOND: Ms. Antoine-Johnson AYES: 12**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

CLEAN ENERGY

ITEM: Modifications to the Reducing Emissions Through Retrofits, Optimization, Fuel switching and Innovative Technologies Grant Program (RETROFIT NJ)
REQUEST: To approve the modifications to the RETROFIT NJ Program, as specified in this memo and attached Proposed Program Specifications sheet.
MOTION TO APPROVE: Mr. Shimko SECOND: Ms. Dragon AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

TECHNOLOGY INNOVATION

ITEM: NJ Entrepreneur Support Program – Pilot Program Close Out
REQUEST: To approve closing the NJ Entrepreneur Support Program (NJESP). The remaining program funds will be returned to the Economic Recovery Fund for reallocation.
MOTION TO APPROVE: Mr. Hillmann SECOND: Mr. Weinreich AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

BOARD MEMORANDA – FYI ONLY

- Community Development Delegated Authority, Q2 2026
- Credit and Finance Projects Approved Under Delegated Authority, June 2026
- Hazardous Discharge Site Remediation Fund (HDSRF) Applications Approved Under Delegated Authority, Q1 2026
- Petroleum Underground Storage Tank Applications (PUST) Approved Under Delegated Authority, Q1 2026
- Real Estate Division Delegated Authority for Leases and Right of Entry (ROE)/Licenses for January 2026 and February 2026
- Memoranda of Understanding Approved under Delegated Authority, June 2025 – June 2026

There being no further business, on a motion by Mr. Shimko, seconded by Mr. Weinreich, and approved by unanimous vote, the meeting was adjourned at 11:04 AM.

Certification: The foregoing and attachments represent a true and complete summary of the actions taken by the New Jersey Economic Development Authority at its meeting.

Danielle Esser

Danielle Esser, Director
Governance & Strategic Initiatives
Assistant Secretary

MEMORANDUM

TO: Members of the Authority

FROM: Evan S. Weiss
Chief Executive Officer

DATE: August 20, 2026

SUBJECT: New Jersey AI Supercomputer Initiative MOU

Request:

The Members are asked to approve:

1. A Memorandum of Understanding (MOU) with the New Jersey Innovation Authority (NJIA) whereby the NJEDA will transfer $25 million in funds appropriated under the supplemental fiscal year 2026 budget less the Administrative Approval Fee in #2 below, to NJIA who will be responsible for NJEDA's obligations under the appropriation to provide the grant of funds to one or more nonprofit organizations to fund the creation and operation of the New Jersey AI Supercomputer Initiative ("Supercomputer Initiative").
2. The utilization of $175,000 of the $25 million appropriation as an Administrative Approval Fee to be used by the NJEDA to administer funding and review the documentation and reporting for the Supercomputer Initiative.
3. Delegated authority to the Chief Executive Officer to execute all documents required, including the MOU attached in the appendix in substantially final form, and to extend the term of the MOU for up to two (2) additional years.

Background:

The Supercomputer Initiative is a statewide approach to advancing shared AI infrastructure, education, and research capacity with the intent to prepare New Jersey students, innovators and workers to take the lead in AI and further develop New Jersey's innovation initiatives and enhance economic opportunities.

The State committed $25 million to the Supercomputer Initiative ("Supercomputer Funds"), which was allocated in the supplement to the fiscal year 2026 budget. As per P.L. 2025, c. 404 signed on January 20, 2026, as modified by P.L. 2026, c. 20 signed on June 30, 2026, $25 million was allocated for the support and advancement of the Supercomputer Initiative, "to provide a grant to one or more nonprofit organizations to fund the costs of the infrastructure, maintenance, and operation of a new state-of-the-art supercomputer, including system management, rental payments, energy costs, salary costs of engineers, researchers, and support staff, security, user access, and research support".

In addition, the Supercomputer Initiative may receive a donation of at least $25 million in hardware.

On January 16, 2026, a memorandum of understanding was signed by the State, higher education institutions, the New Jersey Council of County Colleges ("NJCCC"), the NJ AI HUB and NVIDIA outlining the potential collaborative opportunities which aim to advance AI education, workforce transformation, and regional innovation aligned with the economic priorities of the State of New Jersey, with the express purpose of fostering strategic partnerships that will facilitate the development, deployment, and operation of the Supercomputer Initiative.

Supercomputer Initiative Details:

Governor Sherrill sees the creation of the supercomputer as an emergent need and would like the project expedited to enable cutting-edge research across the state, accelerate progress in New Jersey's innovation economy and key industries, and prepare our talent for the AI-enabled economy of the future. Therefore, research was done by the NJEDA for the best way to allocate these funds to satisfy the timeline and the appropriation requirements. NJEDA evaluated sites, reviewed potential strategies and created a budget. These analyses led NJEDA to conclude that it requires support for this effort. NJEDA identified NJIA as the most suitable entity to assume NJEDA's obligations under the appropriation. NJIA has the knowledge and expertise in fields relevant to the Supercomputer Initiative, including, but not limited to, data science, the development and implementation of digital technologies and digital product development, and the digital delivery of products, services, or benefits, and the practical applications of same, and employs staff with substantial expertise in technology, design, and data. As a result, it is NJEDA's intention to transfer the $25 million allocation, minus the Administrative Approval Fee and associated obligations, to NJIA with certain requirements as outlined in the MOU.

According to P.L. 2026, c.20, the appropriation is to be used for funding one or more nonprofit organizations to support "the costs of the infrastructure, maintenance, and operation of a new state-of-the-art supercomputer, including system management, rental payments, energy costs, salary costs of engineers, researchers, and support staff, security, user access, and research support". NJIA identified the National Center for Civic Innovation, Inc. (NCCI) as a prospective nonprofit organization able to establish the Supercomputer Initiative within the accelerated timeline. NCCI has been designated because NJIA's enabling legislation (N.J.S.A. 52:18A-234.12(c)) provides that NJIA is "authorized to consult with, enter into agreements or contract with, and transfer, disburse, or grant funds" to NCCI without being subject to the public bidding requirements under the "Local Public Contracts Law," P.L. 1971, c.198 (C. 40A:11-1 et seq.), or any other applicable procurement laws. Moreover, NCCI has the experience needed to support the Supercomputer Initiative. NCCI was responsible for facilitating InnovateNJ by providing advisory and implementation services to state departments and agencies focused on modernizing, improving, facilitating, and streamlining government services to individuals and businesses.

NJIA will transfer the $25 million grant less the Administrative Approval Fee it receives from NJEDA to NCCI or other suitable nonprofit entity that has the experience and resources to administer the Supercomputer Initiative in accordance with the terms of the appropriation and the terms and milestones in the MOU, and who can accept the Supercomputer Funds in an accelerated timeframe. The MOU milestones include an initial disbursement of $4,825,000, with four successive $5 million disbursements, upon NJEDA's receipt of documentary evidence demonstrating that 80% of each prior disbursement has been committed or spent.

Once the Supercomputer Initiative is fully operational, the computer must be available, at a minimum amount commensurate to Supercomputer Funds, to support a public purpose including, but not limited to, research or training by public entities such as colleges and/or universities and utilization by public entities to accelerate the innovation economy.

All construction work must be conducted by New Jersey Department of Labor and Workforce Development (DOL) Public Works registered contractors in accordance with NJ prevailing wage and affirmative action requirements.

It is anticipated that NCCI or other suitable nonprofit entity selected by NJIA will set up the Supercomputer Initiative, however, the responsibility for its operation and maintenance will be transferred to another nonprofit organization selected for its suitability for long-term management of the initiative.

Delegated Authority:

The Members are requested to approve delegated authority to the Chief Executive Officer to execute all documents required, including the MOU, attached in the appendix in substantially final form.

The Members are also requested to approve delegated authority to the Chief Executive Officer to extend the term of the MOU for up to two years.

Program Funding

The $25 million was allocated as part of the fiscal year 2026 budget and received by the NJEDA on 7/24/2026. The $25 million budget allocation, less the Administrative Approval Fee, will be transferred to NJIA in tranches as NJIA meets the milestones outlined in the MOU.

NJEDA's funding obligations under the MOU are expressly contingent upon a donation toward the Supercomputer Initiative of at least $25 million in hardware. If at least $25 million in hardware is not received, NJEDA shall have the right to terminate the MOU without further obligation or liability.

Fees:

An Administrative Approval Fee of $175,000 will be utilized by NJEDA to administer funding and review the documentation and reporting for the Supercomputer Initiative.

Recommendation:

The Members are requested to approve:

1. A Memorandum of Understanding (MOU) with the New Jersey Innovation Authority (NJIA) whereby the NJEDA will transfer $25 million in funds appropriated under the supplemental fiscal year 2026 budget minus a $175,000 Administrative Approval Fee, to NJIA who will be responsible for NJEDA's obligations under the appropriation to provide the grant of funds to one or more nonprofit organizations for the creation and operation of the Supercomputer Initiative;

2. The utilization of $175,000 of the $25 million appropriation as an Administrative Approval Fee to be used by the NJEDA to administer funding and review the documentation and reporting for the Supercomputer Initiative; and

3. Delegated authority to the Chief Executive Officer to execute all documents required, including the MOU attached in the appendix in substantially final form, and delegated authority to the Chief Executive Officer to extend the term of the MOU for up to two years.

Evan S. Weiss
Chief Executive Officer

Prepared by: Cecily Kovatch

Attachments:

Memorandum of Understanding (MOU)
Confidential Addendum

MEMORANDUM OF UNDERSTANDING
BETWEEN
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
AND
NEW JERSEY INNOVATION AUTHORITY

This **MEMORANDUM OF UNDERSTANDING** ("MOU"), effective as of the date of the last signature of the parties hereto (the "Effective Date"), is between NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ("NJEDA") and NEW JERSEY INNOVATION AUTHORITY ("NJIA") (each a "Party", and collectively "the Parties").

WHEREAS, NJEDA is an independent State authority established pursuant to N.J.S.A. 34:1B-1, et seq., in but not of the Department of Treasury, which serves as the State's principal agency for driving economic growth; and

WHEREAS, P.L.2025, c.190 (N.J.S.A. 52:18A:234.8 to 234.12) established in, but not of, the Department of the Treasury, a public body corporate and politic, with corporate succession, to be known as the "New Jersey Innovation Authority," and constituted the Authority as an instrumentality of the State exercising public and essential government functions; and

WHEREAS, former Governor Murphy and Governor Sherrill determined that a statewide approach is necessary to advancing shared artificial intelligence ("AI") infrastructure, education, and research capacity to prepare New Jersey students, innovators and workers to take the lead in AI and further develop New Jersey's innovation initiatives and enhance economic opportunities, and that establishing a state-of-the-art supercomputer ("Supercomputer Initiative") would be instrumental in advancing the foregoing interests; and

WHEREAS, a donation of at least $25 million in hardware may be made toward the Supercomputer Initiative; and

WHEREAS, on January 16, 2026, a memorandum of understanding was signed by the State, higher education institutions, the New Jersey Council of County Colleges ("NJCCC"), the NJ AI HUB and NVIDIA outlining the potential collaborative opportunities which aim to advance AI education, workforce transformation, and regional innovation aligned with the economic priorities of the State of New Jersey, with the express purpose of fostering strategic partnerships that will facilitate the development, deployment, and operation of the Supercomputer Initiative; and

WHEREAS, on January 20, 2026, the New Jersey Fiscal Year 2026 ("FY2026") State Appropriations Act, P.L. 2025, c. 74, was amended by P.L. 2025, c. 404 containing a supplemental appropriation of $25 million to NJEDA for the support and advancement of New Jersey's Supercomputer Initiative ("Supercomputer Funds"), which was later amended on June 30, 2026, by P.L. 2026, c.20. Chapter 20 states that the Supercomputer Funds are to be used by NJEDA "to provide a grant to one or more nonprofit organizations to fund the costs of the infrastructure, maintenance, and operation of a new state-of-the-art supercomputer, including system management, rental payments, energy costs, salary costs of engineers, researchers, and support staff, security, user access, and research support, subject to the approval of the Director of the Division of Budget and Accounting" (collectively, "Eligible Supercomputer Expenses"); and

WHEREAS, NJEDA has determined that it requires assistance in carrying out the Supercomputer Initiative; and

WHEREAS, NJIA has expertise in fields relevant to the Supercomputer Initiative, including, but not limited to, data science, the development and implementation of digital technologies and digital product development, and the digital delivery of products, services, or benefits, and the practical applications of same, and employs staff with substantial expertise in technology, design, and data; and

WHEREAS, NJIA's enabling legislation (N.J.S.A. 52:18A-234.12(c)) allows NJIA to enter into agreements and transfer, disburse or grant funds to an established nonprofit entity, including the National Center for Civic Innovation, Inc. ("NCCI"), where such funds may be directly allocated to the designated nonprofit and are not be subject to N.J.S.A. 52:14-34.4. In exercising its authority under N.J.S.A. 52:18A-234.12(c), NJIA is exempt from public bidding requirements under the "Local Public Contracts Law," (N.J.S.A. 40A:11-1, et seq.) and any other applicable procurement laws with respect to the designated nonprofit entity; and

WHEREAS, NJEDA has determined that NJIA has the knowledge, expertise and resources needed to begin the Supercomputer Initiative, and that NJEDA's transfer of the Supercomputer Funds to NJIA meets the directive set forth in the appropriation that the Supercomputer Funds be granted to one or more nonprofit organizations, which would include NJIA's intended grantee, NCCI; and

WHEREAS, NJIA is willing to assist NJEDA with the Supercomputer Initiative; and

WHEREAS, the NJEDA Board met on August 20, 2026, and voted to approve (i) the transfer of NJEDA's $25 million appropriation to NJIA subject to the terms and conditions below, and (ii) a memorandum of understanding with NJIA establishing the terms of the transfer of Supercomputer Funds to NJIA; and

WHEREAS, N.J.S.A. 52:14-2 authorizes government entities to call upon any department, office, division or agency of the State to assist with its mission. This MOU shall be administered consistent with N.J.S.A. 52:14-1, et seq.; and

WHEREAS, the Parties have determined that they can assist each other with the implementation of the Supercomputer Initiative by providing the support outlined below, and that this MOU would benefit the mission and goals of the Parties as well as the State of New Jersey.

NOW THEREFORE, the Parties hereby agree as follows:

1. <u>Incorporation</u>. The recitals set forth above are hereby incorporated into and made part of this MOU.

2. Purpose of MOU. The Parties are entering into this MOU to document the mutual understanding and intentions of the Parties in carrying out their respective obligations under this MOU.

3. Responsibilities of NJEDA.
   a. NJEDA shall issue the Supercomputer Funds to NJIA in accordance with Section 5 ("Funding") below.

   b. NJEDA shall review quarterly reporting submitted by NJIA in accordance with Section 7 below, monitor performance, assess compliance and ensure alignment with the objectives of the Supercomputer Initiative.

   c. NJEDA may request additional documentation to validate activities reported pursuant to Section 7 below, or expenditures claimed pursuant to Section 5 below.

4. Responsibilities of NJIA.
   a. NJIA shall accept the Supercomputer Funds and ensure that such funds are used in accordance with NJEDA's obligations under P.L. 2025, c. 404, as modified by P.L. 2026, c. 20, and the terms of this MOU.

   b. NJIA shall grant the Supercomputer Funds to a nonprofit entity to set up the Supercomputer Initiative. As of the Effective Date, NCCI is the intended nonprofit entity who will receive the Supercomputer Funds. NJIA will ensure that the selected nonprofit entity deploys the Supercomputer Funds as needed to employ the operating team, and issue subgrants to other nonprofit entities or enter into contracts for hosting and specialized operations in support of the Supercomputer Initiative.

   c. The Parties anticipate that NJIA will assist with identifying a second nonprofit entity that will be responsible for long-term management of the Supercomputer Initiative.

   d. NJIA shall be solely responsible for administering the Supercomputer Initiative.

   e. NJIA shall provide NJEDA with the reports described in Section 7 below.

   f. NJIA shall provide additional documentation requested by NJEDA to validate activities reported pursuant to Section 7 below, or expenditures claimed pursuant to Section 5 below.

   g. Once the Supercomputer Initiative is fully operational, NJIA shall ensure that the computer is made available, at a minimum amount commensurate to Supercomputer Funds, to support a public purpose including, but not limited to, research or training by public entities such as colleges and/or universities and utilization by public entities to accelerate the innovation economy.

5. Funding.
   a. NJEDA shall pay NJIA the Supercomputer Funds for Eligible Supercomputer Expenses. The Supercomputer Funds shall be paid by NJEDA in tranches, up to the total amount of Supercomputer Funds, based on the achievement of specific milestones associated with the Supercomputer Initiative. Each tranche may be invoiced once NJIA reaches the corresponding milestone below. Each disbursement shall be made by NJEDA within fifteen (15) business days of NJEDA's receipt and review of satisfactory documentary evidence from NJIA (as described in subsection b. below). Should NJIA decide not to utilize any of the Funds, it will promptly notify NJEDA.
      1) The initial tranche in the amount of $4,825,000 shall be made upon NJIA entering into an agreement with the intended nonprofit NCCI, or other suitable nonprofit entity that has the experience and resources to administer the Supercomputer Initiative in accordance with the terms of the appropriation and this MOU, and who can accept the Supercomputer Funds in an accelerated timeframe.
      2) Upon receipt of documentary evidence from NJIA that 80% or more of the initial tranche has been committed or spent on Eligible Supercomputer Expenses, NJEDA shall pay NJIA a second tranche of $5 million.
      3) Upon receipt of documentary evidence from NJIA that 80% or more of the second tranche has been committed or spent on Eligible Supercomputer Expenses, NJEDA shall pay NJIA a third tranche of $5 million.
      4) Upon receipt of documentary evidence from NJIA that 80% or more of the third tranche has been committed or spent on Eligible Supercomputer Expenses, NJEDA shall pay NJIA a fourth tranche of $5 million.
      5) Upon receipt of documentary evidence from NJIA that 80% or more of the fourth tranche has been committed or spent on Eligible Supercomputer Expenses, NJEDA shall pay NJIA the last tranche of $5 million.

   b. NJIA shall provide documentary evidence of all Eligible Supercomputer Expenses to be incurred by NJIA (or by the nonprofit administering the Supercomputer Initiative or any subcontractor or vendor or subgrantee of NJIA or such nonprofit pursuant to Section 4.b above) to NJEDA, to NJEDA's reasonable satisfaction, prior to NJEDA making any disbursement outlined in subsection a. above. Such documentary evidence may be in the form of proof of payment for invoices for contracted work or equipment purchases, or any other form, as deemed appropriate by NJEDA. Should NJEDA find any documentary evidence to be insufficient, NJEDA shall provide NJIA with an explanation of the deficiency and allow ten (10) business days to cure the deficiency.

   c. The Supercomputer Funds shall be used solely for Eligible Supercomputer Expenses, as defined in the sixth recital above.

   d. NJEDA shall draw a fee in the amount of $175,000 ("Administrative Approval Fee") from the first tranche of the Supercomputer Funds to administer disbursements, review quarterly reporting, monitor performance, assess compliance and ensure alignment with the objectives of the Supercomputer Initiative.

e. The Parties' obligations under this MOU are subject to appropriations, New Jersey Treasury Office of Management and Budget Division of Budget and Accounting approval, legislative approval of NJEDA's transfer of the Supercomputer Funds to NJIA, and the availability of funds.

f. NJEDA's funding obligations under this MOU are expressly contingent upon a donation toward the Supercomputer Initiative of at least $25 million in hardware. If at least $25 million in hardware is not received, NJEDA shall have the right to terminate this MOU without further obligation or liability.

6. <u>Prevailing Wage, Affirmative Action and Contractor Registration</u>.
If the Supercomputer Initiative involves construction, renovations or the installation of equipment, NJEDA requires that prevailing wages be paid to the Supercomputer Initiative construction workers and those contractors comply with the Authority's Affirmative Action and Prevailing Wage Program. All construction contracts regarding the Supercomputer Initiative must contain additional language as set forth in the NJEDA's Affirmative Action and Prevailing Wage Addendum to Construction Contract. Unless a statutory exception applies, no contractor shall list a subcontractor in a bid proposal for the contract unless the subcontractor is registered pursuant to the Public Works Contractor Registration Act (N.J.S.A. 34:11-56.48 et seq.) at the time the bid is made, and no contractor or subcontractor, including a subcontractor not listed in the bid proposal, shall engage in the performance of any public work subject to the contract, unless the contractor or subcontractor is registered pursuant to that act. Effective May 1, 2019, the Act also requires that all contractors participate in a registered apprenticeship program. In addition, the general contractor must include said language in all subcontracts. Regulations, forms, guidance documents (including an Affirmative Action and Prevailing Wage program summary) are available on NJEDA's website.

7. <u>Reporting</u>.
   a. NJIA shall provide quarterly written reports to NJEDA beginning the quarter following the Effective Date and continuing throughout the term of this MOU. The reports shall be submitted no later than the tenth day of each quarter, and shall include:
      1) a narrative summary of Supercomputer Initiative activities completed or currently underway at the time of the report;
      2) a budget statement outlining the present and planned future use of the Supercomputer Funds for the Supercomputer Initiative; and
      3) updates on Supercomputer Initiative timelines and progress against the milestones described in Section 5 above.

   b. Within sixty (60) days of the last disbursement made by NJEDA, NJIA shall provide NJEDA with a full accounting of all Supercomputer Funds received and spent and shall return any unspent and uncommitted Supercomputer Funds to NJEDA.

8. Designation of Contacts. The Parties have designated the following contacts, who will be responsible for day-to-day communications between the Parties related to this MOU. The Parties will notify each other of any designated contact change in writing within ten (10) business days of such change:

For NJEDA:	For NJIA:
Cecily Kovatch, Managing Director Technology Innovation 1 CommVault Way Suite N100 Tinton Falls, New Jersey Cecily.Kovatch@njeda.gov 609-468-2027	David Cole, CEO New Jersey Innovation Authority P. O. Box 211 Trenton, NJ, 08625-0211 dave@innovation.nj.gov (609) 200-5192

9. Term and Extension. This MOU shall remain in effect for five (5) years from the Effective Date. The Parties may extend this MOU for up to an additional two (2) years by mutual consent, provided that such consent is in writing, and signed by the authorized representatives of each Party.

10. Termination. This MOU may be terminated by either Party upon sixty (60) days' prior written notice to the other Party. NJEDA may also terminate this MOU upon written notice if the conditions outlined in Section 5.f above are not met.

11. Duties Upon Termination. Within sixty (60) days of termination pursuant to Section 10 above, NJIA shall provide a final accounting of the Supercomputer Funds. Any unused and unencumbered funds shall be returned to NJEDA. NJIA shall also provide a final report pursuant to Section 7 above which includes any information not previously provided in a prior report.

12. Notices. All legal notices (not including day-to-day business communications) from one Party to the other regarding this MOU shall be sent to the designated contacts provided below via regular and certified mail. The Parties will notify each other in writing of any change in these contacts within ten (10) business days:

NJEDA	NJIA
Evan Weiss, CEO 36 West State Street P.O. Box 990 Trenton, NJ 08625	David Cole, CEO New Jersey Innovation Authority P. O. Box 211 Trenton, NJ, 08625-0211

13. Assignment. This MOU may not be assigned by a Party without the prior written consent of the other Party.

14. Third-Party Beneficiaries. This MOU is intended for the sole benefit of the Parties and shall not be construed to create any third-party beneficiary.

15. Dispute Resolution. In the event a dispute arises between the Parties concerning this MOU, the CEO of NJEDA and the CEO of NJIA, or their appointed representatives, shall meet to resolve such dispute.

16. Applicable Law. The Parties shall retain all the powers, obligations and immunities provided by law. Each Party shall be responsible for adhering to all applicable laws, regulations, and its own Standard Operating Procedures in the performance of its obligations under this MOU. This MOU shall be governed by the laws of the State of New Jersey.

17. Publicity and Public Announcements. Each Party agrees to obtain permission of the other Party before using the name of the other Party in any public announcement or other publicity.

18. Counterparts. This MOU may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

19. Electronic Signatures. The Parties agree that the execution of this MOU by electronic signature and/or by exchanging PDF signatures will have the same legal force and effect as the exchange of original signatures.

20. Entire Agreement. This MOU reflects the entire understanding of the Parties, and it supersedes any prior understandings of the Parties. It may not be amended, modified, or supplemented except by mutual consent of the Parties in writing and signed by the authorized representatives of each Party.

21. Miscellaneous.
    a. The Parties acknowledge that the successful completion of each Party's duties hereunder will require cooperation between the Parties. The Parties agree to work cooperatively to achieve the goals of this MOU.
    b. The Parties agree to strictly control the use and retention of any personal and confidential information provided by the other Party so that only personnel who have a need to know have access to such information. No further dissemination or use of such information is authorized without written permission of the Party from which such information originated, unless required by law.

[*signature page follows*]

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed by their duly authorized representatives.

For NJEDA	For NJIA
Name: Evan S. Weiss	Name: Dave Cole
Title: CEO	Title: CEO
Signature:	Signature:
Date:	Date:

MEMORANDUM

TO: Members of the Authority

FROM: Evan Weiss, Chief Executive Officer

DATE: August 20th, 2026

SUBJECT: Modifications to the Take Charge Program

Request:

The Members are asked to approve:

1. Modifications to the Take Charge Program ("Take Charge" or "the Program"), as specified in this memo and the attached Program Specifications. The modifications requested pertain to the program funding amount and changes in the scope of eligible projects to better align with current clean energy goals in New Jersey.
2. Return $31,221,050 in unspent RGGI funding available from Phase 2 of the NJ ZIP program voucher funding to NJEDA's 2020-2022 RGGI Strategic Funding plan funding pool.
3. The utilization of $25,000,000 from the Authority's allocation of New Jersey's Regional Greenhouse Gas Initiative ("RGGI") auction proceeds from the RGGI Strategic Funding Plan(s) that includes a relevant funding initiative applicable to the scope of the Program.
4. Delegated authority to:
   a. Increase Take Charge program funding from $25,000,000 to up to $50,000,000 based on available RGGI funding if application demand exceeds the initial $25,000,000 funding allocation.
   b. Return any additional unspent project funds from Phase 2 of the NJ ZIP program to NJEDA's 2020-2022 RGGI Strategic Funding plan funding pool.

Background:

On October 30th, 2025, the Board originally approved the creation of the Take Charge Program and the utilization of $50,000,000 from New Jersey Economic Development Authority's allocation of 2023-2025 RGGI funds based upon staff's recommendations in the memo to the Board (attached as Appendix B). The program is a pilot initiative designed to provide financial support for the installation of electric vehicle chargers for private fleets to further incentivize electric vehicle adoption and reduce emissions.

This memo proposes modifications to the original Take Charge program to adjust eligibility requirements to require that solar power and/or energy storage installation be part of the project scope to qualify for grant funding. These modifications are recommended in order to better align with the State's current energy priorities, including the adoption of Virtual Power Plants ("VPPs") and addressing energy affordability concerns by increasing New Jersey's energy capacity. VPPs include programs that aggregate distributed energy resources (including electric vehicles, appliances, solar arrays, and battery storage systems) in order to better manage grid resources and lower aggregate peak demand. VPPs can also lower electricity costs and provide a revenue source to participants. Given the requirements for

VPPs in the state are currently being developed by the Board of Public Utilities (BPU), this new Program requirement will enable New Jersey fleet owners to better participate in these future opportunities. Beyond participation in VPP programs, the addition of solar and/or storage systems will allow fleets to strategically utilize grid resources and avoid contributing additional load during periods of peak electricity demand. It will also enable them to sell electricity back to the grid when distributed energy resources are not being actively used.

Program Details:

Staff recommends the following program modifications from what was previously approved at the October 30th, 2025 Board meeting. Please note, the Take Charge Program has not yet opened applications for funding at time of this Board memorandum. The attached Program specifications (Appendix A) incorporate the below proposed changes.

Program Funding:

The Program will be funded from $25 million in RGGI auction proceeds available to the Authority, rather than the $50 million in funding originally approved by the Board on October 30th, 2025. This reduction in proposed program funding allows funds to be re-allocated to other Authority energy related initiatives in support of the State's goals.

Delegated authority is requested to utilize up to an additional $25,000,000 in RGGI funds available to NJEDA to expand the pilot if the Program demand exceeds the initial $25,000,000 funding allocation.

Given the existence of transportation-related initiatives in multiple RGGI Strategic Funding Plans, staff may capitalize the Program from funding available from one or multiple funding plans depending on timing of funding availability, with the goal of utilizing oldest available RGGI dollars first.

Specifically for the initial $25 million in Program funding, staff intends to utilize unspent funds available from Phase 2 of the NJ ZIP program. Phase 2 of the NJ ZIP program was approved by the Board in July 2022 with $45,000,000 in voucher funding. Of that total, $31,221,050 remains unspent from previously awarded vehicle vouchers that were not utilized by grantees and have now expired. This funding was previously intended to be rolled into Phase 3 of the NJ ZIP program via Board approved delegated authority but has now been reprioritized for Take Charge given both the desire to utilize older RGGI funds first and the unknown timing of future rounds of NJ ZIP funding. In addition, with these proposed program edits, Take Charge has more immediate capability as program to address New Jersey's goals of rapidly deploying additional solar and storage capacity in the state.

Phase 3 of NJ ZIP was Board approved in February 2025 with $75,000,000 in RGGI funding for two rounds of vouchers spaced at least 1 year apart, with $37,500,000 each. The Board also approved delegated authority to utilize any unallocated funds from prior phases of the pilot program into Phase 3. Round 1 of NJ ZIP Phase 3 opened applications in November 2025 originally with $37,500,000 in voucher funding. Given extremely high market demand, the voucher funding pool was reinforced with an additional $29,852,750 of unallocated funds available from NJ ZIP Phase 1. NJ ZIP Phase 3 purchaser applications were shifted to a waitlist in January 2026 and closed in April 2026 given the continued high demand and oversubscription of funding. NJ ZIP Phase 3 applications are currently closed while staff continues processing applications and disbursing funds for Round 1 of Phase 3. NJ ZIP applications will remain temporarily closed for the near future before a final decision is made on timing and funding for future rounds. This will include a review of overall state funding for zero emission vehicles and the need for any additional NJ ZIP programmatic adjustments to be made, if any, in coordination with sister state agencies.

Grant Amount:

-Increase the minimum grant award size per project from $50,000 to $100,000. Given on-site renewable energy generation and/or energy storage systems are now required in the project scope (see below), this increase in the minimum grant size will ensure applicants have robust and appropriately scaled projects.
-Remove the bonus for on-site renewable energy generation and/or energy storage systems as this scope is now a requirement for program participation.

Eligibility Requirements:

The Program will require that the installation of solar power and/or energy storage systems be part of the proposed project scope to receive grant funding. Previously, these items were optional measures that could be funded under the Program if an applicant chose to include them. These distributed energy resources must be able to provide/store power for the electric vehicle chargers being installed under the Program.

Compliance and Reporting:

Adding an additional compliance requirement to ensure fleets receiving Take Charge grants also participate in VPP and/or managed charging programs as they become more widely available in the State. These programs are critical for the State's energy goals and while Take Charge participants should already be incentivized to participate independently, this compliance requirement ensures Authority investments into the charging infrastructure benefit the wider grid.

Recommendation:

The Members are asked to approve:

1. Modifications to the Take Charge Program ("Take Charge" or "the Program"), as specified in this memo and the attached Program Specifications. The modifications requested pertain to the program funding amount and changes in the scope of eligible projects to better align with current clean energy goals in New Jersey.
2. Reallocate $31,221,050 in unspent RGGI funding available from Phase 2 of the NJ ZIP program to NJEDA's 2020-2022 RGGI Strategic Funding plan funding pool.
3. The utilization of $25,000,000 from the Authority's allocation of New Jersey's Regional Greenhouse Gas Initiative ("RGGI") auction proceeds from the RGGI Strategic Funding Plan(s) that includes a relevant funding initiative applicable to the scope of the Program.
4. Delegated authority to:
    a. Increase Take Charge program funding from $25,000,000 to up to $50,000,000 based on available RGGI funding if application demand exceeds the initial $25,000,000 funding allocation.
    b. Return any additional unspent project funds from Phase 2 of the NJ ZIP program to NJEDA's 2020-2022 RGGI Strategic Funding plan funding pool.

EWeiss

Evan Weiss,
Chief Executive Officer

Prepared by: Jessica Parineet

Appendix A –Product Specifications: Take Charge Program
Appendix B –Original Take Charge Program Memorandum, Approved October 30, 2025

Appendix A Take Charge Program Specifications August 20th, 2026	
Program Purpose	• The goal of the Program is to reduce greenhouse gas emissions in the transportation sector by reducing the costs of installing electric vehicle charging infrastructure. The Program will accelerate the adoption of transportation electrification by supporting charging for commercial fleets. • Additionally, the program aims to enable participation in future VPP programs being developed in New Jersey, which will contribute to more efficient and cost-effective grid utilization.
Program Funding	• $25,000,000 of Regional Greenhouse Gas Initiative auction proceeds available to the Authority from the RGGI Strategic Funding Plan(s) that includes a relevant funding initiative applicable to the scope of the Program. • Delegated authority to increase funding from $25,000,000 to up to $50,000,000 based on available RGGI funding if application demand exceeds the initial $25,000,000 funding allocation.

Grant Amount	• Minimum award amount per project: $100,000
	• Maximum award amount per EIN: $5 million
	    • The award amount will be capped at 50% of eligible project costs. The cap on eligible project costs can be increased by an additional 5% each on a per project basis as follows for each of the following factors:
	        • Projects located in Overburdened Communities (OBCs) or formally designated Adjacent Communities. NJ's Environmental Justice Law (N.J.S.A 13:1D-157) defines overburdened communities as any census block group, as determined in accordance with the most recent United States Census in which: 1) at least 35 percent of the households qualify as low-income households; 2) at least 40 percent of residents identify as minority or as members of a State recognized tribal community; or 3) at least 40 percent of the households have limited English proficiency.
	        • Projects from small business applicants. For the purpose of the Program, a small business is defined as having 25 or fewer full-time employees in total OR less than $5M in annual gross revenue.
	• An applicant (determined by EIN) may apply for multiple projects across different sites so long as total funding awards do not exceed $5 million in aggregate.

Eligibility Requirements	• The Program will be open to for-profit commercial organizations that are purchasing and installing electric vehicle charging infrastructure in New Jersey. Projects must also install on-site renewable energy generation and/or energy storage systems to help manage power demand for chargers. • Eligible organizations must have 2 or more existing commercial-use vehicles (including light-duty, medium-duty, heavy-duty, off-road, or maritime vehicles). These vehicles must be registered in New Jersey OR domiciled in New Jersey OR otherwise plan to utilize the proposed charging infrastructure in New Jersey being supported under the Program. These existing vehicles can be electric vehicles or non-electric vehicles that the applicant is planning to transition to electric vehicles with the construction of the charging infrastructure. • Charging-as-a-service providers, including entities leasing chargers to fleet operators, OR property owners who are installing chargers on behalf of a tenant fleet may also apply provided they (1) install permanent charging infrastructure with accompanying solar and/or storage at a site in NJ and (2) have an agreement, letter of intent, or equivalent documentation indicating an identified commercial

	fleet operator that would otherwise meet the eligibility requirements of the Program. • Projects can consist of installation of new chargers to a property that already has existing chargers. • Applicants must demonstrate that they have reviewed with their electric utility provider the feasibility of charger and solar/storage installation on the selected site prior to submitting their application and are aware of costs that may be involved with providing sufficient electrical capacity to the site based on this review. • The Applicant must also be in substantial good standing with the NJDOL and NJDEP. A current tax clearance certificate will need to be provided prior to application approval to demonstrate the applicant is properly registered to do business in New Jersey and in substantial good standing with the NJ Division of Taxation. A valid Applicant tax clearance certificate also is required prior to closing and disbursement of funds. • Applicants must satisfy the Authority's debarment/disqualification review and not be in default under any Authority program or have any outstanding obligations to the Authority. • If the applicant is leasing the site for charger installation, then they must demonstrate that the property owner has approved of the project. Tenants must also provide a valid lease for at least the length of the proposed project's construction timeline and the three-year compliance period. Applicants who have not yet finalized a lease for the total duration of the compliance period may be provided an exception provided the property owner certifies their intent to maintain or transfer usage of the chargers to a new tenant in the event of a non-renewal of the current lease.

Eligible Uses of Grant Funding	Eligible costs include, but are not limited to materials, labor***, and equipment for the following:
	• New Level 2 charging stations*
	• New Direct Current Fast Charging (DCFC) charging stations*
	• Delivery, activation fees, and warranty costs associated with new charging stations
	• Network subscription costs for up to three years*
	• "Make-Ready" costs including but not limited to upgrades of the electric power distribution system to the site, or wiring and electric work on the customer side of the electric meter necessary for charger installation
	• On-site renewable energy generation and/or battery storage systems to provide and/or store power for chargers
	    o The amount of funding being allocated to this category cannot exceed more than 60% of the total eligible project cost
	• Associated site upgrades necessary for charger installation and operation, including but not limited to signage, protective bollards, and pavement striping
	• Payments for the use of temporary mobile chargers and/or mobile battery storage systems**
	• Site assessment, engineering, and related design costs for the above items
	    o A lookback period is included for any completed design related work (not-construction) looking back 12 months prior to application submission but no earlier than the date of Program NJEDA Board approval (October 30th, 2025).
	    o The amount of funding being allocated to this category cannot exceed more than 15% of the total eligible project cost.
	
	* Applicants must select a Pre-Qualified Network Service Provider from the list of Compliant Network Service Providers housed on the New Jersey Department of Environmental Protection (NJDEP) website.
	**Costs incurred for mobile chargers/batteries are eligible on the condition that permanent chargers are installed by the end of the allowable construction period. Additionally, eligible costs incurred beyond permanent charger installation (after project completion) are not eligible.
	***All construction work must be conducted by New Jersey Department of Labor and Workforce Development (DOL) Public Works registered contractors in accordance with NJ prevailing wage and affirmative action requirements.

	Ineligible costs include but are not limited to: • Level 1 charging stations • Chargers installed on residential properties for personal or non-commercial use • Electric vehicles • Permitting fees • Combustion-based generators or charging systems, including but not limited to combustion-based temporary or mobile chargers • Taxes • Charging related operating expenses such as electricity supply charges and maintenance costs • Land acquisition For certain charging projects, applicants may be eligible for incentives directly from their electric utility such as utility-side or customer-side make ready costs. In this case, applicants are still eligible for the Program so long as the total grant amount received from both the EDA and the utility does not exceed 90% of the project's eligible costs. Applicants may not otherwise stack grant funding with any other charging incentive program offered by the State (DEP, BPU, DOT, etc.) or Federal government.

Application Process	Applications will be accepted on a rolling basis. The application will remain open until all available funding is reserved or until three (3) years after the date of application launch, whichever is sooner. If within the 3-year window, following the initial reservation of all the Program funds, previously reserved funding becomes available due to applicants not utilizing funding reservations, the application may be re-opened.
	
	Applicants will be provided a 10-business day cure period to correct submission deficiencies that are identified by staff as incomplete or incorrect. At the sole discretion of the Authority, staff may ask for additional information or clarification of the information included in the application, including, but not limited to, responses, documentation, and attachments. Applicants that are non-responsive or that do not provide complete responses to NJEDA requests for additional information will be notified by NJEDA staff via email that the application will be administratively withdrawn and not advance.
	
	In addition to other items, applicants must submit:
	• Fleet information such as model and registration for existing vehicles and plans for future vehicles (if applicable)
	  o If the applicant is a charging-as-a-service provider or property owner applying on behalf of a tenant fleet, these details along with a signed agreement, letter of intent, or equivalent documentation between both parties will need to be submitted for the partner fleet
	• Project description, including proposed quantity and type of chargers, and plans for on-site solar energy generation and/or storage systems
	• Project site address and property information
	  o Including proof of property ownership or lease agreement for the required duration of construction and program compliance terms (see Eligibility Requirements)
	• Estimated project timeline
	• Cost estimate budget spreadsheet including a total requested grant amount using NJEDA template, which is supported by:
	  o Quote(s) from contractor(s) that are registered with NJDOL as a Publics Works Registered Contractor with costs consistent with New Jersey State prevailing wage rates
	  o Vendor quotes or similar retail price information for any relevant items/equipment to be purchased directly by the applicant
	
	If an applicant is determined to be eligible, the EDA will issue an approval letter with a maximum potential grant award amount based on the information submitted by the applicant.

	NJEDA grant award amounts will not be adjusted following notice of application approval. The Applicant will be responsible for any additional or unexpected project costs, even if relevant to the eligible project scope.
Grant Disbursement	Applicants will have six months from application approval to present the EDA with the following: 1. Confirmation of project address OR submission of required documents to update project address. 2. Confirmation from the utility provider for existing electrical service capacity OR confirmed plans and schedule from the utility provider to provide any additional needed capacity for the proposed charging project OR confirmation that charger power needs will be met with non-utility sources (existing on-site generation, proposed renewable generation, etc.) 3. Proof of funding/project financing plan for total estimated project costs plus an additional 15% of overall project costs as contingency to allow for potential cost overruns that may arise during construction. Proof of funding can include bank account statements, financing agreement, or similar indication of available working capital for the project costs. Additional financing provided by NJEDA may be used to cover project costs not eligible under the Program. Additional financing provided by NJEDA may also be used to cover project costs paid up front by the Applicant prior to submitting for grant reimbursement. Additional six-month long extensions may be provided subject to the discretion of the Authority. After these items are provided, a grant agreement will be executed, and funding will be available for disbursement as follows: 1. At the time of grant agreement execution, up to 15% of the approved award amount may be reimbursed for any expenses incurred for site assessment, design, and engineering completed in the 12 months prior to application submission and/or between time of application and grant execution. 2. A maximum of 50% of the total awarded grant, minus any amount disbursed following grant agreement execution, may be reimbursed after at least half of total estimated eligible project costs have been incurred by the Applicant. 3. The remaining amount of the grant award utilized on eligible expenses pursuant to the grant agreement will be disbursed as a reimbursement following project completion and submission of final disbursement documents, including proof of completed charging project and charger connectivity. Applicants will have 24 months following grant agreement execution to complete the project and submit all documents required for reimbursement, with the possibility of six-month extension(s) of this timeframe at the discretion of the Authority. Reimbursement will be based on submitted proof of actual project expenses (receipts, contractor invoices, etc.), signed progress/completion documents, and project photos. NJEDA reserves the right to conduct site visits during and following completion of construction activities to confirm that work is being completed by New Jersey Department of Labor and Workforce Development (DOL) Public Works registered contractors in accordance with eligible uses for the Program and all prevailing wage and affirmative action requirements.
Compliance and Reporting	Following project completion and final disbursement of funds, awardees must supply charger usage data to the Authority for a period of three continuous years. To simplify sharing of data, applicants must select software that is already pre-qualified and listed as a Compliant Network Service Provider on the New Jersey Department of Environmental Protection website. If the awardee is unable to maintain operation of the charging site within the three-year compliance term, they must either assign a new owner or the Authority will impose a recapture of the grant award on a prorated basis as follows: <table><tr><td>Year of Compliance event of default within</td><td>Recapture Percentage</td></tr><tr><td>1 year from project completion</td><td>100%</td></tr><tr><td>2 years from project completion</td><td>60%</td></tr><tr><td>3 years from project completion</td><td>30%</td></tr></table>Additionally, participants must provide proof of enrollment in a VPP and/or managed charging program before the end of the three-year compliance period. If the awardee is unable to submit proof of enrollment before the end of the period, the Authority will impose a 15% recapture of the grant award. The Authority shall waive this requirement if enrollment by the Applicant is not possible within

	the three-year compliance period because there are no VPP and/or managed charging programs that are applicable to Applicant.
Fees	NJEDA will charge applicants the following fees unique to the Program given the availability of RGGI administrative funding to cover the Program administrative costs: Non-refundable $500 fee paid at time of application submission per project application.

Appendix B
Original Take Charge Program Memorandum
Approved October 30, 2025

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: October 30, 2025

SUBJECT: Take Charge Program

Request:

The Members are asked to approve:

1. The Take Charge Program ("Take Charge" or "the Program"), a pilot initiative designed to provide financial support for the installation of electric chargers for private fleets.
2. The utilization of $50,000,000 from the Authority's allocation of New Jersey's Regional Greenhouse Gas Initiative ("RGGI") 2023-2025 auction proceeds.
3. Delegation of authority to the Chef Executive Officer to:
   a) Approve individual applications for the Program in accordance with the terms set forth in this memo and the attached Program Specifications.
   b) Expand Program eligibility to include institutional[1] (local government, non-profits) applicants if other state programs cannot adequately serve these groups.
   c) Increase funding from $50,000,000 to up to $75,000,000 based on available RGGI funding if application demand exceeds the initial $50,000,000 funding allocation.

Background:

The Regional Greenhouse Gas Initiative (RGGI) is a multi-state, market-based "cap-and-invest" program that establishes a regional cap on carbon dioxide (CO_2) emissions from the electric power generation sector, therefore allowing for auctioning of emissions rights. States use the proceeds from the CO_2 allowance auctions to invest in programs to help further reduce CO_2 and other greenhouse gas pollution, spur clean and renewable energy, and provide rate relief on energy bills. New Jersey's RGGI funds allocation is governed by the Global Warming Solutions Fund Act (P.L. 2007, c. 340).

Per New Jersey's RGGI Strategic Funding Plan, the State will deploy RGGI funds for 2023-2025 within four initiative categories. This proposed NJEDA program aligns with the second initiative: Catalyze Clean, Equitable Transportation.

The Program builds on existing programs at the state level and within the EDA, including the New Jersey Zero-Emission Incentive Program (NJ ZIP) and the NJ ZEV (Zero Emission Vehicle) Financing Program, that encourage the adoption of zero-emission vehicles and the reduction of carbon emissions from the transportation sector. The Program was also informed by responses to "Request for Information #258 for Electric Vehicle

[1] Institutional entities are defined by the Department of Environmental Protection at NJAC 7:27D-1.2 to be those that serve "a non-profit or public purpose, such as a library, hospital, public school, institution of higher education, municipal utility, public recreation or cultural facility, or government entity."

Charging Grants" which was released by the EDA in July 2025. More than 19 respondents to the RFI highlighted gaps in existing state incentives for electric vehicle charging, in particular for private fleets. In addition, the Authority held a public webinar for stakeholders to share comments and feedback on a proposed grant program structure.

Program Overview:

Take Charge is a first-come, first-serve grant program that will provide funding for charging infrastructure projects in New Jersey. The goal of the Program is to assist applicants by partially covering the costs, including hardware and related installation costs, of establishing electric vehicle charging infrastructure for private commercial fleets. Private fleets interested in adopting electric vehicles require consistently available and reliable charging infrastructure, but often face high costs for installation and site upgrades necessary for charger operation.

At this time, the Program will be open to charging projects serving private commercial fleets and will cover fifty percent of eligible project costs. Grant award amounts will range from a minimum of $50,000 per project to a maximum of $5 million. Applicants may be eligible for bonuses that can increase the award cap by 5% and may be stacked. The criteria for each are as follows:

- Projects located in Overburdened Communities (OBCs) or formally designated Adjacent Communities.
- Projects installing on-site renewable energy generation and/or energy storage systems to help manage power demand for chargers.
- Projects from small business applicants.

Multiple applications from the same entity (as determined by EIN) may be accepted, provided each project location has its own application, and provided that the total for all project locations does not exceed the $5 million cap (plus any applicable bonuses).

The Program shall be implemented in accordance with the Program Specifications attached hereto as Appendix A.

Program Funding:

The Program will be funded from $50 million in 2023-2025 RGGI auction proceeds available to the Authority.

Administrative costs for the Program will not be funded from the $50 million because those costs will be covered under RGGI administrative funding that is available to NJEDA independently from RGGI project funding.

Delegated authority is requested to utilize up to an additional $25,000,000 in RGGI funds available to NJEDA to expand the pilot if the Program demand exceeds the initial $50,000,000 funding allocation.

Grant Amounts:

The minimum grant award size per project is $50,000. The maximum grant award size is $5,000,000, plus any stackable bonus. A single entity (as determined by EIN) may receive multiple grant awards provided those awards do not, in aggregate, exceed the maximum grant award size.

Delegated Authority:

Staff requests from the Members delegated authority to the CEO approve individual applications to the Program in accordance with the terms set forth in the attached Product Specifications.

In addition, staff is requesting delegated authority to the CEO to expand eligibility criteria of the Program to include institutional (local government and non-profits) applicants in the future. Institutional entities are eligible to receive RGGI funds from NJEDA under N.J.S.A. 26:2C-51(b)(1). While other State programs currently serve these types of entities, it may be preferable to include them in this program if other program funding for these programs becomes unavailable or these programs are fully subscribed.

In addition, delegated authority to the CEO is requested to utilize up to $25,000,000 in additional RGGI funding as available to increase the Program funding if application demand exceeds the initial $50,000,000.

Recommendation:

The Members are asked to approve:

1. Take Charge, a pilot initiative designed to provide financial support for the installation of electric chargers for private fleets.
2. The utilization of $50,000,000 from the Authority's allocation of New Jersey's Regional Greenhouse Gas Initiative (RGGI) 2023-2025 auction proceeds.
3. Delegation of authority to the Chef Executive Officer to:
   a) Approve individual applications for the Program in accordance with the terms set forth in this memo and the attached Program Specifications.
   b) Expand the Program eligibility to include institutional (local government, non-profits) applicants if other state programs cannot adequately serve these groups.
   c) Increase funding from $50,000,000 to up to $75,000,000 based on available RGGI funding if application demand exceeds the initial $50,000,000 funding allocation.

Tim Sullivan, CEO

Prepared by: Jessica Parineet

Attachment: Appendix A –Product Specifications: Take Charge Program

Appendix A Take Charge Program Specifications October 30th, 2025	
Program Purpose	• The goal of the Program is to reduce greenhouse gas emissions in the transportation sector by reducing the costs of installing electric vehicle charging infrastructure. The Program will accelerate the adoption of transportation electrification by supporting charging for commercial fleets.
Program Funding	• $50,000,000 of Regional Greenhouse Gas Initiative auction proceeds available to the Authority under the 2023-2025 RGGI Funding Plan.

Grant Amount	• Minimum award amount per project: $50,000
	• Maximum award amount per EIN: $5 million
	    • The award amount will be capped at 50% of eligible project costs. The cap on eligible project costs can be increased by an additional 5% each on a per project basis as follows for each of the following factors:
	        • Projects located in Overburdened Communities (OBCs) or formally designated Adjacent Communities. NJ's Environmental Justice Law (N.J.S.A 13:1D-157) defines overburdened communities as any census block group, as determined in accordance with the most recent United States Census in which: 1) at least 35 percent of the households qualify as low-income households; 2) at least 40 percent of residents identify as minority or as members of a State recognized tribal community; or 3) at least 40 percent of the households have limited English proficiency.
	        • Projects installing on-site renewable energy generation and/or energy storage systems to help manage power demand for chargers.
	        • Projects from small business applicants. For the purpose of the Program, a small business is defined as having 25 or fewer full-time employees in total OR less than $5M in annual gross revenue.
	• An applicant (determined by EIN) may apply for multiple projects across different sites so long as total funding awards do not exceed $5 million in aggregate.

Eligibility Requirements	• The Program will be open to for-profit commercial organizations that are purchasing and installing electric vehicle charging infrastructure in New Jersey. • Eligible organizations must have 2 or more existing commercial-use vehicles (including light-duty, medium-duty, heavy-duty, off-road, or maritime vehicles). These vehicles must be registered in New Jersey OR domiciled in New Jersey OR otherwise plan to utilize the proposed charging infrastructure in New Jersey being supported under the Program. These existing vehicles can be electric vehicles or non-electric vehicles that the applicant is planning to transition to electric vehicles with the construction of the charging infrastructure. • Charging-as-a-service providers, including entities leasing chargers to fleet operators, OR property owners who are installing chargers on behalf of a tenant fleet may also apply provided they (1) install permanent charging infrastructure at a site in NJ and (2) have an agreement, letter of intent, or equivalent documentation indicating an identified commercial fleet operator that would otherwise meet the eligibility requirements of the Program. • Projects can consist of installation of new chargers to a property that already has existing chargers. • If applicable, applicants must demonstrate that they have reviewed with their electric utility provider the feasibility of charger installation on the selected site prior to submitting their application and are aware of costs that may be involved with providing sufficient electrical capacity to the site based on this review.

	• The Applicant must also be in substantial good standing with the NJDOL and NJDEP. A current tax clearance certificate will need to be provided prior to application approval to demonstrate the applicant is properly registered to do business in New Jersey and in substantial good standing with the NJ Division of Taxation. A valid Applicant tax clearance certificate also is required prior to closing and disbursement of funds. • Applicants must satisfy the Authority's debarment/disqualification review and not be in default under any Authority program or have any outstanding obligations to the Authority. • If the applicant is leasing the site for charger installation, then they must demonstrate that the property owner has approved of the project. Tenants must also provide a valid lease for at least the length of the proposed project's construction timeline and the three-year compliance period. Applicants who have not yet finalized a lease for the total duration of the compliance period may be provided an exception provided the property owner certifies their intent to maintain or transfer usage of the chargers to a new tenant in the event of a non-renewal of the current lease.

Eligible Uses of Grant Funding	Eligible costs include, but are not limited to materials, labor***, and equipment for the following:
	• New Level 2 charging stations*
	• New Direct Current Fast Charging (DCFC) charging stations*
	• Delivery, activation fees, and warranty costs associated with new charging stations
	• Network subscription costs for up to three years*
	• "Make-Ready" costs including but not limited to upgrades of the electric power distribution system to the site, or wiring and electric work on the customer side of the electric meter necessary for charger installation
	• On-site renewable energy generation and/or battery storage systems to provide and/or store power for chargers
	    o The amount of funding being allocated to this category cannot exceed more than 50% of the total eligible project cost
	• Associated site upgrades necessary for charger installation and operation, including but not limited to signage, protective bollards, and pavement striping
	• Payments for the use of temporary mobile chargers and/or mobile battery storage systems**
	• Site assessment, engineering, and related design costs for the above items
	    o A lookback period is included for any completed design related work (not-construction) looking back 12 months prior to application submission but no earlier than the date of Program NJEDA Board approval.
	    o The amount of funding being allocated to this category cannot exceed more than 15% of the total eligible project cost.
	
	* Applicants must select a Pre-Qualified Network Service Provider from the list of Compliant Network Service Providers housed on the New Jersey Department of Environmental Protection (NJDEP) website.
	**Costs incurred for mobile chargers/batteries are eligible on the condition that permanent chargers are installed by the end of the allowable construction period. Additionally, eligible costs incurred beyond permanent charger installation (after project completion) are not eligible.
	***All construction work must be conducted by New Jersey Department of Labor and Workforce Development (DOL) Public Works registered contractors in accordance with NJ prevailing wage and affirmative action requirements.
	
	Ineligible costs include but are not limited to:
	• Level 1 charging stations
	• Chargers installed on residential properties for personal or non-commercial use
	• Electric vehicles
	• Permitting fees
	• Combustion-based generators or charging systems, including but not limited to combustion-based temporary or mobile chargers

	• Taxes • Charging related operating expenses such as electricity supply charges and maintenance costs For certain charging projects, applicants may be eligible for incentives directly from their electric utility such as utility-side or customer-side make ready costs. In this case, applicants are still eligible for the Program so long as the total grant amount received from both the EDA and the utility does not exceed 90% of the project's eligible costs. Applicants may not otherwise stack grant funding with any other charging incentive program offered by the State (DEP, BPU, DOT, etc.) or Federal government.

Application Process	Applications will be accepted on a rolling basis. The application will remain open until all available funding is reserved or until three (3) years after the date of application launch, whichever is sooner. If within the 3-year window, following the initial reservation of all the Program funds, previously reserved funding becomes available due to applicants not utilizing funding reservations, the application may be re-opened.
	
	Applicants will be provided a 10-business day cure period to correct submission deficiencies that are identified by staff as incomplete or incorrect. At the sole discretion of the Authority, staff may ask for additional information or clarification of the information included in the application, including, but not limited to, responses, documentation, and attachments. Applicants that are non-responsive or that do not provide complete responses to NJEDA requests for additional information will be notified by NJEDA staff via email that the application will be administratively withdrawn and not advance.
	
	In addition to other items, applicants must submit:
	• Fleet information such as model and registration for existing vehicles and plans for future vehicles (if applicable)
	    o If the applicant is a charging-as-a-service provider or property owner applying on behalf of a tenant fleet, these details along with a signed agreement, letter of intent, or equivalent documentation between both parties will need to be submitted for the partner fleet
	• Project description, including proposed quantity and type of chargers, and if applicable, plans for on-site energy generation/storage systems
	• Project site address and property information
	    o Including proof of property ownership or lease agreement for the required duration of construction and program compliance terms (see Eligibility Requirements)
	• Estimated project timeline
	• Cost estimate budget spreadsheet including a total requested grant amount using NJEDA template, which is supported by:
	    o Quote(s) from contractor(s) that are registered with NJDOL as a Publics Works Registered Contractor with costs consistent with New Jersey State prevailing wage rates
	    o Vendor quotes or similar retail price information for any relevant items/equipment to be purchased directly by the applicant
	
	If an applicant is determined to be eligible, the EDA will issue an approval letter with a maximum potential grant award amount based on the information submitted by the applicant.
	
	NJEDA grant award amounts will not be adjusted following notice of application approval. The Applicant will be responsible for any additional or unexpected project costs, even if relevant to the eligible project scope.

Grant Disbursement	Applicants will have six months from application approval to present the EDA with the following: 1. Confirmation from the utility provider for existing electrical service capacity OR confirmed plans and schedule from the utility provider to provide any additional needed capacity for the proposed charging project OR confirmation that charger power needs will be met with non-utility sources (existing on-site generation, proposed renewable generation, etc.)

	2. Proof of funding/project financing plan for total estimated project costs plus an additional 15% of overall project costs as contingency to allow for potential cost overruns that may arise during construction. Proof of funding can include bank account statements, financing agreement, or similar indication of available working capital for the project costs. Additional financing provided by NJEDA may be used to cover project costs not eligible under the Program. Additional financing provided by NJEDA may also be used to cover project costs paid up front by the Applicant prior to submitting for grant reimbursement. Additional six-month long extensions may be provided subject to the discretion of the Authority. After these items are provided, a grant agreement will be executed, and funding will be available for disbursement as follows: 1. At the time of grant agreement execution, up to 15% of the approved award amount may be reimbursed for any expenses incurred for site assessment, design, and engineering completed in the 12 months prior to application submission and/or between time of application and grant execution. 2. A maximum of 50% of the total awarded grant, minus any amount disbursed following grant agreement execution, may be reimbursed after at least half of total estimated eligible project costs have been incurred by the Applicant. 3. The remaining amount of the grant award utilized on eligible expenses pursuant to the grant agreement will be disbursed as a reimbursement following project completion and submission of final disbursement documents, including proof of completed charging project and charger connectivity. Applicants will have 24 months following grant agreement execution to complete the project and submit all documents required for reimbursement, with the possibility of six-month extension(s) of this timeframe at the discretion of the Authority. Reimbursement will be based on submitted proof of actual project expenses (receipts, contractor invoices, etc.), signed progress/completion documents, and project photos. NJEDA reserves the right to conduct site visits during and following completion of construction activities to confirm that work is being completed by New Jersey Department of Labor and Workforce Development (DOL) Public Works registered contractors in accordance with eligible uses for the Program and all prevailing wage and affirmative action requirements.
Compliance and Reporting	Following project completion and final disbursement of funds, awardees must supply charger usage data to the Authority for a period of three continuous years. To simplify sharing of data, applicants must select software that is already pre-qualified and listed as a Compliant Network Service Provider on the New Jersey Department of Environmental Protection website. If the awardee is unable to maintain operation of the charging site within the three-year compliance term, they must either assign a new owner or the Authority will impose a recapture of the grant award on a prorated basis as follows:
Fees	NJEDA will charge applicants the following fees unique to the Program given the availability of RGGI administrative funding to cover the Program administrative costs: Non-refundable $500 fee paid at time of application submission per project application.

Recapture table (within Compliance and Reporting):

Year of Compliance event of default within	Recapture Percentage
1 year from project completion	100%
2 years from project completion	60%
3 years from project completion	30%

ADOPTED
OCT 30 2025

Attachments

Resolution of the New Jersey Economic Development Authority Regarding Approval of the Take Charge Program.

WHEREAS, the Members of the New Jersey Economic Development Authority have been presented with and considered Board Memoranda attached hereto; and

WHEREAS, Board Memoranda requested the Members to adopt a resolution authorizing certain actions by the New Jersey Economic Development Authority, as outlined and explained in said Board Memoranda.

NOW, THEREFORE, BE IT RESOLVED by the Members of the New Jersey Economic Development Authority as follows:

1. The actions set forth in the Board Memoranda, attached hereto, are hereby approved, subject to any conditions set forth as such in said Board Memoranda.

2. The Board Memoranda, attached hereto, are hereby incorporated and made a part of this resolution as though set forth at length herein.

3. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10-day period the Governor shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

DATED: October 30, 2025

EXHIBIT

MEMORANDUM

TO: Members of the Authority

FROM: Evan Weiss, Chief Executive Officer

DATE: August 20, 2026

SUBJECT: NJ Cool Pilot Program Phase 2

Request:

The Members of the Board are asked to approve:

1. The creation of Phase 2 of the NJ Cool Pilot Program ("Program"), that will provide grants to retrofit projects in existing eligible Commercial, Industrial, or Institutional buildings in New Jersey to reduce operating greenhouse gas emissions, increase renewable energy generation and energy storage capacity, and reduce energy demand in New Jersey.

2. The utilization of $25,000,000 of Regional Greenhouse Gas Initiative (RGGI) funds to capitalize the Program from the RGGI Strategic Funding Plan(s) that includes a relevant funding initiative applicable to the scope of the Program.

3. Delegation of authority to the Chief Executive Officer to:
   a) Approve individual applications for Phase 2 of the NJ Cool Program in accordance with the terms set forth in this memo and the attached program specifications.
   b) Expand Program geographic eligibility from Overburdened and Adjacent Communities to the entire state one year after the application opens to the public, if Program funding remains available.
   c) Re-allocate any unallocated funds from Phase 1 of the Pilot Program into Phase 2 of the Program
   d) Increase Program funding from the initial $25,000,000 to up to $50,000,000 based on available RGGI funding if application demand exceeds the initial $25,000,000 funding allocation.

Background:

On November 16, 2023, the Board approved the creation of the NJ Cool Pilot Program ("Pilot") and the utilization of $15,000,000 from NJEDA's allocation of 2023-2025 RGGI funds. The Pilot provided grants to retrofit projects in existing commercial buildings undergoing physical improvements to reduce their operating greenhouse gas emissions. On October 8, 2024, the Board approved additional program changes to Pilot, updating program definitions, eligibility requirements, and delegated authority to approve additional funding of $15,000,000 million to the Pilot if program demand exceeded the initial $15,000,000 allocation. This additional $15,000,000 was utilized and in April 2026, the Pilot became fully subscribed, and the application portal was closed. While new applications are no longer being accepted, staff continues to oversee program implementation as construction projects are completed and grant funding is disbursed.

New Jersey's building sector is a major contributor to greenhouse gas emissions and energy use, accounting for 62% of the state's end-use energy consumption according to the 2019 Energy Master Plan. New Jersey's Strategic Roadmap for Building Decarbonization underscores the need to install zero-carbon equipment for space heating to achieve the State's goal to cut emissions 80 percent below 2006 levels and transitioning 90 percent of buildings to zero-emission heating systems by 2050.

Additionally, Governor Sherrill's Executive Order 2 identifies both solar power generation and battery storage as key solutions to address the State's energy generation needs and keep up with increased power demands, both major drivers of the current energy affordability challenges. Further, distributed energy solutions like solar and energy storage serve as a key opportunity to offset rising electricity use and load growth demand, while simultaneously decarbonizing the electric grid.

Program Overview:

Phase 2 of the Program establishes a building decarbonization framework that bundles energy efficiency, beneficial electrification, renewable energy generation, and energy storage into a single program offered to existing eligible Commercial, Industrial, or Institutional buildings in New Jersey. The Program provides grant support for projects that achieve energy savings and accelerate the transition away from fossil fuel-based heating systems and high global warming potential refrigerants used in cooling systems. Combined with on-site renewable energy, and on-site energy storage systems, these investments help create efficient, affordable, and more resilient buildings while supporting New Jersey's broader clean energy objectives. The Program is designed to facilitate economic growth and advance clean energy market transformation by addressing up-front cost barriers for these technologies and establishing a scalable model for effective decarbonization in New Jersey. Eligible projects will combine advanced heating and cooling systems, energy efficiency improvements, solar photovoltaic generation, and battery energy storage to create high-performing, low-carbon operating buildings capable of delivering long-term economic and environmental benefits for the State.

Grants will be provided to reduce the investment costs of undertaking retrofit construction projects in existing eligible buildings. Grant awards will cover 50% of eligible project costs, up to a maximum award of $1,000,000 per project (with a minimum award amount of $50,000 per project). This approach was also used for Phase 1 of the Program. Applicants may be eligible for one (1) grant bonus consisting of an additional 10% bonus, and a maximum reimbursement rate of 60% of total eligible project costs for projects completing full building electrification, defined as switching 100% of a building's combustion-based space heating loads to non-combustion-based heat systems, rather than the minimum 75% requirement.

Eligible projects must include one (1) scope selection from each of the following two (2) categories:

1. Renewable Energy Generation or Energy Storage
    a. On-site renewable energy generation (solar, geothermal, etc.)
    b. On-site energy storage (battery, thermal, etc.)

AND

2. Clean Heating and Cooling
    a. Electrification/Fuel Switching of Space Heating Systems
    b. Refrigeration Modernization of Space Cooling Systems

The Program will be available on a first-completed application, first-served basis to eligible buildings in State Designated Overburdened Communities (OBCs) and formally designated Adjacent Communities as defined by the New Jersey Environmental Justice Law and identified per NJDEP's EJMAP tool. Pending approval of delegated authority, one year after the application is open exclusively to OBCs and Adjacent Communities, any remaining program funds will be made available to all eligible property classes statewide. If the Program is expanded to the entire state under delegated authority, funding would be available on a first-completed application, first-served basis to all eligible building projects.

Program Funding:

The Program will utilize $25,000,000 in RGGI funds available to NJEDA from the RGGI Strategic Funding Plan(s) that includes a relevant funding initiative applicable to the scope of the Program. Administrative costs for the program will be covered under RGGI administrative funding that is available to NJEDA independently from RGGI project funding.

Grant Amounts:

For all projects, the minimum grant award size is $50,000. The maximum grant award size is $1,000,000 per project. A maximum of $3 million in total grants will be made available per Employer Identification Number (EIN).

Grant awards will be calculated based on the quoted costs of the eligible project scope. The Program will not provide reimbursement for costs already incurred prior to application approval.

<u>Delegated Authority</u>

The Members of the Board are requested to approve delegated Authority to the Chief Executive Officer to

a) Approve individual applications for Phase 2 of the NJ Cool Program in accordance with the terms set forth in this memo and the attached program specifications.
b) Expand Program geographic eligibility from Overburdened and Adjacent Communities to the entire state one year after the application opens to the public, if Program funding remains available.
c) Re-allocate any unobligated funds from Phase 1 of the Pilot Program into Phase 2 of the Program
d) Increase Program funding from the initial $25,000,000 to up to $50,000,000 based on available RGGI funding if application demand exceeds the initial $25,000,000 funding allocation.

Delegated authority is requested to utilize up to an additional $25,000,000 in RGGI funds available to NJEDA to expand Phase 2 of the Program if demand surpasses the initial $25,000,000 funding allocation. The requests are necessary to streamline application approvals and align with previously granted delegated authority requests approved from the NJ Cool Pilot Program. The geographic eligibility expansion request will drive additional program demand if the OBC eligibility requirements result in limited program uptake.

If the Program is expanded to the entire state under delegated authority, funding would be available on a first-completed application, first-served basis to all eligible building projects.

Fees:

NJEDA will charge a $500 application fee per project application.

Recommendation:

The Members are asked to approve:

1. The creation of Phase 2 of the NJ Cool Pilot Program ("Program"), that will provide grants to retrofit projects in existing small businesses, non-profit organizations, municipalities, and K-12 schools in New Jersey to reduce operating greenhouse gas emissions, increase renewable energy generation and energy storage capacity, and reduce energy demand in New Jersey.

2. The utilization of $25,000,000 of Regional Greenhouse Gas Initiative funds to capitalize the Program from the RGGI Strategic Funding Plan(s) that includes a relevant funding initiative applicable to the scope of the Program.

3. Delegation of authority to the Chief Executive Officer to:

a) Approve individual applications for Phase 2 of the NJ Cool Program in accordance with the terms set forth in this memo and the attached program specifications.
b) Expand Program geographic eligibility from Overburdened and Adjacent Communities to the entire state one year after the application opens to the public, if Program funding remains available.
c) Re-allocate any unallocated funds from Phase 1 of the Pilot Program into Phase 2 of the Program
d) Increase Program funding from the initial $25,000,000 to up to $50,000,000 based on available RGGI funding if application demand exceeds the initial $25,000,000 funding allocation.

Evan Wiess, Chief Executive Officer

Prepared by**:** Lloyd Lomelino, Product Officer, Clean Energy

Attachments:
Appendix A – Proposed Product Specifications: NJ Cool Program

Appendix A – NJ Cool Phase 2 Proposed Program Specifications August 20, 2026	
Program Overview	Phase 2 of the NJ Cool Pilot Program is designed to reduce operating greenhouse gas emissions from the building sector, increase renewable energy generation, and reduce energy demand in the State by offsetting capital costs of related construction projects for existing buildings. By deploying $25 million in RGGI funds, the program will support retrofit projects that achieve energy savings and accelerate the transition away from fossil fuel-based heating systems and high global warming potential refrigerants used in cooling systems. Combined with on-site renewable energy, and on-site energy storage systems, these investments help create efficient, affordable, and more resilient buildings while supporting New Jersey's broader clean energy objectives. The Program is designed to facilitate economic growth and advance clean energy market transformation by addressing up-front cost barriers for these technologies and establishing a scalable model for effective decarbonization in New Jersey. Eligible projects will combine advanced heating or cooling systems with on-site renewable energy generation or energy storage to reduce operating greenhouse gas emissions, increase renewable energy generation and energy storage capacity, and reduce energy demand and deliver long-term economic and environmental benefits for the State. The Program will offer grant awards between $50,000 and $1 million to existing small businesses with less than $5 million in revenue as demonstrated on most recent annual tax documentation, non-profit organizations, municipalities, and K-12 schools in New Jersey. Grant awards will cover 50% up to a maximum award of $1,000,000 per project (with a minimum award amount of $50,000 per project). Applicants may be eligible for one (1) grant bonus consisting of an additional 10% bonus (60% maximum) for projects completing full building electrification, defined as switching 100% of a building's combustion-based space heating loads to non-combustion-based heat systems.
Program Funding	The Program will utilize $25,000,000 in RGGI funds available to the NJEDA from the RGGI Strategic Funding Plan(s) that includes a relevant funding initiative applicable to the scope of the Program.. One year after the application is open to the public, Program eligibility will expand from OBC and Adjacent Communities to the entire state, if Program funding remains available. If the program expands, all remaining program funding will be available to all eligible property classes statewide on a first-completed application, first served basis.
Grant Amounts	The minimum grant award size is $50,000. The maximum grant award size is $1,000,000 per project. A maximum of $3 million in total grants will be made available per Employer Identification Number (EIN). Grant awards will cover 50% of eligible project costs. Applicants may be eligible for one (1) grant bonus consisting of an additional 10% bonus for projects completing full building electrification, defined as switching

<table>
<tr><th colspan="2">Appendix A – NJ Cool Phase 2 Proposed Program Specifications
August 20, 2026</th></tr>
<tr><td></td><td>100% of a building’s combustion-based space heating loads to non-combustion-based heating systems.

The Program will not provide reimbursement for costs already incurred prior to application approval.</td></tr>
<tr><td>Eligibility Requirements</td><td>• Applicant Eligibility

o Applicants must be Commercial, Industrial, or Institutional building owners OR equivalent tenants seeking to complete retrofit construction projects in existing eligible building spaces.
o Institutional buildings include owners OR tenants that serve a non-profit or public purpose such as a library, hospital, public school, institution of higher education, municipal utility, public recreation or cultural facility, or government entity.
o The term “government entity” includes local and municipal government entities, but for the purposes of this pilot, State government entities are not eligible.
o Commercial buildings include private commercial use building owners OR tenants whose primary use of the building is commercial operations that meet the definition of Property Class 4A.
o Industrial buildings include Private manufacturing building owners OR tenants whose primary use of the building is manufacturing or industrial operations that meet the definition of Property Class 4B.
o Tenants must demonstrate owner approval and a valid lease for one year beyond the length of the proposed project’s construction timeline and provide a landlord certification approving the project.
o Commercial and Industrial applicants must have less than $5 million in revenue as demonstrated on most recent annual tax documentation.
o A maximum of $3 million in total grants will be made available per Employer Identification Number (EIN).
o The applicant must be in substantial good standing with the New Jersey Department of Labor and Workforce Development and NJ Department of Environmental Protection to participate in the program.
o A valid tax clearance certificate must be provided prior to application approval and maintained through project construction and disbursement milestones to demonstrate the Applicant is properly registered to do business in New Jersey and in substantial good standing with the NJ Division of Taxation.</td></tr>
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Appendix A – NJ Cool Phase 2 Proposed Program Specifications August 20, 2026	
	◦ To prevent duplication of benefits, participants in the NJEDA Retrofit, and NJ Clean Energy New Construction Program (Gut Rehab) or Large Energy Users Program are not eligible to participate in the Program. Similarly, the maximum potential grant award will be calculated from total eligible project costs net the amount of any expected incentive payments from state-run or utility energy efficiency programs. • **Building Eligibility** ◦ Project must be located within New Jersey State Designated Overburdened Communities (OBCs) or a formally designated Adjacent Communities at time of application as defined by the New Jersey Environmental Justice Law, per NJDEP EJMAP tool. ***AND*** • Meet one of the following property classes as defined by NJAC 18:12-22: ◦ Class 4A: Commercial Property ◦ Class 4B: Industrial Property ◦ Class 15A: Public School Property ◦ Class 15B: Other School Property ◦ Class 15C: Public Property ◦ Class 15D: Church and Charitable Property ◦ Class 15F: Other Tax-Exempt Property If Program funds are not fully awarded within one year after public release of the application, Program eligibility may be expanded statewide to include all existing New Jersey buildings within qualifying property classes • **Project Eligibility** ◦ Project must demonstrate total eligible costs of at least $100,000. ◦ Applicants must provide, at time of application, a verified estimate from a qualified professional summarizing estimated reductions in operating greenhouse gas emissions and energy savings as a result of the project with supporting information and additional documentation as required (historic energy bills, HVAC equipment information, etc.) ◦ Qualified professionals include but are not limited to: ▪ Licensed engineer (NJ state professional engineer or other state's equivalent) ▪ Licensed architect (NJ state registered architect or other state's equivalent)

- Certified Energy Auditor (CEA certification from the Association of Energy Engineers)
- Certified Energy Manager (CEM certification from the Association of Energy Engineers)
- Energy Management Professional (EMP certification from the Energy Management Association)
- Building Energy Assessment Professional (BEAP certification from the American Society of Heating, Refrigeration, and Air-Conditioning Engineers)

The qualified building design or energy professional must attest that the project as designed will result in the switching of 75% or more of building space heating loads from existing fossil fuel-based combustion systems to non-combustion heating systems with low to zero direct operating emissions and/or the replacement of 75% or more of existing high global warming potential (GWP) refrigerants used for cooling within the building with low GWP alternatives.

Eligible projects must include one (1) scope selection from each of the following two (2) categories:

1. Renewable Energy Generation or Energy Storage
   a. On-site renewable energy generation (solar, geothermal, etc.)
   b. On-site energy storage (battery, thermal, etc.)

<u>AND</u>

2. Clean Heating and Cooling
   a. Electrification/Fuel Switching of Space Heating Systems
   b. Refrigeration Modernization of Space Cooling Systems

Energy Storage System uses may include battery backup power, energy storage for on-site generation, peak shaving, or time of use offset.

On-site solar projects that utilize power purchase agreements or involve participation in Community Solar programs are not eligible for Phase 2 NJ Cool grants.

Fuel switching will require 75% or more of building space heating loads be converted from combustion-based heating systems to non-combustion heating systems with low to zero direct operating emissions. Refrigeration Replacement requires 75% or more of existing high global warming potential (GWP) refrigerants (defined as refrigerants with a GWP greater than or equal to 700 (100-year GWP value)) used for cooling within the building to be replaced with lower GWP alternatives (defined as refrigerants with a GWP lower than the existing high GWP).

Appendix A – NJ Cool Phase 2 Proposed Program Specifications August 20, 2026	
	If the Applicant is a tenant, the minimum 75% switching requirement for heating load or existing refrigerants will only apply to the portions of the building within the tenant's lease or the building systems affecting the tenant's space within the overall building.

Eligible Uses of Grant Funding	• Eligible project costs include:
	    o Materials, labor, and/or equipment provided by New Jersey Public Works Registered contractor that are directly related to each required project scope, emissions reductions/energy efficiency improvements or enabling work necessary for proposed emissions reducing/energy efficient building systems to be operational (i.e., electrical upgrades, structural improvements for rooftop solar or HVAC systems)
	    o Additional work that further reduces operating emissions and/or improves energy efficiency of the building, including but not limited to:
	        ▪ Replacing gas powered appliances (ex: hot water heaters, clothes dryers, kitchen equipment) with electric alternatives
	        ▪ Installing building management systems or energy load controls
	        ▪ Conducting weatherization or building envelope (ex: façade, doors, windows, insulation) upgrades
	        ▪ Installing heat recovery equipment
	        ▪ Replacing lighting with more efficient equipment and/or controls
	    o Equipment and/or materials procured directly by the Applicant that are directly related to the required project scope, emissions reductions/energy efficiency or enabling work necessary for proposed emissions reducing/energy efficient building systems to be operational
	    o 3rd Party construction management costs, commissioning costs.
	
	• Ineligible Project Costs include:
	    o Soft costs: including but not limited to energy audits, professional design services, permitting fees, inspection fees
	    o Equipment and labor costs to install new combustion-based heating systems (e.g., boilers, furnaces), regardless of efficiency
	    o Interior finish improvements and upgrades not related to operating energy/emissions reductions (ex: flooring, artwork)

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Other building system upgrades that are not related to energy/emissions reductions (ex: fire sprinklers, security cameras), even if required for overall building code compliance
Furniture: non-permanent items (ex: desks, chairs, cabinets)
Prior energy efficiency/emissions reductions improvements begun or completed before time of application approval
New construction, including enlargements or additions to existing buildings that increase overall building square footage
Facility or site acquisition
Fines incurred because of code or zoning violations during construction project(s) associated with this grant
Costs not included in the approved project scope.

Additionally:

The applicant and any collaborators performing capital work will be subject to labor compliance, including New Jersey affirmative action, prevailing wage requirements, and the requirement to complete New Jersey Contractor Registration.
Except for projects participating in the NJEDA's Retrofit program, and NJ Clean Energy New Construction Program (Gut Rehab) or Large Energy Users Program, the grant award is stackable with other incentives from utilities and/or federal, state, and local government agencies. NJEDA will conduct a review in coordination with other State agencies to ensure there is no duplication of benefits. The maximum potential grant award will be calculated from total eligible project costs net the amount of any expected incentive payments from state-run or utility energy efficiency programs.

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<tr><td>Application Process</td><td>Applications will be evaluated on a first-completed application, first served rolling basis. The application will remain open until all available funding is reserved or until three (3) years after date of application launch, whichever is sooner.

NJ Cool grant awards will not be adjusted following notice of application approval, and the Applicant will be responsible for any additional or unexpected project costs, even if cost increases are related to the eligible project scope.

If the original contractor identified in the application cannot complete the project after the Applicant's submission, a new contractor may be</td></tr>
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	hired, provided they are a registered New Jersey Public Works Registered Contractor.
	
	Step 1 – Application Requirements: Applicant submits application to NJEDA, which shall include, among other items:
	• Building address and property information (size, property class, etc.)
	• Proof of compliance with eligible building property classes including but not limited to property tax documentation, municipal/county records, or similar documentation
	• Proof of ownership/proof of owner permission
	    o If Applicant leases space, a copy of their lease and a certification from the landlord that they have reviewed and approved the proposed facility improvement(s).
	    o If Applicant owns space, a deed, property tax statement, or current mortgage statement from the lender.
	• A description of the proposed project
	• Photos of the existing building space and heating or cooling equipment
	• Cost estimate budget spreadsheet using NJEDA template, which is supported by:
	    o Quote(s) from contractor(s) that are registered with New Jersey Department of Labor Public Work as a Publics Works Registered Contractor with costs consistent with New Jersey State prevailing wage rates
	    o Vendor quotes or similar retailer price information for any relevant items to be purchased directly by the Applicant
	• Estimated project schedule
	• Requested grant award amount
	• Expected utility/state energy efficiency incentive payments (if applicable)
	• Energy utility bill(s) or annual summary of energy use, and/or energy consumption (e.g. oil, propane) data for prior 12 months of operation
	• Green building certification being pursued (if applicable)
	• Energy Emissions Summary Form, using NJEDA template, which is supported by calculations.
	
	Step 2 – Application Review:
	NJEDA reviews the submitted application materials and performs a completeness review of each submitted application. If the submitted application is incomplete, staff shall send written notice providing applicants fifteen (15) business days to provide the missing documents or information in their application. If at the end of the 15-day period, the Applicant has not responded, their application will be deemed incomplete and will be administratively withdrawn by NJEDA staff. If

Appendix A – NJ Cool Phase 2 Proposed Program Specifications August 20, 2026	
	an Applicant responds within the 15-day period but provides insufficient information, the application may be declined and given a right to appeal. **Step 3 – Application Approval**: If eligible and applicable, NJEDA will provide an approval letter to the applicant with the maximum potential grant award available for the project. The Applicant will have two (2) months from notice of application approval to provide proof of funding for total estimated project costs plus an additional 15% of overall project costs as contingency to allow for potential cost overruns that may arise during construction before entering into a grant agreement. Proof of funding can include bank account statements, financing agreement, or similar indication of available working capital for the project costs. Additional financing provided by NJEDA may be used to cover project costs not eligible under the program. Additional financing provided by NJEDA may also be used to cover project costs paid up front by the Applicant prior to submitting for NJ Cool grant reimbursement. If not already provided, the applicant must provide a current tax clearance certificate at the time of grant agreement. **Step 4 – Construction Initiation:** Project construction activity must commence on site within six (6) months of grant agreement execution, or the applicant must demonstrate that permit applications (if required) are pending with relevant building authorities, with the possibility for six-month extension(s) at the discretion of the Authority. **Step 5 – Construction Completion**: Applicants will have two (2) years from project construction commencement to achieve project completion, with the possibility for six-month extension(s) at the discretion of the Authority.
Grant Disbursement	NJEDA will disburse funds via two payments to the Applicant for reimbursement of eligible project costs at a 50% rate. Up to one-half of the maximum eligible grant award will be available for reimbursement as an optional progress payment after grant agreement is fully executed and before construction is completed. The balance of the grant award will be available for disbursement at project completion when all eligible project work is completed and accepted by the applicant. Final reimbursement will be based on submitted proof of actual project expenses (receipts, contractor invoices, etc.), signed progress/completion documents, and project photos. Final payment may be adjusted for any work not completed/project scope changes, and/or underspending. NJEDA **shall recapture** any grant funds used for (1) an ineligible purpose or (2) any purpose outside of the Program's approved scope of work.
Compliance and Reporting	Applicants are required to ensure all contractors working on the project are New Jersey Department of Labor Public Work Certified and abide by

	prevailing wage and affirmative action requirements. As part of the application process, applicants must submit at least prior 12 months of utility bills, energy consumption data (e.g. oil, propane, etc.), and building occupancy data to help establish baseline energy consumption. When the building is fully operational again following construction completion, the grant recipient must submit utility bills, energy consumption, and occupancy data for at least the first 12 months following construction to help verify the estimated energy and emissions savings as a result of the project. Applicants will be responsible for repayment of all disbursed grant funding if they do not at a minimum complete the work required for either on-site renewable energy generation, on-site energy storage systems, and switching 75% or more of building space heating loads from existing combustion-based systems to non-combustion heating systems with low to zero direct operating emissions or replacing 75% or more of existing space cooling system(s) with high global warming potential (GWP) within the building with lower GWP alternatives. NJEDA reserves the right to conduct site visits during and following completion of construction activities to confirm that work is being completed in accordance with eligible uses for the Program and all prevailing wage and affirmative action requirements.
Fees	NJEDA will charge a $500 application fee per project application.

MEMORANDUM

TO: Members of the Authority

FROM: Evan Weiss, Chief Executive Officer

DATE: August 20, 2026

SUBJECT: Modifications to the Reducing Emissions Through Retrofits, Optimization, Fuel-switching and Innovative Technologies Grant Program (RETROFIT NJ)

Request:

The Members of the Board are requested to approve:

1. A modification to the Reducing Emissions Through Retrofits, Optimization, Fuel-switching and Innovative Technologies Grant Program ("RETROFIT NJ" or the "Program") to clarify Institutional applicant eligibility to expressly include qualifying privately-owned, 100% affordable housing, as specified in this memo and the attached Proposed Program Specifications.

Background:

On October 9, 2025, the Board approved the creation of the Reducing Emissions Through Retrofits, Optimization, Fuel-switching and Innovative Technologies Grant Program ("RETROFIT NJ" or the "Program") and the utilization of $75,000,000 from NJEDA's allocation of 2023–2025 RGGI funds based upon staff's recommendation in the October 9, 2025, memo to the Board (the "Board Memo"). The RETROFIT NJ program provides grants to large, complex building decarbonization retrofit projects in existing commercial, industrial, and institutional buildings that are not well served by existing State programs.

On July 22, 2026 the Board approved modifications to the RETROFIT NJ program to refine applicant and project eligibility, revise delegated authority for the Program, strengthen project scope requirements, and clarify the funding set-aside structure for Overburdened Communities and Institutional applicants.

This memo proposes modifications to the RETROFIT NJ program to further clarify the "Institutional" applicant eligibility to expressly include certain privately-owned affordable housing developments.

Program Updates:

Staff requests the following section updates to the RETROFIT NJ Appendix A - Program Specifications. These changes will not retroactively impact previously approved applications for the Program, but will be applicable to all future applications. Additionally, the RETROFIT NJ Program Specifications in Appendix A of this memo reflect the updated language which is bolded and underlined.

Applicant Eligibility

Current:

Applicant eligibility is based upon the specific project scope.

For projects involving Thermal Energy Networks:

- Applicants must be Commercial, Industrial, or Institutional building owners OR equivalent tenants seeking to complete retrofit construction projects in existing eligible building spaces.

For projects involving all other eligible project scopes, applicants must be one of the following:

- Institutional building owners OR equivalent tenants, as defined at NJAC 7:27D-1.2. However, state and bi-state agencies are excluded under this category, except for state entities whose primary purpose is education or healthcare (e.g. state colleges and universities, state-operated schools, state-managed hospital systems, and other state educational or healthcare institutions).
- Private manufacturing building owners OR equivalent tenants whose primary use of the building is manufacturing/industrial operations (Property Class 4B), as defined by NJAC 18:12-2.2.

Across all applicants:

- Tenants must demonstrate owner approval and a valid lease for one year beyond the length of the proposed project's construction timeline.
- The applicant must also be in substantial good standing with the New Jersey Department of Labor and Workforce Development and NJ Department of Environmental Protection to participate in the program.
- The applicant must provide a current tax clearance certificate at the time of grant agreement execution to demonstrate the applicant is properly registered to do business in New Jersey and in substantial good standing with the NJ Division of Taxation.

Update:
Applicant eligibility is based upon the specific project scope.

For projects involving Thermal Energy Networks:

- Applicants must be Commercial, Industrial, or Institutional building owners OR equivalent tenants seeking to complete retrofit construction projects in existing eligible building spaces.

For projects involving all other eligible project scopes, applicants must be one of the following:

- Institutional building owners OR equivalent tenants, as defined at NJAC 7:27D-1.2. However, state and bi-state agencies are excluded under this category, except for state entities whose primary purpose is education or healthcare (e.g. state colleges and universities, state-operated schools, state-managed hospital systems, and other state educational or healthcare institutions). **<u>For the purposes of this Program, privately-owned, 100% affordable housing that is deed-restricted for a minimum of 30 years and/or compliant with New Jersey's Uniform Housing Affordability Controls (UHAC) qualifies as an Institutional applicant.</u>**
- Private manufacturing building owners OR equivalent tenants whose primary use of the building is manufacturing/industrial operations (Property Class 4B), as defined by NJAC 18:12-2.2.

Across all applicants:

- Tenants must demonstrate owner approval and a valid lease for one year beyond the length of the proposed project's construction timeline.
- The applicant must also be in substantial good standing with the New Jersey Department of Labor and Workforce Development and NJ Department of Environmental Protection to participate in the program.

- The applicant must provide a current tax clearance certificate at the time of grant agreement execution to demonstrate the applicant is properly registered to do business in New Jersey and in substantial good standing with the NJ Division of Taxation.

Rationale:
This change is being requested to align RETROFIT NJ with Governor Sherrill's Executive Order No. 17 (signed April 27, 2026), which established a whole-of-government approach to accelerating housing production and expanding access to affordable housing across New Jersey, and directs state agencies to align existing programs, rules, and investments in furtherance of the Administration's affordable housing priorities.

Staff has coordinated with NJDEP, which has aligned with the Authority's approach to consider 100% affordable housing as a public purpose use consistent with the RGGI framework governing the Program.

Recommendation:
The Members of the Board are requested to approve the modifications to the RETROFIT NJ Program, as specified in this memo and attached Proposed Program Specifications sheet.

Prepared by: Andres Garcia

Evan Wiess, Chief Executive Officer

Appendix A
RETROFIT NJ Program
Revised Program Specifications – Program Modifications
July 22, 2026

Program Overview	RETROFIT NJ is designed to support multi-pronged, large-scale retrofit projects that enable holistic energy improvements at buildings, campuses, and multi-building facilities. By deploying $75 million in RGGI funds, this program aims to catalyze high-impact, high-visibility projects that significantly reduce carbon emissions, serve as replicable models, accelerate New Jersey's clean energy transition, and stimulate economic growth in the clean energy industry, one of the State's targeted industries. The Program will offer grant awards between $2.5 million and $12.5 million to commercial, industrial, and institutional building owners undertaking retrofit projects with a minimum total project cost of $5 million. Eligible projects must include at least three clean energy or electrification components—such as solar, energy storage, electrification of heating, refrigerant replacement, or energy efficiency upgrades—or involve TENs. Funding provided by the Program will cover both hard and soft costs, including design, equipment, construction, and commissioning. Non-profit and institutional applicants receive up to 60% reimbursement, while for-profit commercial entities are eligible for up to 50% reimbursement, with an additional 5% bonus for Overburdened Community (OBC)[7] locations for all entity types. Structured as a rolling application process with phased disbursements, the program is built to be inclusive of projects utilizing multiple clean energy technologies that need support to proceed. The Program shall be implemented in accordance with the Program Specifications attached thereto as Appendix A.
Program Funding	The Program will utilize $75,000,000 in RGGI funds available to NJEDA under the 2023-2025 RGGI Funding Plans. After the Program application is open to the public, 50% of the initial $75,000,000 funding pool ($37,500,000) will be set-aside exclusively for applications submitted for projects located in Overburdened Communities (OBCs) and/or for Institutional applicants for one calendar year from the date the Program application opens. Upon expiration of this set-aside, any unallocated set-aside funding will be open to all eligible applicants on a first-come, first-served basis. After applications open to the public, staff will evaluate program uptake. Delegated authority is requested to utilize up to an additional $150,000,000 in RGGI funds available to NJEDA to expand the pilot if program demand surpasses the initial $75,000,000 funding allocation. If the program is expanded further under delegated authority, the same set-aside shall apply to any future funding allocations authorized by the CEO. Administrative costs for the program will be covered under RGGI administrative funding that is available to NJEDA independently from RGGI project funding.
Grant Amounts	For all projects, the minimum grant award size is $2,500,000. For projects involving TENs, the maximum grant award size is $12,500,000 per project/Employer Identification Number (EIN). For all other projects, the maximum grant award size is $10,000,000 per project/EIN.

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<td>Eligibility Requirements</td>
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Applicant Eligibility

Applicant eligibility is based upon the specific project scope.

For projects involving Thermal Energy Networks:

Applicants must be Commercial, Industrial, or Institutional building owners OR equivalent tenants seeking to complete retrofit construction projects in existing eligible building spaces.

For projects involving all other eligible project scopes, applicants must be one of the following:

Institutional building owners OR equivalent tenants, as defined at NJAC 7:27D-1.2. However, state and bi-state agencies are excluded under this category, except for state entities whose primary purpose is education or healthcare (e.g. state colleges and universities, state-operated schools, state-managed hospital system, and other state educational or healthcare institutions). <u>For the purposes of this Program, Privately-owned, 100% affordable housing that is deed-restricted for a minimum of 30 years and/or compliant with New Jersey's Uniform Housing Affordability Controls (UHAC) qualifies as an Institutional applicant.</u>
Private manufacturing building owners OR equivalent tenants whose primary use of the building is manufacturing/industrial operations (Property Class 4B), as defined by NJAC 18:12-2.2.

Across all applicants:

Tenants must demonstrate owner approval and a valid lease for one year beyond the length of the proposed project's construction timeline.
The applicant must also be in substantial good standing with the New Jersey Department of Labor and Workforce Development and NJ Department of Environmental Protection to participate in the program.
The applicant must provide a current tax clearance certificate at the time of grant agreement execution to demonstrate the applicant is properly registered to do business in New Jersey and in substantial good standing with the NJ Division of Taxation.

Project Scope Eligibility Requirements:

Projects must include work from at least three of the following scope categories:

On-site renewable energy generation (solar, etc.)
On-site energy storage (battery, thermal, etc.)
Electrification/Fuel Switching of Heating Systems
Refrigerant Replacement for Cooling Systems (new system must have lower Global Warming Potential (GWP) than previous system and GWP must be 700 or less)

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	▪ Energy Efficiency Improvements (BMS, envelope, heat recovery, lighting upgrades, green roofs/cool roofs, electrifying appliances, etc.) ***OR:*** o A project scope involving Thermal Energy Networks does not need to meet the above scoping requirements. *ADDITIONALLY:* o If not a Thermal Energy Network, at least one of the three selected eligible scopes must involve either on-site renewable energy generation (solar, etc.) OR on-site energy storage (battery, thermal, etc.). • Project Eligibility o Projects must demonstrate total eligible costs of at least $5,000,000. o Projects must be located within New Jersey. o Applicants must provide, at time of application, a verified projection from a qualified third-party professional for reducing/avoiding at least one metric ton of carbon dioxide equivalent (CO_2e) for every $250 in requested NJEDA grant award amount over the project's useful life (e.g. a $5 million grant award would need to show that the proposed project can reduce at least 20,000 metric tons of CO_2e over the project's useful life) ▪ Qualified third-party professionals include but are not limited to: o Licensed engineer (NJ state professional engineer or other state's equivalent) o Licensed architect (NJ state registered architect or other state's equivalent) o Certified Energy Auditor (CEA certification from the Association of Energy Engineers) o Certified Energy Manager (CEM certification from the Association of Energy Engineers) o Energy Management Professional (EMP certification from the Energy Management Association) o Building Energy Assessment Professional (BEAP certification from the American Society of Heating, Refrigeration, and Air-Conditioning Engineers) • Building Eligibility o Meet one of the following property classes as defined by NJAC 18:12-22: ▪ Class 4A: Commercial Property Class 4B: Industrial Property ▪ Class 4C: Apartments (for purposes of this Program, applicants that are Class 4C must be multi-family that are owned by a commercial business or institutional entity) ▪ Class 15A: Public School Property ▪ Class 15B: Other School Property ▪ Class 15C: Public Property

	▪ Class 15D: Church and Charitable Property ▪ Class 15E: Cemeteries and Graveyards ▪ Class 15F: Other Tax Exempt Property
Eligible Uses of Grant Funding	• Eligible project costs include: o Construction labor and/or equipment provided by Public Works Registered Contractor that are directly related to emissions reductions/energy efficiency improvements or enabling work necessary for proposed emissions reducing/energy efficient building systems to be operational (i.e., upgrading electric panels, structural improvements for rooftop solar or HVAC systems) o Equipment and/or materials procured directly by the applicant that are directly related to emissions reductions/energy efficiency or enabling work necessary for proposed emissions reducing/energy efficient building systems to be operational o Soft costs including construction management, commissioning, engineering, building certification, and design costs relevant to scope categories listed above (no more than 20% of total project costs can be allocated for this purpose) o Electric vehicle charging infrastructure can optionally be included in project scopes but electric vehicle charging infrastructure projects on their own would not be eligible and do not count towards the three qualifying eligibility criteria. • Ineligible project costs include: o Permitting and inspection fees o Taxes o Property or facility acquisition costs o Interior finish improvements and upgrades not related to operating energy/emissions reductions (e.g. flooring, artwork) o Other building system upgrades not related to operating energy/emissions reductions (e.g. fire sprinklers, security cameras), even if required for overall building code compliance o Furniture: non-permanent items (e.g. desks, chairs, cabinets) o Prior construction work related to energy efficiency/emissions reductions improvements that began or completed before the time of application to the program o New construction and gut rehab/redevelopment projects including enlargements or additions to existing buildings that increase overall building square footage o Demolitions o Fines incurred because of code or zoning violations during construction project associated with this grant o Installation of new combustion-based systems (e.g., boilers, furnaces), regardless of efficiency o Costs not included in the approved project scope. • Additionally: o Funds can be used to support multiple building projects within one application if buildings are adjacent or in a campus style

	arrangement. Campus-wide and multi-building facilities are defined as a group of two or more buildings owned and/or leased by either a single entity or a consortium of two or more building owners/leaseholders ("Consortium"). If the latter, a lead entity must submit the grant program application on behalf of the Consortium, or the Consortium can utilize an existing or create a newly formed business or institutional entity with its own specific EIN that represents the interests of the Consortium for the purposes of the proposed grant project. o Projects involving new construction and substantial rehabilitation/redevelopment are excluded from Program funding. However, if the new construction or substantial rehabilitation/redevelopment project is a portion of a larger retrofit project that includes a connected building(s) otherwise qualified for the Program, then expenses associated with the energy system for the new construction or substantial rehab/redevelopment are eligible. Substantial rehabilitation shall have the same meaning as "reconstruction" in N.J.A.C. 5:23-6.3. o A lookback period of up to 18 months prior to the date of application submission shall apply to design, engineering, planning, and/or audit activities initiated or completed in furtherance of the project. Such costs may be included in the total eligible project cost. Construction or building maintenance costs incurred prior to application submission are ineligible for the lookback period. Reimbursement for expenses incurred during the lookback period shall not exceed twenty percent (20%) of the total eligible project cost. o The applicant and any collaborators performing capital work will be subject to labor compliance, including New Jersey affirmative action, prevailing wage requirements, and the requirement to complete New Jersey Contractor Registration. o Except for the NJEDA's NJ Cool program, the grant award is stackable with any other incentives from utilities and/or federal, state, and local government agencies. NJEDA will conduct a review in coordination with other State agencies to ensure there is no duplication of benefits.
Application Process	Complete applications will be reviewed on a rolling basis using the following steps: • **Step 1 – Application Requirements**: Applicant submits application to NJEDA, which shall include, among other items: o Building address and property information (size, type, occupancy, etc.) o Proof of building ownership/proof of building owner permission to undertake project o If Applicant leases space, a copy of their lease extending one year past the construction timeline and a signed acknowledgement from the landlord that they have reviewed and approved the proposed facility improvement(s). o If Applicant owns space, a deed, property tax statement, or current mortgage statement from the lender. o A description of the proposed project

- Project design drawings
- Photos of the existing building space
- Cost estimate budget spreadsheet using NJEDA template, which is supported by:
- Quote(s) from contractor(s) that are registered with NJDOL as a Publics Works Registered Contractor with costs consistent with New Jersey State prevailing wage rates
- Vendor quotes or similar retailer price information for any relevant items/equipment to be purchased directly by the applicant
- A soft commitment for matching funding (e.g., promissory note, letter of commitment from a financial institution, etc.) OR proof of funding in-place (e.g. bank statements, executed financing agreement, or similar indication of availability of working capital for proposed project) to demonstrate Applicant's ability to cover the balance of project costs not covered by this grant IN ADDITION TO a 10% contingency to cover any potential project cost overruns.
- Estimated project schedule
- Requested grant award amount
- Expected utility/state energy efficiency incentive payments (if applicable)
- Recent utility bill(s) (water and energy), as well as building occupancy and energy consumption (e.g. oil, propane) data for prior 12 months of operation
- Projected operating greenhouse gas emissions savings to be realized as a result of the project (calculated by a 3rd party qualified professional) with supporting information and additional documentation as required (HVAC equipment information, etc.).

- **Step 2 – Application Review:** NJEDA reviews the submitted application materials and performs a completeness review of each submitted application. If the submitted application is incomplete, staff shall send written notice providing applicants fifteen (15) business days to provide the missing documents or information in their application. Staff shall also complete an initial project financial viability review based on the soft commitment for matching funding or proof of funding in-place submitted as part of the application materials to demonstrate the Applicant's ability to cover balance of project costs not covered by the grant in addition to a 10% project contingency for any potential project cost overruns.

- **Step 3 – Application Approval:** If eligible and applicable, NJEDA will provide an approval letter to the applicant with the maximum potential grant award available for the project and enter into a grant agreement. If not already provided the applicant must provide a current tax clearance certificate at the time of grant agreement. NJEDA grant awards will not be adjusted following notice of application approval and the applicant will be responsible for any additional or unexpected project costs, even if relevant to the eligible project scope.

	• **Step 4 – Proof of Funding:** If only a soft commitment for matching funding is provided at time of application, the Applicant will have twelve (12) months from execution of grant agreement with NJEDA to submit proof of funding for the balance of project costs, with the possibility for additional six-month extension(s) at the discretion of the NJEDA. Proof of funding can include bank account statements, financing agreement, or similar indication of available working capital for the project costs. NJEDA will review and provide approval for proof of funding via its underwriting process. Additional financing provided by NJEDA may also be used to cover project costs not met by the grant award, including through the NJ Clean Energy Loans program and the New Jersey Green Bank, a subsidiary of the NJEDA, may be able to offer loan financing to complement the grant award. However, the applicant cannot use both NJ Cool program funding and RETROFIT NJ funding for the same project. • **Step 5 – Construction Initiation:** Project construction activity must commence on-site within twelve (12) months of grant agreement execution, or the applicant must demonstrate that permit applications (if required) are pending with relevant building authorities, with the possibility for six-month extension(s) at the discretion of the NJEDA. • **Step 6 – Construction Completion:** Applicants will have three (3) years from project construction commencement to achieve project completion, with the possibility for one-year extension(s) at the discretion of the NJEDA.
Grant Disbursement	NJEDA will provide a maximum disbursement of 50% of total eligible project costs for for-profit commercial projects, and a maximum disbursement of 60% of total eligible project costs for Institutional and non-profit projects, up to the maximum allowable grant award amount of $12,500,000 for TENs and $10,000,000 for all other projects. The maximum disbursement amount will be increased by an additional 5% if the applicant's proposed project/building is located within an OBC or adjacent census block, in accordance with RGGI requirements to prioritize OBCs. Maximum eligible grant award size will be determined at time of application approval. NJEDA will disburse funds on a pro-rata basis based on construction progress, or other milestones, via payments to the grant recipient in tranches as will be provided in the grant agreement. Final payment may be adjusted for any work not completed/project scope changes, and/or underspending. NJEDA **shall recapture** any grant funds used for (1) an ineligible purpose or (2) any purpose outside of the Program's approved scope of work.
Compliance and Reporting	Applicants are required to ensure all contractors working on the project are New Jersey Department of Labor (NJDOL) Public Work Certified and abide by prevailing wage and affirmative action requirements.

	As part of the application process, applicants must submit at least prior 12 months of utility bills, energy consumption data (e.g. oil, propane, etc.), and building occupancy data to help establish baseline energy consumption. When the building is fully operational again following construction completion, the grant recipient must submit utility bills, energy consumption, and occupancy data for at least the first 12 months following construction to help verify the estimated energy and emissions savings as a result of the project. Grant recipients are also required to provide details on other projects undertaken by the building during the grant term that are not funded by the grant award and could impact the building's energy usage (including other clean energy or energy efficiency initiatives and participation in any demand response programs). The NJEDA reserves the right to conduct site visits at any time during construction, in addition to site visits scheduled by the grant recipient for the purpose of progress disbursements.
Fees	NJEDA will charge a $1,000 application fee per project application.

To: Members of the Authority

From: Evan Weiss
Chief Executive Officer

Date: August 20, 2026

RE: CAFE Program- Product # 00320733
Madison Asbury Retail LLC ("Applicant" and "Lead Development Entity")
Madison Asbury Convention Hall LLC ("Affiliate")

Asbury Park Convention Hall Music & Performance Venues Restoration, Revitalization, & Modernization Project

Request

The Members are requested to approve a tax credit award of 100% of the eligible project cost ("Eligible Costs"), not to exceed $75,000,000 under the Cultural Arts Facilities Expansion (CAFE) Program for the Madison Asbury Retail LLC cultural arts facilities project (Project) located in City of Asbury Park, Monmouth County.

The recommended tax credit award is subject to conditions subsequent to receiving and maintaining the award, including submission of certifications and evidence that the Applicant has met, and will continue to meet, the eligibility criteria. Per Program rules, staff is authorized to reduce the award amount to match the actual certified eligible project costs, as certified by a Certified Public Accountant, at the conclusion of the Project.

CAFE Program Background

The Cultural Arts Incentive Program, also known as the Cultural Arts Facilities Expansion (CAFE) program, became effective on December 21, 2023, pursuant to P.L. 2023, c. 197. In creating this program, the Governor and legislature provided that the Authority shall administer the program to utilize cultural arts institutions to catalyze economic growth through the provision of incentive awards to reimburse developers for certain project financing gap costs. CAFE Program Rules ("Rules") were specially adopted by the Authority Board on January 23, 2025, and took effect on February 10, 2025. The final rules were adopted on June 18, 2025. In addition, legislative amendments to the Act (P.L. 2025, c.127 or “Chapter 127”) became effective on August 15, 2025. This application is being considered based upon the Act (as most recently amended) and Rules.

The Program provides tax credits for five years during the operating period after construction is completed (the “Eligibility Period”). The amount of tax credits a “cultural arts project” receives, as stipulated in the statute, is 100% percent of the project’s eligible project costs and is subject to a statutory cap of $75 million.

The CAFE program was established by statute initially as a competitive program, under which projects must apply within a defined application window, with all applications to be considered following the closure of the application period. The first round for CAFE applications opened on April 7, 2025, and closed on June 13, 2025. The second round for CAFE applications opened on July 10, 2025, and closed on August 11, 2025. The Authority established scoring criteria for the evaluation of proposed CAFE projects. To receive a tax credit award, a cultural arts institution’s application must receive a minimum score of 40 out of 100 maximum total score. Under the competitive paradigm, if in any given round the Program is oversubscribed, then applications will be ranked based on score, and awards will be based on ranking. However, Chapter 127 allows the CAFE program to transition from a competitive to a rolling basis, which can be done by ensuring that sufficient tax credits are available for all eligible applicants. Operating on a rolling basis offers several advantages, such as enabling applications to be brought before the Board for decisions as they become ready, rather than waiting for all applications to be decisioned simultaneously. This transition is feasible because the Authority has reserved the necessary amount from the potential $500 million reallocation from Aspire and Emerge allowed by Chapter 127.

Project Information
Applicant (also the Lead Development Entity): Madison Asbury Retail LLC
Affiliate: Madison Asbury Convention Hall LLC
Project Name: Asbury Park Convention Hall Music & Performance Venues Restoration, Revitalization & Modernization
Project Location: 1300 Ocean Ave., Asbury Park City, Monmouth County, New Jersey (Block 4502, Lot 1.18)

Project Description:
The Project is the rehabilitation of the 1920s-era historic performing arts center Convention Hall complex-including Convention Hall, the Grand Arcade (enclosed pedestrian thoroughfare that forms the central connecting element between the Convention Hall and the Paramount Theater that includes the main entrance to the Convention Hall and secondary entrance to the Paramount Theater), and the Paramount Theater . The existing cultural arts facility is 252,742 sq ft and will be renovated with no new construction or expansion proposed. Capital improvements include:

- Paramount Theater (67,343 sq ft, 1600 seat) - renovate main and second floor lobby, 2^{nd} floor mezzanine, back of house, proscenium, basement, new seating, lighting, and toilets.
- Grand Arcade (32,132 sq ft) - renovate marquee, restore storefronts, repair skylights, restore terrazzo floor, additional tenant space improvements (1,999 sf to be leased), and lighting improvements,
- Convention Hall (153,267 sq ft, 3200 stadium-type seating) - plaster restoration, floor finishes, lobby restoration, stage and dressing rooms rehab, reconfigure into seating bowl with bar and VIP boxes (approx. 22), ADA compliant seating, lighting, and toilets
- Elevator access to 3 floors
- Infrastructure upgrades including fire alarm and sprinkler systems, and emergency generator
- Exterior repairs to Paramount and Convention Hall loggias and structural and masonry repairs to exterior walls
- Roof replacement and stormwater upgrades

Purpose and Impact:
The mission of this project is to fully rehabilitate the historic Convention Hall complex to a world-class, multi-use cultural venue. Convention Hall and Paramount Theatre have been closed since 2021 due to structural and safety concerns. This CAFE Project is intended to preserve the complex's architectural significance while modernizing infrastructure to meet current safety, accessibility, and production standards.

The Applicant has noted that: Since opening in 1929, the Convention Hall complex has hosted diverse programming spanning music, theater, dance, film, sports, conventions, and civic events, establishing them as vital components of New Jersey's creative and cultural landscape. This comprehensive upgrade will enhance the complex's ability to attract world-class talent and diverse audiences while honoring its legacy as a symbol of regional pride, resilience, and artistic expression. The goal of the CAFE Project is to reinstate the complex as a year-round economic and cultural engine for Asbury Park and the broader Jersey Shore region.

The Applicant has further stated: While Asbury Park is experiencing a renaissance, the sustainability of this momentum and the preservation of its cultural assets and identity are not guaranteed. The Convention Hall Complex stands at the center of this ecosystem and represents an irreplaceable cultural asset and if this historic structure is lost, it cannot be recovered.

As reported by the Applicant, the independent music venue sector nationwide is under severe pressure, with closures accelerating. The Applicant plans to integrate this Project within a collaborative network of five music venues operating within three blocks of each other along the boardwalk. The Applicant has described their vision for this venue ecosystem to create an artist and audience development pathway: as musicians cultivate larger followings, they can graduate to progressively larger venues while remaining in Asbury Park—a model that strengthens the entire district and is virtually unprecedented in scale and proximity.

The Applicant provided the following project statement: “The Convention Hall Complex revitalization represents the primary catalytic economic development project for Asbury Park and the Jersey Shore. Already recognized as the leading rock and modern music destination in the Northeastern United States (beyond New York City), the restored state-of-the-art performance venue will anchor substantial additional private investment throughout the waterfront district. With an estimated 90+ annual performances, the project will drive year-round activation, off-season hotel occupancy, restaurant sales, and sustained economic activity. The restoration is essential to unlocking adjacent commercial development along the Boardwalk—all properties within a 10-minute walk are oriented toward leveraging the Convention Hall Complex visitor activity and are unlikely to be redeveloped without this anchor. This investment will strengthen Asbury Park's historic position as one of New Jersey's most important visitor and entertainment destinations and cement its status as a premier modern music venue along the Eastern Seaboard.”

The City of Asbury Park Planning and Redevelopment Office noted as of May 20, 2025, that the “Convention Hall Complex is within the boundaries of the City’s Waterfront Redevelopment Plan (WRP) which explicitly calls for the restoration and/or adaptive reuse of Convention Hall Complex for use as an entertainment and cultural facility. Madison’s proposed restoration of the Convention Hall Complex….is permissible by current zoning which is governed by the WRP.” Applicant will be required to obtain site plan approval as a condition of Board approval for this CAFE project.

At the time of application, Mayor Moor provided a letter of support for the project indicating, “The City is in support of the Application submitted by Madison for the purpose of financing the restoration of the City’s iconic and historic Convention Hall Complex. The restoration of the Convention Hall Complex would undoubtedly result in a positive impact on the City of Asbury Park, surrounding community, and further the planning and development aspirations of the City. The Restoration of the Convention Hall Complex is consistent with the City’s development goals and objectives as outlined in our Master Plan, amended in 2023 to include Arts & Culture Plan, and the City’s Waterfront Redevelopment Plan. Specific ways the proposed project is directly aligned with these documents include preserving the historic character of Asbury Park and re-establishing the City as an entertainment destination, capitalizing on the City’s competitive advantages, including its waterfront location for economic development, and the promotion of arts and culture to augment the City’s year-round quality of life.”

The project aligns with CAFE Program priorities and statewide strategies to leverage the arts for economic development by attracting visitors and businesses to the State and for the cultural benefits of building and supporting world class arts institutions.

<u>Project Ownership:</u>
Madison Asbury Retail LLC’s sole affiliate for this application is Madison Asbury Convention Hall LLC, a wholly owned subsidiary of the applicant. The affiliate is a disregarded entity for tax purposes and is the owner of record for the Convention Hall Complex property which is the subject of this application. Madison MM REF Retail LLC and Asbury Park Retail Venture LLC both own

50% of the applicant.

A key threshold requirement for CAFE eligibility is that the Applicant must have ownership of or lease the cultural arts institution facility for the duration of the Eligibility Period.

The Applicant has satisfied this requirement by providing:

- Bargain and Sale Deed (dated June 11, 2007) between Asbury Convention Hall LLC (grantor) and Madison Asbury Convention Hall, LLC (grantee), evidencing ownership of Block 4502 Lot 1.18 (formerly Block 227 Lot 1.18) and Monmouth County Property Detail indicating current Block 4502 and Lot 1.18 and prior Block 227 and Lot 1.18 which verifies project location.
- LLC Operating Agreement (dated June 11, 2007) between Madison Asbury Convention Hall, LLC (affiliate) and Madison Asbury Retail, LLC (applicant) which documents that Madison Asbury Retail, LLC formed an affiliate with the name Madison Asbury Convention Hall LLC.

The Applicant's staff brings three decades of proven experience delivering over $3 billion in investments across mixed-use retail, office, multifamily, senior housing, and medical office properties. The Applicant will serve as their own lead development entity and has engaged key team members with a proven track record in developing projects. The project team includes: ASM, the nation's largest venue manager, advising on facility planning and operations; Michael Graves-architects for design and historic rehabilitation including acoustics and lighting; Colliers Engineering providing complete engineering services; Pullman SST Inc. serving as Project Manager/Construction Manager and pre-construction consultant; Search serving as project archaeologist; and Massa Multimedia Architecture, an architectural design firm

<u>Legal Review and Sister Agency Check</u>

A Legal Review (debarment/disqualification review) was completed on the Applicant (which is also the Lead Development Entity) and the Affiliate by the Authority, and Applicant and Affiliate were cleared. Applicant and Affiliate were also found to be in substantial good standing with the Department of Labor and Workforce Development, Environmental Protection, and the Treasury.

<u>Construction Timeline</u>

Construction started April 22, 2026. Construction is anticipated to be complete and a certificate of occupancy issued by April 30, 2029. The CAFE Program allows applicants to begin construction at risk after application submission. The Applicant submitted the application on June 13, 2025.

<u>Project Details</u>

Scoring:

The CAFE application submitted for the Project was reviewed and scored based on the Program's pre-established scoring criteria. The criteria focus on the following main themes:

1) The amount of tax credit requested compared to the amount of tax credits required for the completion of the cultural arts project, i.e. if the project is leveraging other sources of funding, they will score higher
2) How the cultural project will advance state, regional, and local goals of cultural arts facilities in underserved communities
3) The impact of the cultural arts project and its relation to local development strategy
4) The economic development impact of the cultural arts project, and job creation
5) Whether the project is located in an area with high economic and social distress
6) New full time jobs, as determined by the expansion or increase in activities at the project
7) Approach and plan for affordable offerings to the general public
8) Diversity of the Board that is representative of the community

The Applicant is required to achieve a minimum score of 40 out of 100 to be eligible for a CAFE award.

The application was reviewed and scored by a committee comprised of a multidisciplinary team of NJEDA staff with experience in the fields of real estate development projects and project management. The non-discretionary criteria (e.g., criteria based on site location) was scored by the CAFE team, the Economics and Data Analytics team provided half of the score for Criterion 4 listed above using the IMPLAN model, and the remainder of the application (including the remaining half of Criterion 4) was scored by the three (3) members of the committee. The Applicant elected not to be scored on Criterion 8. Once individual score sheets from all selection committee members were received, the scores were averaged. The Applicant received a score of 73 out of a possible 100, therefore surpassing the required minimum score of 40.

Credit and Finance Review

Based on the financial review, Staff concludes that the Applicant has adequate and bona fide sources of funding to cover all project costs and there is a reasonable expectation these sources of funding will be available to complete the Project. The Applicant has also illustrated the wherewithal to meet the Program's minimum 20% equity contribution requirement (which as defined by Program rules may include a fundraising based on a plan, Federal, State, and/or local grants and expected proceeds from the sale of Federal or local tax credits, including the Federal Historic Tax Credit and Low-Income Housing Credit, as well as certain property value and project feasibility costs) and has demonstrated a project financing gap. Additionally, the Applicant has provided documentation showing proposed terms for the sale of CAFE credits at a price of 90 cents on the dollar, which exceeds the Program minimum of no less than 85 percent of the transferred credit amount before considering any further discounting to present value for the sale or transfer of CAFE credits.

The review confirmed that capital investment for the proposed Project will be greater than the Program's minimum requirement of $5,000,000. Finally, based on that review, Staff has a reasonable expectation the Applicant and lead development entity, Madison Asbury Retail LLC, will continue to be a viable entity throughout the project construction timeline.

Project Uses and Sources

The Applicant proposes the following uses for the Project:

Uses	Total Project Costs	Project Costs (Before Soft Cost Cap)
Acquisition	$21,900,000	$0
Hard Construction Costs (including Special Contingency)	$95,204,421	$95,204,421
Soft costs: including developer fee, professional services, and financing costs	$32,911,165	$32,911,165
TOTAL	$ 150,015,586	$128,115,586
CAFE Program Cap		75,000,000

The eligible project cost is the cost included in total project costs that is used for sizing the tax credit. Total eligible project costs exclude costs incurred prior to application, land acquisition costs and certain soft costs, such as NJEDA fees. As defined by the program rules, with the exception of soft costs incurred within 12 months prior to application, work conducted prior to application is not considered an eligible project cost. The CAFE program limits eligible soft costs to 20% of the total eligible project costs (which is inclusive of the soft costs) and also includes a statutory program cap of $75,000,000 per project. Because the otherwise eligible project costs exceed the program cap, the recommended award amount is capped at $75,000,000.

Additionally, the project costs were evaluated by Sterling Project Development (SPD). SPD's overall assessment is that the Applicant's proposed budget of approximately $123 million (not including property acquisition) is responsibly assembled for an early stage of project development but warrants adjustments at several line-items including contractor held contingency, escalation assumptions, soft costs, owner's hard cost contingency, and owner-held insurance. SPD notes "As a historic rehabilitation project, the Asbury renovation is likely to surface significant additional scope during design development—particularly given the extent of existing conditions work. Even with adequate contingency included, staying within budget will require disciplined owner decision-making, especially in later design stages when stakeholder involvement in aesthetic and experiential decisions tends to increase. MAR should consider committing to a clear cost-control framework before entering schematic design."

Subsequent to SPD's review, the Applicant provided an explanation accounting for escalation of costs and increased the contingency in multiple areas of the project budget including soft cost, design and construction, and insurance, however the budget is below benchmarks in some areas, and does carry a risk of exceeding the current budget. In light of SPD's review and the Applicant's responses, staff finds that while there is a risk that the project may exceed the budget the risk can be mitigated by the Applicant maintaining cost discipline throughout project development.

The Applicant proposes the following Sources for the Project:

Sources of Financing	Amount
Boardwalk Grant (Equity Investment)	$13,000,000
Federal Historic Tax Credit Equity (Portion of FHTC is available at start via monetization)	$4,977,212
Bridge Loan	$105,138,374
Contribution of site owned based on "As Is" appraised value	$21,900,000
MAR Equity/Special Contingency	$5,000,000
Total	$150,015,586

The Project will be funded primarily through a Bridge Loan from by Midloch Investment Partners. The Applicant will use a portion of the proceeds from the Federal Historic Tax Credit which will be available at the start of construction and grant funds from Asbury City through the NJDCA, Disaster Recovery and Mitigation Division of the Boardwalk Preservation Fund.

The Applicant has a pending Historic Property Reinvestment Program (HPRP) application currently under review by the Authority, requesting $8 million in state historic tax credits. The HPRP program requires adherence to the federal Secretary of the Interior Standards, which necessitates additional construction drawings and specifications which the applicant has not yet provided. The Applicant has requested to move forward with the CAFE application while the HPRP documentation is being finalized. To bridge the financing gap, the Applicant is providing a special construction contingency. Staff recommends including a condition, which cannot be extended, that 1) no later than March 1, 2027, the Applicant submit all required information and documentation (including full set of drawings at a design level of at least 25% Construction Documents) for their HPRP application to be complete, and 2) receive HPRP approval by the Authority within twelve months of the CAFE approval. If these conditions are not satisfied and the Applicant receives an HPRP award from the Authority, the CAFE award size will be reduced dollar-for-dollar by the HPRP award amount.

<u>Applicant Contributed Equity</u>

Based on the equity requirement of 20% of total project cost for a project, the required applicant - contributed equity in this Project equates to $ 30,003,117. The applicant-contributed equity for this CAFE Project is comprised of $13,000,000 grant funding and $19,808,848 from the Federal historic tax credit, and $21,900,000 in property value, totaling $54,708,848.

Financing Gap Analysis

The statute requires that to be eligible for the CAFE tax credit, the Authority must determine that at time of application, the cultural arts project will generate a below market rate of return. The statute further specifies that the Authority shall determine whether a project financing gap exists. As such, the Authority reviewed the application to determine if there is a financing gap pertaining to the return on the investment for the cultural arts institution and ability to attract the required investment. HR&A Advisors analyzed the pro forma and projections and compared the returns with and without the CAFE award. As the Applicant proposes to use both CAFE and HPRP, the review also included a comparison to the standards for that program. Staff has also confirmed that the total NJEDA proposed subsidies for this project ($75 million, plus $8 million) do not exceed the total project cost.

HR&A Advisors concluded that the "IRR analysis confirms the CAFE award does not over-enrich the project." Staff additionally conclude this Project meets the statutory requirement of generating a below market rate of return and that a project financing gap exists.

Accordingly, the proposed tax credit award does not "over-enrich" the returns of this Project. Based on the above analysis, the recommended award amount is 100% of the eligible project costs, capped at $75,000,000.

Recommended Award Amount	$75,000,000

CAFE Tax Credit Sale Price

The sale or assignment of the CAFE tax credits can be no less than 85 percent of the transferred credit amount before considering any further discounting to present value. The Applicant has provided documentation to the Authority that the consideration contemplated in the current financing structure is 90 percent of the transferred credit amount before considering any further discounting to present value. Currently it is anticipated that the tax credits will be sold as they become available, with the proceeds to repay project financing. The ultimate financing structure and any changes in the future will be subject to this requirement and the Applicant will need to evidence this prior to any assignment or transfer of CAFE tax credits.

Other Statutory Criteria

Cultural Arts Institution Facility:

To qualify for the CAFE program, the Applicant must satisfy the definition of a "cultural arts institution", and the facility must satisfy the definition of a "cultural arts institution facility."

These are defined in the Program rules as follows:

Cultural arts institution means,

"1. One of the following:

i. A governmental entity;
ii. A nonprofit entity; or
iii. A governmental economic or community development entity, which is incorporated pursuant to Title 15 of the Revised Statutes or Title 15A of the New Jersey Statutes, operating on a not-for-profit basis; and

2. That has the primary mission and specific policy goal of cultural, arts and cultural education, or artistic enrichment of the people of this State.

A for-profit business seeking a tax credit for a cultural arts institution facility open to the public; provided that the cultural arts institution facility is receiving a Federal historic rehabilitation tax credit pursuant to the Federal Internal Revenue Code of 1986, 26 U.S.C. § 47, or a tax credit pursuant to the Historic Property Reinvestment Act, N.J.S.A. 34:1B-270 through 276."

Cultural arts institution facility means "an existing or proposed facility within this State, operated and maintained by a cultural arts institution for cultural arts and that is open to the public. A cultural arts institution facility includes, without limitation, an aquarium, botanical society, historical society, library, museum, gallery, performing arts center, arts-based community centers, or any related facility that is principally for the support and benefit of any of the foregoing. The term cultural arts institution facility shall not include facilities predominantly used for athletics, recreation, and non-arts-based community centers."

The Applicant is a for-profit business who is receiving Federal historic rehabilitation tax credits and thus meets the definition of Cultural Arts Institution. The Applicant provided a signed amended Federal Historic Preservation Certification Application-Part 2 with a QRE of $93,092,055. The CAFE project includes the Paramount Theater, Grand Arcade, and Convention Hall.

The Applicant has indicated that they will operate the Convention Hall complex, except for 1,999 sf of retail space in the Grand Arcade which will be leased to third parties. All proposed uses are cultural arts related except for the visitor amenities of shops and restaurants (9,940 sf) in the Grand Arcade. The remainder of the space directly supports cultural arts uses, confirming that the Project satisfies the requirement that more than 50% of the facility to be dedicated to cultural arts. As the Project is an existing performing arts center, with more than 50% of the space (square footage) intended for cultural arts use, the facility meets the definition of a cultural arts institution facility.

Site Control and "Open to the Public":

The Applicant has certified that the cultural arts institution facility will satisfy the program definition of "Open to the Public" throughout the five year Eligibility Period.

This Project is categorized under the classification of a cultural arts facility as a performing arts center and pursuant to the Program rules, the facility shall be accessible and open to the public for at least 4 live events per month during the Eligibility Period. As stated in the Rules, the Authority may determine a different standard of "open to the public" due to unavoidable closures or other circumstances approved by the Authority.

The cultural arts institution is also required to have ownership or lease for the CAFE project and is required to operate the facility throughout the Eligibility Period. At time of application, the Cultural Arts Institution must demonstrate a path to site control and must demonstrate evidence of site control as a condition of approval. The Applicant has demonstrated site control via a property deed for the Project site by deed to Madison Asbury Convention Hall, LLC who is an affiliate of the Applicant.

Work First New Jersey:

The initial Act and Rules required that the cultural arts institution partner with one or more community organizations that provide support and services to Work First New Jersey program recipients. However, Chapter 127 allows for the applicant to directly provide services and support to Work First NJ program recipients during the Eligibility Period without the requirement to partner with a community organization. Because the application was launched and closed under the prior Act and Rules, the applicant may choose to proceed under the Act and Rules applicable at the time of the application round or Chapter 127. The Applicant has elected not to proceed under the new standard. The Applicant provided documentation of a proposed partnership with the "Community Affairs & Resources Center (CARC)". As described in the letter of intent, "CARC is a respected nonprofit provider of job readiness training and placement services to recipients of Work First NJ benefits in Asbury Park and the surrounding area on behalf of the Monmouth County Board of Social Services. In addition, CARC provides case management, career counseling, training in financial literacy, and English as a Second Language (ESL), as well as other support services targeted to clients' overall job retention and/or self-sufficiency. The applicant will work with CARC to engage Work First NJ clients who are developing the skill sets necessary for employment in the Convention Hall Complex through each of the programs listed above."

Prior Construction:

The CAFE program also includes an eligibility requirement that construction has not commenced at the project site, unless the project would not be completed without an award of tax credits under the program, with specific criteria provided in the program rules and the Policy Update for CAFE memorandum which was approved by the Board on May 14, 2025. The Applicant has certified that construction on the Project had not commenced prior to submitting their CAFE application.

The Applicant indicated that investigative work had begun several weeks prior to the application. The Applicant clarified that "this investigative work is not construction but necessary exploratory work to architecturally design and engineer the restoration of the nearly 100 years old Convention Hall & Paramount Theater structure listed on the National Register and consistent with federal, State and local requirements. The investigative work included water infiltration testing, inspection of all bricks and terracotta blocks on the facades of the Paramount Theater, and a full scan of the elevation of the theater building and terracotta to insure the architects had a full understanding of the level of restoration needed on this very specialized restorative field. As a result, no construction or rehabilitation work of any kind has begun on the building or project before or since the CAFE application was submitted to NJEDA."

Staff concurs that this investigative work that was necessary to inform the project design is allowable, however any costs (other than soft costs incurred within year prior to application) are not eligible project costs.

The CAFE Applicant commenced construction at risk on April 22, 2026, after submitting its application on June 13, 2025. CAFE applicants may commence construction at their own risk following application submission and comply with all program requirements.

Prevailing Wage Obligations:
For any project awarded CAFE tax credits all workers employed to perform construction work or building services work at the CAFE Project (or work done in connection with, as a condition of, or to prepare the facility for the CAFE Project) shall be paid prevailing wages, which continue through the end of the Eligibility Period. The Applicant has acknowledged this requirement and that in any year where this is found not to be the case, the Applicant shall forfeit the tax credit for that year.

In its application, the Applicant identified March Associates Construction as the Construction Manager. Although March performed pre-construction services for the CAFE Project, the Applicant ultimately contracted with Pullman SST, Inc. as the General Contractor. The Authority's Labor and Compliance Division identified that Pullman's Public Works Contractor Registration had expired on June 12, 2026, while construction was underway for the CAFE Project and during the Authority's CAFE application review. Upon notification by staff, Pullman renewed its registration.

Substantial Good Standing/Subcontractor and Contractor Requirements:
For the duration of the Eligibility Period, the Cultural Arts Institution must be in substantial good standing (or have entered into an agreement) with the Department of Labor and Workforce Development, Environmental Protection, and the Treasury for any project awarded CAFE tax credits and that each contractor and subcontractor performing work at the CAFE Project: is registered as required by the Public Works Contractor Registration Act, has not been debarred, suspended, or disqualified by the Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State, and possesses a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury.

Availability of CAFE Resources
At the time of this recommendation, there are $1,078,769,893 in uncommitted tax credit resources available to CAFE projects.

Funds	Amount	Amount Remaining
Initial Allocation	$1,200,000,000	$1,200,000,000
Additional Maximum Reserved from Aspire / Emerge Fund (11/12/2025 Board Memo)	$137,247,803	$1,337,247,803
Previous Round 1 Awards	$323,477,910	$1,078,769,893
Previous Round 2 Awards	$0	$1,078,769,893
Recommended Award in this Memo	$75,000,000	$1,003,769,893

Recommendation

Authority staff have reviewed the Madison Asbury Retail LLC application for the Asbury Park Convention Hall Music & Performance Venues Restoration, Revitalization, & Modernization Project and finds that it satisfies the eligibility requirements of the Act (as recently amended) and Rules. It is recommended that the Members approve and authorize the Authority to issue an approval letter and subsequently enter into an incentive award agreement. The tax credit award is a maximum tax credit amount of $75,000,000. The final award amount will be based on the Project's actual eligible costs.

Issuance of the CAFE tax credits are contingent upon the Applicant submitting documentation evidencing project financing and planning approvals with respect to the Project within the time required in the Rules (one year after approval except by March 1, 2027, for a completed application to the NJ Historic Property Reinvestment Program), which includes:

i. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the CAFE tax credit. For funds raised through charitable contributions, this requires evidence of pledges or other donor commitments;
ii. Evidence of site control for the Project;
iii. Site plan approval and copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project;
iv. Plan for satisfying the minimum environmental sustainability standards; and
v. Completed application (including full set of drawings at a design level of at least 25% Construction Documents) to the NJ Historic Property Reinvestment Program by March 1, 2027, and receive board approval on the HPRP

application within one year of board approval of the CAFE application. If these conditions are not satisfied and the Applicant receives a HPRP award from the Authority, the CAFE award size will be reduced dollar-for-dollar by the HPRP award amount.

Evan Weiss, CEO

Prepared by:
Elizabeth Limbrick – Director, Real Estate Tax Credits & Incentives

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – DIGITAL MEDIA TAX CREDIT PROGRAM

Pursuant to P.L. 2018, c. 56, as amended through P.L. 2025, c.81, the New Jersey Film and Digital Media Tax Credit Program provides a credit against the corporation business tax and the gross income tax for certain expenses incurred for the production of certain films and digital media content in New Jersey.

Under the Digital Media Tax Credit Program, applicants are eligible for a tax credit equal to 30% of qualified digital media content expenses, or 35% of qualified digital media content expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.

APPLICANT: NBA Properties, Inc. PROD-00324405

APPLICANT BACKGROUND:
NBA Properties, Inc. ("NBAP") is the digital media applicant. NBAP is a corporation owned equally by the thirty-member teams participating in the men's professional basketball league known as the National Basketball Association (NBA). NBAP handles the specific production, broadcasting and media-related functions of the National Basketball Association ("NBA").

This application is for qualified digital media expenses incurred during FY2024. This application will be approved using the next available Digital Media Tax Credit Program tax credits, which are from the state fiscal year 2028 tax allocation.

ELIGIBILITY AND TAX CREDIT CALCULATION:
As part of eligibility for tax credits under the New Jersey Digital Media Tax Credit Program, an applicant must meet the statutory and regulatory definition of digital media content.

"Digital media content" means the following digitally formatted and distributed content, which content includes data or information created in analog form, but reformatted in digital form: animation; video games; visual effects; interactive media, including virtual, augmented, or mixed reality; content containing text, graphics, or photographs; sound; and video. "Digital media content" shall not mean content offerings generated by the end user (including postings on electronic bulletin boards and chat rooms); content offerings comprised primarily of local news, events, weather, or local market reports; public service content; electronic commerce platforms (such as retail and wholesale websites); websites or content offerings that contain obscene material as defined pursuant to N.J.S.A. 2C:34-2 and 2C:34-3; websites or content that are produced or maintained primarily for private, industrial, corporate, or institutional purposes; or digital media content acquired or licensed by the approved applicant for distribution or incorporation into the approved applicant's digital media content.

The digital media tax credit is calculated as a percentage of qualified digital media content production expense.

"Qualified digital media content production expenses" means expenses incurred in New Jersey after July 1, 2018, to the extent that any such expense is incurred for the production of digital media content. "Qualified digital media content production expenses" shall include, but not be limited to: the wages and salaries and other compensation of individuals employed in the production of digital media content on which the tax imposed by the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., has been paid or is due and any wages and salaries and other compensation of individuals employed in the production of digital media content that are not subject to tax pursuant to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., due to the provisions of a reciprocity agreement with another state; the costs of computer software and hardware, data processing, visualization technologies, sound synchronization, editing, and the rental of facilities and equipment; and the costs for post-production, including, but not limited to: editing, sound design, visual effects, animation, music composition, color grading, and mastering. Payments made to a loan out company or to an independent contractor shall not be deemed “qualified digital media content production expenses” unless the payments are made in connection with a trade, profession, or occupation carried out in this State or for the rendition of personal services performed in the State and the approved applicant has made the withholding required pursuant to N.J.S.A. 54:10A-5.39b.g and 54A:4-12b.h and N.J.A.C. 19:31T-1.3(c). For applications submitted prior to July 10, 2024, "qualified digital media content production expenses" shall not include expenses incurred in marketing, promotion, or advertising digital media or other costs not directly related to the production of digital media content. For applications submitted after July 10, 2024, “qualified digital media content production expenses” shall not include expenses incurred in marketing, promotion, or advertising digital media; costs incurred for the design, maintenance, and hosting of websites; or other costs not directly related to the production of digital media content. Costs related to the acquisition or licensing of digital media content by the approved applicant for distribution or incorporation into the approved applicant's digital media content or any costs included in another program application submitted to the Authority, or other costs for intangible personal property, shall not be deemed "qualified digital media content production expenses."

NBAP meets the definition of digital media content. NBAP provides an expansive global ecosystem of streaming services, social media content and digital platforms such as the app, The NBA Digital, on social media, Instagram, YouTube, and TikTok and utilizes advanced cloud integration such as their partnership with Amazon Web Services, to scale global digital streaming and deliver seamless video experiences on demand. NBAP does not offer content comprised primarily of local news, events, weather, or local market reports. NBAP’s content offers are not generated by the end user.

As part of eligibility for tax credits under the New Jersey Digital Media Tax Credit Program, an applicant must meet two expense eligibility thresholds:

1. <u>Total Digital Media Content Production Expenses</u>: At least $2,000,000 of the total digital media content production expenses of the applicant are incurred in New Jersey for services performed, and goods purchased through vendors authorized to do business in New Jersey, including wages and salaries; provided, however, for the purposes of eligibility, for applications submitted after July 10, 2024, qualified wage and salary payments made to full-time employees working on digital

media shall not be deemed an expense incurred for services performed.

Total Digital Media Content Production Expenses (excluding wages and salaries for full-time employees) to be incurred in NJ during a single privilege period after July 1, 2018.	$22,564,319.00
Criterion Met	**Yes**

2. Percentage of the qualified digital media content production expenses for wages: Pursuant to P.L. 2025, c.81, a minimum of 50% of the qualified digital media content production expenses of the taxpayer are for wages and salaries paid to full-time or full-time equivalent employees in New Jersey;

A. Total Qualified Digital Media Content Production Expenses to be incurred after July 1, 2018	$47,762,439.00
B. Wages To Be Paid to Employees in New Jersey	$24,935,917.00
C. Percentage of the qualified digital media content production expenses to be incurred for wages in New Jersey	52%
Criterion Met	**Yes**

AWARD CALCULATION

Base Award Criteria	Calculation	Result
35% of Qualified Digital Media Content Production Expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.	$0.00 x 35% =	$0.00
30% of all other Qualified Digital Media Content Production Expenses	$47,762,439.00 x 30% =	$14,328,731.70
Bonus Criteria Met		
Submission of satisfactory New Jersey Hiring Plan. 4% of Qualified Digital Media Content Production Expenses.	$47,762,439.00 x 4% =	$1,910,497.56
Total Award		**$16,239,229.00**

APPLICATION RECEIVED DATE: 1/23/2026
DATE APPLICATION DEEMED COMPLETE: 3/23/2026
ESTIMATED DATE OF PROJECT COMMENCEMENT: 10/1/2023

ESTIMATED DATE OF PROJECT COMPLETION:	9/30/2024
APPLICANT'S FISCAL YEAR END:	9/30/2026
TAX FILING TYPE:	Corporate Business Tax
ANTICIPATED CERTIFICATION DATE:	9/14/2026 (Tax credit shall not be issued before 7/1/2027)

For applications approved on or after January 1, 2026, final documentation shall be submitted to the Authority no later than three (3) years after the Authority's initial approval. For applications approved before January 1, 2026, the final documentation shall be submitted to the Authority no later than four (4) years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to N.J.S.A. 54:10A-5 and three (3) years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to the N.J.S.A. 54A:1-1 et seq., unless the taxpayer notifies the Authority in writing on or after January 1, 2026 of its election to use the tax credit vintage in the preceding sentence.

APPROVAL REQUEST:
The Members of the Authority are asked to initially approve the proposed award to the applicant under the New Jersey Film and Digital Media Tax Credit Program. The recommended tax credit is contingent upon receipt by the Authority of evidence that the applicant has met certain criteria to substantiate the recommended award and is subject to final approval by the Authority and the Division of Taxation. Staff may issue the Authority's final approval if the criteria met by the company is consistent with that shown herein. If the criteria met by the company differs from that shown herein, Staff may lower the tax credit amount to reflect what corresponds to the actual criteria that have been met.

David Lieberman
Senior Product Analyst - Product Operations

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – DIGITAL MEDIA TAX CREDIT PROGRAM

Pursuant to P.L. 2018, c. 56, as amended through P.L. 2025, c.81, the New Jersey Film and Digital Media Tax Credit Program provides a credit against the corporation business tax and the gross income tax for certain expenses incurred for the production of certain films and digital media content in New Jersey.

Under the Digital Media Tax Credit Program, applicants are eligible for a tax credit equal to 30% of qualified digital media content expenses, or 35% of qualified digital media content expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.

APPLICANT: Audible, Inc. PROD-00325522

APPLICANT BACKGROUND

Audible, Inc. ("Audible") is the digital media applicant and is a producer and provider of spoken-word entertainment and audiobooks. The Company creates content and listening experiences for customers in over 150 countries. The Company employs a team of production staff in Newark, NJ utilizing technologies to record, produce, and edit Audible entertainment.

Audible has previously been a recipient of tax credits dollars under the Digital Media Tax Credit Program. The following is the breakdown of the award amounts:

PROD-00188254: $7,047,240.00 for qualified digital media expenses incurred during FY2020.
PROD-00310227: $9,538,138.00 for qualified digital media expenses incurred during FY2021.
PROD-00316029: $11,383,425.00 for qualified digital media expenses incurred during FY2022.
PROD-00326178: $18,776,696.00 for qualified digital media expenses incurred during FY2024. (Under Review)

This application is for qualified digital media expenses incurred during FY2023. This application will be approved using the next available Digital Media Tax Credit Program tax credits, which are from state fiscal year 2028 tax allocation.

ELIGIBILITY AND TAX CREDIT CALCULATION:

As part of eligibility for tax credits under the New Jersey Digital Media Tax Credit Program, an applicant must meet the statutory and regulatory definition of digital media content.

"Digital media content" means the following digitally formatted and distributed content, which content includes data or information created in analog form, but reformatted in digital form: animation; video games; visual effects; interactive media, including virtual, augmented, or mixed reality; content containing text, graphics, or photographs; sound; and video. "Digital media content" shall not mean content offerings generated by the end user (including postings on electronic bulletin boards and chat rooms); content offerings comprised primarily of local news, events, weather, or local market reports; public service content; electronic commerce platforms (such as retail and wholesale websites); websites or content offerings that contain obscene material as defined pursuant to N.J.S.A. 2C:34-2 and 2C:34-3; websites or content that are produced or maintained primarily for private, industrial, corporate, or institutional purposes; or digital media content acquired or licensed by the approved applicant for distribution or incorporation into the approved applicant's digital media content.

The digital media tax credit is calculated as a percentage of qualified digital media content production expense.

"Qualified digital media content production expenses" means expenses incurred in New Jersey after July 1, 2018, to the extent that any such expense is incurred for the production of digital media content. "Qualified digital media content production expenses" shall include, but not be limited to: the wages and salaries and other compensation of individuals employed in the production of digital media content on which the tax imposed by the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., has been paid or is due and any wages and salaries and other compensation of individuals employed in the production of digital media content that are not subject to tax pursuant to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., due to the provisions of a reciprocity agreement with another state; the costs of computer software and hardware, data processing, visualization technologies, sound synchronization, editing, and the rental of facilities and equipment; and the costs for post-production, including, but not limited to: editing, sound design, visual effects, animation, music composition, color grading, and mastering. Payments made to a loan out company or to an independent contractor shall not be deemed “qualified digital media content production expenses” unless the payments are made in connection with a trade, profession, or occupation carried out in this State or for the rendition of personal services performed in the State and the approved applicant has made the withholding required pursuant to N.J.S.A. 54:10A-5.39b.g and 54A:4-12b.h and N.J.A.C. 19:31T-1.3(c). For applications submitted prior to July 10, 2024, "qualified digital media content production expenses" shall not include expenses incurred in marketing, promotion, or advertising digital media or other costs not directly related to the production of digital media content. For applications submitted after July 10, 2024, “qualified digital media content production expenses” shall not include expenses incurred in marketing, promotion, or advertising digital media; costs incurred for the design, maintenance, and hosting of websites; or other costs not directly related to the production of digital media content. Costs related to the acquisition or licensing of digital media content by the approved applicant for distribution or incorporation into the approved applicant's digital media content or any costs included in another program application submitted to the Authority, or other costs for intangible personal property, shall not be deemed "qualified digital media content production expenses."

Audible meets the definition of digital media content. All Audible Studios, Audible Originals, and ACX audiobook and other spoken-word productions meet the definition of digital media content. For each digital audio production, data/information is transitioned, transformed and converted from an analog form (scripts, books, music, lyrics, articles, reports, etc.) to a digital form (a sound file) for mass audience release and consumption. In the production of audiobooks (Studios, Originals, ACX),

spoken word or pre-published written content is narrated by a selected voice actor and recorded onto a digital format. The Audible Team will take the raw sound data and produce the file to be uploaded for a listener experience on the Audible website along with the digital text, graphics, and images related to the content title. Production activities include, but are not limited to, recording, reviewing and selecting the narration takes, piecing audio takes together to create one final high-quality audiobook or other audio content, adding music and/or sound effects to narration, and conducting final quality checks. Audible does not offer content comprised primarily of local news, events, weather, or local market reports. Audible content offers are not generated by the end user.
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As part of eligibility for tax credits under the New Jersey Digital Media Tax Credit Program, an applicant must meet two expense eligibility thresholds:

1. Total Digital Media Content Production Expenses: At least $2,000,000 of the total digital media content production expenses of the applicant are incurred in New Jersey for services performed, and goods purchased through vendors authorized to do business in New Jersey, including wages and salaries; provided, however, for the purposes of eligibility, for applications submitted after July 10, 2024, qualified wage and salary payments made to full-time employees working on digital media shall not be deemed an expense incurred for services performed.

Total Digital Media Content Production Expenses (excluding wages and salaries for full-time employees) to be incurred in NJ during a single privilege period after July 1, 2018.	$3,890,213.00
Criterion Met	**Yes**

2. Percentage of the qualified digital media content production expenses for wages: Pursuant to P.L. 2025, c.81, a minimum of 50% of the qualified digital media content production expenses of the taxpayer are for wages and salaries paid to full-time or full-time equivalent employees in New Jersey;

A. Total Qualified Digital Media Content Production Expenses to be incurred after July 1, 2018	$42,044,869.00
B. Wages To Be Paid to Employees in New Jersey	$ 38,154,656.00
C. Percentage of the qualified digital media content production expenses to be incurred for wages in New Jersey	91%
Criterion Met	**Yes**

AWARD CALCULATION

Base Award Criteria	Calculation	Result
35% of Qualified Digital Media Content Production Expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.	$0.00 x 35% =	$0.00
30% of all other Qualified Digital Media Content Production Expenses	$42,044,869 x 30% =	$12,613,460.70
Bonus Criteria Met		
Submission of satisfactory New Jersey Hiring Plan. 4% of Qualified Digital Media Content Production Expenses.	$42,044,869 x 4% =	$1,681,794.76
Total Award		**$14,295,255.00**

APPLICATION RECEIVED DATE:	04/23/2026
DATE APPLICATION DEEMED COMPLETE:	04/28/2026
ESTIMATED DATE OF PROJECT COMMENCEMENT:	01/01/2023
ESTIMATED DATE OF PROJECT COMPLETION:	12/31/2023
APPLICANT'S FISCAL YEAR END:	12/31/2026
TAX FILING TYPE:	Corporate Business Tax
ANTICIPATED CERTIFICATION DATE:	12/31/2026 (Tax credit shall not be issued before 7/1/2027)

For applications approved on or after January 1, 2026, final documentation shall be submitted to the Authority no later than three (3) years after the Authority's initial approval. For applications approved before January 1, 2026, the final documentation shall be submitted to the Authority no later than four (4) years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to N.J.S.A. 54:10A-5 and three (3) years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to the N.J.S.A. 54A:1-1 et seq., unless the taxpayer notifies the Authority in writing on or after January 1, 2026 of its election to use the tax credit vintage in the preceding sentence.

APPROVAL REQUEST:
The Members of the Authority are asked to initially approve the proposed award to the applicant under the New Jersey Film and Digital Media Tax Credit Program. The recommended tax credit is contingent upon receipt by the Authority of evidence that the applicant has met certain criteria to substantiate the recommended award and is subject to final approval by the Authority and the Division of Taxation. Staff may issue the Authority's final approval if the criteria met by the company is consistent with that shown herein. If the criteria met by the company differs from that shown herein, Staff may lower the tax credit amount to reflect what corresponds to the actual criteria that have been met.

David Lieberman
Senior Product Analyst - Product Operations

MEMORANDUM

TO: Members of the Authority

FROM: Lisa Almeida, Chief Counsel

DATE: August 20, 2026

SUBJECT: Notice of Final Adoption of the July 2025 Specially Adopted and Concurrently Proposed Rules to the Aspire Program (N.J.A.C. 19:31V)

Request:

The Members are asked to approve:

1) The submission of a Notice of Final Adoption of the July 2025 specially adopted and concurrently proposed rules for the Aspire Program pursuant to P.L. 2020, c. 156, as amended by P.L. 2021, c. 160; P.L. 2023, c. 98; and P.L. 2025, c. 2, as approved by the Office of the Attorney General and the Governor's Rule Office, to the Office of Administrative Law for publication in the New Jersey Register.

2) A policy establishing a non-exhaustive list of categories included in the Aspire Program definition of "Individuals with Special Needs" based on Guidelines Established for the Administration of the Special Needs Housing Trust Fund, which is administered by the Housing and Mortgage Financing Agency.

Background and Final Adoption:

The Aspire Program was initially created on January 7, 2021, as part of the New Jersey Economic Recovery Act of 2020 ("ERA"). P.L. 2020, c. 156. Since that time the Program's statute has been amended several times, and EDA has previously engaged in two complete rule makings. On January 23, 2025, P.L. 2025, c. 2 ("Chapter 2") was signed into law, Chapter 2 modified the Program in significant ways including, but not limited to: creating the "special mission non-profit project," which is exempt from certain eligibility requirements related to affordability controls and incentive areas; increasing the number of municipalities that are considered to be Government Restricted Municipalities ("GRMs"); permitting the eligibility period to be shortened from 10 to 5 years in certain situations; prohibiting the

Authority from resizing an award; and allowing a developer to sell one or more buildings at the project during the eligibility period.

On July 23, 2025, the Board approved a third Aspire Program rulemaking ("Aspire 3.0"). On July 30, 2025, the NJEDA submitted specially adopted and concurrently proposed Aspire Program rules to OAL for publication in the New Jersey Register. The specially adopted rules became effective immediately and were published in the September 2, 2025 New Jersey Register. The rules expire on January 26, 2027. The public comment period for the specially adopted and concurrently proposed rules closed on November 1, 2025. Following review of the public comments received, staff is recommending that these rules be adopted as final without change. Responses to the public comments received are included in the Notice of Final Adoption of the Specially Adopted and Concurrently Proposed Rules Without Change.

Policy Establishing a Non-Exhaustive List of Categories of Individuals with Special Needs:

In response to the comments received during the public comment period, staff recommends that the Board adopt a policy establishing a non-exhaustive list of categories to be included within the definition "Individuals with Special Needs" found in the Program's enabling statute at N.J.S.A. 34:1B-323.

"Individuals with Special Needs" means individuals with mental illness, individuals with physical or developmental disabilities, and individuals in other emerging special needs groups identified by the Authority, based on guidelines established for the administration of the Special Needs Housing Trust Fund established pursuant to N.J.S.A. 34:1B-21.25a ["HMFA Guidelines"] or developed in consultation with other State agencies.

The Special Needs Housing Trust Fund is administered, and such guidelines have been promogulated by the Housing and Mortgage Finance Agency ("HMFA"). Accordingly, consistent with the above definition, and aligned with population groups identified by our sister agencies, staff recommends that each of the 12 categories included in the HMFA Guidelines be included within this definition of "Individuals with Special Needs":

- Individuals with Mental Illness;
- Individuals with Physical Disabilities;
- Individuals with Developmental Disabilities;
- Victims of Domestic Violence;
- Ex-Offenders and Youth Offenders;
- Youth Aging Out of Resource Family Care;
- Runaway and Homeless Youth;
- Individuals and Families who are Homeless;
- Disabled and/or Homeless Veterans;
- Individuals with AIDS/HIV;
- Individuals in Treatment for Substance Abuse; and
- Individuals in Other Emerging Special Needs Groups Identified by State Agencies.

This approach is consistent with the definition which allows the Authority to rely on the list promulgated by HMFA and to consult with other state agencies if it is subsequently determined that modifications to such categories included in the definition are required. This policy, if adopted, will clarify which categories are included within the Program definition of "Individuals with Special Needs". Including these categories also furthers the purpose of the creation of the Special Mission Non-Profit projects as a distinct project type. The defined list of the HMFA Guidelines in the definition allows the Authority to finance a wider range of projects targeted to serve populations with special needs. Any future modifications are subject to approval by the Board.

Recommendation:

The Members are asked to approve:

1) The submission of a Notice of Final Adoption of the July 2025 specially adopted and concurrently proposed rules for the Aspire Program pursuant to P.L. 2020, c. 156, as amended by P.L. 2021, c. 160; P.L. 2023, c. 98; and P.L. 2025, c. 2, as approved by the Office of the Attorney General and the Governor's Rule Office, to the Office of Administrative Law for publication in the New Jersey Register.

2) A policy establishing a non-exhaustive list of categories included in the Aspire Program definition of "Individuals with Special Needs" based on Guidelines Established for the Administration of the Special Needs Housing Trust Fund, which is administered by the Housing and Mortgage Financing Agency.

Lisa Almeida
Chief Counsel

Prepared by**:** Julien-Pierre Schmitz

Attachments:

Appendix A – Notice of Final Adoption Without Change of the specially adopted and concurrently proposed rules for the Aspire Program "3.0"

APPENDIX A

OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Authority Assistance Programs

Aspire Program

Adopted Amendments: N.J.A.C. 19:31V

Adopted New Rule: N.J.A.C. 19:31V-1.14

Proposed: September 2, 2025 at 57 N.J.R. 1985

Adopted: ____________, by the New Jersey Economic Development Authority, Lisa Almeida, Chief Counsel

Filed: _______________, **without change**

Authority: P.L. 2020, c. 156, P.L. 2021, c. 60, P.L. 2023, c. 98, and P.L. 2025, c. 2.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Concurrent Proposal Number: PRN 2025-116.

Effective Date:

Expiration Date:

Summary of Public Comments and Agency Responses:

In response to the July 30, 2025, special adoption and concurrent proposal at 57 N.J.R. 1985(a), the Authority received comments from the following:

1. Matthew Karpa, Authorized Representative, Sayreville Seaport Associates Urban Renewal, L.P.
2. Dan Kennedy, Chief Executive Officer, NAIOP New Jersey
3. Cecilia I. Lassiter, Esq., Sills, Cummis & Gross
4. Rocco Lepore, Eastern Atlantic States Regional Council of Carpenters
5. Jean Public
6. Evan Weiss, President & CEO, Newark Alliance

1. COMMENT: Several commenters suggest that the definition of "Special Mission Non-Profit Project" in this rulemaking should mirror the statute verbatim and that the tenants living in the related supportive housing should not be required to be individuals with special needs with a mental or physical disability; rather, the tenants should require special needs or social services.

RESPONSE: The definitions in this rulemaking pertaining to "Special Mission Non-Profit Project", specifically "Special Mission Non-Profit" and "Supportive Housing Units", align with the Aspire statute at N.J.S.A. 34:1B-323 and clarify eligibility criteria for Special Mission Non-Profit Projects and the tenants they serve. These definitions are derived from the definitions of "Special Mission Non-Profit Project" and "Individuals with Special Needs" in the Aspire program statute at N.J.S.A. 34:1B-323. The definition of "Supportive Housing Units" in this rulemaking includes language from the statutory "Special Mission Non-Profit Project" definition stating that a tenant of such supportive housing shall "require special needs or social services." These definitions in this rulemaking do not narrow or reduce eligibility for Special Mission Non-Profit Projects.

2. COMMENT: Several commenters suggest that the definition of "Individuals with Special Needs" in this rulemaking narrows the definition established pursuant to N.J.S.A. 34:1B-21.25a (which establishes

the Special Needs Housing Trust Fund under the auspices of the New Jersey Housing and Mortgage Finance Agency) to only include individuals with mental illness, individuals with physical disabilities, individuals with developmental disabilities, and individuals in other emerging special needs groups identified by State agencies. The commenters suggest that the definition of "Individuals with Special Needs" in this rulemaking should incorporate all twelve elements contained in the guidelines established for the administration of the Special Needs Housing Trust Fund established pursuant to N.J.S.A. 34:1B-21.25a and found at

https://www.nj.gov/dca/hmfa/developers/docs/supportivehousing/sn_trust_fund_guidelines.pdf

RESPONSE: The definition of "Individuals with Special Needs" in this rulemaking is the statutory definition in the Aspire Program's enabling statute at N.J.S.A. 34:1B-323. This definition is not limited to individuals with mental illness, or physical or developmental disabilities. Rather, the definition in N.J.S.A. 34:1B-323 includes individuals in other emerging special needs groups identified by the Authority, and based on the guidelines established for the administration of the Special Needs Housing Trust Fund. The Authority's Board will adopt, simultaneously with the adoption of this rulemaking, a non-exhaustive list of "Individuals with Special Needs".

3. COMMENT: Several commenters request that language in the definition of "Special Mission Non-Profit Projects" in this rulemaking, which states that "residential projects shall not be considered 'special mission non-profit projects,'" be removed.

RESPONSE: "Special Mission Non-Profit Projects" is a specific Aspire project category, and it is defined as such in this rulemaking to clarify that it is separate and distinct from "Residential Projects". Accordingly, the Authority declines to make the suggested change.

4. COMMENT: One commenter expressed opposition to the Aspire Program and generally using taxpayer dollars to award incentives to developers and special mission non-profit organizations, but made no comments related to this rulemaking.

RESPONSE: The Authority thanks the commenter for their comment.

5. COMMENT: Several commenters request granting all Aspire applicants the option to elect an eligibility period of five years in exchange for a reduction of the maximum award size an applicant would otherwise receive with an eligibility period of ten years.

RESPONSE: The Aspire Program's enabling statute mandates which projects are eligible to elect a five-year eligibility period but does not allow for a reduction of the maximum award size in exchange for a reduced eligibility period. The Authority's rulemaking approach to five year eligibility periods is consistent with the definition of "Eligibility Period" in the Aspire program enabling statute at N.J.S.A. 34:1B-323.

6. COMMENT: Several commenters request that language should be inserted into the rules that only material changes to the project require written approval of NJEDA, as opposed to any change. Alternatively, commenters request that an objective standard be added to the rules representing what a material change is (e.g., a change in square footage by more than 20 percent). Commenters additionally object to the Authority considering "building sales" to be a major modification.

RESPONSE: The commenters' request is outside the scope of this rulemaking.

7. COMMENT: Several commenters suggest that the additional internal rate of return (IRR) analysis should be performed at the end of the year in which the sale of a building(s) occurred, rather than at the

end of the seventh or tenth year. Commenter further suggests that the IRR analysis should follow the statutory methodology, which provides that payment should only be required if the actual rate of return on investment exceeds the reasonable and appropriate return on investment at the time of application approval by more than 15 percent. The commenter additionally contends that the immediate payment to the State in excess of 50 percent of any "excess returns" above the approved IRR is contrary to the Aspire program enabling statute, which provides for the State to receive a 20 percent share of returns above the windfall rate. Commenter further suggests that this payment should be retained in escrow through the end of the eligibility period rather than being made at the time of the sale and retained by the State.

RESPONSE: This rulemaking, at N.J.A.C. 19:31V-1.14(d), stipulates that the IRR analysis will be calculated in the year that the building sale occurs and that the State shall receive 20 percent of the amount above the windfall rate, provided that such payment does not exceed the net proceeds from the building sale, with an exception for phased transformative projects if the developer uses all the net proceeds from the building sale as equity for the redevelopment project. Additionally, this rulemaking stipulates that such payment shall be final and not subject to escrow. The Authority's approach in calculating and collecting this payment is consistent with N.J.S.A. 34:1B-328 and appropriately safeguards the Program and the public trust.

8. COMMENT: Several commenters object to the process set forth in the proposed rules for the review of building sales, particularly the debarment and disqualification review of the purchaser. Commenters are concerned that the process could lead to open-ended delays and uncertainty that will result in sales potentially being unable to be completed.

RESPONSE: The Aspire program's enabling statute, at N.J.S.A. 34:1B-328, prescribes that the Authority is to implement policies pertaining to the sale of buildings through rulemaking. The process set forth in this rulemaking is appropriate and aligned with Authority's debarment and disqualification review process for all programs.

9. COMMENT: One commenter submitted a request for clarification as to a slide presentation of a prior version of the rules posted pursuant to Executive Order 63 (Murphy).
RESPONSE: This request is outside the scope of this rulemaking.

10. COMMENT: One commenter contends that for multi-phase projects, it would be inappropriate for NJEDA to use a building sale to reclassify a project (e.g., to determine that a project would lose its "predominately residential" status in the event of the sale of a residential building).
RESPONSE: This comment is outside the scope of this rulemaking.

11. COMMENT: Several commenters contend that the proposed rules require a permanent certificate of occupancy with the first annual report, contrary to the statute.
RESPONSE: This rulemaking is consistent with the Aspire program enabling statute at N.J.S.A. 34:1B-330, as it requires the permanent certificate of occupancy to be submitted at the time of the first annual report after the developer's receipt of such permanent certificate of occupancy.

12. COMMENT: One commenter requests that language be added to the proposed rules to provide clarification regarding casualty and condemnation for lenders to allow in the event of a casualty or condemnation the award to continue during a rebuild or restoration if the event of casualty and

condemnation is one that can be repaired and the developer choses to do so. Commenter further suggests that if the project cannot continue due to the damage resulting from the casualty or condemnation, that future awards would be forfeited but past awards would not be recaptured as such an event is beyond the developer's control and not an intentional default.

RESPONSE: The commenter's request outside the scope of this rulemaking.

13. COMMENT: One commenter requests that the rules include skilled building trades representation in the community advisory committee under the community benefits agreement. The commenter additionally suggests the appointment process and compliance requirements related to these proposed building trade representatives.

RESPONSE: The commenter's request is outside the scope of this rulemaking.

14. COMMENT: One commenter requests that "pre-hire project labor standards" should be integrated into Aspire tax incentive agreements to ensure all construction work is performed by trained and credentialed tradespeople.

RESPONSE: The commenter's request is outside the scope of this rulemaking.

15. COMMENT: One commenter requests that the incentive award agreements and community benefit agreements under the Aspire Program should require contractors and subcontractors to participate in federally-registered apprenticeship programs, including (1) continuing education initiatives for journeypersons; and (2) providing classroom and on-the-job training for apprentices that meet or exceed the curriculum requirements provided by the trade.

RESPONSE: The commenter's request is outside the scope of this rulemaking.

16. COMMENT: One commenter articulates that the definition of "affiliates" allows for either the IRS affiliates test, which does not allow for most joint venture entities to qualify under the definition, or, for phased transformative projects, the lesser control test, which "appears helpful, in practice it is very difficult to plan how to apply this lower threshold in actual transactions."

RESPONSE: The commenter's request is outside the scope of this rulemaking.

17. COMMENT: One commenter suggests that for a phased transformative project, the developer's obligations under the Program should cease at the conclusion of the eligibility period or compliance period for each phase.

RESPONSE: The language in this rulemaking is consistent with N.J.S.A. 34:1B-333.

18. COMMENT: One commenter requests that the Authority should exempt from the Aspire program's construction prevailing wage requirements certain projects where a project labor agreement for construction work is in place. Commenter further suggests that this should include project labor agreements for large multi-phase transformative projects which apply to the performance of construction work by tenants.

RESPONSE: The commenter's request is outside the scope of this rulemaking.

19. COMMENT: One commenter suggests that this rulemaking should not require prevailing wage to apply to workers performing construction work under contract with commercial tenants, nor should a developer be required to include language in commercial contracts that requires prevailing wage compliance for workers performing construction work under contract with tenants.

RESPONSE: This comment is outside the scope of this rulemaking.

20. COMMENT: One commenter suggests that for the Aspire Program's contractor/subcontractor tax clearance certificate requirement, this rulemaking should clarify that a developer is certifying that only contractors actively working on-site at the time of the certification have a valid tax clearance, rather than looking back to contractors and subcontractors that previously worked on site. The commenter further suggests that for phased transformative projects, this rulemaking should state that a developer is only certifying that contractors actively working on the phase that is the subject of a certification have a valid tax clearance certificate.

RESPONSE: The commenter's suggestion is outside the scope of this rulemaking.

Summary

In accordance with P.L. 2020, c. 156, P.L. 2021, c. 160, P.L. 2023, c. 98, and P.L. 2025, c. 2 (codified at N.J.S.A. 34:1B-322 et seq), the New Jersey Economic Development Authority ("NJEDA") has adopted as final the following specially adopted and concurrently proposed amendments and new rule to implement the provisions of the Aspire Program (Program).

The Program is a gap financing tax incentive program to encourage the development of commercial, mixed use, residential, and special mission non-profit real estate projects in New Jersey by providing tax credits in an amount based on a percentage of the project's costs. The amendments and new rule, which are being adopted as final, are consistent with the statutory amendments at P.L. 2025, c. 2, which amended the Program in several ways. These amendments include, but are not limited to, introducing the concept of "Special Mission Non-Profit Projects" to the Program, a new provision permitting a developer to sell one or more buildings that are part of the redevelopment project during the eligibility period, amending the requirement that developers and co-applicants of commercial projects under the Program must maintain an average occupancy rate during the fourth year of the eligibility period, rather than during the third year, and increasing the amount of total tax credits a developer can receive for projects in certain Government-Restricted Municipalities.

Federal Standards Statement

A Federal standards analysis is not required because the specially adopted and concurrently proposed new rules with specially adopted and concurrently proposed substantial changes are not subject to any Federal requirements or standards.

Full text of the adoption follows:

To: Members of the Authority

From: Evan Weiss
Chief Executive Officer

Date: August 20, 2026

RE: Aspire Program- Product #00316639
533 Main Street LLC ("Applicant"), NSI Aspire LLC ("Co-Applicant")
Modification

Request

Consent to the applicant's request for the below changes to its approved transformative Residential mixed-use project:

1. Re-designate the approved Applicant from 533 Main Street LLC to Brick Church Phase 1b Holdings LLC.
2. Increase size of the total project from 544,147 square feet (corrected from 431,365) to 534,630 square feet (423,238 square feet residential and 111,392 square feet commercial).
3. Decrease the recipient's total development cost from $425,002,000 to $390,314.900.
4. Decrease the recipient's eligible project cost estimate from $368,012,213 to $330,542,233.
5. Decrease the approved award from not to exceed $297,904,437 (with not to exceed $35,680,000 for acquisition) to $264,433,786 (with not to exceed $35,680,000 for the acquisition cost).

As the changes to the project reflect an update to the named Applicant, the request for modification is being presented to the Board for consideration.

Background

On September 10, 2025, the Members approved 533 Main Street LLC a 5-year Aspire award of 80% of eligible project costs, not to exceed $297,904,437 (based on a not to exceed amount for acquisition cost of $35,680,000 and a not to exceed amount for $262,224,437 for the rest of the eligible project cost) for a 9-story, 431,365 square foot single phased transformative residential project located at 533 Main Street in East Orange, New Jersey, Essex County.

The project, known as The Crossing at Brick Church Station Phase 1B, is comprised of 420 multifamily rental units, including 84 affordable units and 63 workforce housing units, and includes 86,161 square feet of retail and restaurant space, 26,621 square feet of office/medical space. The anticipated capital investment of the approved project was $425,002,000.

At approval, the Applicant entity was owned 15% by Managing Member 533 Main Street Sponsor Member LLC (a Triangle-related entity) and 85% by Investor Member GSG 533 Main Street Investor LLC (an affiliate of Goldman Sachs Urban Investment Group). It was contemplated that a new entity would need to be established in connection with the admission of the Goldman entity.

The Applicant planned to include its existing affiliates Brick Church Urban Renewal IV LLC to develop, own, and operate 70,101 square feet of commercial space, 26,621 square feet of office space and 336 residential rental units, and Brick Church Urban Renewal VI LLC to develop, own, and operate approximately 84 affordable residential Units, 16,060 square feet of retail space. The project had also planned to replace the Goldman entity with a Goldman-sourced entity, as Goldman no longer prefers to finance ground-up construction.

Project Ownership

The Applicant has now finalized its financing plan with two new investors, Fengate Capital Management Ltd. and Systima Capital Management, and seeks to update the approval. The proposed structure maintains the Lead Development Entity, Triangle Equities and the approved Co-Applicant, NSI Aspire LLC. The Goldman entity is being removed and replaced by the two new investors.

The new investors require that Applicant entity, 533 Main Street LLC, be removed from the structure and be replaced with Brick Church Phase 1b Holdings LLC as the Applicant. Systima Capital Management is joining the sponsor entity to own 23% of the new Applicant and Fengate Capital Management will hold the remaining 77%.

The updated structure also adds a third affiliate, Brick Church Urban Renewal VIII LLC, to develop, own and operate the 16,060 square feet of retail so that Brick Church Urban Renewal VI LLC would develop, own and operate the affordable units exclusively. Note the status of the proposed affiliate has not yet been reviewed. The developer is aware that there is a risk that the entity may not be approved as an affiliate upon later review.

Project Changes

In addition, the project design plans were finalized with a focus on value engineering, and a Guaranteed Maximum Price contract was put in place. As a result, the total development cost has decreased from $425,002,000 to $390,314.900 (an 8% decrease) and the eligible project cost has decreased from $368,012,213 to $330,542,233 (a 10% decrease). The project size has also decreased slightly from 544,147 square feet (431,365 residential and 112,782 commercial) to 534,630 square feet (423,238 residential and 111,392 commercial). This is an aggregate square footage decrease of less than 2%. The initial approval described the project as 431,365 square feet which includes 86,161 square feet of retail and restaurant space, and 26,621 square feet of office/medical space. However, those listed spaces were not included in the 431,365 but in addition to it. Therefore, the square footage is now being corrected and updated.

The award calculation was based on an 80% award which should have capped the costs related to the acquisition at $44,600,000. However, the initial award mistakenly included the full price of the acquisition $48,968,333 (including buyer costs and transfer fee) when calculating the award. This resulted in an award inflated by almost $3.5 million. That correct calculation with the updated award is shown below in the Uses and Sources chart.

The Applicant has provided the following updated Project Uses to explain the project budget and ability to fund the construction of the updated project:

Project Uses and Sources at Approval and at Modification

Uses	Eligible Project Costs	Corrected Eligible Project Costs	Proposed Eligible Project Costs
Hard construction costs	$253,304,436	$253,304,436	$222,481,009
Professional Services	$19,642,387	$19,642,387	$12,870,404
Financing and other soft costs	$50,465,390	$50,465,390	$50,590,820
Developer Fee	$0	$0	$0
Acquisition (purchase price)	$48,968,333	$44,600,000	$44,600,000
Total	**$372,380,546**	**$368,012,213**	**$330,542,233**
Award Calculation	X .80 award	X .80 award	X .80 award
Award	**$297,904,437**	**$ 294,409,770**	**$ 264,433,786**
Award Breakdown	80% of acquisition cost of $35,680,000 and $262,224,437 for other eligible costs	80% of acquisition cost of $35,680,000 and $258,729,770 for other eligible costs	80% of acquisition cost of $35,680,000 and $228,753,786 for other eligible costs

Updated Sources	Type	Amount
HUD Loan #2	Permanent Loan	$129,999,900
LIHTC Investor Proceeds	Tax Credit Equity	$14,390,000
HUD Loan #1	Permanent Loan	$15,125,000
Octagon Bridge Loan	Equity	$180,000,000
Developer Equity	Equity	$40,000,000
Deferred Developer Fee	Equity	$10,800,000
	Total	**$390,314,900**

At approval, NJEDA staff reviewed the project economics and determined there was a financing gap pertaining to the return on the investment. The IRR without the Aspire tax credit was -2.71% and the IRR with the tax credit was 12.71% which was below the Maximum Return contained in the hurdle rate model provided by EDA's contracted consultant Jones Lang LaSalle ("JLL") for comparable multi-family residential developments in East Orange, NJ of 15.45%

The updated project budget and award have decreased but not materially, and there was a healthy delta between the expected IRR at approval at the Maximum Return. Therefore, staff has determined that it is unnecessary to re-run the IRR analysis at this time. Further, the Aspire law requires staff to revisit the IRR at certain project milestones, including at project completion certification. If the actual return exceeds the Maximum Return by more than 15 percent, the Authority will require the Applicant to pay 20 percent of the amount in excess of the Maximum Return.

Because the Project is receiving Low-Income Housing Tax Credits, NJHMFA's deferred fee model was used to measure the appropriate and reasonable rate of return. The total developer fee is $25,850,000 with $10,800,000 of the developer fee being deferred. This conforms to the Agency's policy, as the total developer fee is less than 15% of total development costs and the non-deferred fee is less than the cap on non-deferred fees of 8% of total development costs.

Approval of these requested changes will have no impact on the scoring or eligibility of the project. The project remains predominantly residential and continues to be eligible as transformative. Further, the Lead Developer Entity and the Co-Applicant remain as approved, the existing Redevelopment Agreement allows for the changes, and the existing Co-Applicant Participation Agreement permits the assignment to a new Applicant entity. The current construction schedule for anticipated completion in early 2029 remains. Staff has concluded that the suggested changes will not result in significant changes to the size, scope or characteristics of the project, and therefore, recommends approval of the requested modification.

<u>Approval of the requested changes to the approval would result in an updated Aspire tax credit award of 80% of $330,542,233, or $264,433,786, with not to exceed $35,680,000 for the acquisition cost and $228,753,786 for other eligible costs.</u>

<u>Recommendation</u>
Consent to the following changes to the Aspire tax credit award:

1. Re-designate the approved Applicant from 533 Main Street LLC to Brick Church Phase 1b Holdings LLC.
2. Increase size of the total project from 544,147 square feet (corrected from 431,365 to 534,630 square feet (423,238 square feet residential and 111,392 square feet commercial.
3. Decrease the recipient's total development cost from $425,002,000 to $390,314.900.
4. Decrease the recipient's eligible project cost estimate from $368,012,213 to $330,542,233.
5. Decrease the approved award from not to exceed $297,904,437 to not to exceed $264,433,786, with not to exceed $35,680,000 for the acquisition cost and $228,753,786 for other eligible costs.

Evan Weiss, CEO

Prepared by: Susan Greitz, Managing Director, Tax Law, Policy & Compliance

MEMORANDUM

TO: Members of the Authority

FROM: Evan S. Weiss, Chief Executive Officer

DATE: August 20, 2026

SUBJECT: Credit and Finance Projects Approved Under Delegated Authority – **For Informational Purposes Only**

The following projects were approved under Delegated Authority in July 2026:

Direct Loan Program:

1) 236-238 Stuyvesant Ave LLC (PROD-00325355), located in Lyndhurst Township, Bergen County, is a real estate holding company formed in 2026 to purchase the project property. The operating company, More Group Fire Protection Engineering LLC, was established in 2022 as a fire sprinkler contractor that serves commercial, industrial, and residential clients across New Jersey. The Company specializes in fire sprinkler system code-compliant design, installation, inspection, testing, maintenance and portable fire extinguisher inspections. The NJEDA approved a $1,188,000 loan to purchase the project property. The Company currently has 1 employee and plans to create 19 new positions over the next two years.

Premier Lender Program:

1) Cypress Tree Service Limited Liability Company ("Cypress") (PROD-00325776), located in Lafayette Township, Sussex County, was formed in 2013. Cypress has a team of arborists that offers a variety of services for residential and commercial properties in New Jersey. The Company provides tree pruning and tree removal using a crane, storm damage clean-up, fallen tree removal, seasonal tree trimming, firewood delivery, and stump grinding. M&T Bank approved a $520,000 loan contingent upon a 40% ($208,000) Authority participation. Proceeds will be used to refinance an existing mortgage, which will result in improved company cashflow. Currently, the Company has 4 employees and plans to create 4 additional jobs within the next two years.

2) Monclair MM LLC (PROD-00325775), located in Allendale Borough, Bergen County, is a real estate holding company formed in 2026 to purchase the project property. The operating company, Novo Marble LLC, was established in 2019. The Company specializes in marble installations, restoration, and custom stone design for residential and commercial spaces, including interior and exterior stone-related products and services, as well as custom fabrication and installation of finished pieces. First Bank approved a $3,060,000 loan continent upon a 16.67% ($510,000) Authority participation. Proceeds will be used to purchase the project property for Novo Marble LLC's new manufacturing facility and serve as the Company's operational hub for Northeast operations. The Company currently has 66 employees and plans to create 10 new positions within the next two years.

Small Business Fund Program:

1) A&C Liberty Realty Limited Liability Company (PROD-00324791), located in Hackensack City, Bergen County, is a real estate holding company formed in 2026 to purchase the project property. The operating company, Peak Valley Pure Water LLC ("Peak Valley"), was formed in 2023 to operate as a bottled water manufacturer. The Company is dedicated to producing water that goes through the best purification processes, including reverse osmosis and ozone sterilization. Peak Valley offers water delivery services, including 5-gallon water bottle refills and accessories such as dispensers and electric pumps, replacement caps and empty 5-gallon bottles. These services are provided to residential customers, re-sellers and commercial customers in Passaic, Bergen, Morris, Essex and Hudson counties. M&T Bank approved a $562,000 loan contingent upon a 40% ($250,000) Authority participation. Proceeds will be used to purchase the project property. Currently, the Company has 2 employees and plans to create 4 new jobs within the next two years.

2) Mercer Center for Implants and Periodontics at Princeton LLC ("MCIPP") (PROD-00324653), was formed in 2017 and has locations in Plainsboro Township, Middlesex County and Princeton Borough, Mercer County. MCIPP has been operating in Mercer County since its formation as a full-service periodontics practice led by a senior board-certified periodontist. The practice specializes in dental implant surgery including implant placements, tooth extractions, bone grafting, and sinus lift, as well as periodontal treatments such as osseous surgery, bone graft with biologics, gum grafting and surgeries in collaboration with orthodontic treatment. The NJEDA approved a loan not to exceed $500,000 to refinance four high-interest credit cards and two loans with multiple financial institutions. The Company currently has 10 employees and plans to create 12 new positions over the next two years.

Evan S. Weiss, CEO

Prepared by: G. Robins

TO: Members of the Authority

FROM: Evan S. Weiss, Chief Executive Officer

DATE: August 20, 2026

SUBJECT: Real Estate Development, Construction & Infrastructure, Delegated Authority for January 2026, February 2026 and March 2026- ***For Informational Purposes Only***

The following approvals were made pursuant to Delegated Authority for Leases and Licenses in January 2026, February 2026 and March 2026

LEASES

TENANT	LOCATION	TYPE	TERM	S.F.
Angis Bio Inc.	NJBSCI	Lease	One Year	1290sf
Enquyst Technologies	NJBSCI	Lease Amendment	5 months	2600sf
Anthorium Inc	NJBSCI	Lease	One year	200sf
Linus Bio	NJBSCI	Lease Extension	One Year	5277sf
Azure Biotech	NJBSCSOL	New Tenant	3 years	200sf
Histobridge	NJBSCSOL	Lease Amendment	3 years	1330sf

The following approvals were made pursuant to Delegated Authority for Procurement, including the issuance of Task Orders for January 2026, February 2026 and March 2026

DATE EXECUTED	ENTITY	PROJECT	TYPE	CONSIDERATION
1/6/2026	Property Title & Escrow	REGAP- 500 High Street, LLC	Procurement Including Task Orders	$301.50
1/12/26	Two Rivers Title	REGAP- Institute of Music for Children	Procurement Including Task Orders	$296.25
2/26/2026	Property Title & Escrow	LPA-Trenton	Procurement Including Task Orders	$295.00
2/26/2026	Two Rivers Title	LPA-Carteret	Procurement Including Task Orders	$290.00
3/11/2026	Property Title & Escrow	LPA City of Trenton	Procurement Including Task Orders	$295.00
3/11/26	Two Rivers Title	LPA City of Carteret	Procurement Including Task Order	$643.00

The following rights-of-entry/license agreements were approved under Delegated Authority for January 2026, February 2026 and March 2026

ENTITY	LOCATION	TYPE	TERM
NJDEP	Liberty State Park Revitalization Program	Right of Entry or Site License Agreement	One Year

The following modifications were approved under Delegated Authority for January 2026, February 2026, March 2026, April 2026, June 2026, and July 2026

DATE EXECUTED	ENTITY	PROJECT	TYPE
3/4/26	City of Paterson	UIF	Reallocation of Funds
3/9/26	City of Paterson	UIF	Reallocation of Funds

Evan S. Weiss, CEO

Prepared by: Cyndi Costello